IFCI LIMITED

(Promoted and Controlled by Government of India)

The Company was incorporated on May 21, 1993 under the Companies Act, 1956 as a public limited company under the name 'The Industrial Financial Corporation of India Limited' with corporate identity number L74899DL1993PLC053677 at Delhi with the Registrar of Companies, Delhi and Haryana and obtained the certificate of commencement of business on June 24, 1993. On October 27, 1999, our name was changed to our present name 'IFCI Limited'. For further details regarding changes to the name and registered office of our Company, see section titled "***History, Main Objects and Certain Corporate Matters***" on page 70 of this Draft Shelf Prospectus. **Registered and Corporate Office:** IFCI Tower, 61, Nehru Place, New Delhi- 110 019. **Tel:** +91 (11) 4179 2800/ 4173 2000. **Fax:** +91 (11) 2648 8471/ 2623 0201. **E-mail:** ifcipublicissue@ifciltd.com, **Website:** www.ifciltd.com. **Contact Person and Compliance Officer:** Ms. Barkha Chhabra, Deputy General Manager. **Tel:** +91 (11) 4173 2000, 24685610. **Fax:** +91 (11) 26230029. **E-mail:** bondscomplianceofficer@ifciltd.com.

PROMOTER OF THE COMPANY: PRESIDENT OF INDIA, THROUGH THE MINISTRY OF FINANCE, GOVERNMENT OF INDIA

PUBLIC ISSUE BY IFCI LIMITED ("COMPANY" OR "ISSUER" OR "IFCI") OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,000 EACH ("NCDs") FOR AN AMOUNT AGGREGATING UP TO Rs. 2,000.00 CRORE ("SHELF LIMIT") ("ISSUE"). THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES (EACH BEING A "TRANCHE ISSUE") SUBJECT TO THE SHELF LIMIT, IN ACCORDANCE WITH TERMS AND CONDITIONS SET OUT IN SEPARATE TRANCHE PROSPECTUS(ES) FOR EACH SUCH TRANCHE ISSUE WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS OF THE ISSUE. THE SHELF PROSPECTUS TOGETHER WITH THE RELEVANT TRANCHE PROSPECTUS FOR A SPECIFIC TRANCHE ISSUE SHALL CONSTITUTE THE "PROSPECTUS".

The Issue is being made pursuant to the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities), 2008, as amended (the "**SEBI Debt Regulations**").

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in relation to the Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention is invited to "***Risk Factors***" on page 9 of this Draft Shelf Prospectus and "***Material Developments***" in the relevant Tranche Prospectus(es) of any Tranche Issue before making an investment in such Tranche Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in India.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT AND ELIGIBLE INVESTORS

For details relating to eligible investors, coupon rate, coupon payment frequency, maturity date and maturity amount of the NCDs, please refer to the section titled as "***Terms of the Issue***" in the relevant Tranche Prospectus. For details relating to Eligible Investors please see "***The Issue***" in the relevant Tranche Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Shelf Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the Issue and that the information contained in this Draft Shelf Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes this Draft Shelf Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect at the time of the Issue.

CREDIT RATING

ICRA Limited has, vide its letter no. D/RAT/2014-15/1-57/6 dated September 26, 2014, assigned a credit rating of "[ICRA]A (Stable)" to the NCDs. Instruments with this rating are considered to have the adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2014-15/0211 dated September 26, 2014, assigned a credit rating of "BWR AA- (Outlook: Stable)" to the NCDs. Instruments with this rating are considered to have the High degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. These ratings are not a recommendation to buy, sell or hold securities, and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agency(ies) and should be evaluated independently of any other ratings. For the rationale for these ratings, see "***Annexure B – Credit Rating***".

PUBLIC COMMENTS

This Draft Shelf Prospectus dated September 29, 2014 has been filed with BSE Limited ("**BSE**"), the Designated Stock Exchange pursuant to the regulation 6A, 6(1) and 6(2) of the SEBI Debt Regulations. This Draft Shelf Prospectus is open for public comments for the period of 7 (Seven) Working Days of the date on which this Draft Shelf Prospectus is filed with BSE. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of Ms. Barkha Chhabra, Compliance Officer at the Registered and Corporate Office of the Company, at the following address: IFCI Tower, 61, Nehru Place, New Delhi- 110 019; Fax: +91 (11) 26230019; E-mail: bondscomplianceofficer@ifciltd.com. All comments must be received by the Issuer within 7 (Seven) Working Days of the date on which this Draft Shelf Prospectus is filed with BSE and by no later than 5.00 P.M. (Indian Standard Time) on such 7th (seventh) Working Day. Comments may be sent through post, fax or e-mail.

LISTING

The NCDs offered through this Draft Shelf Prospectus are proposed to be listed on BSE Limited ("**BSE**"), which has given its in-principle listing approval by letter No. [●], dated [●]. The Designated Stock Exchange for the Issue is BSE.

LEAD MANAGERS TO THE ISSUE

SBI CAPITAL MARKETS LIMITED 202, Maker Tower E, Cuffe Parade, Mumbai 400 005 Tel: +91 (22) 2217 8300 Fax: +91 (22) 2218 8332 Email: ifcibond2014@sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact person: Ms. Dhivya Ravikumar/ Mr. Aditya Deshpande Compliance Officer: Mr. Bhaskar Chakraborty SEBI Registration No.: INM000003531	**A. K. CAPITAL SERVICES LIMITED** 30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400021 Tel: +91 (22) 6754 6500/6634 9300 Fax: +91 (22) 6610 0594 Email: ifcibonds2014@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akcapindia.com Contact Person: Mr. Mandeep Singh / Ms. Akshata Tambe Compliance Officer: Mr. Vikas Agarwal SEBI Registration No.: INM000010411	**EDELWEISS FINANCIAL SERVICES LIMITED** Edelweiss House, Off CST Road, Kalina, Mumbai 400 098 Tel: +91 (22) 4086 3535 Fax: +91 (22) 4086 3610 Email: ifcibonds@edelweissfin.com Investor grievance email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr. Lokesh Singhi Compliance Officer : B. Renganathan SEBI Registration No.: INM0000010650	**RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED** 47. M.M Road, Rani Jhansi Marg Jhandewalan, New Delhi- 110 055 Tel: +91 (11) 2363 6362/63 Fax: +91 (11) 2363 6746 Email: ifcibonds2014@rrfcl.com Investor Grievance Email: investors@rrfcl.com Website: www.rrfcl.com/www.rrfinance.com Contact Person: Mr.Anurag Awasthi Compliance Officer: Mr.Ravi Kant Goyal SEBI Registration No.: INM000007508

DEBENTURETRUSTEE	**REGISTRAR TO THE ISSUE**
AXIS TRUSTEE SERVICES LIMITED 2nd Floor, Axis House, Bombay Dyeing Mills Compound Pandurang Budhkar Marg, Mumbai 400 025 Tel: +91 (22) 2425 5206 Fax: +91 (22) 2425 4200 Email: debenturetrustee@axistrustee.com Investor Grievance Email : complaints@axistrustee.com Website:www.axistrustee.com Contact Person: Mr Neelesh Baheti, Chief Operating Officer Compliance Officer: Mr D J Bora SEBI Registration No.: IND000000494	**KARVY COMPUTERSHARE PRIVATE LIMITED** Plot No. 17 to 24, Vithal Rao Nagar Madhapur, Hyderabad 500 081 Tel: +91(40) 4456 5000 Fax: +91 (40) 2343 1551 Investor Help line no.: 1-800-3454001 Email ID: ifci.bonds@karvy.com Investor Grievance ID: einward.ris@karvy.com Website: http://karisma.karvy.com Contact Person : Mr. M. Murali Krishna SEBI Registration Number: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON	ISSUE CLOSES ON*
As specified in the relevant Tranche Prospectus	As specified in the relevant Tranche Prospectus

**The subscription list for the Issue shall open for subscription on Working Days from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or the Board Committee subject to necessary approval. In the event of such early closure or extension of the Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in atleast one leading national daily newspaper with wide circulation.*

Axis Trustee Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated September 23, 2014 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus and all subsequent periodical communications sent to the holders of the NCDs issued, pursuant to this Issue.

*A copy of the Shelf Prospectus and the relevant Tranche Prospectus shall be filed with the Registrar of Companies, National Capital Territory of Delhi, in terms of Section 26 and Section 31 of the Companies Act, 2013, along with the requisite endorsed/ certified copies of all documents For more information, see ""**Material Contracts and Documents for Inspection"** on page 159 of this Draft Shelf Prospectus.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Shelf Prospectus uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meaning provided below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
"Issuer", "IFCI", "our Company" or "the Company"	IFCI Limited, a company incorporated under the Companies Act, 1956 and having its registered office at IFCI Tower, 61, Nehru Place, New Delhi 110019
"We" or "us", "our"	IFCI Limited and its Subsidiaries, unless the context requires otherwise
ACE	Assets Care and Reconstruction Enterprises Limited
Articles/ Articles of Association/AoA	Articles of Association of the Company
Associate Company(ies)	TFCIL, NITCON, HIMCON, HARDICON, RAJCON and KITCO
Auditors/ Statutory Auditors	ASA and Associates and ANDROS and Company, Chartered Accountants, being the joint statutory auditors of the Company
Board/ Board of Directors	Board of Directors of the Company
Board Committee	Committee constituted by the Board of Directors in their meeting held on August 12, 2014
Equity Shares	Equity Shares of the Company of face value Rs. 10 each
HARDICON	HARDICON Limited
HIMCON	Himachal Consultancy Organisation Limited
IFIN	IFCI Financial Services Limited
IFIN Commodities	IFIN Commodities Limited (Wholly owned subsidiary of IFIN)
IFIN Credit	IFIN Credit Limited (Wholly owned subsidiary of IFIN)
IFIN Securities	IFIN Securities Finance Limited (Wholly owned subsidiary of IFIN)
IFL	IFCI Factors Limited
IIDL	IFCI Infrastructure Development Limited
IRPL	IIDL Realtors Private Limited (Wholly owned subsidiary of IIDL)
IVCFL	IFCI Venture Capital Funds Limited
KITCO	KITCO Limited
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of the Company
MPCON	MPCON Limited
NITCON	North India Technical Consultancy Organisation Limited
Registered Office and Corporate Office	IFCI Tower, 61 Nehru Place, New Delhi - 110 019
RAJCON	Rajasthan Consultancy Organisation Limited
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana
SHCIL	Stock Holding Corporation of India Limited
SPL	SHCIL Projects Limited (Wholly owned subsidiary of SHCIL)
SSL	SHCIL Services Limited (Wholly owned subsidiary of SHCIL)
Subsidiaries	IFIN, IFIN Commodities, IFIN Credit, IFIN Securities, IFL, IIDL, IRPL, IVCFL, MPCON, SCHIL, SPL and SSL
TFCIL	Tourism Finance Corporation of India Limited

Issue Related Terms

Term	Description
A. K. Capital	A. K. Capital Services Limited
Allotment/ Allot/ Allotted	Issue and allotment of NCDs to the Allottees pursuant to the Issue
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee	Successful Applicant to whom NCDs are allotted pursuant to the Issue
Applicant/ Investor	A person who makes an offer to subscribe to the NCDs pursuant to the terms of the Shelf Prospectus, relevant Tranche Prospectus(es) and Application Form for any Tranche Issue
Application	An application to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the respective Tranche Prospectus
Application Amount	Aggregate value of NCDs applied for, as indicated in the Application Form
Application Form	Form used by an Applicant for applying for NCDs through ASBA or non-ASBA process and which will be considered as the application for Allotment of NCDs in terms of the relevant Tranche Prospectus(es)
Application Supported by Blocked Amount/ASBA/ ASBA Application	The application (whether physical or electronic) used by an ASBA Applicant to make an Application authorising the SCSB to block the Application Amount in a specified bank account maintained with such SCSB
ASBA Account	An account maintained with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant
ASBA Applicant	Any applicant who applies for the NCDs through the ASBA process
Base Issue Size	The base issue size as may be defined in the relevant Tranche Prospectus(es)
Basis of Allotment	As specified in the relevant Tranche Prospectus(es)

Term	Description
Category I (QIBs)	Public financial institutions as defined in Section 2 (72) of the Companies Act, 2013 as amended, Indian alternative investment funds and venture capital funds registered with SEBI, Scheduled commercial banks, Indian Mutual funds registered with SEBI, Statutory corporations including State Industrial Development Corporations, Insurance companies registered with the Insurance Regulatory and Development Authority, Provident funds with a minimum corpus of Rs. 25.00 crore, Pension funds with a minimum corpus of Rs. 25.00 crore, superannuation funds and gratuity funds, The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, Insurance funds set up and managed by the army, navy, or air force of the Union of India, and Insurance funds set up and managed by the Department of Posts, India, and authorised to invest in NCDs
Category II (Domestic Corporates)	Companies within the meaning of section 2(20) of the Companies Act, 2013, Limited Liability Partnerships registered under the provisions of the LLP Act, Trusts settled under the Indian Trusts Act, 1882, public/private charitable/religious trusts settled and/or registered in India under applicable laws, Partnership firms formed under applicable laws of India, in the name of partner, Cooperative banks, regional rural banks incorporated in India, Societies registered under the applicable law in India, Resident Indian scientific and/or industrial research organizations, Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment and authorised to invest in NCDs
Category III (Domestic High Networth Individuals/HNIs)	High net worth individuals (including HUFs applying through their Kartas who have applied for NCDs for an amount more than Rs. 2.00 lakh in the Issue across all Series of NCDs
Category IV (Retail Individual Investors)	Individual investors (including HUFs applying through their Kartas who have applied for NCDs for an amount less than or equal to Rs. 2.00 lakh in the Issue across all Series of NCDs
Consolidated Debenture Certificate	In case of NCDs applied for in physical form or rematerialized NCDs held in physical form, the certificate issued by the Company to the Debenture holder for the aggregate amount of NCDs that are rematerialized and held by such Debenture holder
Consortium Members	As specified in the respective Tranche Prospectus(es)
Consortium Agreement	Agreement dated **[●]** entered into between the Company and the Consortium Members
Credit Rating Agencies	ICRA and Brickwork
Collection Centres	Collection Centres shall mean those branches of the Bankers to the Issue that are authorised to collect the Application Forms (other than ASBA) as per the Escrow Agreement to be entered into by the Company, Bankers to the Issue, Registrar and Lead Managers
Debentures/ NCDs	Redeemable, secured, non -convertible debentures of face value of Rs. 1,000 each, proposed to be issued by the Company pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es).
Debenture holder(s)	Any person holding NCDs and whose name appears on the beneficial owners list provided by the Depositories (in case of NCDs held in dematerialised form) or whose name appears in the Register of Debenture holders maintained by the Company (in case of NCDs held in physical form)
Debenture Certificate(s)	Certificate issued to Debenture holder(s) pursuant to Allotment, in case the Applicant has opted for physical debentures based on the request from the Debenture holders
Debenture Trust Agreement	Debenture trust agreement dated September 26, 2014 entered into between the Debenture Trustee and the Company
Debenture Trust Deed	Debenture trust deed to be entered into between the Debenture Trustee and the Company
Debenture Trustee	Trustee for the Debenture holders in this case being Axis Trustee Services Limited
Deemed Date of Allotment	The date on which, the Board of Directors or Board Committee approves the Allotment of NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or Board Committee and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by Tranche Prospectus(es)) shall be available from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant such as his/ her address, occupation, PAN, bank account details, category etc. for printing on refund orders or used for refunding through electronic mode as applicable
Designated Branches	All branches of the SCSBs which shall collect the Application Form used by ASBA Applicants, a list of which is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or such other website as may be prescribed by the SEBI from time to time
Designated Date	Date on which Application Amounts are transferred from the Escrow Account(s) and ASBA Accounts to the Public Issue Account or the Refund Account, as appropriate, following which the Board of Directors, or the Board Committee, shall Allot the NCDs to the successful Applicants
Designated Stock Exchange	BSE
Direct Online Application	The Application made using the online interface and online payment facility of the Stock Exchanges, as applicable. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in dematerialized form
Draft Shelf Prospectus	This draft shelf prospectus dated September 29, 2014 filed by the Company with the Designated Stock Exchange and shall be open for public comments for 7 (seven) Working Days, in accordance with the SEBI Debt Regulations
Edelweiss	Edelweiss Financial Services Limited
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s), in whose favour Applicants (other than ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting an Application for each Tranche Issue
Escrow Agreement	Agreement dated [●] entered into by the Company, the Lead Managers, Registrar to the Issue, and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants (other than ASBA Applicants) on the terms and conditions thereof

Term	Description
Escrow Collection Bank(s)/ Bankers to the Issue	Banks which are clearing members and registered with SEBI with whom the Escrow Account will be opened, in this case being [●]
Interest Payment Date/ Coupon Payment Date	The date on which interest on NCDs shall fall due for payment as specified in the respective Tranche Prospectus(es)
Issue	Public issue of the secured redeemable non-convertible debentures of face value of Rs. 1,000 each, proposed to be issued by the Company pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es), for an amount aggregating upto the Shelf Limit of Rs. 2,000.00 crore. The NCDs will be issued in one or more tranches (each being a "Tranche Issue") subject to the Shelf Limit.
Issue Agreement	The agreement dated September 27, 2014 entered into between the Company and the Lead Managers
Issue Period	The period between the Tranche Issue Opening Date and the Tranche Issue Closing Date inclusive of both days, during which a prospective investor may submit their Application Forms
Lead Managers/ LMs	SBICAP, A. K. Capital, Edelweiss and RR Investors
Limited Review Financial Statements	The unaudited financial results of the Company for the 3 (Three) months ended June 30, 2014 on which the auditor's have prepared a limited review report. For details, see the section titled "***Annexure A – Financial Statements***" of this Draft Shelf Prospectus
Lien Receivables	The specified designated accounts over which a negative lien has been created by the Company in favour of OBC and BOB
Market Lot	One NCD
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. **OCBs are not permitted to invest in the Issue**
Offer Documents	Draft Shelf Prospectus, Shelf Prospectus and the Tranche Prospectus(es)
Public Issue Account	Account opened with the Escrow Collection Bank(s) to receive monies from the Escrow Account(s) and the ASBA Accounts, on the Designated Date
Record Date	Date falling 15 (fifteen) days prior to the relevant Interest Payment Date on which interest or the Maturity Date on which the Maturity Amount is due and payable under the relevant Tranche Prospectus(es). In the event the Record Date falls on a Saturday, Sunday or a Public holiday in New Delhi, the previous Working Day shall be considered as the Record Date.
Redemption Amount or Maturity Amount	The amount payable by the Company to the relevant Debenture holder at the time of redemption of NCDs, including any amount of Coupon/ Interest accrued as on the Redemption Date.
Redemption Date or Maturity Date	The date(s) on which the NCDs issued under different Series fall due for redemption as specified in the relevant Tranche Prospectus(es).
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount (excluding application amounts from ASBA Applicants) shall be made
Refund Bank	As specified in the respective Tranche Prospectus(es)
Reformatted Consolidated Financial Statements	The statement of reformatted consolidated assets and liabilities of the Company for the Fiscal ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related statement of reformatted consolidated statement of profits and loss and the related statement of reformatted consolidated cash flow for the Fiscal ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 as examined by our Company's Statutory Auditors
Reformatted Financial Statements	Reformatted Consolidated Financial Statements and Reformatted Standalone Financial Statements. For details, see the section titled ***"Annexure A- Financial Statements"*** of this Draft Shelf Prospectus.
Reformatted Standalone Financial Statements	The statement of reformatted standalone assets and liabilities of the Company for the Fiscal ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related statement of reformatted standalone statement of profits and loss and the related statement of reformatted standalone cash flow for the Fiscal ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 as examined by our Company's Statutory Auditors
Register of Debenture holders	Register of Debenture holders maintained by the Issuer in accordance with the Companies Act and as detailed in "***Terms of the Issue – Rights of Debenture holders***" on page 133 of this Draft Shelf Prospectus
Registrar Agreement	Agreement dated September 26, 2014 entered into between the Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar to the Issue or Registrar	KARVY Computershare Private Limited
Resident Individual	Individual who is a person resident in India as defined under the Foreign Exchange Management Act, 1999
RR Investors	RR Investors Capital Services Private Limited
SBICAP	SBI Capital Markets Limited
Self Certified Syndicate Banks or SCSBs	The banks registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, a list of which is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. A list of the branches of the SCSBs where Application Forms will be forwarded by such Members of the Syndicate is available at www.sebi.gov.in
Series of NCDs or Series	A series of NCDs, which are identical in all respects including but not limited to terms and conditions, listing and ISIN number (in the event that NCDs in a single Series of NCDs carry the same coupon/ interest rate) and as further stated to be an individual "Series" in the relevant Tranche Prospectus(es)
Shelf Limit	The aggregate limit of the Issue being 2,000.00 crore to be issued as per the terms of the Shelf Prospectus, through one or more tranches

Term	Description
Shelf Prospectus	The shelf prospectus to be filed by our Company with the RoC, Stock Exchange and SEBI pursuant to the provisions of the SEBI Debt Regulations
Specified Cities/ Syndicate ASBA Locations	Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the Members of the Syndicate shall accept Application Forms under the ASBA process in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011, dated April 29, 2011
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website(s) as may be prescribed by SEBI from time to time
Stock Exchanges	BSE and NSE
Sub-Consortium Member(s)	The brokers and sub-brokers appointed by the Consortium Members to procure Applications for the Issue, either by themselves or through agents/ sub-brokers appointed by the Sub-Consortium Members
Syndicate or Members of the Syndicate	Collectively, the Lead Managers and the Consortium Members and Sub-Consortium Members
Trading Lot	One NCD
Trading Member	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with BSE under the applicable byelaws, rules, regulations, guidelines, circulars issued by the relevant Stock Exchanges from time to time
TRS/ Transaction Registration Slip	The acknowledgement or document issued by any of the Members of the Syndicate, SCSBs or Trading Members of the Stock Exchange(s), as the case may be, to an Applicant upon demand as proof of registration of Application for NCDs
Tranche Issue	Issue of NCDs as per the terms specified in each Tranche Prospectus(es)
Tranche Issue Closing Date	Issue closing date, as specified in the relevant Tranche Prospectus(es), for the relevant Tranche Issue or such other date as may be decided by the Board of Directors or Board Committee
Tranche Issue Opening Date	Issue opening date, as specified in the relevant Tranche Prospectus(es), for the relevant Tranche Issue, or such other date as may be decided by the Board of Directors or Board Committee
Tranche Prospectus	The tranche prospectus containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection of the relevant Tranche Issue
Tripartite Agreements	Tripartite agreement dated November 3, 2011 between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated November 9, 2011 between the Company, NSDL and the Registrar to the Issue
Working Days	All days excluding Sundays or a public holiday in New Delhi, India, except with reference to Issue Period and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in New Delhi, India

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
AADHAR	AADHAR is a 12-digit unique number which the Unique Identification Authority of India {UIDAI} has issued/ will issue for all residents of India.
AD	Authorised Dealer
AGM	Annual General Meeting
AMC	Asset management company
AS	Accounting Standards issued by the ICAI
BOB	Bank of Baroda
Borrowing in Rupees Regulations	FEMA (Borrowing or Lending in Rupees) Regulations, 2000, as amended and supplemented from time to time
Brickwork	Brickwork Rating India Private Limited
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARE	Credit Analysis & Research Limited
CDSL	Central Depository Services (India) Limited
Civil Procedure Code	Code of Civil Procedure, 1908, as amended and supplemented from time to time
Companies Act, 1956	Companies Act, 1956 as amended and supplemented from time to time and to the extent in force as on the date of this Draft Shelf Prospectus
Companies Act, 2013	Companies Act, 2013 as amended and supplemented from time to time and to the extent in force as on the date of this Draft Shelf Prospectus
Competition Act	Competition Act, 2002, as amended and supplemented from time to time
CRISIL	CRISIL Limited
CSR	Corporate Social Responsibility
Debt Listing Agreement	The debt listing agreement entered into by the Company with the Stock Exchanges
Depository(ies)	CDSL and NSDL
Depositories Act	Depositories Act, 1996, as amended and supplemented from time to time
DIN	Directors Identification Number
DP/ Depository Participant	Depository Participant, as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
DTC	Direct Tax Code

Term/Abbreviation	Description/ Full Form
ESOP	Employee Stock Option Plan
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended and supplemented from time to time
FEMA 20	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and supplemented from time to time
FII	Foreign Institutional Investor
FIMMDA	Fixed Income Money Market and Derivative Association of India
FIPB	Foreign Investment Promotion Board
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
GDP	Gross Domestic Product
GoI or Government or Central Government	Government of India
HUFs	Hindu Undivided Families
ICAI	Institute of Chartered Accountants of India
ICRA	ICRA Limited
IFC Act, 1948	Industrial Finance Corporation Act, 1948, which was repealed on July 1, 1993
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IRDA	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
IRRPL	India Ratings and Research Private Limited
Income Tax Act	Income Tax Act, 1961, as amended and supplemented from time to time
India	Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
KYC	Know your customer
LIBOR	London Inter-Bank Offer Rate
LIC	Life Insurance Corporation of India
LLP Act	Limited Liability Partnership Act, 2008, as amended and supplemented from time to time
Loan Book	Outstanding loans net of provisions made for NPAs
MF	Mutual Fund
MoF	Ministry of Finance, GoI
MCA	Ministry of Corporate Affairs, GoI
MICR	Magnetic Ink Character Recognition
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non Banking Finance Company, as defined under applicable RBI guidelines
NBFC-ND-SI	Systematically Important Non- deposit Non Banking Finance Company
NBFC Prudential Norms	Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007, as amended and supplemented from time to time
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSSF	National Small Savings Fund
OBC	Oriental Bank of Commerce
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
Person Resident Outside India	A person who is not a Person Resident in India (as defined under FEMA)
PFI	Public Financial Institution, as defined under Section 2(72) of the Companies Act, 2013
PIO	Person of Indian Origin
PPP	Public Private Partnership
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended and supplemented from time to time
Rs. or Rupees or Indian Rupees	Lawful currency of India
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended and supplemented from time to time
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Fund) Regulations, 1996, as amended and supplemented from time to time
Securities Act	United States Securities Act, 1933, as amended and supplemented from time to time
Trusts Act	Indian Trusts Act, 1882, as amended and supplemented from time to time
UAN	Unique application number
U.S.A	United States of America
Venture Capital Funds or VCFs	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI

Technical and Industry Related Terms

Term/Abbreviation	Description/ Full Form
KfW	*KfW* banking group, a German government-owned development bank
Net Sanction	Amount calculated after reducing the unallocated amount to the Company and the cancelled loans from the gross sanction amount
NPA	Non Performing Assets
Yield	Ratio of interest income to the daily average of interest earning assets

Notwithstanding the foregoing, terms in "***Main Provisions of the Articles of Association***", "***Statement of Tax Benefits***", "***Regulations and Policies***" on page 158, 49 and 112, respectively of this Draft Shelf Prospectus, and "***Annexure A - Financial Statements***", shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATON

Certain Conventions

All references in this Draft Shelf Prospectus to "**India**" are to the Republic of India and its territories and possessions.

Financial Data

Our Company publishes its financial statements in Rupees. Our Company's financial statements are prepared in accordance with Indian GAAP, the Companies Act, 1956 and the Companies Act, 2013.

Unless stated otherwise, the financial data in this Draft Shelf Prospectus is derived from: (i) Reformatted Financial Statements; and/or (ii) Limited Review Financial Statements. In this Draft Shelf Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points. The audit for the years ended March 31, 2010, March 31, 2011 and March 31, 2012 was conducted by Chokshi & Chokshi, Chartered Accountants. The audit for the year ended March 31, 2013 was conducted by Ray & Ray Chartered Accountants. The audit for the year ended March 31, 2014, and the Limited Review Financial Statements was conducted jointly by Thakur, Vaidyanath Aiyar & Co and Andros & Company, Chartered Accountants.

The current financial year of the Company commences on April 1 and ends on March 31 of the next year, so all references to particular "financial year", "fiscal year", and "Fiscal" or "FY", unless stated otherwise, are to the 12 months period ended on March 31 of that year.

The degree to which the financial statements included in this Draft Shelf Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Shelf Prospectus should accordingly be limited.

Currency and Unit of Presentation

In this Draft Shelf Prospectus, references to 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India and references to 'US$', 'USD', and 'U.S. dollars' are to the legal currency of the United States of America and references to 'Euro' and '**€**' are to the legal currency of the European Union.

Industry and Market Data

Any industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which the Company competes. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable but it has not been independently verified by us or its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although the Company believes the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the Company conducts its business, and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates of the US$ and **€** as at June 30, 2014, March 31, 2014, 2013, 2012, 2011 and 2010 are provided below:

Currency	Exchange Rate into Rs. as at June 30, 2014	Exchange Rate into Rs. as at March 28, 2014^	Exchange Rate into Rs. as at March 28, 2013	Exchange Rate into Rs. as at March 30, 2012#	Exchange Rate into Rs. as at March 31, 2011	Exchange Rate into Rs. as at March 31, 2010
1 US$	60.09	60.09	54.39	51.15	44.65	45.14
1 €	82.00	82.00	69.54	68.34	63.24	60.56

Source: RBI Reference Rates (www.rbi.org.in)
^ March 29, 2014 was a holiday and March 30, 2014 and March 31, 2014 were trading holiday; hence, exchange rates for last working day of March, 2014 i.e March 28, 2014 have been used.
***March 29, 2013 was a holiday and March 30, 2013 and March 31, 2013 were trading holiday; hence, exchange rates for last working day of March, 2013 i.e March 28, 2013 have been used.*
 # March 31, 2012 was a trading holiday; hence, exchange rates for last working day i.e. March 30, 2012 have been used.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'seek,' 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- inherent risks in infrastructure financing, to the extent they materialize;
- our ability to comply with certain specific conditions prescribed by the Government of India ("**GoI**") in relation to our business or any changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which the Company borrows from banks/financial institutions;
- limited recourse in the event of default by our borrowers;
- credit and market risks, affecting our credit ratings and our cost of funds;
- unavailability of financing at commercially acceptable terms, or at all;
- concentration of our exposure to certain sectors, areas and borrowers;
- foreign currency borrowings as well as financing activities, which will expose us to fluctuations on foreign exchange rates;
- we may face asset-liability mismatches, which could affect our liquidity;
- our provisioning norms may not be indicative of the expected quality of our loan portfolio;
- changes in political conditions in India and internationally;
- governmental and regulatory actions that may affect our business or our industry;
- other factors discussed in this Draft Shelf Prospectus, including under "***Risk Factors***" on page 9 of this Draft Shelf Prospectus.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the section titled "***Risk Factors***" and chapters titled "***Industry Overview***" and "***Business***" beginning on pages 9, 52 and 58, respectively of this Draft Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "***Industry Overview***", "***Business***" and "***Material Developments***" on page 52, 58 and 123, respectively. The forward-looking statements contained in the Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, the Company cannot assure Investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. Neither our Company or the Lead Managers, nor any of their respective affiliates has any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by BSE.

SECTION II - RISK FACTORS

*You should carefully consider all the information in this Draft Shelf Prospectus, including the risks and uncertainties described below, and under "**Business**" on page 58 of this Draft Shelf Prospectus and "**Annexure A - Financial Statements**", before making an investment in the NCDs. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to the Company or that the Company currently believes to be immaterial may also have an adverse effect on its business, prospects, results of operations and financial condition. If any of the following or any other risks actually occur, the Company's business, prospects, results of operations and financial condition could be adversely affected and the price and value of your investment in the NCDs could decline such that you may lose all or part of your investment.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where such implications are not quantifiable and hence any quantification of the underlying risks has not been disclosed in such risk factors. The numbering of risk factors has been done to facilitate ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another.

You should not invest in the Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your own tax, financial and legal advisors about the particular consequences of an investment in the NCDs.

Unless otherwise stated, our financial information used in this section is derived from our Reformatted Financial Statements, prepared in accordance with accounting standards generally accepted in India and Limited Review Financial Statements.

Risks in Relation to our Business

1. If the level of NPAs in our loan portfolio were to increase, our financial condition would be adversely affected.

Our lending activities are exposed to credit risk arising from the risk of default and non-payment by borrowers and other counterparties. As at June 30, 2014 our Gross and Net NPAs stood at Rs. 3,281.00 crore and Rs. 2,142.00 crore, respectively. The percentage of Net NPA to Net Advances as at June 30, 2014 stood at 10.8%. We cannot assure that we will be able to improve our collections and recoveries in relations to the NPAs or otherwise adequately control our level of NPA in the future. While best effort will be made to reduce the NPA level from its current level, there is no assurance that the NPA level will be reduced or will continue to stay at its current level in future and that the possibility of the NPA level remaining relatively high cannot be ruled out. If the quality of our loan portfolio deteriorates or if we are unable to implement effective monitoring and collection methods, our results of operations and financial condition may get adversely affected.

Our borrowers and/or guarantors and/or third parties may default in their repayment obligations due to various reasons including insolvency, lack of liquidity, and operational failure. Moreover, as our loan portfolio matures, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control or reduce our level of NPAs, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected. Furthermore, our current provisions may not be comparable to those of other financial institutions. We have made provisions of Rs. 1,329.00 crore in respect of gross NPAs as on March 31, 2014. In addition, as on March 31, 2014 we have made provisions of Rs. 72.55 crore in respect of standard assets. There can be no assurance that there will be a decrease in our NPA provisions as a percentage of assets, or that the percentage of NPAs that we will be able to recover. In the event of any further deterioration in our Portfolio, there could be a more adverse impact on our business, future financial performance and results of operations.

2. In addition to our Rupee borrowings and financial activities, we currently have foreign currency borrowings, exposing us to fluctuations in foreign exchange rates

As on June 30, 2014, we have outstanding external borrowings of Rs. 581.52 crore from KfW. Any adverse fluctuation in the exchange rate may increase the cost of the borrowings. We may seek to obtain additional foreign currency borrowings in the future. We may therefore get affected by adverse movements in foreign exchange rates. While we have a derivative and hedging policy approved by our Board there can be no assurance that our hedging policies and mechanisms will fully mitigate the exchange rate risk. To the extent we increase our foreign currency borrowing in the future, we may be further exposed to fluctuations in foreign currency rates. Volatility in foreign exchange rates could adversely affect our business, prospects, results of operations and financial condition. Further, adverse movement of foreign exchange rates may also affect our borrowers negatively, which may in turn adversely affect the quality of our exposure to these borrowers. For more information, see ***"Description of Certain Indebtedness"*** on page 92 of this Draft Shelf Prospectus.

3. We are subjected to supervision and regulation by the RBI as a NBFC-ND-SI, and changes in RBI's regulations governing us could adversely affect our business

We are subject to the RBI's guidelines on the regulation of NBFCs, including capital adequacy, exposure and other prudential norms. For instance, all non - deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items w.e.f. March 31, 2012. Our capital adequacy ratio computed on the basis of applicable RBI requirements was 20.8% as at June 30, 2014, with Tier I capital being 13.7% as at June 30, 2014. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector. In case of any unfavourable changes that the RBI may introduce in future could adversely affect our business, profitability and cash flows. While we will take adequate measures, we cannot assure you that we will be able to timely adapt to new laws, regulations or policies that may come into effect from time to time with respect to the financing of NBFC sector specifically and regulatory regime in general. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, results of operations and financial condition.

Compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of our Company could be adversely affected. There can be no assurance that changes in these regulations and the enforcement of existing and future rules by governmental and regulatory authorities will not adversely affect our business and future financial performance. For further details, see the section titled "***Regulations and Policies***" on page 112 of this Draft Shelf Prospectus.

4. We are affected by volatility in interest rates for our lending and investment operations as well as the rates at which the Company borrows funds, which could adversely affect our return on assets and profitability.

Our business depends on interest income from our loans, advances and investments made by us and the interest rates at which we borrow funds. Accordingly, we are affected by volatility in interest rates in our borrowing, lending and investment operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of RBI, deregulation of the financial sector in India, domestic and international economic and political scenario and other factors. Further, rise in inflation and consequent increase in interest rates, repo rates (the rates at which RBI lends to commercial banks) by RBI has led to an increase in interest rates on loans provided by banks and financial institutions. Due to these factors, interest rates in India have experienced a relatively high degree of volatility.

Our net interest margins are determined by the cost of our funding relative to the pricing of our loan products. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control. In the event we were to suffer a decline in net interest margins, we would be required to increase our lending activity in order to maintain our profitability. However, there can be no assurances that we will be able to do so and we may suffer reduced profitability or even loss in the event our net interest margins were to decrease, which may adversely affect our business, prospects, results of operations and financial condition.

As of June 30, 2014, Loan Book of Rs. 10462.93 crore or 49.85% of the loan were in the nature of fixed rate loans. When interest rates decline, we may be subject to greater re-pricing and prepayment risks. During periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to re-price loans. When assets are re-priced, the spread on loans, which is the difference between the average yield on loans and the average cost of funds, could be affected. If we re-price loans, our financial results may be adversely affected in the period in which the re-pricing occurs.

When interest rates increase, in case we are unable to pass on such increase to the borrowers in full by increasing the corresponding lending interest rates, it could adversely affect our net interest margin and profitability.

5. We have entered into related party transactions and may continue to enter into related party transactions.

We have entered into related party transactions, within the meaning of AS 18 as issued by the Companies (Accounting Standards) Rules, 2006. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For further details, please refer to statement of related party transactions in "***Annexure A -Financial Statements***" of this Draft Shelf Prospectus.

6. We are involved in certain legal and other proceedings and we cannot assure you that we will be successful in all of these actions. In the event we are unsuccessful in litigating any or all of the disputes, our business and results of operations may be adversely affected.

Our Company is involved in certain legal proceedings, including civil suits, consumer cases and tax disputes. These legal proceedings are pending at different levels of adjudication before various courts, investing authorities and tribunals. For further details in relation to legal proceedings, see the section titled "***Material Litigations***" on page 105 of this Draft Shelf Prospectus.

We incur cost in defending these proceedings. We cannot provide any assurance in relation to the outcome of these proceedings. Any adverse decision may have an adverse effect on our business, financial condition and results of operations. Further, there is no assurance that similar proceedings will not be initiated against us in the future.

7. Our statutory auditors have expressed certain opinions in their audit report on our financial statements in the past and any qualifications in the auditor's report in the future may impact our results of operations.

Our statutory auditors have made remarks in their audit report with respect to certain matters in the financial statements for the Fiscal 2014, 2013, 2012, 2011 and 2010. For more information, see "***Annexure A - Financial Statements***" of this Draft Shelf Prospectus.

Remarks in the Audit Report of the Standalone Financial Statements:

Financial Year	***Report***	***Particulars of reservations, qualification or adverse remarks of the auditors***
2009-10	*Auditors' Report and Annexure thereto*	*Annexure to the Audit Report under Companies (Auditor's Report) Order, 2003* ***Clause (xi):*** *According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, except the differential interest in respect of certain bonds which are in the process of restructuring.*

Remarks in the Audit Report of the Consolidated Financial Statements:

Financial Year	***Report***	***Particulars of reservations, qualification or adverse remarks of the auditors***
2011-12	*Independent Auditors Report*	***5. Basis of qualified opinion:*** *a. attention is invited to the note no. 37 to the financial statements regarding payment of remuneration in excess of maximum limit specified in schedule XIII to the Companies Act, 1956 to the Ex – Managing Director the extent of Rs. 0.28 crore. The company has filed the necessary application for the waiver of the excess remuneration which is awaited.* *b. Loan of Rs. 0.42 crore given to a relative of the Managing Director without prior approval of the Central Government given in earlier years. The loan amount was written off from the books of accounts during the year.* ***6. Opinion*** *Based on our audit as aforesaid, we report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the IFCI Group, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies and notes thereon subject to the para 5 above give a true and fair view in conformity with the accounting principles generally accepted in India.*
2010-11	*Auditors' Report*	***5.*** *Based on our audit as aforesaid, we report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the IFCI Group, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies in Schedule XX and notes appearing thereon except that loan of Rs 0.42 Crores given to a relative of the Managing Director, included in Schedule XI, without prior approval of the Central Government, give a true and fair view in conformity with the accounting principles generally accepted in India.*

8. The projects for which we have provided, or may in the future provide, financial assistance, further financing may be delayed, modified or cancelled, which would adversely affect the ability of our borrowers to repay their loans.

Factors beyond our control or the control of our borrowers may postpone a project or cause its cancellation. Such factors could include delays or failures to obtain necessary permits and approvals, labour disputes, and other types of difficulties or obstructions. Any delay, failure or execution difficulty with respect to projects for which we provide financing could materially affect the ability of the borrowers to repay their loans, which would have an adverse effect on our business, prospects, results of operations and financial condition.

Further, we provide loans to select growing enterprises against the various securities. We do not manage, operate or control such companies and have no control over their functions or operations. These investments will be subject to the risk that such companies may make business, financial or management decisions with which we do not agree, or that the majority shareholders or the management of such companies may take business, financial or management decisions that may be adverse to, or otherwise act in a manner that does not serve, our interest. The repayment of the loans extended to such companies will depend to a significant extent on the specific management team of the relevant debtor company. The actions taken by the management of our customers may lead to significant losses, affecting their ability to repay our loans and consequently adversely affect our financial performance.

9. Our success depends on our management team and skilled personnel and our ability to attract and retain such persons.

We have 231 employees as on August 31, 2014. Besides the Managing Director and Deputy Managing Director, the officers in the executive rank include 2 executive directors, 5 chief general managers, 22 general managers, 39 deputy general managers. Our future performance will be dependent on the continued service of our management team and our ability to attract and retain skilled personnel, as we rely on their experience and their ability to identify risks and opportunities in our business, and grow our business activities.

Considering the compact nature of our management team, our ability to identify, recruit and retain our employees is critical. We do not maintain any keyman insurance policy. As common to the non banking finance industry we also face a continuing challenge to recruit and retain a sufficient number of suitably skilled personnel, knowledgeable in sectors to which we lend. There is significant competition in India for such personnel, and it may be difficult to attract, adequately compensate and retain the personnel we need in the future. Inability to attract and retain appropriate and adequate managerial personnel, or the loss of key personnel could adversely affect our business, prospects, results of operations, financial condition. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations.

10. We would have limited recourse in the event of default by our borrowers, and may not be able to recover the full, or any, amount of financing extended by us to them.

Any lending or investment activity involves credit risk arising from the risk of default and non-payment by borrowers and other counterparties. The borrowers may default in their repayment obligations due to various reasons, including insolvency, lack of liquidity and operational failure. 95% of the total outstanding loans and advances as of June 30, 2014 are secured by a charge on books debts, pledge of shares, bank guarantee, equitable mortgage on fixed assets, hypothecation of movable assets and lien over bank deposits etc. An economic downturn could result in a fall in relevant collateral values, which, we should need to foreclose on the collateral, may result in us not being able to recover all of the outstanding amounts due under defaulted loans.

We may have limited claims in the event of a default by a borrower and would only have recourse to specific assets, the proceeds of the realization of which, after enforcement of the security, will be distributed in accordance with the priority of payments as set out in the relevant financing documentation. Further, foreclosure of such security may require protracted proceedings before a court or tribunal, which in turn may adversely affect our financial condition and results of operations. As such, in the event of a loan default, our inability to recover a significant amount of loans granted by us could adversely impact our business, prospects, results of operations and financial condition.

11. A high level of indebtedness could adversely affect our ability to react to changes in our business environment which will in turn affect our prospects and results of operations.

As of August 31, 2014, we had total borrowing outstanding of Rs. 20,520.07 crore. A significant portion of our funding is obtained through credit facilities and loans provided by Schedule Commercial Banks and Multilateral Institutions and through bonds. Our outstanding borrowings could have several important consequences, including but not limited to, the following:

- we may be required to dedicate a portion of our cash flow toward repayment of our existing debt, which will reduce the availability of our cash flow for our lending activities and other general corporate requirements;
- our ability to obtain additional financing at reasonable rates in the future may get impaired or affected due to sudden adverse market conditions;
- fluctuations in market interest rates may adversely affect the cost of our borrowings;
- there could be a material adverse effect on our business, prospects, results of operations and financial condition if we are unable to service our outstanding borrowing or otherwise comply with financial covenants of such borrowings; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions

Debt agreements entered into by us, at present or in future, may contain restrictive covenants, which may restrict growth of our business. Any inability to comply with the provisions of our debt agreements and any consequent action taken by our lenders may adversely affect our business, prospects, results of operations and financial condition. For more information, see ***"Description of Certain Indebtedness"*** on page 92 of this Draft Shelf Prospectus.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our

working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating, financial condition, results of operations and/or cash flows. Moreover, any such action initiated by our lenders could result in the price of our NCDs being adversely affected.

12. We may face asset-liability mismatches which could affect our liquidity, and which may as a consequence have a material and adverse effect on our business, financial performance and results of operations.

As of August 31, 2014, Rs. 2,033.11 crore was due for payment till March 31, 2015 out of our total borrowing outstanding. We may face potential liquidity risk on account of our inability to obtain additional credit facilities or renew existing credit facilities for matching tenure of our liabilities in a timely and cost-effective manner or at all, which in turn may adversely affect our business operations and financial performance and results of operations.

13. Our top ten borrowers contributing to 24.68% of our credit exposure as on June 30, 2014 and default by any one of them could significantly affect our business.

As of June 30, 2014, aggregate loans to ten largest borrowers amounted to Rs. 5180.91 crore, representing approximately 24.68% of our credit exposure as of such date. Our single largest borrower on such date had an outstanding balance of Rs. 1,300.80 crore, representing 6.20% of our credit exposure as of such date. Any deterioration in the credit quality of these assets could have a significant adverse effect on our business, prospects, results of operations and financial conditions.

14. We may be subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business.

There are certain restrictive covenants in the agreements which we have entered into with our lenders. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of these lenders for various activities, including, among other things, selling, transferring or otherwise disposing of any part of our business or revenues, change of ownership. Such restrictive covenants in our loan agreements may restrict our operations or ability to grow and may adversely affect our business. For more information, see ***"Description of Certain Indebtedness"*** on page 92 of this Draft Shelf Prospectus.

15. Our Directors may have interests in corporations/ companies/ entities similar to ours, which may result in a conflict of interest.

Some of our Directors have interests in other companies which are in businesses similar to ours. As a common practise in the sector some of our Directors have directorships in companies with similar business. For further information with respect to directorships of our Directors, please see the section titled "***Management***" on page 80 of this Draft Shelf Prospectus. Such directorships of our Directors may result in potential conflict of interest situations.

16. Our business requires raising substantial capital by the way of borrowing, unavailability of financing at commercially acceptable terms, or at all, may adversely affect our liquidity and financial condition.

The liquidity and ongoing profitability of our business depend on our timely access to and the costs associated with raising capital. Our total cost of borrowings for Fiscal 2014 is Rs. 1665.99 crore and comprised approximately 94.10% of our total expenditure (excluding tax and provisions for loan assets) for Fiscal 2014 and the total cost of borrowing, was 9.44%, as on June 30, 2014. Our borrowings primarily include *inter-alia*, bonds and debentures and loans obtained from Scheduled Commercial Banks and multilateral institutions. We cannot assure you that we would be able to borrow funds at commercially acceptable terms, or at all, in the future. In case credit rating of debt instruments issued by us is downgraded for any reason, in the future, investors/lenders may not be willing to invest in our debt instruments at commercially acceptable interest rates, or at all. Thus, in order to honour our lending commitments, we may be required to avail loans at high costs, which may in turn affect our spread on loans and our overall financial condition. Further, due to our nature and tenure of the loans, it may not be possible for us to pre-pay the existing loans by incurring additional indebtedness, without payment of penalty and interest. Unavailability of borrowings at commercially acceptable terms, or at all, may adversely affect our capacity to lend in the future and hence would have an adverse effect on our business, prospects, results of operations and financial condition.

Further, increase in debt would lead to leveraging the balance sheet thereby exerting pressure on the financial ratios that we are required to maintain under our various loan agreements. Despite of our best efforts and diligence, on account of the increase in debt component in the balance sheet, we are at present in breach of certain financial ratios in our loan agreements and we cannot assure you that such breach will not occur again and that we would continue to be in compliance with loan agreements' conditions, in future, under similar circumstances. Any future default under a loan agreement will further affect the availability of funding for the Company.

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of borrowings such as term loans from banks and issuances of bonds and non-convertible debentures. Thus, our business depends and will continue to depend on our ability to access diversified low-cost funding sources.

The RBI vide its circular RBI/2012-13/560 DNBD(PD) CC No. 330/03.10.001/2012-13 dated. June 27, 2013 and RBI/2013-14/115 DNBS(PD) CC No.349/03.10.001/2013-14 dated July 02, 2013 issued certain guidelines with respect to raising money through private placement by NBFCs in the form of nonconvertible debentures. These guidelines include restrictions on the number of investors in an issue to 49 investors, minimum subscription amount for a single investor of Rs. 25.00 lakh and in multiples of Rs. 10.00 lakh thereafter, prohibition on providing loan against its own debentures, etc. This limits the Company's ability to issue fresh debentures on private placement basis. Such changes in laws of the country applicable to our Company can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition.

Out of our long term outstanding debt of Rs. 20,520.07 crore, as on August 31, 2014, an amount of Rs. 2,033.11 crore is due for payment during the remaining period of the current year. In order to retire these instruments, we either will need to refinance this debt, which could be difficult in the event of volatility in the credit markets, or raise equity capital or generate sufficient cash to retire the debt. Such changes in laws of India, applicable to our Company can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition.

17. We have experienced incidents of fraud in the past and may experience such frauds in the future as well, which may have an adverse effect on our business, results of operation and financial condition.

Our business is susceptible to fraud committed by our borrowers and our employees. Although we have taken measures to safeguard against frauds, there can be no assurance that we would be able to prevent frauds completely. Despite being diligent any frauds discovered in the future may have an adverse effect on our business, results of our operations and financial condition. For more information, see ***"Business -Risk Management and Internal Controls"*** on page 67 of this Draft Shelf Prospectus. Failure to prevent or mitigate fraud or breaches in security may adversely affect our reputation, business, prospects, results of operations and financial condition.

18. We have certain contingent liabilities that have not been provided for.

Our total contingent liabilities that have not been provided for as of March 31, 2014, were Rs. 140.90 crore. The details are as follows:

(Rs. in crore)

Details	Fiscal 2014
Bank Guarantees	84.87
Performance Guarantees Issued	0.02
Claimed not acknowledged as debt	12.99
Tax Matters	43.02
Total	**140.90**

For further details on contingent liabilities, see the section titled "***Annexure A- Financial Statements***" of this Draft Shelf Prospectus.

19. We are subject to credit, operational and market risks, and if any such risks were to materialize, our credit ratings and our cost of funds could be adversely affected.

Our revenues depend on our ability to efficiently manage our credit, operational and market risks. We are required to identify, and mark to market, changes in the value of financial instruments caused by changes in market prices or interest rates. Our earnings depend on the effectiveness of our management of credit quality and risk concentration, the accuracy of our assessment models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or are not predictive of actual results, we could incur higher than anticipated losses.

The successful management of credit, market and operational risk is an important consideration in managing our liquidity risk because it affects the evaluation of our credit ratings by the rating agencies. Rating agencies may reduce or indicate their intention to reduce the ratings at any time. There can be no assurance that we will not experience any downgrade in our debt ratings in future. The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in our ratings. Any reduction in our ratings (or withdrawal of ratings) may increase our borrowing costs, limit our access to capital markets and adversely affect our ability to engage in business transactions, impacting financial condition.

Although we believe that we have adequate risk management policies and procedures in place, we may still be exposed to unidentified or unanticipated risks, which could lead to material losses and an adverse effect on our business, prospects, results of operations and financial condition. For more information, see ***"Business-Risk Management and Internal Controls"*** on page 67 of this Draft Shelf Prospectus.

Although we believe that we have adequate policies and procedures in place, we may still be exposed to such risks in future, including the risk due to legal deficiency in our documentations and deterioration in asset quality due to lack of regular credit inspection of our loan accounts, which could have an adverse effect on our business, prospects, results of operations and financial condition.

20. Failure or delayed updating of our Information Technology systems could significantly affect our business operations.

Continued updating of our Information Technology systems commensurate with the nature and volumes of business operations is necessary. While, we have been upgrading our Information Technology systems, there can be no assurance that the new systems will be successfully integrated into our existing systems, that our employees can be successfully trained to utilise the upgraded systems, that the upgraded systems, if installed and operational, will not become quickly outdated or that the upgraded systems will bring about the anticipated benefits.

21. We have negative cash flows in recent periods and an inability to generate and sustain positive cash flows in the future may adversely affect our business, results of operation and financial condition.

We have had negative cash flows in recent periods. Our cash outflows relating to loans and advances we disburse (net of any repayments we receive) are reflected in our cash flow from operating activities whereas the cash inflows from external funding we procure (net of any repayments of such funding) to disburse these loans and advances are reflected in our cash flows from financing activities. The net cash flows from investing activities primarily represent sale and purchase of fixed assets, other investments and interest received. The following table sets forth certain information with respect to our historical negative cash flows in the periods indicated:

(Rs. in crore)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Net cash used in operating activities	131.07	(582.71)	(32.78)
Net cash used in investing activities	(6.63)	(48.30)	(11.33)
Net cash used in financing activities	(194.23)	838.02	(85.14)
Net increase (decrease) in cash and cash equivalents	(69.79)	207.01	(129.25)

For further details, see the section titled "***Annexure A - Financial Statements***" of this Draft Shelf Prospectus.

Negative cash flow over a long period and inability to generate and sustained positive cash flows in the future may adversely affect our business, results of operation and financial condition.

22. We benefit from certain tax benefits available to us as a public financial institution and if these benefits are no longer available to us, our business, financial condition, results of operations may be adversely affected.

We currently receive tax benefits by virtue of our status as a public financial institution under section 4A of the Companies Act, 1956, which have enabled us to reduce our effective tax rate. In the Fiscal 2014, 2013, 2012, 2011 and 2010 our effective tax liability, calculated on the basis of our tax liability as a percentage of profit before tax, was lesser as compared to statutory corporate tax rates (including surcharge and cess) for such periods. The availability of such tax benefits is subject to the policies of the GoI, among other things, and there can be no assurance as to any tax benefits that we will receive in the future. If the laws or regulations regarding these tax benefits are amended, our taxable income and tax liability may increase, which would adversely impact our financial condition and results of operations. In addition, it is likely that the Direct Tax Code, once introduced, could significantly alter the taxation regime, including incentives and benefits, applicable to us. If the laws or regulations, budgetary announcement, ordinance or general directives of GoI regarding the tax benefits applicable to us were to change, our taxable income and tax liability may increase, which would adversely affect our financial results.

23. We face competition from financial and other institutions in raising funds from the market and may not be able to raise funds on terms beneficial to us.

We face competition from financial and other institutions aiming to raise funds from the market. In the event that the terms and conditions of the debt instruments offered by such institutions is more attractive than those offered by us, we may not be able to raise debt from the market to the extent and on terms and conditions beneficial to us.

24. We may fail to obtain certain regulatory approvals in the ordinary course of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses which may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

We require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating and expanding our business. We may not receive or be able to renew such approvals in the time frames anticipated by us, or at all, which could adversely affect our business. If we do not receive, renew or maintain the regulatory approvals required to operate our business it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

In the future, we may be required to obtain new approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such approvals in the time-frame anticipated by us or at all. Failure by us to obtain the required approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

In respect of our previous debt securities, we have entered into Debt Listing Agreement(s) with the relevant stock exchange(s) and in terms thereof we are *inter-alia* required to undertake periodic reporting and filing, however, in the past, we have not complied with the certain provisions thereof. In addition, we are required to make various filings with the RBI and other relevant authorities pursuant to the provisions of Companies Act, 2013 and other applicable laws and regulations.

If we fail to comply with these requirements, or relevant authority claims that we have not complied with such requirements, we may be subjected to penalties. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses in complying with such laws and regulations, which could adversely affect our business.

25. We do not have a registration under the Trademark Act, 1999 for our mark IFCI LIMITED आई एफ सी आई लिमिटेड , as a result of which our ability to use the trademark may be impaired. Further, in the event we are unable to register the trademark, we may be unable to prohibit unauthorized usage of such trademark by third parties.

We do not have our mark i.e. IFCI LIMITED आई एफ सी आई लिमिटेड , registered under the Trademarks Act, 1999, as amended. In the event that the our logo either infringes the intellectual property rights of another person or the logo is used or claimed by a third party, our ability to use such logo may be restricted or lost. Further, in the event we are unable to register the mark, we may be unable to prohibit unauthorised usage of such trademark by third parties.

26. Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could impact on our business and could affect our growth, margins and business operations.

The RBI vide its Notification (No. RBI/2006-07/205/DBOD.No. FSD.BC.46/24.01.028 /2006-07) dated December 12, 2006 has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. This Notification reduces the exposure (both lending and investment, including off balance sheet exposures) of a bank to NBFCs like us.

Accordingly, banks' exposure limits on any NBFC are reduced from the 25% of the banks' capital funds to 10% of its capital funds. Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. This Notification limits a bank's exposure to NBFCs which consequently restricts our ability to borrow from banks. Any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

27. We extend margin funding loans, or loans against securities, to our clients, and any default by a client coupled with a downturn in the stock markets could result in substantial losses for us.

We extend "loans against securities", or margin funding loans, which comprises around 15.80% of our Loan Book as on June 30, 2014, which are secured by liquid, marketable securities at appropriate or pre-determined margin levels. In the event of a volatile stock market or adverse movements in stock prices, the collateral securing the loans may decrease significantly in value, which might result in losses. Customers may also default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, the quality of collateral provided by the client and pre-determined margin call thresholds, no assurance can be given that if the financial markets witnessed a significant downturn, our financial condition and results of operations would not be adversely affected.

28. If we are unable to sustain our growth effectively, our business and financial results could be adversely affected.

A principal component of our strategy is to continue to diversify into development of our new product portfolios to suit customer needs. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase exposure to high-risk credit and impose significant costs. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with the borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

In recent years, our growth has been fairly substantial. There can be no assurance that we will be able to sustain our growth plan successfully or that we will be able to expand further or diversify our product portfolio.

29. Our growth will depend on our continued ability to access funds at competitive rates which are dependent on a number of factors including our ability to maintain our credit ratings which may adversely impact our business and results of operations.

As we are a "systemically important non-deposit accepting" NBFC, our liquidity and ongoing profitability are primarily dependent upon our timely access to, and the costs associated with raising capital. Our business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors including our ability to maintain positive credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our business, financial condition and results of operations. As an NBFC, we also face certain restrictions on our ability to raise money from international markets which may further limit our ability to raise funds at attractive rates. While our borrowing costs have been competitive in the past due to our ability to raise debt products, credit rating and our asset portfolio, in the event we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business and results of operations.

30. We may not be able to successfully sustain our growth rate.

In recent years, our growth has been fairly substantial. Our growth strategy includes growing our secured lending and expanding our retails customer base. There can be no assurance that we will be able to sustain our growth plan successfully or that we will be able to expand further or diversify our product portfolio. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new Borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

Our ability to sustain our rate of growth also significantly depends upon our ability to recruit trained and efficient personnel and retain key managerial personnel, maintain effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We may need to recruit new employees, who will have to be trained and integrated into our operations. We may also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

31. Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires among other things, policies and procedures properly to record and verify a number of transactions and events. Although we have established these policies and procedures, there can be no assurance that the risk enumerated above would not occur.

32. Our Business is dependent on relationships established through our branches with our clients and expansion of our business into new regions and markets in India and introducing our complete range of products in each of our branches; any events that harm these relationships including closure of branches or the loss of our key personnel or facing difficulties in expanding, may lead to decline in our revenue and profits.

Our business is dependent on the key personnel who directly manage client relationships. We encourage dedicated personnel to service specific clients since we believe that this leads to long-term client relationships, a trust based business environment and over time, better cross-selling opportunities. While no key personnel contribute a significant percentage of the business, the business may suffer materially if a substantial number of them either become ineffective or leave the organization. Such an event could be detrimental to our business and profits.

We continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those geographies and markets and are therefore more familiar with local regulations, business practices and customs and have stronger relationships with customers.

Our business may be exposed to various additional challenges including obtaining necessary governmental approvals, successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

33. We depend on the accuracy and completeness of information about customers and counterparties which may adversely affect our reputation, business and results of operations.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our financial condition and results of operations may be adversely affected by relying on financial statements that do not comply with generally accepted accounting principles or other information that is materially misleading.

Moreover, we have implemented KYC norms and other measures, to prevent money laundering. In the event of ineffectiveness of these norms and systems, our reputation, business and results of operations may be adversely affected.

34. Inaccurate appraisal of credit may adversely impact our business

We may be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

35. We are exposed to fluctuations in the market values of our investment and other asset portfolio.

Turmoil in the financial markets has adversely affected economic activity globally, including in India. Continued deterioration of the credit and capital markets could result in volatility of our investment earnings and impairments to our investment and asset portfolio, which could negatively impact our financial condition and reported income.

36. In the event we are unable to achieve the budgeted/ targeted disbursement, our business, profitability and financial condition may be affected.

In the past we have not been able to achieve the budgeted/ targeted disbursals on account of various factors, including non availment of funds by the borrowers. In Fiscal 2014 only Rs. 8,683.00 crore was disbursed against the budgeted/ targeted disbursement of Rs. 10,000.00 crore, which constitute 86.83% of the said budgeted/ targeted disbursement. There is no assurance that we will be able to achieve or continue to achieve our budgeted/ targeted disbursement in future. This, in turn, could adversely affect our operating results and financial condition.

37. In the event that our insurance is not adequate to protect us against all potential losses to which we are exposed; our business, profitability and financial condition may be adversely affected.

We insure the property in relation to our Registered Office and other office properties which are renewed on an annual basis. Further, in case of mortgage and hypothecation based loans, the relevant loan agreements stipulate that the borrowers obtain insurance for the relevant project properties.

Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected. The extent of this material adverse effect on our business, financial condition and results of operation is not disclosed as it cannot be quantified at this time.

38. This Draft Shelf Prospectus includes Limited Review Financial Results, which have been prepared by the Company in accordance with Clause 41 of Equity Listing Agreement and subjected to limited review in accordance with the Standard on Review Engagements (SRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India, in relation to our Company. Reliance on such Limited Review Financial Results should, accordingly, be limited.

This Draft Shelf Prospectus includes Limited Review Financial Results in relation to our Company, for the three months ended June 30, 2014, which have been prepared by the Company in accordance with Clause 41 of Equity Listing Agreement, in respect of which the Auditors of our Company have conducted their review in accordance with Standard on "Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India and have issued their Limited Review Report dated August 12, 2014. As Limited Review Financial Results prepared by the Company in accordance with Clause 41 of Equity Listing Agreement have been subject only to a limited review as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India, and not to an audit, any reliance by prospective investors on such Limited Review Financial Results for the three months ended June 30, 2014 should, accordingly, be limited

39. Our failure to comply with the provisions of the listing agreements executed between our Company and the stock exchanges where our securities are listed, in a timely manner or at all, may expose us to regulatory proceedings and/or penal action.

In the past the stock exchanges have issued show cause notices to our Company. Our failure to comply with the provisions of the listing agreements executed between our Company and the stock exchanges where our securities are listed, in a timely manner or at all, may expose us to regulatory proceedings and/or penal action. For further details, please refer to Section "***Material Litigations***" on page 105 of this Draft Shelf Prospectus.

40. Our Company was unable to trace certain records, including those pertaining to the allotment of bonds/ debentures/ loan agreements issued/ entered into by our Company in the past.

We have been unable to locate the copies of documents/ records pertaining to some of our borrowing/ fund raising, including, among others, in respect of the allotment of bonds/ debentures and loan agreement with some of our existing lenders. While we are honouring our debt service obligations towards such bond holders/ lenders in a timely manner. However, in the absence of necessary documents evidencing the terms of such borrowings, we are not in a position to confirm that our Company is adhering to/ observing all the terms and conditions in relation thereto. For further details, please refer to Section "***Description of Certain Indebtedness***" on page 92 of this Draft Shelf Prospectus.

41. We have not been able to procure all the consents from all the lenders to our Company.

We had duly applied to all the lenders of our Company for their respective consents for the Issue as required under their respective loan documents executed by the Company. On the date of this Draft Shelf Prospectus, we are yet to receive consents from some of our existing lenders. However, our inability to obtain such consents from such lenders in a timely manner or at all, may adversely affect timely raising of funds.

Risks in relation to the NCDs

42. If we do not generate adequate profits, we may not be able to maintain an adequate Debenture Redemption Reserve (DRR) for the NCDs issued pursuant to this Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of the company available for payment of dividend until the redemption of the debentures. Further, the Companies (Share Capital and Debentures) Rules, 2014 states that the Company shall create Debenture Redemption Reserve and 'the adequacy' of DRR will be 25% of the value of debentures issued through public issue as per present SEBI Debt regulations. Accordingly, if we are unable to generate adequate profits, the DRR created by us may not be adequate to meet the 25% of the value of the NCDs. Further, every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than 15% (fifteen percent), of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely:(i) in deposits with any scheduled bank, free from any charge or lien;(ii) in unencumbered securities of the Central Government or of any State Government; (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trust Act, 1882; (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882; (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above, provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below 15% (fifteen percent) of the amount of the debentures maturing during the year ending on the 31st day of March of that year. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

43. Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the Bondholders will rank pari passu with other chargeholder and to that extent, may reduce the amounts recoverable by the Debenture holders upon our Company's bankruptcy, winding-up or liquidation.

44. You may be subject to taxes arising on the sale of the NCDs.

Sales of NCDs by any holder may give rise to tax liability, as discussed in section entitled "***Statement of Tax Benefits***" on page 49 of this Draft Shelf Prospectus.

45. There has been only a limited trading in the bonds and it may not be available on sustained basis in the future, and the price of the NCDs may be volatile.

There has been only a limited trading in bonds of such nature in the past. Although the NCDs are proposed to be listed on BSE, there can be no assurance that a public market for these NCDs would be available on a sustained basis. The liquidity and market prices of the NCDs can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of NCDs. Such fluctuations may significantly affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which the NCDs are issued.

46. There is no guarantee that the NCDs issued pursuant to the Issue will be listed on BSE in a timely manner, or at all or that monies refundable to Applicants will be refunded in a timely manner.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of NCDs to be submitted. While the Company will use its best efforts to ensure that all steps for completion of the necessary formalities for allotment, listing and commencement of trading at BSE are taken within 12 Working Days of the Tranche Issue Closing Date, there can be no assurance that the same will be completed in a timely manner. There could be a failure or delay in listing the NCDs on BSE.

We cannot assure you that the monies refundable to you, on account of (a) withdrawal of your applications, (b) withdrawal of the Issue, or (c) failure to obtain the final approval from BSE for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund such monies, with the interest due and payable thereon, as prescribed under applicable statutory and/or regulatory provisions.

47. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including, *inter-alia* our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner, or at all. Although we will create appropriate security in favour of the Debenture Trustee for the holders of the NCDs on the assets adequate to ensure 100 % asset cover for the NCDs, the realizable value of the secured assets, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the secured assets could expose you to a potential loss.

48. Any downgrading in credit rating of our NCDs may affect the trading price of the NCDs.

The NCDs proposed to be issued under this Issue have been rated by ICRA and Brickwork. ICRA has, letter no. D/RAT/2014-15/1-57/6 dated September 26, 2014, assigned a credit rating of "[ICRA]A (Stable)" to the NCDs. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2014-15/0211 dated September 26, 2014, assigned a credit rating of "BWR AA- (Outlook: Stable)" to the NCDs. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.These ratings may be suspended, withdrawn or revised at any time. We cannot guarantee that this rating will not be downgraded/ revised/ modified.

The ratings provided by ICRA and Brickwork may be suspended, withdrawn or revised at any time. Any revision or downgrading in the above credit rating may lower the value of the NCDs and may also affect our ability to raise further debt.

49. Changes in interest rates may affect the prices of the NCDs.

All securities where a fixed rate of interest is offered, such as the NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of the NCDs.

50. Payments made on the NCDs will be subordinated to certain tax and other liabilities preferred by law.

The NCDs will be subordinated to certain liabilities preferred by law such as to claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the NCDs. Further, there is no restriction on the amount of debt securities that we may issue, which may rank above the NCDs. The issue of any such debt securities may reduce the amount recoverable by investors in the NCDs on our bankruptcy, winding-up or liquidation.

Further, the security created/ to be created for securing the NCDs and monies in connection therewith, will have to be shared on pari-passu basis with the other lenders/ bond holders/ creditor of the Company. Thus, it may reduce the amount recoverable by the investors of the NCDs on liquidation of such securities upon occurrence of a default.

External Risk Factors

51. Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.

Our business is dependent on Indian and international markets and economic conditions. Such conditions in India include fluctuations in interest rates; housing prices; corporate or other scandals that reduce confidence in the financial markets, among others. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates, investor sentiment, inflation, the availability and cost of capital and credit, and the degree to which international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions can directly and indirectly affect demand for lending finance and other financial products, or increase the cost to provide such products.

Global financial markets were and continue to be extremely volatile and were materially and adversely affected by a lack of liquidity, decreased confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment, declining home prices and erosion of consumer confidence. These factors have contributed to and may continue to adversely affect our business, financial condition and results of operations.

52. Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties in recent years. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

53. Our access to liquidity is dependent on the domestic and global financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

Since the second half of 2008, the global credit markets have experienced, and may continue to experience, significant dislocations and liquidity disruptions originating from liquidity disruptions in the United States and the European credit and sub-prime residential mortgage markets. These and other related events, such as the collapse of a number of financial institutions, have had and continue to have an adverse impact on the availability of credit and the confidence of the financial markets, globally as well as in India.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term, impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. Furthermore, pre-emptive actions taken by RBI in response to the market conditions in the second half of Fiscal 2009, especially the provision of liquidity support and a reduction in policy rates, may not continue in the future and there can be no assurance that we will be able to access the financial markets for liquidity if needed. In the event conditions in the global credit markets deteriorate or if there are changes in statutory limitations on the amount of liquidity we must maintain or if there is a significant financial disruption, such conditions could have an adverse effect on our business, prospects, results of operations and financial condition.

54. Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.

We are subject to regulations by Indian governmental authorities. These laws and regulations impose numerous requirements on us, including asset classifications and prescribed levels of capital adequacy, cash reserves and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect us.

55. Political instability or changes in the Government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our operations.

The Company is the public financial institution promoted by President of India, through Ministry of Finance, Government of India. Our performance and the market price and liquidity of our NCDs may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social, political and ethnic instability and other political and economic developments affecting India, including without limitation natural disaster, calamities, war or war like situation, state emergencies, hostilities, riots, GoI announcements. The GoI has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our operations are also impacted by regulation and conditions in the various States in India where we operate. Our operations, the market price and liquidity of our NCDs may be affected by interest rates, changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, GoI has pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued. A significant change in the GoI's policies could adversely affect results of our operations and could cause the price of our NCDs to decline.

56. Natural calamities could have a negative impact on the Indian economy and could cause our business to be adversely affected.

India has experienced natural calamities such as earthquakes, floods and drought in the recent past. The extent and severity of these natural disasters determine their impact on the Indian economy. These along with prolonged spells of below normal rainfall in the country or other natural calamities could have a negative impact on the Indian economy, thereby affecting our business.

57. Difficulties faced by other banks, financial institutions or the Indian financial sector generally could cause our business to be adversely affected.

We are exposed to the risks of the Indian financial sector which in turn may be affected by financial difficulties and other problems faced by Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years particularly in managing risks associated with their portfolios and matching the duration of their assets and liabilities, and some co-operative sectors have also faced serious financial and liquidity crises. Any major difficulty or instability experienced by the Indian financial sector could create adverse market perception, which in turn could adversely affect our business, prospects, results of operations and financial condition.

58. Any down grading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance.

59. The market value of your investment may fluctuate due to the volatility of the Indian securities market.

Indian stock exchange(s) (including the NSE and the BSE) have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokers etc. If such or similar problems were to re-occur, this may have effect on the market price and liquidity of the securities of Indian companies, including the NCDs. In addition, the governing bodies of Indian stock exchange(s) have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. In the past, disputes have occurred between listed companies, stock exchange(s) and other regulatory bodies, which in some cases have had a negative effect on market sentiment.

60. If regional hostilities, terrorist attacks or social unrest in India increases, our business could be adversely affected.

India has from time to time experienced social and civil unrest and hostilities within itself and with neighbouring countries. India has also experienced terrorist attacks in some parts of the country. These hostilities and tensions and/or the occurrence of terrorist attacks have the potential to cause political or economic instability in India and adversely affect our business and future financial performance. Further, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on our business, prospects, results of operations and financial condition.

61. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

According to the RBI Weekly Statistical Supplement, India's foreign exchange reserves totalled US$ 315,697.80 million as of September 12, 2014. A decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our future financial performance.

PROMINENT NOTES:

1. This is a public issue of NCDs by our Company aggregating upto the Shelf Limit of Rs. 2,000.00 crore in one or more tranches.

2. For details on the interest of our Company's Directors, please refer to the sections titled "***Management***" and "***Capital Structure***" beginning on pages 80 and 42, respectively of this Draft Shelf Prospectus.

3. Our Company has entered into certain related party transactions, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006, as disclosed in the section titled "***Annexure A – Financial Statements***" of this Draft Shelf Prospectus.

4. Any clarification or information relating to the Issue shall be made available by the Lead Managers, and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.

5. Investors may contact the Registrar to the Issue, Compliance Officer, Lead Managers for any complaints pertaining to the Issue. In case of any specific queries on allotment/refund, Investor may contact Registrar to the Issue.

6. In the event of oversubscription to the Issue, allocation of NCDs will be as per the "***Basis of Allotment***" set out in the chapter "***Terms of the Issue***" on page 128 of this Draft Shelf Prospectus.

7. Our Equity Shares are currently listed on six stock exchanges in India, namely, the BSE, the NSE, the Delhi Stock Exchange Limited, the Kolkata Stock Exchange, the Madras Stock Exchange Limited and the Ahmedabad Stock Exchange Limited as on the date of this Draft Shelf Prospectus. However, our Company has filed application for delisting of its Equity Share with the Delhi Stock Exchange Limited, the Kolkata Stock Exchange, the Madras Stock Exchange Limited and the Ahmedabad Stock Exchange Limited. The details of listing of the Equity Shares of the Company on the Stock Exchanges are setforth below:

Name of the Stock Exchange	Date of Listing
BSE	February 23, 1994
NSE	April 26, 1995

8. Our earlier secured/ unsecured non-convertible debentures issued on private placement basis are listed on BSE.

9. As of March 31, 2014, we had certain contingent liabilities not provided for, including the following:

(Rs. in crore)

Details	Fiscal 2014
Bank Guarantees	84.87
Performance Guarantees Issued	0.02
Claimed not acknowledged as debt	12.99
Tax Matters	43.02
Total	**140.90**

For details, see the section titled "***Annexure A – Financial Statements***" of this Draft Shelf Prospectus.

10. For further information relating to certain significant legal proceedings that we are involved in, see the Section titled "***Material Litigation***" on page 105 of this Draft Shelf Prospectus.

SECTION III - INTRODUCTION
THE ISSUE

The following is a summary of the terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in "***Issue Structure***" and "***Terms of the Issue***" on page 124 and 127 of this Draft Shelf Prospectus, as well as the Tranche Prospectus(es).

COMMON TERMS FOR ALL SERIES OF THE NCDs	
Issuer	IFCI Limited
Lead Managers	SBI Capital Markets Limited, A. K. Capital Services Limited, Edelweiss Financial Services Limited and RR Capital Services Private Limited
Type of Instrument	Secured redeemable non-convertible debentures
Issue	Public issue of the secured redeemable non-convertible debentures of face value of Rs. 1000 each, proposed to be issued by the Company pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es), in one or more tranches (each being a "Tranche Issue") for an amount aggregating upto Rs. 2,000.00 crore ("Shelf Limit") on the terms and conditions as set out in separate Tranche Prospectus(es) for each tranche issue, which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus
Face Value (Rs.)	Rs. 1,000 per NCD
Issue Price (Rs.)	Rs. 1,000 per NCD
Nature of Instrument	Secured
Mode of Issue	Public issue
Minimum Application Size and in multiples	As mentioned in the respective Tranche Prospectus(es)
Pay-in Date	The date of Application. The entire Application Amount is payable on Application. See "***Issue Procedure – Payment Instructions***" on page 149 of this Draft Shelf Prospectus.
Eligible Investor	See the section titled "***Issue Procedure- Who can apply***" on page 139 of this Draft Shelf Prospectus.
Listing	BSE. BSE being the Designated Stock Exchange. For more information, see "***Terms of the Issue – Listing***" on page 135 of this Draft Shelf Prospectus. The NCDs shall be listed on the BSE within 12 Working Days from the relevant Tranche Issue Closing Date
Credit Rating / Rating of the Instrument	ICRA has, vide its letter no. D/RAT/2014-15/1-57/6 dated September 26, 2014, assigned a credit rating of "[ICRA]A (Stable)" to the NCDs. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2014-15/0211 dated September 26, 2014, assigned a credit rating of "BWR AA- (Outlook: Stable)" to the NCDs. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see "***Annexure B – Credit Rating***" of this Draft Shelf Prospectus
Security	*Pari passu* floating first charge on receivables of the Company (other than the Lien Receivables) with an asset cover of one time of the total outstanding amount of NCDs and interest thereon at any point of time. The Company reserves the right to create first pari passu charge on the present and future receivables for its present and future financial requirements or otherwise, provided that a minimum security cover of 1 (one) time is maintained
Security Cover	One time of the total outstanding NCDs and the interest due thereon at any point in time
Tenor	As specified in the Tranche Prospectus
Nature of Indebtedness and Ranking/ Seniority	The claims of the Debenture holders shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank *pari passu* inter se to the claims of other secured creditors of the Company having the same security
Put/Call Option	As per relevant respective Tranche Prospectus(es)
Debenture Trustee	Axis Trustee Services Limited
Depositories	Central Depository Services (India) Limited ("**CDSL**") and National Securities Depository Limited ("**NSDL**")
Registrar	Karvy Computershare Private Limited
Modes of Payment/Settlement Mode	1. Direct Credit; 2. National Electronic Clearing System ("**NECS**"); 3. Real Time Gross Settlement ("**RTGS**"); 4. National Electronic Fund Transfer ("**NEFT**"); and 5. Demand Draft/ Cheque/ Pay Order For more information, see "***Terms of the Issue – Manner and Modes of Payment***" on page 131 of this Draft Shelf Prospectus.
Mode of Issuance	In dematerialised form and physical form, at the option of the Applicant*
Mode of Trading	In dematerialised form only*
Market Lot / Trading Lot	One NCD
Deemed Date of Allotment	The date on which, the Board of Directors or Board Committee, approves the Allotment of NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or Board Committee and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on NCDs (as specified in each Tranche Issue by Tranche Prospectus(es) shall be available from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Issue Opening Date	As specified in the respective Tranche Prospectus(es)
Issue Closing Date	As specified in the respective Tranche Prospectus(es)

COMMON TERMS FOR ALL SERIES OF THE NCDs		
Record Date	Date falling 15 days prior to the relevant Interest Payment Date on which interest or the Maturity Date on which the Maturity Amount is due and payable under the relevant Tranche Prospectus(es). In the event the Record Date falls on a Saturday, Sunday or a Public Holiday in New Delhi, the previous Working Day shall be considered as the Record Date	
Objects of the Issue and Utilisation of Proceeds	See "***Objects of the Issue***" on page 48 of this Draft Shelf Prospectus.	
Working/ Business Day Convention	See "***Terms of the Issue- Effect of holidays on payment*** " on page 131 of this Draft Shelf Prospectus	
Day Count Convention	See "***Terms of the Issue- Day Count Convention***" on page 131 of this Draft Shelf Prospectus	
Transaction Documents	This Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus(es) read with notices, corrigenda, documents/ undertakings/ agreements entered into or to be entered into by the Company with Lead Managers and/or other intermediaries for the purpose of this Issue, including but not limited to the following: -	
	Debenture Trust Agreement	Debenture Trust Agreement dated September 26, 2014 entered into between the Debenture Trustee and the Company
	Escrow Agreement	Escrow Agreement dated [●] entered into between the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants on the terms and conditions thereof
	Issue Agreement	Issue Agreement dated September 27, 2014 entered into between the Company and the Lead Managers
	Consortium Agreement	Consortium Agreement dated [●] entered into between the Company and the Consortium Members
	Registrar Agreement	Agreement dated September 26, 2014 entered into between the Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
	Tripartite Agreements	Tripartite agreement dated November 3, 2011 entered into between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated November 9, 2011 entered into between the Company, NSDL and the Registrar to the Issue
Conditions precedent/ subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See "***Terms of the Issue - Utilisation of Issue Proceeds***" on page 135 of this Draft Shelf Prospectus	
Event of Default	See "***Terms of the Issue- Event of Defaults***" on page 134 of this Draft Shelf Prospectus	
Cross Default	Not applicable	
Roles and Responsibilities of Debenture Trustee	See "***Terms of the Issue- Debenture Trustee***" on page 134 of this Draft Shelf Prospectus	
Discount at which NCDs are issued and the effective yield as a result of such discount	Not applicable	
Governing Law	Laws of the Republic of India	
Jurisdiction	The courts of New Delhi will have exclusive jurisdiction for the purposes of the Issue.	

** The Allotment of NCDs shall be in dematerialized form as well as physical form. In terms of Regulation 4 (2)(d) of the SEBI Debt Regulations and Section 29 of the Companies Act, 2013, the Company shall make public issue of NCDs in dematerialized form. However, in terms of Section 8(1) of the Depositories Act, the Company, at the request of the Investors who wish to hold the NCDs in physical form will fulfill such request. However, trading in NCDs shall be compulsorily in dematerialized form.*

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

SPECIFIC TERMS FOR EACH SERIES OF NCDs

As specified in the relevant Tranche Prospectus(es).

SELECTED FINANCIAL INFORMATION

The following tables are derived from Reformatted Standalone Financial Statements and the Reformatted Consolidated Financial Statements. The Reformatted Standalone Financial Statements and the Reformatted Consolidated Financial Statements should be read in conjunction with the audit report thereon issued by our Joint Statutory Auditors and statement of significant accounting policies and notes to accounts on the Reformatted Standalone Financial Statements and the Reformatted Consolidated Financial Statements contained in the "***Annexure A-Financial Statements***" of this Draft Shelf Prospectus.

IFCI LTD.
STANDALONE REFORMATTED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs.crore)

		Note No.	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
I.	**EQUITY & LIABILITIES**						
(1)	Shareholders' Funds						
	(a) Share Capital	1	1,924.96	1,924.68	1,001.68	1,001.68	1,001.68
	(b) Reserves and Surplus	2	5,055.64	4,766.28	4,544.15	4,011.78	3,608.12
(2)	Non-current Liabilities						
	(a) Long-term Borrowings	3	17,342.11	14,224.67	17,474.98	17,402.56	11,573.74
	(b) Long-term Liabilities	4	86.86	73.37	69.60	41.58	35.65
	(c) Long-term Provisions	5	81.76	42.80	138.50	136.83	121.79
(3)	Current Liabilities						
	(a) Short-term Borrowings	6	247.95	14.68	384.44	-	36.01
	(b) Trade Payables	7	95.84	185.26	247.64	93.68	44.33
	(c) Other Current Liabilities	8	3,955.97	4,451.13	4,234.84	2,754.12	2,683.48
	(d) Short-term Provisions	9	198.22	198.54	87.97	85.75	86.08
	TOTAL		**28,989.31**	**25,881.41**	**28,183.80**	**25,527.98**	**19,190.88**
II.	**ASSETS**						
(1)	Non-current Assets						
	(a) Fixed Assets						
	(i) Tangible Assets	10	1,141.30	1,152.96	1,150.97	1,199.58	1,431.17
	(ii) Intangible Assets	11	0.20	0.34	0.41	0.46	-
	(iii) Capital work-in-progress		5.62	19.29	14.54	8.75	2.77
	(b) Non-current Investments	12	5,751.86	5,955.20	6,188.32	4,666.96	3,856.75
	(c) Deferred Tax Asset (Net)	13	682.04	726.79	836.92	1,020.91	1,387.44
	(d) Long-term Loans & Advances						
	(i) Loans	14	16,598.59	10,542.78	12,303.81	12,151.52	7,795.91
	(ii) Others	15	183.57	216.32	267.27	394.39	392.25
	(e) Other non-current assets	16	4.55	4.57	4.53	4.30	3.88

(Rs. crore)

		Note No.	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(2)	Current Assets						
	(a) Current Investments	17	1,761.67	2,686.21	1,646.72	1,787.16	1,388.46
	(b) Trade Receivables	18	33.82	15.08	15.58	75.67	59.95
	(c) Cash and Cash Equivalents	19	535.83	605.62	398.61	527.86	38.53
	(d) Short-term Loans and Advances						
	(i) Loans (Current Maturity of Long-term Loans)	20	2,036.52	3,737.14	4,639.20	3,488.04	2,687.63
	(ii) Others	21	34.31	32.52	509.74	21.31	31.80
	(e) Other Current Assets	22	219.43	186.59	207.18	181.07	114.34
	TOTAL		**28,989.31**	**25,881.41**	**28,183.80**	**25,527.98**	**19,190.88**

Accounting Policies and Notes of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJ BHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

IFCI LTD.
STANDALONE REFORMATTED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs.crore)

		Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
	CONTINUING OPERATIONS						
I.	Revenue from Operations	23	2,884.51	2,705.85	2,800.97	2,421.04	1,653.40
II.	Other Income	24	66.75	53.45	49.23	64.73	22.28
III.	**Total Revenue**		**2,951.26**	**2,759.30**	**2,850.20**	**2,485.77**	**1,675.68**
IV.	**Expenses**						
	Finance Cost	25	1,665.99	1,814.61	1,871.08	1,324.63	891.18
	Employee Benefits Expenses	26	58.89	60.94	65.32	65.38	57.80
	Depreciation and Amortization Expense (Net of transfer from Revaluation Reserve)		13.04	10.33	11.67	10.28	8.98
	Other Expenses	27	32.50	44.15	57.10	69.55	50.27
	Total Expenses		**1,770.42**	**1,930.03**	**2,005.17**	**1,469.84**	**1,008.23**
V.	**Profit before NPA Recovery, Provisions/ Write-off**		**1,180.84**	**829.27**	**845.03**	**1,015.93**	**667.45**
VI.	Less: Provision for Bad & Doubtful Assets and others (Net of Write-off)	28	520.39	165.15	(112.71)	(150.32)	(447.81)
VII.	**Profit before Tax**		**660.45**	**664.12**	**957.74**	**1,166.25**	**1,115.26**
VIII.	Tax Expense						
	- Current Tax		107.60	103.12	110.13	93.47	105.45
	- Deferred Tax (Net)		44.75	110.13	183.99	366.53	338.87
IX.	**Profit for the period**		**508.10**	**450.87**	**663.62**	**706.25**	**670.94**

Accounting Policies and Notes of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJ BHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

IFCI LTD.

STANDALONE REFORMATTED SUMMARY OF CASH FLOW STATEMENT

(Rs.crore)

	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITES					
Net Profit before Tax	660.45	664.12	957.74	1,166.25	1,115.26
Adjustments for:					
Depreciation	13.04	10.33	11.67	10.28	8.98
Provision/ write offs	520.39	165.15	(112.71)	(150.32)	(447.81)
Bond Issue Expenses charged to Share Premium Account	(5.58)	(17.33)	(25.94)	-	-
(Profit)/ Loss on Sale of Assets	(0.03)	0.04	(1.10)	(34.09)	3.92
(Increase)/ decrease in Misc. Expenditure					
Employee Stock Option Compensation Cost	0.44	0.91	0.45	0.00	0.00
Lease Equalisation	0.00	12.23	23.91	21.65	17.47
Operating Profit before Working Capital Changes & Operating Activities	1,188.71	835.45	854.02	1,013.77	697.82
Adjustments for Operating Activities:					
(Increase)/ decrease in Investments *(incl. Current Investments)*	1,014.44	(829.24)	(1,442.06)	(1,260.32)	(2,149.74)
(Increase)/ decrease in Loans & Advances (incl. current maturities of long-term loans & advances)	(4,760.53)	2,534.93	(1,129.60)	(4,954.29)	(2,282.24)
Increase/ (decrease) in Borrowings *(incl. current maturities of long-term liabilities)*	2,867.98	(3,418.75)	2,178.48	5,689.43	3,878.36
Operating Profit before Working Capital Changes	310.60	(877.61)	460.84	488.59	144.20
Adjustments for:					
(Increase)/ decrease in Current Assets	(52.07)	489.66	(459.73)	(62.24)	112.86
Increase/ (decrease) in Current Liabilities	(49.72)	(137.08)	(55.93)	244.34	(163.94)
Cash Flow before taxation	208.81	(525.03)	(54.82)	670.69	93.12
CAPITAL GRANT FROM GOVERNMENT OF INDIA					
Income Tax (paid)/ refund - Net	(77.74)	(57.68)	22.04	(105.75)	(104.27)
Net cash flow from Operating Activities	**131.07**	**(582.71)**	**(32.78)**	**564.94**	**(11.15)**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of/ Advance for Fixed Assets (including Leased Assets)	(7.49)	(48.40)	(13.07)	(28.29)	(22.09)
Sale proceed of Fixed Assets	0.86	0.10	1.73	39.28	3.23
Net cash flow from Investing Activities	**(6.63)**	**(48.30)**	**(11.34)**	**10.99**	**(18.86)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Redemption of Preference Shares		-			
Issue of Equity Shares by way of conversion of OCDs held by GoI	-	923.00	-	-	-
Issue of Equity Shares on exercise of employee stock options	0.28	-	-	-	(24.57)
Share Premium (net of expenses)	0.23	0.01	-	-	(238.39)
CSR Fund (net of expenses)	0.02	(0.08)	0.02	0.06	-
Redemption of Preference Shares					(82.03)
Staff Welfare Fund	-	-	-	(0.27)	-
Benevolent Reserve Fund	-	0.25	-	-	-
Dividend paid	(194.76)	(85.16)	(85.15)	(86.39)	(70.06)
Net cash flow from Financing Activities	**(194.23)**	**838.02**	**(85.13)**	**(86.60)**	**(415.05)**

(Rs. crore)

	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
Net Increase/ (Decrease) in Cash and Cash Equivalent Flow (A+B+C)	**(69.79)**	**207.01**	**(129.25)**	**489.33**	**(445.06)**
Opening Cash and Cash Equivalent	605.62	398.61	527.86	38.53	483.59
Closing Cash and Cash Equivalent	535.83	605.62	398.61	527.86	38.53
Increase/ (Decrease) in Cash and Cash Equivalent	**(69.79)**	**207.01**	**(129.25)**	**489.33**	**(445.06)**

Accounting Policies and Notes to accounts of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJ BHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

IFCI LTD.
CONSOLIDATED REFORMATTED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs.crore)

		Note No.	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
I.	**EQUITY & LIABILITIES**						
(1)	Shareholders' Funds						
	(a) Share Capital	1	1,924.96	1,924.68	1,001.68	1,001.68	1,001.68
	(b) Reserves and Surplus	2	5,404.14	5,116.70	4,814.29	4,209.61	3,753.18
(2)	Minority Interest						
	- Share Capital		13.35	3.43	3.43	3.43	3.43
	- Reserves and Surplus		253.51	4.18	3.79	4.53	4.09
(3)	Non-current Liabilities						
	(a) Long-term Borrowings	3	17,585.43	14,429.68	17,652.37	17,411.24	11,468.74
	(b) Long-term Liabilities	4	111.05	80.62	69.60	41.58	36.47
	(c) Long-term Provisions	5	122.22	53.59	147.93	142.44	123.56
(4)	Current Liabilities						
	(a) Short-term Borrowings	6	620.08	710.07	1,074.46	440.22	222.36
	(b) Trade Payables	7	368.65	461.52	585.90	339.51	148.33
	(c) Other Current Liabilities	8	4,404.34	4,613.96	4,409.02	2,798.38	2,685.69
	(d) Short-term Provisions	9	205.11	210.16	97.87	95.22	86.42
	TOTAL		**31,012.85**	**27,608.59**	**29,860.34**	**26,487.84**	**19,533.95**
II.	**ASSETS**						
(1)	Non-current Assets						
	(a) Fixed Assets						
	(i) Tangible Assets	10	1,485.00	1,371.34	1,369.12	1,290.55	1,509.60
	(ii) Intangible Assets	11	3.58	1.93	2.45	3.24	0.87
	(iii) Capital work-in-progress		8.61	19.29	18.92	133.63	37.82
	(b) Goodwill on consolidation		445.80	99.92	99.45	83.34	53.25
	(c) Non-current Investments	12	4,583.01	5,400.48	5,598.99	4,116.24	3,425.41
	(d) Deferred Tax Assets (Net)	13	713.56	732.22	840.68	1,022.68	1,388.38
	(e) Long-term Loans & Advances						
	(i) Loans	14	16,590.47	10,634.77	12,179.20	12,111.45	7,635.91
	(ii) Others	15	284.47	227.15	276.53	394.90	406.90
	(f) Other non-current assets	16	6.36	7.29	11.51	4.30	3.88

(` crore)

		Note No.	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(2)	Current Assets						
	(a) Current Investments	17	1,818.47	2,614.93	1,609.10	1,660.19	1,397.25
	(b) Inventories		233.32	293.01	361.42	224.08	165.39
	(c) Trade Receivables	18	984.79	1,411.00	1,375.75	915.95	484.77
	(d) Cash and Cash Equivalents	19	1,095.62	597.84	468.12	615.11	140.56
	(e) Short-term Loans and Advances						
	(i) Loans (Current Maturity of Long Term Loans)	20	2,394.16	3,880.59	4,855.41	3,501.55	2,715.80
	(ii) Others	21	45.64	112.41	558.87	211.58	17.56
	(f) Other Current Assets	22	319.99	204.42	234.82	199.05	150.60
	TOTAL		**31,012.85**	**27,608.59**	**29,860.34**	**26,487.84**	**19,533.95**

Accounting Policies and Notes of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJBHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

IFCI LTD.
CONSOLIDATED REFORMATTED SUMMARY STATEMENT OF PROFIT AND LOSS

(` crore)

		Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
	CONTINUING OPERATIONS						
I.	Revenue from Operations	23	3,592.79	3,147.59	3,089.75	2,561.87	1,738.21
II.	Other Income	24	46.85	41.08	41.02	63.68	19.31
III.	**Total Revenue**		**3,639.64**	**3,188.67**	**3,130.77**	**2,625.55**	**1,757.52**
IV.	**Expenses**						
	Finance Cost	25	1,761.96	1,918.69	1,955.64	1,330.29	889.09
	Employee Benefits Expenses	26	173.40	90.13	94.55	87.94	72.14
	Depreciation and Amortization Expense (Net of transfer from Revaluation Reserve)		50.96	24.72	21.95	14.52	11.27
	Cost of Stock in trade		88.34	144.73	53.11	15.40	17.32
	Other Expenses	27	180.90	81.24	82.60	93.02	64.58
	Preliminary/ Preoperative/ Misc expenses written off		-	-	0.01	0.01	-
	Total Expenses		**2,255.56**	**2,259.51**	**2,207.86**	**1,541.18**	**1,054.41**
V.	**Profit before NPA Recovery, Provisions/ Write-off**		**1,384.08**	**929.16**	**922.91**	**1,084.37**	**703.11**
VI.	Less: Provision for Bad & Doubtful Assets and others (Net of Write-off)	28	622.48	192.01	(82.20)	(140.04)	(445.59)
VII.	**Profit before Tax**		**761.60**	**737.15**	**1,005.11**	**1,224.41**	**1,148.70**
VIII.	Tax Expense						
	- Current Tax		169.55	131.32	135.38	113.19	117.25
	- Deferred Tax (Net)		25.95	108.47	182.00	365.69	338.41
IX.	**Profit for the period**		**566.10**	**497.36**	**687.73**	**745.53**	**693.04**

Accounting Policies and Notes of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJBHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

IFCI LTD.
CONSOLIDATED REFORMATTED SUMMARY OF CASH FLOW STATEMENT

(` crore)

	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITES					
Net Profit before Tax	761.60	737.15	1,005.11	1,224.41	1,148.70
Adjustments for:					
Depreciation	50.96	24.72	21.95	14.52	11.27
Provision/ write offs	622.48	192.01	(82.20)	(140.04)	(445.59)
Bond Issue Expenses charged to Share Premium	(6.46)	(17.59)	(25.94)	-	-
(Profit)/ Loss on Sale of Assets	(0.03)	0.04	(1.12)	(34.09)	3.92
Employee Stock Option Compensation Cost	0.44	0.91	0.45	0.00	0.00
Lease Equalisation	0.00	12.23	23.91	21.65	17.47
Preliminary/ Preoperative/ Misc expenses written off	-	-	0.01	0.01	-
Pre-acquisition profits	(54.19)	-	-	-	-
Operating Profit before Working Capital Changes & Operating Activities	1,374.80	949.47	942.17	1,086.45	735.77
Adjustments for Operating Activities:					
(Increase)/ decrease in Investments *(incl. Current Investments)*	1,409.91	(791.44)	(1,508.87)	(1,021.52)	(1,564.24)
(Increase)/ decrease in Loans & Advances (incl. current maturities of long-term loans & advances)	(4,978.73)	2,346.31	(1,271.74)	(5,069.64)	(2,473.75)
Increase/ (decrease) in Borrowings (incl. current maturities of long-term liabilities)	2,694.76	(3,409.95)	2,661.39	6,077.61	4,001.54
Operating Profit before Working Capital Changes	500.74	(905.61)	822.95	1,072.90	699.32
Adjustments for:					
(Increase)/ decrease in Current Assets	385.13	513.93	(998.57)	(708.89)	(185.48)
Increase/ (decrease) in Current Liabilities	162.53	(174.99)	105.37	419.72	(379.26)
Cash Flow before taxation	1,048.39	(566.67)	(70.25)	783.73	134.58
Income Tax (paid)/ refund - Net	(173.98)	(84.61)	(5.85)	(125.06)	(116.45)
Net cash flow from Operating Activities	**874.42**	**(651.28)**	**(76.10)**	**658.67**	**18.13**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of/ Advance for Fixed Assets (including Leased	(177.24)	(57.41)	(29.38)	(137.70)	(65.28)
Sale proceed of Fixed Assets	1.60	0.14	1.86	40.16	3.23
Net cash flow from Investing Activities	**(175.64)**	**(57.27)**	**(27.52)**	**(97.54)**	**(62.05)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Redemption of Preference Shares	-	-	-	-	(82.04)
Issue of Equity Shares by way of conversion of OCDs held	-	923.00	-	-	-
Issue of Equity Shares on exercise of employee stock	0.28	1.20	-	-	(24.57)
Share Premium (net of expenses)	0.23	1.04	43.79	-	(214.65)
CSR Fund (net of expenses)	0.02	(0.08)	0.02	0.06	-
Staff Welfare Fund	-	-	-	(0.27)	-
Benevolent Reserve Fund	-	0.25	-	-	-
Dividend paid	(201.53)	(87.14)	(87.18)	(86.37)	(70.06)
Net cash flow from Financing Activities	**(201.00)**	**838.27**	**(43.37)**	**(86.58)**	**(391.32)**

(` crore)

	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
Net Increase/ (Decrease) in Cash and Cash Equivalent Flow (A+B+C)	**497.78**	**129.72**	**(146.99)**	**474.55**	**(435.24)**
Opening Cash and Cash Equivalent	597.84	468.12	615.11	140.56	575.80
Closing Cash and Cash Equivalent	1,095.62	597.84	468.12	615.11	140.56
Increase/ (Decrease) in Cash and Cash Equivalent	**497.78**	**129.72**	**(146.99)**	**474.55**	**(435.24)**

Accounting Policies and Notes of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJ BHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

GENERAL INFORMATION

The Company was incorporated on May 21, 1993 under the Companies Act, 1956 as a public limited company under the name 'The Industrial Financial Corporation of India Limited' and got Certificate of Commencement of business on June 24, 1993. The objective, inter-alia, was to take over the assets and liabilities, business and functions of the erstwhile Industrial Finance Corporation of India established under the IFC Act, 1948. Accordingly, the undertaking of Industrial Finance Corporation of India under the IFC Act, 1948 was transferred to and vested in the Company with effect from July 1, 1993 vide notification issued by the Government of India, Ministry of Finance, Department of Economic Affairs (Banking Division) on June 7, 1993 pursuant to Section 3 of the IFC (Transfer of Undertaking and Repeal) act, 1993. Subsequently, a fresh certificate of incorporation dated October 27, 1999 consequent upon change of its name to "IFCI Limited" was received from the RoC.

The Company is a notified as a public financial institution within the meaning of Section 2(72) of the Companies Act, 2013. Further, the Company has also been registered as Systematically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI) with the Reserve Bank of India and has been issued a certificate of registration bearing No. B-14.00009 dated August 18, 2009.

Registered Office and Corporate Office

IFCI Tower,
61, Nehru Place,
New Delhi- 110 019,
Tel: +91 11 4179 2800/ 4173 2000
Fax: +91 11 2648 8471/ 2623 0201
E-mail: ifcipublicissue@ifciltd.com,
Website: www.ifciltd.com.

Registration

Details	Registration/Identification number
Registration Number	053677
Corporate Identity Number	L74899DL1993PLC053677

For information on changes in our Registered Office, see "***History, Main Objects and Certain Corporate Matters***" on page 70 of this Draft Shelf Prospectus.

Address of the Registrar of Companies

The Company is registered at the office of:

The Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
Tel: +91 (11) 2623 5707
Fax: +91 (11) 2623 5702

Chief Financial Officer

Mr. B. N Nayak
IFCI Tower
61, Nehru Place
New Delhi- 110 019,
Tel: +91 (11) 2623 0203
Fax: +91 (11) 2623 0029
Email: bn.nayak@ifciltd.com

Compliance Officer

Ms. Barkha Chhabra
Deputy General Manager
IFCI Tower
61, Nehru Place
New Delhi- 110 019,
Tel: +91 11 41732000, 26485610
Fax: +91 11 2623 0029
Email: bondscomplianceofficer@ifciltd.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, debenture certificate (for Applicants who have applied for Allotment in physical form), demat credit of allotted debentures in the respective beneficiary account or refund orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, Series of NCDs applied for, amount paid on Application, Depository Participant and the Collection Centre of the Members of the Syndicate where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either: (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA centres, giving full details such as name, address of Applicant, Application Form number, series/option applied for, number of NCDs applied for, amount blocked on Application.

All grievances arising out of Applications for the NCDs made through Trading Members may be addressed directly to the relevant Stock Exchange.

Lead Managers

SBI Capital Markets Limited
202, Maker Tower E, Cuffe Parade, Mumbai 400 005
Tel: +91 (22) 2217 8300
Fax: +91 (22) 2218 8332
Email: ifcibonds2014@sbicaps.com
Investor Grievance Email: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Ms. Dhivya Ravikumar/ Mr. Aditya Deshpande
Compliance Officer: Mr. Bhaskar Chakraborty
SEBI Registration No.: INM000003531

A. K. Capital Services Limited
30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021
Tel: +91 (22) 6754 6500/ 6634 9300
Fax: +91 (22) 6610 0594
Email: ifcibonds2014@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Mr. Mandeep Singh / Ms. Akshata Tambe
Compliance Officer: Mr. Vikas Agarwal
SEBI Registration No.: INM000010411

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road, Kalina,
Mumbai 400 098
Tel: +91 (22) 4086 3535
Fax: +91 (22) 4086 3610
Email:ifcibonds@edelweissfin.com
Investor grievance email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi
Compliance Officer : Mr. B. Renganathan
SEBI Registration No.: INM0000010650

RR Investors Capital Services Private Limited
47. M.M Road, Rani Jhansi Marg Jhandewalan,
New Delhi- 110 055
Tel: +91 (11) 2363 6362/63
Fax: +91 (11) 2363 6746
Email: ifcibonds2014@rrfcl.com
Investor Grievance Email: investors@rrfcl.com
Website: www.rrfcl.com/www.rrfinance.com
Contact Person: Mr. Anurag Awasthi
Compliance Officer: Mr. Ravi Kant Goyal
SEBI Registration No.: INM000007508

Consortium member

As specified in the respective Tranche Prospectus(es)

Debenture Trustee

Axis Trustee Services Limited
2nd Floor, Axis House, Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Tel: +91 22 2425 5215/16
Fax: +91 22 2425 4200
Email: debenturetrustee@axistrustee.com
Investor Grievance Email : complaints@axistrustee.com
Website:www.axistrustee.com
Contact Person: Mr. D J Bora
EBI Registration No.: IND000000494

Axis Trustee Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated September 23, 2014 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus and all subsequent periodical communications sent to the holders of the NCDs issued, pursuant to this Issue.

Registrar to the Issue

Karvyy Computershare Private Limited
Plot No. 17 to 24, Vithal Rao Nagar
Madhapur, Hyderabad 500 081
Tel: +91(40) 4456 5000
Fax: +91 (40) 2343 1551
Investor Help line no.: 1-800-3454001
Email ID: ifci.bonds@karvy.com
Investor Grievance ID: einward.ris@karvy.com
Website: http://karisma.karvy.com
Contact Person : Mr. M. Murali Krishna
SEBI Registration Number: INR000000221

Statutory Auditors

ASA & Associates LLP
Chartered Accountants
KH House, 118, Shahpur Jat
New Delhi- 110 049
Firm Registration number: 009571N/ N500006
Tel: +91 (11) 4100 9999
Fax: +91 (11) 4100 9990
Email: parveen.kumar@asa.in
Website: www.asa.in

ANDROS and Company
Chartered Accountants
A- 101, Group Industrial Area, Wazirpur
New Delhi- 110 052
Firm Registration number: 08976N
Tel: +91 (11) 4759 2055
Fax: +91 (11) 4759 2055
Email: shashigargca@gmail.com

ASA and Associates and ANDROS and Company, Chartered Accountants, were appointed as the joint Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 for the Financial Year 2014- 2015 by the Comptroller and Auditor General of India through a letter dated July 27, 2014.

Escrow Collection Banks/ Bankers to the Issue

As specified in the respective Tranche Prospectus(es)

Refund Banker to the Issue

As specified in the respective Tranche Prospectus(es)

Self Certified Syndicate Banks

The list of Designated Branches that have been notified by SEBI to act as SCSBs for ASBA process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time. For more information on the Designated Branches collecting ASBA Applications, see the above mentioned web-link.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Syndicate or the Trading Members of the Stock Exchange(s) only in the specified cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Syndicate or the Trading Members of the Stock Exchange(s) is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchange(s) only in the Specified Cities, see the above mentioned web-link.

Bankers to the Company

HDFC Bank Limited
FIG – OPS Department – Lodha, I Think
Techno Campus, O-3, Level, Next to Kanjurmarg
Railway Station, Kanjurmarg (East),
Mumbai -400042
Tel: +91 (022) 3075 2928
Fax: +91 (022) 2679 9801
Email: udhay.dixit@hdfcbank.com, figdelhi@hdfcbank.com, ancha.garg@hdfcbank.com, ashish.ujjawal@hdfcbank.com
Contact Person: Udhay Dixit
Website: www.hdfcbank.com

IDBI Bank Limited
Unit No. 2, Corporate Park, Sion Trombay Road,
Chembur, Mumbai – 400 071
Tel: +91 (022) 6690 8402
Fax: +91 (022) 6690 8424
Email: ipoteam@idbi.co.in
Contact Person: Satish Vasudeo Joshi (Head-CMS Operations)
Website: www.idbibank.com
SEBI Registration Number: INMI00000076

Legal Advisor to the Issue

Dhir & Dhir Associates
D-55, Defence Colony, New Delhi – 110 024
Tel.: +91 (11) 42410000
Fax: +91 (11) 42410091
E-mail: ifcibonds2014@dhirassociates.com
Contact Person: Mr. Girish Rawat
Website: www.dhirassociates.com

Credit Rating Agencies

ICRA Limited
Building No. 8, 2nd floor, Tower A,
DLF Cyber City, Phase II
Gurgaon 122 002
Tel: +91 (124) 4545300
Fax: +91 (124) 4050 424
Email: vivek@icraindia.com
Investor Grievance Email: investors@icraindia.com
Contact Person: Mr. Vivek Mathur
Website: www.icra.in
SEBI Registration Number: IN/CRA/003/1999

Brickwork Ratings India Private Limited
3rd Floor, Raj Alkaa Park
29/3 & 32/2 Kalena Agrahara, Bannerghatta Road
Bangalore 560 076
Tel: +91 (80) 4040 9940
Fax: +91 (80) 4040 9941
Email: info@brickworkratings.com
Investor Grievance Email: brickworkhelp@brickworkratings.com
Contact Person: Mr. V.K Normal
Website: www.brickworkratings.com
SEBI Registration Number: IN/CRA/005/2008

Credit Rating and Rationale

ICRA Limited has, letter no. D/RAT/2014-15/1-57/6 dated September 26, 2014, assigned a credit rating of "[ICRA]A (Stable)" to the NCDs. Instruments with this rating are considered to have the adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Brickwork Rating India Private Limited has, Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2014-15/0211 dated September 26, 2014, assigned a credit rating of "BWR AA- (Outlook: Stable)" to the NCDs. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

For the rationale for these ratings, see "***Annexure B – Credit Rating***" of this Draft Shelf Prospectus.

Expert Opinion

Except the letter dated September 26, 2014 issued Brickwork, in respect of the credit rating of the Issue, and Report dated August 12, 2014 related to Limited Review Financial Statements issued by ADNROS and Company, Statutory Auditors of the Company, Examination Report on the Reformatted Financial Statements and the Statement of Tax Benefits each dated September 29, 2014 issued by ASA and Associates and ANDROS and Company, Statutory Auditors of the Company, the Company has not obtained any expert opinions.

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub -section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Please see "***Terms of Issue- Impersonation***" on page 134 of this Draft Shelf Prospectus.

Minimum Subscription

Under the SEBI Debt Regulations, our Company is required to stipulate a minimum subscription amount which it seeks to raise. The consequence of minimum subscription amount not being raised is that the Issue shall not proceed and the entire application moneys received are refunded to the Applicants.

If our Company does not receive the minimum subscription of 75 % of the Base Issue Size of relevant Tranche Issue within 30 days from the date of Issue of the relevant Tranche Prospectus or such other period as may be specified by SEBI, the entire Application Amounts shall be refunded to the Applicants within 12 Days from closure of the Issue. If there is delay in the refund of Application Amounts beyond the time prescribed above, our Company will pay interest for the delayed period at rate of 15% per annum for the delayed period.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
- The allotment letter shall be issued or application money shall be refunded within the time specified in chapter titled "***Issue Procedure***" at page 138 of this Draft Shelf Prospectus, failing which interest shall be due to be paid to the applicants at the rate of 15% for the delayed period;
- Details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- We shall utilize the Issue proceeds only upon creation of security as stated in this Draft Shelf Prospectus in the section titled "***Issue Structure***" beginning on page 124 of this Draft Shelf Prospectus; and
- The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property, however, the Issue Proceeds may be used for issuing loans against securities.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no arrangers to the Issue

Issue Programme

ISSUE PROGRAMME	
ISSUE OPENS ON	**ISSUE CLOSES ON***
As specified in the Tranche Prospectus(es)	As specified in the Tranche Prospectus(es)

** The Issue shall open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Board Committee. In the event of such early closure or extension of the subscription list of the Issue, the Company shall ensure that public notice of such early closure/ extension is published on or before such early date of closure or the Tranche Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper. For more information, see "**Issue Procedure**" on page 138 of this Draft Shelf Prospectus.*

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Members of the Syndicate or the Trading Members of the Stock Exchange(s), as the case maybe, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Members of the Syndicate or the Trading Members of the Stock Exchange, as the case may be, only at the Specified Cities. On the Issue Closing Date the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and not later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event if a large number of Applications are received on the Issue Closing Date, there may be some Applications which may not uploaded due to lack of sufficient time for uploading. Any such Applications which are not uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Members of the Syndicate or Trading Members of the Stock Exchange(s) shall be liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise.

CAPITAL STRUCTURE

Our Share Capital as at date of this Draft Shelf Prospectus is set forth below:

	Aggregate value at face value (Rs. in crore)
Authorised Share Capital	
Equity 200,00,00,000 Equity Shares of Rs. 10 each	2,000.00
Preference 100,00,00,000 Preference Shares of Rs. 10 each	1,000.00
Total Authorised Share Capital	**3,000.00**
Issued Share Capital	
Equity 172,92,84,689 Equity Shares of Rs. 10 each	1,729.28
Preference 26,38,43,100 Cumulative Redeemable Preference Shares of Rs. 10 each	263.84
Total Issued Share Capital	**1,993.12**
Subscribed Share Capital	
Equity 166,33,53,935 Equity Shares of Rs.10 each	1,663.35
Preference 26,38,43,100 Cumulative Redeemable Preference Shares of Rs. 10 each	263.84
Total Subscribed Share Capital	**1,927.19**
Paid Up Share Capital	
Equity 1,66,20,37,235 Equity Share of Rs. 10 each	1,662.04
Preference 26,38,43,100 Cumulative Redeemable Preference Shares of Rs. 10 each	263.84
Total Paid up Share Capital	**1925.88**

Notes to Capital Structure

1. Share Capital history of the Company for the last 5 (five) years

The following is the history of the Equity Share Capital of the Company for the last 5 (five) years preceding the date of this Draft Shelf Prospectus

Date of Allotment	No. of Equity Shares issued and allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (Rs. in crore)	Cumulative Share Premium (Rs. in crore)
As on March 31, 2009						76,24,13,497	762.41	1,210.23
April 15, 2009	(2,45,76,166)	10.00	107.00	Zero coupon bonds	Reduction of Equity Shares on account of conversion of Equity Share into Zero Coupon bonds	73,78,37,331	737.84	971.84
October 17, 2012	40,00,00,000	10.00	10.00	9.75% Unsecured Convertible Debentures (UCDs)	Conversion of UCDs of Rs. 400.00 crore into equity at par by Government of India#	113,78,37,331	1,137.84	941.55

 # The GoI in the year 2001, as part of its recapitalization plan infused Rs.400.00 crore as Tier -I capital in the form of 20 year 9.75% Unsecured Convertible Debentures (UCDs) and is redeemable on October 30, 2021. The terms of the said instrument provide GoI the option of converting the debentures, wholly or partly into fully paid equity shares of the Company, at par, at any time during the currency of debentures subject to compliance with the provisions of SEBI guidelines in respect of preferential allotment.

Date of Allotment	No. of Equity Shares issued and allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (Rs. in crore)	Cumulative Share Premium (Rs. in crore)
December 20, 2012	52,30,00,000	10.00	10.00	0.1% Optionally Convertible Debentures (OCDs)	Conversion of OCDs of Rs 523.00 crore into equity at par by Government of India^	166,08,37,331	1,660.84	930.63
March 25, 2013*	9,82,332	10.00	17.55	Cash	Allotment as per the Employee Stock Option Scheme 2011	166,20,37,235	1662.04	930.10
	2,17,572		23.40					

^ In December 2002, the GoI approved a financial assistance of Rs.5220.00 crore to the Company, which was to be released over the period from 2003 to 2011-2012. Out of the said package, financial assistance of Rs.2932.31 crore - Rs.523.00 crore as loan in the form of Optionally Convertible Debentures (OCDs) and Rs.2409.31 crore as grants-in-aid, was released. Since, the Company started making profits from the year 2006-2007, it was decided to stop release of further assistance to the Company. The aforesaid loan of Rs.523.00 crore from GoI to the Company was in the form of 0.01% OCDs and redeemable on March 28, 2023.

** Issue of 9,82,332 and 2,17,572 Equity Shares by way of allotment under ESOP-A Stock Options and ESOP-B Stock Options, respectively.*

2. There has been no change in our Authorised Share Capital in the last 5 (five) years. The shareholders' of the Company in the Extra-ordinary general meeting dated December 5, 2012 approved the reclassification of the Authorised Share Capital of the Company as under:

Authorised Share Capital	Authorised Share Capital before reclassification (Rs. in crore)	Authorised Share Capital after reclassification (Rs. in crore)
Equity	1500.00 crore divided into 150,00,00,000 Equity Shares of Rs. 10 each	2000.00 crore divided into 200,00,00,000 Equity Shares of Rs. 10 each
Preference	1500.00 crore divided into 150,00,00,000 Preference Shares of Rs. 10 each	1000.00 crore divided into 100,00,00,000 Preference Shares of Rs. 10 each

3. Details of equity shares held by the Promoter as on September 19, 2014

S. No	Name of the Promoter	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital	No. of Equity Shares pledged	Percentage of Equity Shares pledged
1.	President of India	92,30,00,000	92,30,00,000	55.53	Nil	Nil

4. Shareholding pattern of the Company and list of shareholders

The table below represents the shareholding pattern of our Company as per clause 35 of the Listing Agreement, as on June 30, 2014:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	No of Shares held in dematerialized form	Total Shareholding as a % of Total no. of Shares		Shares Pledge or otherwise Encumbered	
					As a Percentage of (A+B)	As a Percentage of (A+B+C)	Number of Shares	As a Percentage
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)=(VIII)/(IV)*100**
(A)	**PROMOTER AND PROMOTER GROUP**							
(1)	INDIAN							
(a)	Central Government/State Government(s)	1	92,30,00,000	92,30,00,000	55.53	55.53	0	0.00
	Sub-Total:	**1**	**92,30,00,000**	**92,30,00,000**	**55.53**	**55.53**	**0**	**0.00**
(2)	FOREIGN							
	Total shareholding of Promoter and Promoter Group A	**1**	**92,30,00,000**	**92,30,00,000**	**55.53**	**55.53**	**0**	**0.00**
(B)	**PUBLIC SHAREHOLDING**							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	44	27,24,058	27,10,558	0.16	0.16	0	0.00
(b)	Financial Institutions /Banks	221	9,94,62,073	9,63,84,573	5.98	5.98	0	0.00
(c)	Insurance Companies	10	10,66,98,758	10,66,85,458	6.42	6.42	0	0.00
(d)	Foreign Institutional Investors	112	13,29,61,397	13,29,39,597	8.00	8.00	0	0.00
	Sub-Total B(1)	**387**	**34,18,46,286**	**33,87,20,186**	**20.57**	**20.57**	0	0.00
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate	4,403	9,21,21,795	9,18,85,743	5.54	5.54	0	0.00
(b)	Individuals						0	0.00
	(i) Individual shareholding nominal share capital upto Rs.1 lakh	6,90,911	23,37,00,745	21,28,45,947	14.06	14.06	0	0.00
	(ii) Individuals shareholding nominal share capital in excess of Rs.1 lakh	2,185	6,23,58,991	6,21,85,991	3.75	3.75	0	0.00
(c)	Any Others	3,298	90,09,418	86,57,918	0.54	0.54	0	0.00
	TRUST & FOUNDATION	33	9,31,032	9,30,132	0.06	0.06	0	0.00
	NON RESIDENT INDIANS /OVERSEAS CORPORATE BODIES	3,265	80,78,386	77,27,786	0.49	0.49	0	0.00
	Sub-Total B(2) :	**7,00,797**	**39,71,90,949**	**37,55,75,599**	**23.90**	**23.90**	**0**	**0.00**
	Total Public shareholding B=B(1)+B(2) :	**7,01,184**	**73,90,37,235**	**71,42,95,785**	**44.47**	**44.47**	**0**	**0.00**
	Total (A+B)	**7,01,185**	**16,62,037,235**	**1,63,72,95,785**	**100.00**	**100.00**	**0**	**0.00**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**							
(1)	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
(2)	Public	0	0	0	0.00	0.00	0	0.00
	Sub Total	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A+B+C)	**7,01,185**	**1,66,20,37,235**	**1,63,72,95,785**	**0.00**	**100.00**	**0**	**0.00**

5. List of top 10 holders of Equity Shares of the Company as on September 19, 2014:

S. No.	Name of the Shareholder	No. of Equity Shares held	No. of Equity Shares in Demat form	Total Shareholding as % of total number of Equity Shares
1.	President of India	92,30,00,000	92,30,00,000	55.53
2.	Life Insurance Corporation of India	6,19,44,644	6,19,34,044	3.73
3.	Government Pension Fund Global	2,54,37,454	2,54,37,454	1.53
4.	Nippon Investment and Finance Company Private Limited	1,95,20,000	1,95,20,000	1.17
5.	General Insurance Corporation of India	1,65,02,700	1,65,00,000	0.99
6.	MV SCIF Mauritius	1,45,86,942	1,45,86,942	0.88
7.	Canara Bank-Mumbai	1,47,56,746	1,26,41,746	0.89
8.	Goldman Sachs Investments (Mauritius) Limited	1,16,47,437	1,16,47,437	0.70
9.	Central Bank of India	1,11,49,026	1,11,49,026	0.67
10.	The Oriental Insurance Company Limited	1,02,45,438	1,02,45,438	0.62
	Total	**110,87,90,387**	**110,66,62,087**	**66.71**

6. List of top 10 holders of Preference Shareholders as on September 19, 2014:

S. No.	Name of the Shareholder	No. of Preference Shares Held	No. of Preference Shares in Demat form	Total Shareholding as % of total number of Preference Shares
1	State Bank of India	8,00,00,000	8,00,00,000	31.03
2	Punjab National Bank	7,70,00,000	7,70,00,000	29.86
3	Oriental Bank of Commerce	3,06,61,200	3,06,61,200	11.89
4	Canara Bank	2,82,64,600	2,82,64,600	10.96
5	Union Bank of India	1,41,32,200	1,41,32,200	5.48
6	Andhra Bank	90,00,000	90,00,000	3.49
7	Bank of Baroda	50,00,000	50,00,000	1.94
8	State Bank of Hyderabad	50,00,000	50,00,000	1.94
9	The Oriental Insurance Co Limited	46,52,900	46,52,900	1.80
10	Dena Bank	41,32,200	41,32,200	1.60
TOTAL		**25,78,43,100**	**25,78,43,100**	**100.00**

7. Top 10 holders of non-convertible debentures

The Top 10 holders of non-convertible debentures, on a cumulative basis for all outstanding non-convertible debentures, as at August 31, 2014:

S. No.	Name of the Debenture holder	Number of Instruments held	Face Value Per Debenture (in Rs.)	Amount (Rs. in crore)	%age
1.	Life Insurance Corporation of India	418,19,05,274	1	418.19	51.12
		20,000	1,00,000	200.00	24.44
2.	State Bank of India	20,000	1,00,000	200.00	24.44

8. Top 10 holders of bonds

The Top 10 holders of bonds, on a cumulative basis for all outstanding bonds, as at August 31, 2014:

S. No.	Name of bond holder	Number of Instrument held	Face Value Per Bond	Amount (Rs. in crore)	%age
1	Life Insurance Corporation of India	2561050	1000	598.66	6.24
		34256	100000		
2	State Bank OF India	150	1000000	489.83	5.10
		4748342	1000		
3	Welspun Corp Limited	1084	1000000	306.67	3.20
		79310	25000		
4	Punjab National Bank	250	1000000	216.64	2.26
		300	100000		
		1886456	1000		
5	UCO BANK	16000	100000	216.50	2.26
		565000	1000		
6	Indian Oil Corporation Limited-Employees Post Retirement Medical Benefit Fund	2000	1000000	200.00	2.08
7	The South Canara District Central Cooperative Bank Limited	1750	1000000	175.00	1.82
8	Board of Trustees M S R T C Contributary Provident Fund	938	1000000	155.20	1.62
		614000	1000		
9	Indian Oil Corporation (RD) Employees Provident Fund	917	1000000	153.71	1.60
		5401	100000		
		16000	5000		
10	Food Corporation of India C P Fund Trust	957	1000000	145.70	1.52
		2100	100000		
		10000	25000		
		8000	5000		

9. Debt - equity ratio

	Standalone		Consolidated	
Particulars	**Pre Issue* (Rs. in crore)**	**Post Issue** (Rs. in crore)**	**Pre Issue* (Rs. in crore)**	**Post Issue** (Rs. in crore)**
Debt				
Long term Debt	17,342.11	19,342.11	17,585.43	19,585.43
Short Term Debt	247.95	247.95	620.08	620.08
Current maturities of Long term Debt	3,179.68	3,179.68	3,328.88	3,328.88
A	**20,769.74**	**22,769.74**	**21,534.39**	**23,534.39**
Equity				
Share Capital	1,662.04	1,662.04	1,662.04	1,662.04
Reserve and Surplus	4,136.28	4,136.28	4,484.77	4,484.77
Share Application Money (Pending Allotment)	0.00	0.00	0.00	0.00
B	**5798.32**	**5798.32**	**6,146.81**	**6,146.81**
Debt Equity Ratio (A/B)	**3.58**	**3.93**	**3.50**	**3.83**

**Pre-Issue figures are as on March 31, 2014.*
***Post Issue figures are based on the assumption that there is no change in Total Shareholders' funds and in Total Debt subsequent to March 31, 2014 (other than the NCDs which are assumed to have been fully subscribed to the extent of Rs. 2000.00 crore. For further information, see "**Material Developments**" on page 123 of this Draft Shelf Prospectus.*

10. Acquisition or amalgamation in the last one year

During the Financial year 2013-14, our Company made an investment of Rs. 339.55 crore by purchasing 18.95% of IDBI Bank Limited's stake in Stock Holding Corporation of India Limited (SHCIL) and increasing its equity stake in SHCIL from 33.91% to 52.86%, thereby making it a subsidiary.

11. Except as given below, the Company does not have any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option in pursuance of an option. As on June 30, 2014, our Company has the following outstanding debt securities which were issued at a discount:

Particulars of outstanding securities issued at a discount as on June 30, 2014

Instrument	Date of Issue	No. of Debentures	Face Value	Discount Per Debenture	Aggregate Discount (Rs. in crore)	Amount Allotted (Rs. in crore)
Subordinated, unsecured, redeemable, non-convertible bonds series V(a), (b) & (c)	Bond Series V (a) & (b)- September 18, 2012 Bond Series V (c)- October 5, 2012	7,000	Rs. 1,00,000 each	Rs. 2,950 each	2.07	70.00 (Face value)
Unsecured, Redeemable, Non-Convertible, Taxable Bonds-Series 58 in the form of promissory notes, each bond comprising 4 equal detachable Separately Tradeable Redeemable Principal Parts (STRPPs)	November 5, 2012	42750	Rs. 1,00,000 each	Rs. 2,150 each	9.19	427.50 (Face value)

12. Except to the extent disclosed in this Draft Shelf Prospectus, our Company has not issued any Equity Shares for consideration other than cash.

13. No securities of the Company and our Subsidiaries have been purchased or sold by the Directors of the Company and their relatives within 6 months immediately preceding the date of this Draft Shelf Prospectus.

14. No Equity Shares of the Company are pledged or otherwise encumbered by the Promoters.

15. The Company has not issued any Equity Shares or debt securities on account of any acquisition, amalgamation, reorganisation or reconstruction in the last one year.

16. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Draft Shelf Prospectus.

17. For information on outstanding borrowings of the Company as at August 31, 2014, see "***Description of Certain Indebtedness***" on page 92 of the Draft Shelf Prospectus.

OBJECTS OF THE ISSUE

Issue Proceeds

This is a public issue by the Company of secured redeemable non-convertible debentures of face value of Rs. 1,000 each, upto a Shelf Limit of Rs. 2,000.00 crore. The NCDs will be issued in one or more tranches (each being a "**Tranche Issue**") subject to the Shelf Limit, in accordance with the terms and conditions set out in separate Tranche Prospectus(es) for each such tranche. The Issue is being made under the SEBI Debt Regulations.

Utilisation of Issue Proceeds

The Issue proceeds as raised through each of the Tranche less the expenditure will be utilised for following activities in the ratio provided as below:

a) For the purpose of lending: minimum 75% of the amount raised and allotted in the Issue; and
b) For General Corporate purpose: upto 25% of the amount raised and allotted in the Issue.

For more information on the Company's business and associated risks, see "***Business***" and "***Risk Factors***" on pages 58 and 9 of this Draft Shelf Prospectus, respectively.

The main objects clause of our Memorandum of Association permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.

Monitoring of Utilization of Funds

In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of the Issue. The Board shall monitor the utilisation of the proceeds of the Issue. The Company will disclose in its financial statements for the relevant fiscal commencing from Fiscal 2014, the utilization of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

For more information, see "***Terms of the Issue - Utilisation of Issue Proceeds***" and "***Issue Procedure - Monitoring & Reporting of Utilisation of Issue Proceeds***" on page 135 of this Shelf Prospectus.

Interim use of Proceeds

The Board, in accordance with policies formulated from time to time, will have flexibility in deploying the proceeds of the Issue. Pending utilisation of the Issue proceeds for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities or inter-corporate loans as may be approved by the Board or Committee of Board, as the case may be. Such investment would be in accordance with the investment policies approved by the Board of Directors or any committee thereof from time to time.

Variation in terms of contract or objects in this Draft Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of a contract referred to in this Draft Shelf Prospectus or objects for which the Draft Shelf Prospectus is issued, except subject to the approval of, or except subject to an authority given by the Shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

Other Confirmations

In accordance with SEBI Debt Regulations, the Company is required to not utilise the proceeds of the Issue for providing loans to or acquisitions of shares of any person who is a part of the same group as the Company or who is under the same management as the Company or any Subsidiary of the Company. The Company is promoted and controlled by President of India, through Ministry of Finance, Government of India and, as such, we do not have any identifiable 'group' companies or 'companies under the same management'.

Further, the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any acquisition, including by way of a lease, of any property, however, the Issue Proceeds may be used for issuing loans against securities.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoters, Directors, Key Managerial Personnel or companies promoted by our Promoters, except in the usual course of business.

Issue proceeds from NCDs allotted to banks will not be utilised for any purpose which may be in contravention of RBI guidelines on bank financing to NBFCs, including those relating to classification as capital market exposure or any other sectors that are prohibited by RBI.

The Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby the Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

We shall utilise the Issue proceeds only on execution of documents for creation of security as stated in this Draft Shelf Prospectus under "***Terms of the Issue***" on *page* 127 and on the listing of NCDs.

STATEMENT OF TAX BENEFITS

The following tax benefits will be available to the debenture holders as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The debenture holder is advised to consider the tax implications in respect of subscription to the debentures after consulting his tax advisor as alternate views are possible. We are not liable to the debenture holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ("I.T. ACT")

i) To the Resident Debenture Holder

1. Interest on NCD received by debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:

   (a) In case the payment of interest on debentures to a resident individual or a Hindu undivided family ("**HUF**") Debenture Holder does not or is not likely to exceed Rs. 5,000.00 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.

   (b) On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.

   (c) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; **and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.**

   (d) (i) When the resident Debenture Holder with Permanent Account Number ("**PAN**") (not being a company or a firm) submits a declaration as per the provisions of Section 197A (1A) of the I.T. Act in the prescribed form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under Section 197A(1B) of the I.T. Act, "form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in Section 194 of the I.T. Act, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax".

   To illustrate, as on April 01, 2014, the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs. 2,50,000.00; in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial Year (Senior Citizen) is Rs. 3,00,000.00; and in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial Year (Super Senior Citizen) is Rs. 5,00,000.00 for Financial Year 2014-15.

   Further, section 87A of the I.T. Act provides a rebate of 100% of income-tax or an amount of Rs. 2,000.00 whichever is less to a resident individual whose total income does not exceed Rs. 5,00,000.00.

   (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration with Permanent Account Number (PAN) in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of Section 197A (1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

   (iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued under Section 197(1) have to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.

3. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T.Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A/195 of the Income Tax Act, 1961.

4. As per Section 2(29A) of the I.T. Act, read with Section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer. Under Section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

   However as per the third proviso to Section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of Section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Thus, long term capital gains arising out of listed debentures would be subject to tax at the rate of 10% computed without indexation.

   In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which

the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

5. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 3 above would also apply to such short term capital gains.

6. Securities Transaction Tax ("STT") is a tax being levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the Bonds.

7. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

ii) To the Other Eligible Institutions

All mutual funds registered under Securities Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein.

iii) Exemption under sections 54EC and 54F of the I.T. Act

1. Under Section 54EC of the I.T. Act, long term capital gains arising to the debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of Rs. 5,000,000.00 during any financial year in the notified bonds. Where the benefit of Section 54EC of the I.T. Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under Section 80C of the IT Act.

2. As per the provisions of Section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Debenture Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

iv) Requirement to furnish PAN under the I.T. Act

1. **Section 139A(5A)**

Section 139A(5A) of the I.T. Act requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.

2. **Section 206AA:**

(a) Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which attracts tax shall be deducted at the higher of the following rates:
(i) at the rate specified in the relevant provision of the I.T. Act; or
(ii) at the rate or rates in force; or
(iii) at the rate of twenty per cent.

(b) A declaration under Sections 197A(1) or 197A(1A) 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per paragraph(a) above in such a case.

(c) Where a wrong PAN is provided, it will be regarded as non furnishing of PAN and paragraph (a)above will apply

v) Taxability of gifts received for nil or inadequate consideration or in advance in course of negotiations for transfer of capital asset

1. As per Section 56(2)(vii) of the I.T. Act, where an individual or HUF receives debentures from any person on or after October 01, 2009:

(a) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

(b) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration shall be taxable as the income of the recipient at the normal rates of tax.

However, this provision would not apply to any receipt:

(a) from any relative; or
(b) on the occasion of the marriage of the individual; or
(c) under a will or by way of inheritance; or
(d) in contemplation of death of the payer or donor, as the case may be; or
(e) from any local authority as defined in Section 10(20) of the I.T Act; or
(f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Sec. 10(23C); or
(g) from any trust or institution registered under Section 12AA.

2. As per section 56 (2)(ix) of the income-tax Act with effect from the 1st day of April, 2015 any sum of money received as an advance or otherwise in the course of negotiations for transfer of a capital asset shall be chargeable to income tax under the head " Income from other sources" in the hands of recipient if:
   (a) such sum is forfeited; and
   (b) the negotiations do not result in transfer of such capital asset."

B. IMPLICATIONS UNDER THE WEALTH TAX ACT, 1957

Wealth-tax is not levied on investment in debentures under Section 2(ea) of the Wealth Tax Act, 1957.

LIMITATIONS:

1. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

2. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

3. We shall not be liable to any claims, liabilities or expenses relating to the facts mentioned in this statement.

4. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.

5. The above statement covers only certain relevant benefits under the Income Tax Act, 1961 and Wealth Tax Act, 1957(collectively referred to as '**direct tax laws**') and does not cover benefits under any other law.

6. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2015-16. Several of these benefits are dependent on the debenture holder fulfilling the conditions prescribed under the relevant provisions.

7. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.

8. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No. 009571N/ N500006

For **ANDROS & Co.**
Chartered Accountants
Firm Registration No. 008976N

Parveen Kumar
Partner
Membership no. 088810

Brij Bhushan Garg
Partner
Membership no. 084865

Place: September 29, 2014
Date: New Delhi

SECTION IV – INDUSTRY OVERVIEW AND ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and Government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in the Draft Shelf Prospectus.

The Indian Economy

India is the fourth largest economy in the world after the United States, European Union, and China, with an estimated GDP of approximately US$ 4.99 trillion in 2013, calculated on a purchasing power parity ("**PPP**") basis. The GDP of India grew at a real growth rate of 3.2% in 2013. *(Source: CIA World Factbook).*

The Indian economy is set on a disinflationary path, but more efforts may be needed to secure recovery. While the global environment remains challenging, policy action in India has rebuilt buffers to cushion it against possible spillovers. These buffers effectively bulwarked the Indian economy against the two recent occasions of spillovers to emerging market and developing economies (EMDEs) — the first, when the US Fed started the withdrawal of its large scale asset purchase programme and the second, which followed escalation of the Ukraine crisis. On both these occasions, Indian markets were less volatile than most of its emerging market peers. With the narrowing of the twin deficits – both current account and fiscal – as well as the replenishment of foreign exchange reserves, adjustment of the rupee exchange rate, and more importantly, setting in motion disinflationary impulses, the risks of near-term macro instability have diminished. *(Source: RBI: Macroeconomic and Monetary Developments 2014-2015 (An Update).*

Growth in the Indian economy had been shifting down from 9.6 percent in Q4 of 2010- 11. It troughed around 4.4 percent for three quarters from Q3 of 2012-13 to Q1 of 2013-14. Since then there are signs of growth bottoming out with marginal improvement recorded during Q2 and Q3 of 2013-14 to 4.8 and 4.7 percent respectively. However, this improvement has been feeble and clear signs of recovery are yet to emerge, even as the economy seems to be gearing for a modest recovery during 2014-15. *(Source: RBI: Macroeconomic and Monetary Developments 2014-2015 (An Update).*

Macroeconomic Outlook

A moderate recovery is likely to set in 2014-15 broadly in line with the Reserve Bank's indicated projections in January 2014. However, data revisions for previous quarters and the consequent changes in base effects impart uncertainty to the growth trajectory ahead. The pace of recovery, nevertheless, is likely to be modest. The recovery is likely to be supported by investment activity picking up due to part resolution of stalled projects and improved business and consumer confidence. Manufacturing PMI, for the month of February 2014, touched a year's high on the back of higher output and new orders. The rural demand base is likely to shore up demand following record agricultural output. In addition, external demand is expected to improve further during 2014-15 stemming from encouraging prospects for global growth, notwithstanding some recent loss in export growth momentum. *(Source: RBI: Macroeconomic and Monetary Developments 2014-2015 (An Update).*

Downside risks to growth have increased marginally since January 2014 taking into account the continued weak performance of industry and increase in risks to agriculture from the El Nino phenomenon, though the actual outcome on the monsoon depends on several other weather parameters. Tighter global financial and monetary conditions, in addition to continued fiscal adjustment in some countries can also drag recovery. To a large part, the recovery remains contingent on improvements in the investment climate. *(Source: RBI: Macroeconomic and Monetary Developments 2014-2015 (An Update).*

Non-Banking Financial Companies classification in India

Based on liabilities, NBFCs are classified into two categories - Category "A" companies (NBFCs-D), and Category "B" companies (NBFCs not raising public deposits or NBFCs-ND). NBFCs-D are subject to requirements of capital adequacy, maintaining liquid assets, exposure norms (including restrictions on exposure to investments in land, building and unquoted shares), ALM discipline and reporting requirements. Category "B" companies, in contrast, were subject to minimal regulation till 2006. However, since April 1, 2007, non-deposit taking NBFCs with assets of Rs. 1 billion and above have been classified as NBFCs-ND-SI and prudential regulations such as capital adequacy requirements and exposure norms along with reporting requirements have been made applicable to them. Capital market exposure (CME) and asset liability management (ALM) reporting and disclosure norms were also made applicable to them at different points of time. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI).*

In terms of activities undertaken, NBFCs are classified into eight categories, viz., Asset Finance Companies (AFCs), Investment Companies (ICs), Loan Companies (LCs), Infrastructure Finance Companies (IFCs), Core Investment Companies (CICs), Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), Non-Banking Financial Company - Micro Finance Institutions (NBFC-MFIs) and NBFC-Factors. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI.)*

As per the ownership structure of NBFCs-ND-SI and deposit-taking NBFCs as at end-March 2013, it is found that a majority of them were non-government Public Limited Companies. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

Ownership Pattern of NBFCs-ND-SI and NBFCs-D

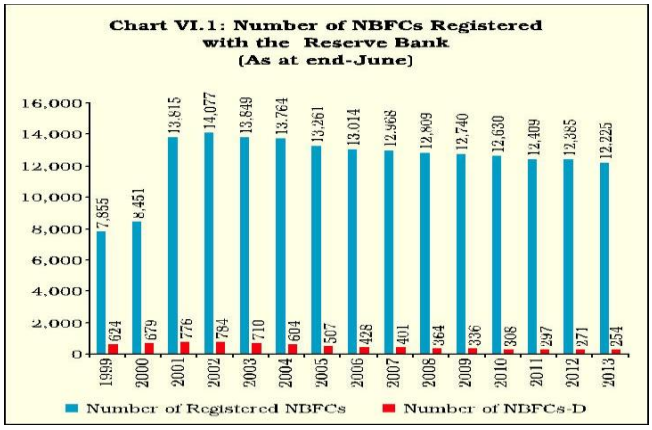
(As at end-March 2013)

(Number of Companies)

Ownership	NBFCs-ND-SI	NBFCs-D
1	2	3
A. Government Companies	9	7
	(2.2)	(2.8)
B. Non-Government Companies (1+2)	409	247
	(97.8)	(97.2)
1. Public Ltd. Companies	218	245
	(52.2)	(96.5)
2. Private Ltd. Companies	191	2
	(45.7)	(0.8)
Total No. of Companies (A+B)	418	254
	(100.0)	(100.0)

Note: Figures in parentheses are percentages to total.
(*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

The total number of NBFCs registered with the Reserve Bank declined marginally to 12,225 as at end-June 2013 (Chart VI.1). The number of NBFCs-D during 2012-13 declined mainly due to the cancellation of certificates of registration (CoR) and migration to non-deposit-taking category. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI).*



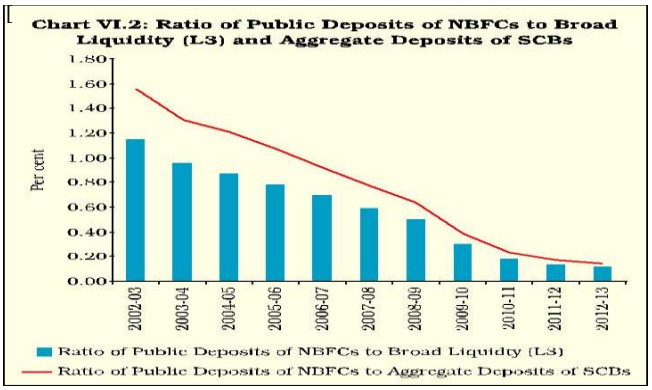
(*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

Though the number of NBFCs in business declined, their total assets, and net owned funds increased marginally. Public deposits mobilised by NBFCs also increased. Holding of public deposits by the Residuary Non-Banking Companies (RNBCs) contracted. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI).*

Item	As at end-March			
	2012		2013 P	
	NBFCs	*of which: RNBCs*	NBFCs	*of which: RNBCs*
1	2	3	4	5
Total Assets	1,298	75	1,322	73
		(5.8)		(5.5)
Public Deposits	100	43	106	35
		(42.8)		(33.1)
Net Owned Funds	249	31	250	31
		(12.4)		(12.3)

P: Provisional.
Notes: 1. Figures in parentheses are percentage shares in respective total.
2. Based on annual returns filed by 209 NBFCs-D and two RNBCs.
Source: Annual/Quarterly Returns.
(*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

Despite a rise in deposits mobilised by NBFCs, the ratio of NBFCs' public deposits to aggregate deposits of scheduled commercial banks (SCBs) continued to decline during 2012-13. The ratio of NBFCs' deposits to the broadest measure of liquidity aggregates, L3, also declined during the year (Chart VI.2). (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI).*



L3= NM3 + Postal Deposits + Term Money Borrowings + Certificates of Deposit + Term Deposits + Public Deposits with NBFCs.
(*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

Size of the Sector

The share of NBFCs' assets in GDP (at current market prices) increased steadily from just 8.4 percent as on March 31, 2006 to 12.5 percent as on March 31, 2013; while the share of bank assets increased from 75.4 percent to 95.5 percent during the same period. *(Source: Speech delivered by Shri P Vijaya Bhaskar, Executive Director, Reserve Bank of India at ASSOCHAM in Delhi on January 23, 2014, available at http://www.rbi.org.in/scripts/BS_SpeechesView.aspx?Id=870)*

Assets of NBFC and Banking (SCBs) Sectors as a % to GDP								
Ratio	Year							
	2006	2007	2008	2009	2010	2011	2012	2013
NBFC Assets to GDP (%)	8.4	9.1	10.1	10.3	10.8	10.9	11.9	12.5
Bank Assets to GDP (%)	75.4	80.6	86.8	93.0	93.0	92.2	92.7	95.5
Note: Assets of NBFC sector include assets of all deposit taking NBFCs and NBFCs-ND-SI								

(Source: Speech delivered by Shri P Vijaya Bhaskar, Executive Director, Reserve Bank of India at ASSOCHAM in Delhi on January 23, 2014, available at http://www.rbi.org.in/scripts/BS_SpeechesView.aspx?Id=870)

Performance of NBFC-ND-SI

The consolidated balance sheet of NBFCs-ND-SI expanded by 19.5 percent during 2012-13. On the liability side, borrowings (secured and unsecured) by NBFCs-ND-SI, which constituted more than two-thirds of total liabilities, increased significantly by 22.2 percent during the year. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI).*

Consolidated Balance Sheet of NBFCs-ND-SI (as at end-March)

(Amount in Rs in billion)

Item	2012	2013 P	Variation (Percent)
1	2	3	4
1. Share Capital	524	592	12.9
2. Reserves & Surplus	1,891	2,068	9.3
3. Total Borrowings	6,530	7,980	22.2
A. Secured Borrowings	3,627	4,332	19.4
A.1. Debentures	1,746	2,112	21.0
A.2. Borrowings from Banks	1,487	1,704	14.6
A.3. Borrowings from FIs	98	128	30.0
A.4. Interest Accrued	64	96	49.7
A.5. Others	232	292	25.7
B. Unsecured Borrowings	2,902	3,648	25.7
B.1. Debentures	1,221	1,614	32.2
B.2. Borrowings from Banks	456	460	0.9
B.3. Borrowings from FIs	28	63	126.4
B.4. Borrowings from Relatives	13	11	-13.0
B.5. Inter-Corporate Borrowings	242	247	1.8
B.6. Commercial Paper	353	441	25.1
B.7. Interest Accrued	71	99	39.8
B.8. Others	519	713	37.4
4. Current Liabilities & Provisions	408	537	31.6
Total Liabilities/Assets	9,353	11,177	19.5
Assets			
1. Loans & Advances	6,143	7,497	22.0
1.1. Secured	4,642	5,852	26.1
1.2. Unsecured	1,501	1,645	9.6
2. Hire-Purchase Assets	640	786	22.8
3. Investments	1,544	1,742	12.8
3.1. Long-Term Investments	1,170	1,284	9.7
3.2. Current Investments	374	458	22.4
4. Cash & Bank Balances	334	358	7.2
5. Other Current Assets	536	623	16.2
6. Other Assets	156	172	9.9
Memo Items			
1. Capital Market Exposure (CME)	833	907	8.9
of which: Equity Shares	267	275	2.9
2. CME as percent of Total Assets	8.9	8.1	
3. Leverage Ratio	2.87	3.20	

P: Provisional.

Notes: 1. Data presented here pertain to 354 entities, which have consistently reported for end-March 2012 and 2013, respectively and accounted for more than 95 percent of the total assets of the NBFCs-ND-SI sector.

2. Percentage figures are rounded-off. Source: Monthly Returns of NBFCs-ND-SI.

(*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

The NBFCs-ND-SI borrowed mainly by floating debentures, followed by borrowings from banks and FIs, commercial paper, and inter-corporate borrowings. Unsecured borrowings of NBFCs-ND-SI, constituting slightly less than half the total borrowings, expanded significantly and outpaced the growth in secured borrowings during 2012-13. The unsecured borrowings were largely raised through debentures, followed by borrowings from banks, commercial paper, inter-corporate borrowings and borrowings from FIs. Amongst the unsecured modes, "borrowings from FIs" more than doubled (126.4 percent) during 2012-13, while borrowings from unsecured debentures and commercial paper grew by 32.2 and 25.1 percent, respectively. Unsecured borrowings from banks increased marginally during 2012-13. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI).*

The asset position of NBFCs-ND-SI further strengthened in 2012-13. Loans and advances, which formed a major part of the assets, increased by 22 percent. The rise in hire-purchase assets and investment also propped up the asset position of NBFCs-ND-SI. The leverage ratio of the NBFCs-ND-SI sector had increased marginally to 3.20. Exposure of this segment to capital market as a percent of total assets declined from 8.9 percent to 8.1 percent during the year. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI).*

Borrowings of NBFCs-ND-SI by Region

Analysis of region-wise borrowings of the NBFCs-ND-SI reveals the dominance of northern and western regions; together they constituted more than 70 percent of the total borrowings during the year ended-March 2013. Compared to other regions, the eastern and southern regions showed higher growth in borrowings. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

Borrowings of NBFCs-ND-SI by Region

(Amount in Rs. in billion)

Region	As at end-March		Variation (Percent)
	2012	2013 P	
1	2	3	4
North	3,169	3,767	18.9
East	340	432	26.9
West	1,734	2,145	23.7
South	1,287	1,637	27.2
Total Borrowings	6,530	7,980	22.2

P: Provisional.
Source: Monthly Returns of NBFCs-ND-SI.
(*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

Financial Performance

The financial performance of the NBFCs-ND-SI sector improved as reflected in an increase in their net profit during 2012-13. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

Financial Performance of NBFCs-ND-SI

(Amount in Rs in billion)

Item	As at end-March	
	2012	2013 P
1	2	3
1. Total Income	988	1,246
2. Total Expenditure	745	930
3. Net Profit	171	222
4. Total Assets	9,353	11,177
Financial Ratios (Percent)		
(i) Income to Total Assets	10.6	11.2
(ii) Expenditure to Total Assets	8.0	8.3
(iii) Net Profit to Total Income	17.3	17.8
(iv) Net Profit to Total Assets	1.8	2.0

P: Provisional.
Source: Monthly Returns of NBFCs-ND-SI.
(*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

Net profit as a percent to total income as also to total assets increased marginally during the year. While the ratio of gross NPAs of NBFCs-ND-SI to their total assets had increased marginally, the net NPAs to total assets declined during the year. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI).*

NPA Ratios of NBFCs-ND-SI

(Percent)

Item	As at end-March	
	2012	2013 P
1	2	3
(i) Gross NPAs to Gross Advances	2.12	2.20
(ii) Net NPAs to Net Advances	1.29	1.09
(iii) Gross NPAs to Total Assets	1.54	1.63
(iv) Net NPAs to Total Assets	0.93	0.80

P: Provisional.
Source: Monthly Returns of NBFCs-ND-SI.
(*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

As at end-March 2013, a majority of the reporting companies maintained the stipulated minimum norm of 15 percent capital adequacy as measured by CRAR. Only 12 percent of the total reporting companies had a CRAR of less than 15 percent and almost all of them were either investment companies or loan companies. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI).*

CRAR Range	2011-12					2012-13 P					
	AFC	IC	IFC	LC	Total	AFC	IC	IDF	IFC	LC	Total
1) Less than 15%	-	30	-	18	48	1	34	-	-	15	50
2) More than 15% and up to 20%	5	8	1	23	37	5	7	-	1	24	37
3) More than 20% and up to 30%	4	12	2	20	38	4	10	-	2	30	46
4) Above 30%	7	178	1	88	274	6	182	1	1	95	285
Total	16	228	4	149	397	16	233	1	4	164	418

P: Provisional; -: Indicates nil.
AFC - Asset Finance Company; LC - Loan Company; IC - Investment Company; IFC - Infrastructure Finance Company; IDF - Infrastructure Debt Fund. Source: Half-yearly Returns.
(*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

NBFCs-ND-SI have adequate scope to utilise their capital for further expansion. The exposure of the banking system to the NBFCs-ND-SI sector was largely in the form of term and working capital loans; and most of these loans were extended by nationalised banks and the State Bank Group. Debentures and commercial papers floated by NBFCs-ND-SI to the banking sector were, by and large, subscribed to by new private banks and foreign banks, respectively. (*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI).*

Bank Exposure of NBFCs-ND-SI Sector (As at end-March 2013)

(Amount in Rs. in billion)

Bank Group	Term Loans	Working Capital Loans	Debentures	Commercial Paper	Others	Total
1	2	3	4	5	6	7
A. Nationalised Banks	709.4	2.7	26.6	0.1	27.3	766.1
B. State Bank Group	250.3	136.3	0.2	0.0	0.2	386.9
C. Old Private Banks	212.6	8.2	0.1	0.0	0.0	221.0
D. New Private Banks	338.5	26.9	61.1	0.3	19.8	446.5
E. Foreign Banks	50.7	0.7	0.4	50.2	0.5	102.4
All Banks	1,561.4	174.6	88.4	50.6	47.8	1,922.9

Source: Monthly Returns of NBFCs-ND-SI
(*Source: Report on Trend and Progress of Banking in India 2012-13 dated November 21, 2013 issued by RBI)*

BUSINESS

Overview

We are a Government of India controlled company, registered with the Reserve Bank of India (**RBI**) as a Systemically Important Non-Deposit taking NBFC (NBFC-ND-SI). Along with our group entities, we provide financial services which include, besides long term corporate loans, advisory services in the areas of Project Development, Project Appraisal, Strategic Analysis, Corporate Restructuring, Infrastructure Financing and Legal Advisory to a wide range of sectors. The corporate advisory services include bid process management, disinvestment advisory, techno-economic viability study, legal due diligence, financial advisory, valuation, financial appraisal, financial due diligence and project feasibility studies in core infrastructure sectors like power generation and transmission, oil & gas, mining, etc. Further, we have a strong traditional experience in dealing in foreign exchange, offering trade finance related services like letter of credits and guarantees and dealing with financial institutions, both in the domestic and international markets (including dealing with correspondent banks). We also have experience in dealing with foreign currency borrowings from international agencies.

The Company was incorporated on May 21, 1993 under the Companies Act, 1956 as a public limited company under the name 'The Industrial Financial Corporation of India Limited' and got certificate of commencement of business on June 24, 1993. To provide us greater flexibility to respond to the needs of the rapidly changing financial system and an access to the capital markets, the constitution of our institution was changed in the year 1993 from a statutory corporation to a company under the Companies Act, 1956, after passing of the Industrial Finance Corporation (Transfer of Undertaking and Repeal) Act, 1993 by the Parliament of India. Subsequently, in 1999, our name was changed from Industrial Finance Corporation of India Limited to IFCI Limited and an amended certificate of incorporation was obtained from the Registrar of Companies, Delhi & Haryana. We were registered as a non-banking financial company with RBI in 1998.

The Company as on the date of this Draft Shelf Prospectus has 6 (six) subsidiaries viz. Stock Holding Corporation of India Limited ("SHCIL"), IFCI Venture Capital Funds Limited ("IVCFL"), IFCI Infrastructure Development Limited ("IIDL"), IFCI Factors Limited ("IFL"), MPCON Limited ("MPCON") and IFCI Financial Services Limited ("IFIN"). The Company also has 6 (six) step down subsidiaries viz. SHCIL Services Limited (Wholly owned by SHCIL), SHCIL Projects Limited (Wholly owned by SHCIL), IIDL Realtors Private Limited (Wholly owned by IIDL), IFIN Securities Finance Limited (Wholly owned by IFIN), IFIN Commodities Limited (Wholly owned by IFIN), IFIN Credit Limited (Wholly owned by IFIN).

IIDL was incorporated in October 2010, under the laws of India, to leverage its expertise in the emerging infrastructure and real estate sector. IFL was incorporated in February 1996, under the laws of India, to provide innovative, customized solutions which are driven by a forward looking management style, sound understanding of the key credit issues and a thorough understanding of market practices. IFIN was incorporated in January 1995, under the laws of India, to provide a wide range of financial products and services to investors, institutional and retail. IVCFL was incorporated in January 1988 as Risk Capital and Technology Finance Corporation Limited (RCTC). The name of RCTC was changed to "IFCI Venture Capital Funds Limited" in February 2000, to provide institutional support to first generation professionals and technocrats setting up their own ventures in the medium scale sector through soft loans, under the Risk Capital Scheme. Later on it also introduced Technology Finance and Development Scheme for financing development and commercialisation of indigenous technology. MPCON was incorporated in March 1979, under the laws of India, to provide necessary support and consultancy to industry and entrepreneurs at large. SHCIL was incorporated in July 1986 under the laws of India to provide post trading and custodial services to institutional investors, mutual funds, banks, insurance companies, etc. For more information, see "***Subsidiaries***" and "***Other Investments"*** on pages 71 and 64, respectively.

Cumulative gross loans sanctioned by us, as at June 30, 2014, on an standalone basis, aggregated to Rs. 95,897.28 crore, in 5175 projects with total disbursement of Rs. 83,137.80 crore. Our major exposures are presently in the power generation, real estate and iron & steel sectors. As at June 30, 2014, we had gross non-performing assets aggregating to Rs. 3,281.00 crore and net non-performing assets aggregating to Rs. 2,141.83 crore. As at June 30, 2014, our capital adequacy ratio calculated on the basis of applicable RBI requirement was 20.84 % as compared to a minimum of capital adequacy requirement of 15.0 % stipulated by RBI.

As at June 30, 2014, our Company's debt-equity ratio was 3.59 times, on an standalone basis. For the Fiscal 2014, 2013, and 2012, our profit after interest before tax aggregated to Rs. 660.45 crore, Rs. 664.12 crore and Rs. 957.74 crore respectively, and our profit after tax aggregated to Rs. 508.10 crore, Rs. 450.87 crore and Rs. 663.62 crore, respectively, on an standalone basis. Our Company's long term borrowings are rated 'BWR AA-' by Brickworks, **'**ICRA A' by ICRA Limited and 'CARE A' by CARE. Our long term subordinate borrowings are rated 'CARE A-' by CARE.

Key Operational and Financial Parameters on a standalone basis

(Rs. in crore)

S. No.	Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
1.	Net worth*	5,798.32	5,490.10	4,323.71
2.	Total Debt	20,769.74	17,915.25	21,337.77
	Of which:			
	- Non-current maturities of Long Term Borrowing	17,342.11	14,224.67	17,474.98
	- Short Term Borrowing	247.95	14.68	384.44
	- Current Maturities of Long Term Borrowings	3,179.68	3,675.90	3,478.35
3.	Net Fixed Assets	1,147.12	1,172.59	1,165.92
4.	Non-Current Assets	24,367.73	18,618.25	20,766.77
5.	Cash and Cash Equivalents	535.83	605.62	398.61
6.	Current Investments	1,761.67	2,686.21	1,646.72
7.	Current Assets	4,621.58	7,263.16	7417.03
8.	Current Liabilities	4497.98	4849.61	4954.89
9.	Assets under Management	18,635.11	14,279.92	16,943.01
10.	Off Balance Sheet Assets	Nil	Nil	Nil
11.	Interest Income	2,395.53	2,336.43	2,415.90
12.	Interest Expense	1,659.52	1,812.79	1,864.77
13.	Provisioning and Write-offs	520.39	165.15	(112.71)
14.	PAT	508.10	450.87	663.62
15.	Gross NPA (%)#	17.26%	22.16%	13.51%
16.	Net NPA (%)	11.39%	10.18%	1.92%
17.	Tier I Capital Adequacy Ratio (%)	13.91%	15.31%	12.82%
18.	Tier II Capital Adequacy Ratio (%)	7.45%	8.57%	8.44%

** Including shareholding of IFCI Employees Stock Option Trust is Rs. 2.23 crore and Rs. 1.72 crore for the Fiscal 2013 and 2014, respectively.*

 # In Fiscal 2014, Gross NPA's are excluding technical write off.

Key Operational and Financial Parameters on a consolidated basis

(Rs. in crore)

S. No.	Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
1.	Net worth*	6,146.81	5,840.52	4,593.85
2.	Total Debt	21,534.39	18,870.06	22,291.03
	Of which:			
	- Non-current maturities of Long Term Borrowing	17,585.43	14,429.68	17,652.37
	- Short Term Borrowing	620.08	710.07	1,074.46
	- Current Maturities of Long Term Borrowings	3,328.88	3,730.31	3,564.20
3.	Net Fixed Assets	1,497.19	1,392.56	1,390.49
4.	Non-Current Assets	24,120.86	18,494.39	20,396.85
5.	Cash and Cash Equivalents	1,095.62	597.84	468.12
6.	Current Investments	1,818.47	2,614.93	1,609.10
7.	Current Assets	6,892.00	9,114.20	9,463.49
8.	Current Liabilities	5,598.19	5,995.71	6,167.25
9.	Assets under Management	18,984.64	14,515.36	17,034.61
10.	Off Balance Sheet Assets	Nil	Nil	Nil
11.	Interest Income	2,617.25	2,545.78	2,582.66
12.	Interest Expense	1,755.01	1,914.89	1,947.19
13.	Provisioning and Write-offs	622.48	192.01	(82.20)
14.	PAT	566.10	497.36	687.73
15.	Gross NPA (%)#	-		
16.	Net NPA (%)#	-		
17.	Tier I Capital Adequacy Ratio (%)#	-		
18.	Tier II Capital Adequacy Ratio (%)#	-		

** Including shareholding of IFCI Employees Stock Option Trust is Rs. 2.23 crore and Rs. 1.72 crore for the Fiscal 2013 and 2014, respectively.*

 # Not calculated on consolidated basis as some of the group entities are not in NBFC business

Our Strengths

We believe that the following are our primary strengths:

Established brand and parentage

With our strong corporate and institutional relationships and an brand image in the financial sector, we have developed a range of financial products including debt, equity, mezzanine instruments, equity related products, project development, consultancy, etc. of short, medium and long term duration. Our diversified service platform allows us to leverage relationships across various lines of businesses, thereby increasing our ability for repeat business and cross selling our products and benefits from customer reference. We believe that our brand is well recognized and associated with trust, governance and compliance structure, high quality customer centric services, creative solutions to strategic and financial challenges and sound execution of clients' transactions.

Strong GoI support and relationships with government entities

We are a government controlled company, with the President of India having a majority stake of 55.53% in our equity shares. We believe that our share ownership and position as a policy based institution for promotion of industrial development has helped us in shaping industrial financing in the country. We have been able to supplement the available long term resources for industries by channelling funds from the domestic debt market, domestic financial institutions and the multilateral and bilateral institutions into industrial projects. The introduction of takeout finance and refinance schemes are aimed to an extent at addressing the constraints faced by the banks while lending to infrastructure projects and to facilitate incremental credit flow to the infrastructure sector.

Well-developed relationships with banks and financial institutions

We have well-developed relationships with multilateral and bilateral financing institutions, domestic financing institutions as well as scheduled commercial banks. We believe that these relationships enable us to encourage an increased flow of long-term debt capital into industrial projects in India and also enable us to play a key role in developing and introducing innovative financial products and structures to allow a broader cross-section of lenders and investors to participate in debt financing in India.

Financial strength

For the Fiscal 2014, 2013 and 2012, our profit after interest before tax aggregated to Rs. 660.45 crore, Rs. 664.12 crore and Rs. 957.74 crore, respectively, and our profit after tax aggregated to Rs. 508.10 crore, Rs. 450.87 crore and Rs. 663.62 crore, respectively, on an standalone basis. As at June 30, 2014, our debt-equity ratio was 3.59 times, on a standalone basis. The net profit margin for Fiscal 2014, 2013 and 2012 stood at 17.22%, 16.34% and 23.28%, respectively. As at Fiscal 2014, 2013, and 2012, the gross loans sanctioned by us, under direct lending, on an standalone basis, were Rs. 9,717.00 crore, Rs. 2,192.00 crore and Rs. 4,467.00 crore, respectively. As at Fiscal 2014, 2013 and 2012 the disbursements made by the Company are Rs. 8,683.00 crore, Rs. 1,504.00 crore and Rs. 5,950.00 crore, respectively.

Robust credit risk management policies

Risk Management is an integral part of our business strategy. Being primarily a lending institution, credit risk is of primary importance for us and we have put in place a comprehensive credit risk management framework. The systems and controls, in place, to mitigate credit risks include exposure ceilings for borrowers, borrower groups and industry exposures, multi-tier credit appraisal system, risk-based monitoring system, committee system for considering proposals and detailed risk assessment of new proposals have been further strengthened during the year. Our General Lending Policy and The Credit Risk Management Policy is reviewed periodically keeping in view the changing economic and business environment.

Our internal ratings framework facilitates credit approval decisions, risk-based pricing, identification of loan problems, and determination of default rate, recovery rate, portfolio management, etc. In pursuance of RBI guidelines, necessary role centres have also been created in the organizational structure to facilitate discharge of risk management functions, which include the Board of Directors, the Risk Management Committee of Directors (RMCD), Risk Management Committee of Executives (RMCE) and the Credit Risk Management Department (CRMD).

Further, in line with the recent RBI guidelines to boost up monitoring of loan assets, with effect from April 1, 2014, the role and importance of credit risk management has increased manifold. In line with the industry best practices and to ensure proper credit evaluation and monitoring standards, we carry out credit audit of standard exposures at regular intervals. The main objectives of the audit exercise include detection of weaknesses in outstanding exposures, initiation of timely corrective action, compliance with internal sanction and disbursement norms and follow-up and monitoring of cases, which serves as a tool for top management to assess portfolio quality with constant endeavour for asset quality improvement.

We are adequately capitalized to fund our growth

We are subject to capital adequacy ratio ("CAR") requirements prescribed by RBI. We are currently required to maintain a minimum 15% as prescribed under the Prudential Norms of RBI based on our total capital to risk weighted assets. We have generally maintained capital adequacy higher than statutorily prescribed CAR. As on June 30, 2014, our capital adequacy ratio calculated on the basis of applicable RBI requirement was 20.84% as compared to a minimum of capital adequacy requirement of 15% stipulated by RBI.

Set forth below is our capital adequacy ratio for the last five Financial Years, on standalone basis.

Particulars as on	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
CAR Prescribed by RBI (%)	15.00	15.00	15.00	15.00	12.00	10.00
Total Capital Adequacy Ratio (%)	20.84	21.36	23.88	21.26	16.43	17.88
Out of Which:						
Tier I (%)	13.76	13.91	15.31	12.82	12.46	12.50
Tier II (%)	7.08	7.45	8.57	8.44	3.97	5.38

Our Strategies

Our key strategic priorities are as follows:

Minimize concentration risk by diversifying our product portfolio and expanding our customer base

We intend to further improve the diversity of our product portfolio to cater to the various financial needs of our customers and increase the share of income derived from sale of financial products and services. Beyond our existing corporate loan products, we intend to leverage our brand and office network, develop complementary business lines and become the preferred provider of financial products.

Our diverse revenue streams will reduce our dependence on any particular product line thus enabling us to spread and mitigate our risk exposure to any particular industry, business, and geography or customer segment. Offering a range of products helps us attract more customers thereby increasing our scale of operations. We intend to launch a direct marketing initiative to target our existing and former customers to cater to all their financing requirements, thus generating new business and diversifying our loan portfolio. We expect that complementary business lines will allow us to offer new products to existing customers while attracting new customers as well. We expect that our knowledge of local markets will allow us to diversify into products desired by our customers, differentiating us from our competitors.

Improve our credit ratings to optimize cost of funds

We fund our capital requirements through a variety of sources, including credit facilities from banks, issuance of non-convertible debentures, money market borrowings and inter corporate deposits. During the period of last four years, our long term credit ratings has been upgraded from "BBB+" to "CARE A" by CARE and "LA-" to "[ICRA] A" by ICRA.

For details of our credit ratings, as of June 30, 2014, please see section titled "***Business – Credit Rating***", on page 66.

We believe that we have been able to achieve relatively stable and competitive cost of funds from a range of sources, despite the difficult conditions in the global and Indian economy and the resulting reduced liquidity and increase in interest rates, primarily due to our credit ratings and the goodwill associated with the IFCI brand name. During the past three years, we have focused on improving our assets liability management by ensuring that we align our liabilities profile in sync with our assets profile.

Continue to target new customer segments

We have continued our emphasis on retaining existing customers by providing customized financial products and services as well as adding new customers thereby enlarging customer base. During the Fiscal Year 2014, considering the maturity profile of existing liabilities, we have sanctioned term loans for various maturities to meet the fund requirements of companies with good track record, for general corporate purposes, refinancing of high cost debt and capital expenditure for ongoing projects against adequate tangible security. Apart from fund based activity, our Company also extended its presence in non-fund based activities including advisory services.

Extend financial support to long-term industrial/ infrastructure projects in association with banks and other funding institutions

As part of our direct financing, refinancing and takeout financing initiatives, we have been extending financial support to long-term industrial/ infrastructure projects in collaboration with other lenders such as scheduled commercial banks in India. We also seek to leverage our existing relationships with such stakeholders, going forward, to play a key role in increasing the volume of transactions in project financing in India and in developing and introducing innovative financial products and structures.

Continue to attract and retain talented employees

As part of our business strategy, we are focused on attracting and retaining good quality talent. We recognize that the success of our business depends on our employees, particularly as we continue to expand our operations. We have successfully recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing. We will continue to attract talented employees through our retention initiatives and recruitment from reputed academic institutions. Our retention initiatives include job rotation, secondments, quarterly reviews, stock options, performance based incentive, employee recognition programs, training at our training facilities, on-the-job training and training by external experts/ institutions in India and abroad. We invest a significant amount of time and resources for training our employees, which we believe fosters mutual trust, improves the quality of our customer service and puts further emphasis on our continued retention.

Our Products

We offer a wide range of products to the target customer segments to satisfy their specific financial needs. The product mix offering varies from one business/industry segment to another. Some of our products include:

- **Project Finance**, which includes financial assistance to industrial and service concerns for new projects and for expansion, diversification and modernization schemes, underwriting, direct subscription to equity, senior debt financing in the form of loans, debentures, securitized debts, mezzanine products, including subordinated debt and preference capital and equity financing through subscription unlisted equity;

- **Corporate Loans**, including short-term loans for working capital, capital expenditure and general corporate expenditure purposes;

- **Project Development,** which includes project conceptualization and participation in the development of a project as a co-promoter or financial investor, in consortium with other financiers with an objective to exit the project in a definite time frame after implementation, with the desired return;

- **Principal Investments,** which includes equity investments made by the company with a view to earning non-interest income;

- **Project and Corporate Advisory Services**, which include bid process management, disinvestment advisory, techno-economic viability study, legal due diligence, financial advisory, valuation, financial appraisal, financial due diligence and project feasibility studies as well as advisory services to state and central governments. We have provided these services to reputed corporates like NALCO, GAIL (India) Limited, Hindustan Antibiotics Ltd., Bank of Baroda, BHEL and various governments like Government of Rajasthan and Government of Punjab; and

- **Other Fee Based Services,** which include managing the disbursement of funds from the Sugar Development Fund of Government of India to the eligible sugar manufacturing companies and recovery from such companies and financial appraisal of such companies' sugar projects on management fee basis. The Government of India has, in the interim budget for FY 2014-15, provided Rs. 200 crore to IVCFL (a subsidiary of IFCI) towards a venture fund for assistances to persons belonging to scheduled caste, which we will be managed by us. The fund is however, yet to be placed with us.

Our Operations

We provide financial assistance to long-term industrial projects in different sectors as per our credit policy which is updated on yearly basis based on industry scenario.

Assistance from our Company, both fund and non-fund based, is available to industrial and service concerns. This financial assistance is through Rupee loans, leasing, underwriting and direct subscription to shares/ debentures, guarantees or deferred payments, foreign currency loans and guarantees against external commercial borrowings. The table below shows the details of our consolidated cumulative loan portfolio and other financing activities for the Fiscal Year 2014 and as at June 30, 2014:

(Rs. in crore)

Period	**Fiscal 2014**		**2014-15 (April-June)**	
Details	**Net Sanctions**	**Net Disbursals***	**Net Sanctions**	**Net Disbursals***
Rupee loans	8,736.50	8,041.05	1,461.97	1,614.08
Underwriting / Direct subscription	310.00	641.96	0.00	102.72
Total	**9,046.50**	**8,683.01**	**1,461.97**	**1,716.80**

** Net disbursals include amount disbursed against loans sanctioned in earlier periods*

Our 10 largest borrowers account for 19.41% of the total fund based loan and investment portfolio of our outstanding as on June 30, 2014.

The details regarding the top 10 client exposures of our Company are as follows:

S. No.	**Name of the Borrower**	**Nature of Industry**	**Total Gross Exposure as on June 30, 2014 (Rs. in Crore)**	**Status of Assets as on June 30, 2014**
1	Essar Oil Limited	Petroleum and Coal Products	1300.80	A^
2	Sravanthi Energy Private Limited	Power Generation	816.53	B^
3	Jaiprakash Associates Limited	Diversified	608.34	A
4	Vadinar Oil Terminal Limited	Port, Construction & Allied Services	573.28	A
5	Alok Industries Limited	Textile Products	470.47	A
6	Videocon Industries Limited	Diversified	469.69	A
7	Chennai Network Infra	Telecom Services	433.79	A
8	Ratnagiri Gas & Power	Power Generation	416.59	A
9	Binani Cement	Cement	403.09	A
10	KSK Energy Company	Diversified Infrastructure	378.21	A
	Total		**5,870.79**	

^ "A" and "B" denotes "Standard" and "Sub-Standard" assets, respectively.

Sanctions for Various Purposes

We extend project finance for setting up of new projects as also towards expansion, diversification and modernization of existing industrial units. The company is also lending to meet the short term funding requirements in the form of corporate loans, working capital loans etc. The purpose-wise break up of sanctions for the Fiscal Year 2014 and quarter ended June 30, 2014 are as follows:

(in Rs. Crore)

Period	**Fiscal 2014**		**2014-15 (April-June)**	
Details	**Net Sanctions**	**Net Disbursals***	**Net Sanctions**	**Net Disbursals***
New	720.00	631.70	131.79	400.30
Expansion	935.00	905.96	235.00	210.00
Diversification	115.00	115.00	0.00	0.00
Balancing Equipment	50.00	50.00	0.00	0.00
Margin Money for WC	300.00	300.00	25.00	0.00
Normal Capital Expenditure	2060.00	1961.46	200.00	140.00
General Corporate Purpose	3986.50	3888.89	590.00	607.38
Working Capital Facilities	880.00	830.00	280.18	359.12
Total	**9,046.50**	**8,683.01**	**1,461.97**	**1,716.80**

** Net disbursals include amount disbursed against loans sanctioned in earlier periods*

Financial Services

Fund Based

We have been providing financial assistance to Indian corporates since our inception in 1948 in the form of project loans, corporate loans, lease financing, short term loans, equity financing, mezzanine financing, etc. Till the nineties, financing was mainly in the form of project loans across various industries. After being classified as NBFC, we started extending assistance in the form of corporate loans (short term and medium term), equity/ quasi equity instruments. This has also helped us in diversifying our portfolio and ensuring a varied mix of revenue from different streams of finance.

Cumulative net loans sanctioned and disbursed by us as at June 30, 2014 is Rs. 95,897.28 crore and Rs. 83,137.80 crore respectively.

Fee Based Service

Fee based services being offered by us are mainly techno-economic viability study for various projects, financial advisory, valuation of firms/ instruments, advisory services in the area of disinvestment, corporate counselling for financial restructuring, legal and financial due diligence, project feasibility studies and bid process management.

Investments

In addition to our lending activities, we have built up a diversified portfolio of investments over the years. As at June 30, 2014, we had a total portfolio of investments amounting to Rs.5,196.02 crore. All investments are considered long term in nature and are accounted for at cost /adjusted book value. We have acquired these investments in various companies by way of direct subscription and devolvement under underwriting obligations, as a part of project financing, investments by way of rights' bonus entitlements and by way of conversion of loans into equity pursuant to the terms of the loan agreements/ settlements.

Our investment portfolio is managed by a team of professionals analyzing the market conditions and toning advantage of favourable conditions for the purpose of disinvestment.

During the Fiscal Year 2012, we acquired the entire stake of ICICI Bank Limited of 16.95% in Stock Holding Corporation of India Limited (SHCIL). With this, we held 33.91% in the share capital of SHCIL. SHCIL apart from being a depository participant, stock broker and custodian, is the central record keeping agency of e-stamping in the country and a major player in the e-stamping business. During the Fiscal Year 2014, we acquired the entire stake of 18.95% of IDBI Bank in SHCIL. After this acquisition, we now have majority stake of 52.86 % in SHCIL, which has become our subsidiary.

During the previous fiscal year, we disinvested our entire stake of 14.92% in IDBI Trusteeship Services Limited. We also invested Rs.147.47 crore during the Fiscal Year 2013 to acquire a stake of 4.99% in The South Indian Bank, through Qualified Institutional Placement.

Our Sources of Funding

We raise funds from diversified sources and through a wide range of instruments in order to reduce our funding cost and to have a large lender base. This helps us to raise resources at the most competitive rates, protect interest margins and maintain a diversified funding portfolio that enable us to achieve funding stability and liquidity. Our sources of funding comprise of credit facilities from banks, redeemable non-convertible debentures and money market borrowings.

We meet our resource requirements through internal generation, repayment from borrowers, sale/redemption of investments, issue of equity and preference share capital, domestic borrowings by way of bonds/ debentures, foreign lines of credit and borrowings in foreign currency.

In the past, we had issued bonds guaranteed by the Government of India in the form of SLR securities. However, this facility is no longer available to the Company since 1993. As at June 30, 2014, no amount of outstanding rupee borrowings remains guaranteed by the Government of India.

For meeting the foreign exchange requirements of the clients, we had in the past contracted various lines of credit from international development agencies, viz., Kredilanstall fur Wiaderaufbau (KfW) and Asian Development Bank. However, we have not mobilised any foreign currency borrowings during the last 10 years.

As part of domestic borrowings, as at June 30, 2014, we have outstanding unsecured borrowings by way of (a) Non-Convertible Debentures (NCDs) of Rs.818.19 crore, (b) Bonds of Rs.9,404.65 crore, (c) Other Long Term Borrowings of Rs.9,567.22 crore, (d) Secured borrowings by way of Tax free Bonds of Rs. 310.00 crore, (e) Short term borrowings of Rs. 184.25 crore under CBLO and (f) Rs.199.93 crore under Corporate Bond Repo. As at June 30, 2014 we have outstanding Government guaranteed Foreign Currency borrowings of Rs. 581.52 crore. No guarantee fee on this foreign currency borrowing is payable to GoI.

Our Debt Instruments were rated by Brickwork, CARE and ICRA. Brickwork has assigned credit rating of BWR AA- in September 2009 for long term bonds and has reaffirmed in March 2014 with stable outlook. CARE had assigned rating of BBB+ in January 2010 for long term bank borrowings and short term rating of PR2. The rating for long term bonds and long term bank borrowings have now been assigned as CARE A (For subordinate Bonds CARE A-) and PR1 for short term borrowings in September 2014. ICRA Limited had assigned rating of LA- in September 2010 for long term borrowings which stands improved to [ICRA] A in September 2014 for long term bonds and long term bank borrowings. ICRA's rating for short term borrowings stands at [ICRA] A1 in September 2014. We have not been rated by any international rating agency.

Follow Up and Monitoring

Once we sanction the assistance, the borrower is requested to send regular reports as to the physical and financial progress of implementation of the project, including the placement of orders for main items of machinery and equipment. The borrowers are also required to submit the statement on the sources and utilisation of funds by way of a certificate from their Statutory Auditors or any practising chartered account so as to ensure proper utilisation of funds as per the approved scheme. Our loans generally entitle us to have a representative on the Board of Directors of the borrowing company. Specific covenants are included in the loan documents to enable us to monitor the progress of implementation of the assisted project and operations of the assisted concern during the currency of the loan.

In case of any adverse observations on the operations, the assisted company is advised to take necessary corrective measures. We also initiate various actions in the form of appointment of concurrent auditors and nominee directors, besides undertaking frequent site visits for close monitoring of such cases.

Security

Our project loans are sanctioned with full recourse to the assets of the projects being financed. Whenever a loan is advanced for the acquisition or construction of particular assets, a first charge is taken over those assets and in case of consortium lending charge is on pari-

passu basis. Loans to companies are generally secured either by charge on standalone/ pari-passu basis over all unencumbered fixed assets of the borrower and a floating charge over the current assets of the borrower (subject to a prior charge in favour of banks on specified current assets for working capital borrowings) and/or against pledge of other securities including shares, being arranged by the borrower. At present, as per our Lending Policy, security cover of minimum 100 percent of the amount of loan is stipulated. Personal and/or Corporate guarantees and/ or pledge of shares are also taken where it is considered appropriate.

Our Lending Operations

The financing decisions of our Company are based on appraisal of projects to establish their techno economic viability, in case of project loan and repayment capability and cash flow of the company, in case of corporate loans.

Lending Policy and Procedures Criteria for Project Assistance

Financial assistance to industrial projects is done after studying the technical feasibility, commercial viability, financial soundness, managerial competence and economic justification. We observe prudential exposure norms in lending to individual clients in conformity with the norms laid down by the RBI for financial institutions. We insist that promoters should make a minimum contribution to project costs, though exceptions are made for highly capital intensive projects. Promoter's contribution may be varied depending upon the risk perception. At present, our exposure (including investments) to any one industry category is not beyond 17 per cent of its total loans and investment. Our Risk Management Department monitors the industry wise exposure closely. Industry wise exposure for top ten industries as at June 30, 2014 is furnished in the following table.

S. No.	Industry/ Sector	Exposure (%)
1	Power Generation	16.50%
2	Real Estate	10.33%
3	Iron & Steel	6.05%
4	Diversified	6.02%
5	Diversified Infrastructure	5.84%
6	Petroleum & Coal Products	4.57%
7	Treasury Investment in money market/ debt market	4.29%
8	Telecom Services	3.67%
9	Hotel	2.79%
10	Construction	2.67%

Subsidiaries

For information, see "***History, Main Objects and Certain Corporate Matters – Subsidiaries***" on page 71 and "***Annexure A – Financial Statements***".

Other Investments

For information, see "***History, Main Objects and Certain Corporate Matters – Associate Companies***" on page 78 and "***Annexure A – Financial Statements***" of this Draft Shelf Prospectus.

Project and Credit Appraisal

We have a system of credit appraisal and monitoring whereby the credit proposals received by us are scrutinized carefully and the report is placed before the "Screening Committee" (SC) for preliminary screening and processing of the proposals for financial assistance. The SC meeting is normally held every week, and more often, if required.

For the purpose of considering and approving proposals for sanction of financial assistance, we have three approval authorities at the Head office viz. the Board of Directors, the Executive Committee of Directors (EC) and the Credit and Investment Committee (CIC). Regional offices and individual executives are not delegated any sanctioning authority. Appraisals are undertaken with the assistance of the industry specialist wherever felt necessary. Promoters are required to furnish detailed information in a prescribed form as to their past experience and creditworthiness and full details of the project (such as capacity to be installed, processes to be adopted, technical arrangements, management structure, availability of utilities, cost of the project, proposed means of financing, demand-supply gap, envisaged marketing and selling arrangements etc.), together with projected cost of production, profitability, cash flows and balance sheet. Financial statements of the applicant borrower are analyzed with reference to past and present performances, and other factors such as the nature of the relevant industry and the credentials of the promoters are examined against the background of that proposal. The emphasis in the appraisal process is on promoter background, debt-equity gearing, cash flow, profitability ratios, debt coverage ratio, and the security offered for the proposed loan.

Proposals for sanction of assistance upto Rs. 100.00 crore to single entity (not exceeding borrower group exposure of Rs. 250.00 crore) are sanctioned by the Credit and Investment Committee. Proposals, not falling in financial powers of CIC and for sanction of assistance upto Rs 300.00 crore to single entity (not exceeding borrower group exposure of Rs. 750.00 crore) are sanctioned by the Executive Committee of Directors. Proposals above these limits are sanctioned by the Board of Directors. Likewise, all assistance of sick units for rehabilitation, irrespective of the quantum, are required to be referred to the Executive Committee of Directors for consideration.

The sanction of financial assistance by us is conveyed by way of a letter of intent which contains the terms and conditions for the sanction. Before making any disbursements, we ensure that all formalities and major pre-disbursement conditions are satisfied. In Project loans, disbursement is released generally in tranches according to the progress in the implementation of the project. We also require our borrowers to maintain adequate insurance cover on their assets which are mortgaged/ hypothecated in our favour as security for the loan.

The industry-wise distribution of financial assistance sanctioned and disbursed in some key industries is as follows:

(Rs. in crore)

Period	Fiscal 2014		2014-15 (April-June)	
Industry	**Sanctions**	**Disbursals**	**Sanctions**	**Disbursals**
Coal Mining	0.00	0.00	200.00	140.00
Metal Ore Mining	150.00	60.00	0.00	45.00
Sugar	0.00	0.00	35.00	35.00
Oil Exploration	0.00	100.00	0.00	0.00
Beverages	0.00	25.00	25.00	0.00
Synthetic Textiles	100.00	0.00	0.00	0.00
Textile Products	450.00	400.00	0.00	50.00
Paper	100.00	80.00	0.00	0.00
Plastic Products	0.00	12.50	65.00	0.00
Petroleum and Coal Products	0.00	0.00	50.00	0.00
Synthetic Resins and Plastic Materials	0.00	0.00	105.18	54.37
Misc. Non Metallic Mineral Products	0.00	8.50	0.00	2.25
Drugs & Pharmaceuticals	100.00	100.00	100.00	50.00
Cement	530.00	380.00	0.00	0.00
Iron and Steel	600.00	600.00	0.00	0.00
Steel Products	550.00	368.00	6.79	30.00
Ferro Alloys	0.00	56.74	0.00	0.00
Electrical Machinery Apparatus Appliances	50.00	50.00	0.00	0.00
Agricultural Equipment and Parts	0.00	0.00	100.00	81.00
Motor Vehicles and Parts	350.00	350.00	0.00	0.00
Ship Building and Repairs	150.00	125.00	0.00	120.00
Misc. Manufacturing and Other Industries	0.00	1.96	75.00	25.00
Power Generation	750.00	1,044.00	0.00	143.98
Hotel	260.00	230.00	50.00	30.00
Medical and Health Services	100.00	100.00	0.00	0.00
Construction Industry	200.00	186.00	175.00	189.00
Tourism and Related Activities	75.00	75.00	0.00	0.00
Telecom services	300.00	300.00	0.00	0.00
Road Construction	60.00	42.73	250.00	6.90
Miscellaneous Services	25.00	25.00	0.00	0.00
IT Services & Education	0.00	0.00	25.00	0.00
Real Estate	2,490.00	1,995.11	200.00	690.17
Diversified Infrastructure	160.00	442.47	0.00	8.00
Oil & Gas	60.00	60.00	0.00	0.00
Diversified	1,436.50	1,465.00	0.00	16.13
Total	**9,046.50**	**8,683.01**	**1,461.97**	**1,716.80**

The tables below show the details of our geographical credit exposures, as at June 30, 2014.

Geographic Spread of Loan Portfolio

As one of the lending institutions in the country, we have extended financial assistance to projects spread all over the country. The region wise cumulative disbursals upto June 30, 2014 are as represented below:

(Rs. in crore)

	Period from July 1, 1948 to June 30, 2014	
Region	**Disbursal**	**% of Total Disbursal**
Central	3,843.31	4.62
Eastern	6,363.88	7.65
Northern	22,107.48	26.59
Southern	18,521.27	22.28
Western	32,301.89	38.85
Total	**83,137.84**	**100.00**

Geographical Exposure: State-wise Loans Sanctioned and disbursed

(Rs. in crore)

S. No.	State	Period between July 1, 1948 To June 30, 2014	
		Sanctions	**Disbursements**
1	Andaman & Nicobar	13.60	13.47
2	Andhra Pradesh	7,945.98	6,848.98
3	Arunachal Pradesh	156.46	156.46
4	Assam	606.89	305.18
5	Bihar	119.21	103.77
6	Chandigarh	468.54	280.66
7	Chhattisgarh	1,823.64	1,363.99

S. No.	State	Period between July 1, 1948 To June 30, 2014	
		Sanctions	Disbursements
8	Dadra & Nagar Haveli	1,187.54	752.43
9	Daman & Diu	19.89	9.89
10	Delhi	10,330.60	9,951.80
11	Goa	609.24	597.36
12	Gujarat	10,606.49	8,398.56
13	Haryana	2,546.15	2,124.70
14	Himachal Pradesh	1,107.85	1,054.98
15	Jammu & Kashmir	24.28	19.27
16	Jharkhand	1,118.17	577.42
17	Karnataka	5,680.04	4,970.95
18	Kerala	469.88	357.68
19	Madhya Pradesh	2,900.46	2,479.32
20	Maharashtra	21,990.30	20,328.10
21	Manipur	2.14	2.14
22	Meghalaya	32.52	7.52
23	Nagaland	2.35	2.35
24	Orissa	2,618.40	2,127.11
25	Pondicherry	155.90	76.74
26	Punjab	2,816.44	2,574.07
27	Rajasthan	2,444.76	2,215.55
28	Sikkim	450.90	386.90
29	Tamil Nadu	7,331.89	6,253.47
30	Tripura	201.96	201.96
31	Uttar Pradesh	5,626.16	5,036.38
32	Uttaranchal	1,289.44	1,065.65
33	West Bengal	3,199.27	2,493.11
	Total	**95,897.34**	**83,137.92**

Credit Rating

The rating details of our Company as on September 29, 2014 are given below:

S. No.	Rating Agency	Amount (Rs in crore)	Purpose	Rating	Date of Issue/revalidation of rating
1	Brickwork Ratings	13,700.00	Long term Bonds	BWR AA-	March 14, 2014
2	ICRA Limited	5,000.00	Bank Term Loans	[ICRA] A	September 26, 2014
3	ICRA Limited	8,000.00	Long Term Bonds	[ICRA] A	September 26, 2014
4	ICRA Limited	500.00	Commercial Paper	[ICRA] A1	September 26, 2014
5	CARE Limited	7,825.00	Bank Term loans	CARE A	September 1, 2014
6	CARE Limited	3,700.00	Long Term Bonds/NCDs and subordinate bonds	CARE A for bonds and debentures and CARE A- for subordinate bonds	September 1, 2014
7	CARE Limited	500.00	Commercial Paper	CARE A1	September 1, 2014

The NCDs proposed to be issued under this Issue have been rated BWR AA- (Outlook Stable) by Brickwork Ratings for an amount of upto Rs 2,000.00 crore vide its letter dated September 26, 2014 and [ICRA] A (Stable) by ICRA for an amount of upto Rs 2,000.00 crore vide its letter dated September 26, 2014.

Branch Network

As of June 30, 2014, we had 16 regional offices located in Ahmedabad, Bhopal, Bhubaneswar, Bangalore, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kochi, Kolkata, Lucknow, Mumbai, Patna and Pune in India.

Asset and Liability Management (ALCO)

We have constituted an Asset Liability Committee (ALCO) comprising of our CEO & MD, Deputy Managing Director, Executive Directors, Chief General Manager, Chief Credit Officer (CCO) and Chief Financial Officer as the member secretary. The General Manager (CRMD), General Manager (Planning & MIS) and General Manager (Treasury & Resources) also attend the ALCO meetings. The Committee reviews, inter-alia, the potential mismatch between assets and liabilities in terms of liquidity and interest rate sensitivity, pricing & tenor of funds and foreign exchange risks. It also considers projections of monthly, quarterly, half-yearly and annual position of liquidity, requirement of funds and likely deployment of funds. The Committee also reviews periodically the IFCI Benchmark Rate and looks into the interest rate movements and projections of the same, besides proposals for rising of resources and exercise of put/call options.

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

forward, given the criticality of risk management in a financial institution, we would also strive at developing a strong culture for risk management and awareness within the organization.

Risk Management and Internal Controls

We recognise the importance of identification, assessment, control and management of various risks involved in our activities. Accordingly we have put in place mechanisms to manage and contain risks as outlined below:

1. Credit Risk: We have put in place a comprehensive Credit risk management framework, which facilitates credit approval decisions as all the new proposals are subjected to internal rating & risk assessment, risk-based pricing, identification of loan problems, rating-based monitoring, portfolio management etc. As per RBI guidelines, necessary role centers have also been created in the organizational structure and limits have been set for exposures with regard to individual borrower, group, industry etc. Keeping in perspective the changing economic and business environment, the Credit Risk Management Policy is reviewed periodically and approved by the Board.
2. Liquidity and Interest Rate Risk: Our interest rate risk and liquidity risk are primarily managed by the Asset-Liability Committee through analysis of structural liquidity gaps, interest rate sensitivity positions, deployment of surplus funds by treasury etc. Moreover, the approved limits and triggers for various treasury products including the delegation of power have been clearly outlined in our Treasury and Investment Policy, which is reviewed at periodic intervals.
3. Foreign Currency Risk: Presently our foreign currency operations is limited to servicing of foreign lines of credit availed from Foreign Development agency and some foreign exchange currency loans provided to borrowers. In order to manage foreign exchange-rate risk due to potential adverse currency movements, we regularly maintain hedging of mismatch through forward cover and currency futures keeping bare minimum open position.
4. Operational Risk: To manage the operational risks, there are adequate internal controls & systems in place, aided and assisted by internal audit, remote back up of data, disaster management framework, insurance, training, job rotation, industry best practices etc. Moreover, for managing our operational risks, a comprehensive Operational Risk Management Policy has been framed and the roles of various key departments, policies and procedures have been clearly outlined to contain operational risks.

Further, we have in place adequate system of internal control through the process of Internal Audit, which adequately captures risks. Internal Audit of all operating units was carried out during the year under report as per the scope approved by the Audit Committee of Directors. All the internal audit reports along with corrective measures taken are regularly reviewed by the Audit Committee of Directors.

The Company functions under the overall supervision, direction and control of the Board, including through certain committees of the Board constituted for monitoring specific aspects of our operation, for instance, the Risk Management Committee, which facilitates and oversees our risk mitigation and management functions, and the Audit Committee which facilitates and oversees our internal and statutory audit functions. These committees periodically report to the Board.

Non-Performing Assets (NPAs)

We believe we follow risk management policies to ensure that the asset quality of our credit book remains comfortable. To resolve and minimize NPAs, our Company has been taking all possible legal actions and also adopting all techniques and filing necessary applications before Debt Recovery Tribunal and also by adopting other methods of recovery viz. filing of criminal complaints u/s 138 of Negotiable Instruments Act, 1881, lodging FIR, declaring as wilful defaulter, attachment of secured and unsecured properties of the borrower and guarantor, arrest warrant of absconding guarantor and taking stringent steps under the provisions of SARFESI Act, 2002. Efforts are also being made to ensure that the loan accounts are closely monitored through credit audit and regular monitoring mechanism so as to avoid slippage of accounts to NPA.

Gross non-performing loans were Rs.3,281.00 crore as on June 30, 2014.The details of the NPAs are as under:

Particulars						
At the end of period	**June 30, 2014**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**
Total Loans (Rs. in crore)	20,987.00	19,990.00	15,916.00	18,830.00	18,055.00	13,684.00
Gross NPL's (Rs. in crore)	3,281.00	3,451.00	3,063.00	2,139.00	2,115.00	2,662.00
Gross NPL's %	15.6%	17.3%	19.2%	11.4%	11.7%	19.4%
Provision held for Non-Performing Loans (Rs. in crore)	1,139.00	1,328.00	1,609.00	1,812.00	1,959.00	2,606.00
Net NPLs (Rs. in crore)	2,142.00	2,123.00	1,454.00	327.00	156.00	56.00
Net NPLs%	10.8%	11.4%	10.2%	1.9%	1.0%	0.5%
NPL Provision Cover	34.7%	38.5%	52.5%	84.7%	92.6%	97.9%
Standard Asset (Rs. in crore)	17,706.00	16,539.00	12,853.00	16,691.00	15,940.00	11,022.00
Provision Held for Standard Asset (Rs. in crore)	89.72	72.55	32.07	41.62	38.92	28.93

Other Initiatives

We have made significant contribution to the setting-up, expansion and modernization of Indian industry. Over the decades, we have evaluated more than 6,000 projects in a well-diversified sector portfolio and extended cumulative financial assistance of over Rs. 80,000crore. We have also undertaken several supportive measures for accelerating the overall process of industrial growth.

In particular, we have extended extensive financial support to the sugar industry. In addition to the direct financial assistance to sugar industry, the Sugar Development Fund (SDF) was instituted by the Government of India in 1982 with the objective of rendering financial assistance through loans at concessional rates for rehabilitation and modernisation of sugar factories as well as for sugarcane development. The scope was subsequently enlarged to cover projects involving bagasse based co-generation of power and production of anhydrous alcohol

or ethanol from molasses undertaken by sugar units. As the nodal agency, we render project appraisals, provide recommendations to the Government for disbursement of funds, and facilitate disbursement of the funds and monitoring of the SDF loans granted. We have also undertaken measures to support and promote the textile and jute industries. We are a nodal agency for the Technology Up-gradation Fund Scheme (TUFS).

In the early 1970s, we along with other all India Financial Institutions (FIs) promoted Technical Consultancy Organisations (TCOs) in association with state level institutions and Public Sector Banks. Apart from Consultancy Services, TCOs were expected to carry out special studies and surveys, prepare project profiles, feasibility reports for setting up industries, provide technical and administrative assistance for promotion and management of industries, undertake Techno-Economic-Viability (TEV) study/appraisal of projects and to undertake project supervision services for promotion of industries in small and medium scale sector. We have also sponsored Rashtriya Gramin Vikas Nidhi (RGVN), which was established to assist the urban and rural poor through economic development and by instituting scholarships.

Competition

We compete with banks, financial institutions and other NBFCs.

Corporate Social Responsibility

In our continued efforts to make a difference to the society at large, we undertake Corporate Social Responsibility (CSR) initiatives, with focus on skill development, employment generation, public health and environment. Under this initiative, in the Fiscal Year 2014, we released an amount of Rs. 80 lakh towards various social activities including skill development in fashion designing, tailoring, motor driving and tool kit cost in Rajasthan, undertaking Village Adoption Programme of Neemkhera Village, Madhya Pradesh and Amal Agosh in Rajasthan, Bamboo farm demonstration and training facility at Jaipur, Rajasthan, awareness programme and employment generation programmes in Haryana, nature farm and ecological conservation in north Guwahati and Assam.

Ministry of Corporate Affairs has notified Section 135 and Schedule VII of Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from April 01, 2014 onwards. Our CSR Policy for the year 2014-15 has been formulated for implementation for compliance of new guidelines and rules.

Human Resources

In the Fiscal Year 2014, the process to realign Human Resource Management ethos to that of Public Sector entities was initiated. In this regard, several steps have been taken like restructuring the compensation philosophy, emphasizing accountability etc. We have continued to lay focus on the effective utilisation of our human resource pool. The manpower strength of our Company as on August 31, 2014 was 231.

Further, in order to cater to the organisational requirements and meet the career aspirations our employees, the Promotion activity was restarted after a gap of two years in February-March 2014. The activity has enabled us to utilise our human resource pool in a better way by assigning critical responsibilities to the promoted officers.

In order to capture the performance of employees in a more efficient and objective manner, our company also introduced the online Performance Appraisal System. The online Performance Appraisal System is expected to help the organisation in better identification of the organisational talent and ensuring that the entire process is completed expeditiously. We continue to upgrade knowledge and skill set of its employees. Our employees were nominated to leading institutes in India and abroad for Executive Education Programs in the past five years. Employees were also nominated to participate in various conferences, discussion forums organised by industry so as to provide them platforms for keeping abreast with latest developments and also explore business opportunities. We continue to maintain harmonious employee relations and healthy environment at workplace.

We take pride in having policies and systems in place which nurture Human Resources and provide care of them. Recognising this, we received **"Award for Managing Health at Work"** at the Asia Pacific HRM Congress Awards, 2014.

Insurance Coverage

We maintain insurance coverage on all our assets located at our head office and branch premises owned by us against fire, earthquake and related perils. We also maintain insurance against burglaries at our head office and at our branches and against loss by riots, strikes or terrorist activities, cash in transit and employee theft. Our insurance policies are generally annual policies that we renew regularly.

Intellectual Property

We have filed an application bearing number 1753032 dated November 10, 2008 for registration of our trade mark IFCI LIMITED आई एफ सी आई लिमिटेड in class 36 in accordance with the provisions of the Trade Mark Act, 1999 and the same is pending registration. Further, our mark IFCI LIMITED आई एफ सी आई लिमिटेड has been registered with registration number A-97411/2013 by Copyright Office as an artistic work under the provisions of the Copyright Act, 1957, as amended.

Information Technology and Communication

Information Technology and Communications has played an important role in speeding up processing of proposals, creating of data bank of past cases, collecting industry-specific information and accessing such information through the network, effectively monitoring the progress of assisted projects or the health of the assisted units.

In house applications have been developed using Oracle for managing core business operations like financial accounting, loan accounting, debenture accounting, accounting of sugar development fund, investment portfolio management, asset classification, asset liability management, payroll, integrated legal monitoring system, pre sanction loan module, resources, real estate, fixed asset accounting, etc. To facilitate effective business communication and collaboration groupware applications like Lotus Notes, SharePoint Intranet Portal and Document Management System have been implemented and E-mail facility has been provided to all employees of the organization.

Our head office and regional offices are interconnected through Multiprotocol Label Switching virtual path (MPLS VPN). We have also implemented video conferencing facility amongst our various offices to reduce to travel cost and time and to maximize participation of the stake holders in the business decisions.

Property

Our registered and corporate office located in Delhi, is owned by us. We own office buildings to serve as an administrative base for our operations in our 16 locations in different states of India. As at June 30, 2014, except 14 branch offices, which are owned by us, all our other branch offices (two) are located at premises leased or licensed to us. We also own guest houses all across India for use by our employees. We also hold other properties exclusively used for renting purpose.

HISTORY, MAIN OBJECTS AND CERTAIN CORPORATE MATTERS

Background

The Company was incorporated on May 21, 1993 under the Companies Act, 1956 as a public limited company under the name 'The Industrial Financial Corporation of India Limited' with the Registrar of Companies, Delhi and Haryana and got certificate of commencement of business on June 24, 1993. The objective, inter-alia, was to take over the assets and liabilities, business and functions of the erstwhile Industrial Finance Corporation of India established under the IFC Act, 1948. Accordingly, the undertaking of Industrial Finance Corporation of India under the IFC Act, 1948 was transferred to and vested in the Company with effect from July 1, 1993 vide notification issued by the Government of India, Ministry of Finance, Department of Economic Affairs (Banking Division) on June 7, 1993 pursuant to Section 3 of the IFC (Transfer of Undertaking and Repeal) Act, 1993. Subsequently, a fresh certificate of incorporation dated October 27, 1999 consequent upon change of its name to "IFCI Limited" was received from the RoC. Subsequently, during the year 1999, its name was changed to IFCI Limited and an amended certificate of incorporation was obtained from the Registrar of Companies, Delhi & Haryana.

IFCI, at present, is a non-banking financial company as per the Reserve Bank of India Act, 1949. IFCI is also a notified public financial institution under Section 2(72) of the Companies Act, 2013. The management of its affairs is vested with the Board of Directors, the day to day operations being carried out by a pool of experienced professionals under the immediate supervision of the Chief Executive Officer and Managing Director.

For more information on the Company's business activities and investments, see "***Business***" on page 58 of this Draft Shelf Prospectus.

Registered Office

The registered office of the Company is situated at IFCI Tower, 61, Nehru Place, New Delhi 110019.

Change in registered office of Our Company

IFCI was established in 1948 as a statutory corporation, and its office was in Parliament House, New Delhi which was subsequently shifted to Caning Marg, New Delhi and again to Reserve Bank of India, Parliament Street, New Delhi. Further, it was shifted to Burma Cell Building, Connaught Place and then to 16, Bank of Baroda building, Parliament Street, New Delhi. When IFCI was converted into a public limited company in 1993, its registered office was at Bank of Baroda building, 16, Parliament Street, New Delhi. IFCI shifted its registered office to its present location i.e. IFCI Tower, 61, Nehru Place, New Delhi in October, 1997.

Main objects of the Company:

Our main objects, as contained in Clause III A of our Memorandum of Association, are:

- To take over the assets/liabilities, rights, powers, authorities and privileges, business and functions of Industrial Finance Corporation of India, established under Industrial Finance Corporation Act, 1948.
- To carry on the business of assisting enterprises in industrial and services sectors.
- To provide financial assistance in the form of short, medium or long term loans or working capital facilities or equity participation, individually or in syndicates and in any form/scheme as may be deemed expedient.
- To subscribe to or purchase, underwrite, invest in and acquire and hold and sell, dispose of shares, stocks, debentures, debentures-stock, bonds, obligations and securities, Commercial Paper, Certificate of Deposit or any other money instruments issued or guaranteed by any company or body corporate or a trust or a Registered Society or a Cooperative Society or by a person or association.
- To lend money with or without security and to make advances upon, hold in trust, issue, buy, sell, or otherwise acquire or dispose of on commission or otherwise any of the securities or investments of the kinds before mentioned or to act as agent for any of the above or the like purpose.
- To guarantee and ensure the due payment, fulfillment and performance of contracts and obligations of any kind or nature.
- To carry on the business of leasing and hire purchase finance company and to acquire to provide on lease or to provide on hire purchases basis all types of industrial and office plant, equipment, machinery, vehicles, buildings and real estate, required for manufacturing, processing, transportation and trading business and other commercial and service business.
- To borrow or raise moneys by way of loans or otherwise both in rupees and foreign currencies or secure the payment of money by the issue, sale of debentures, debenture-stock, bonds, obligations, mortgages and securities of all kinds, either perpetual or terminable and either redeemable or otherwise and to charge or secure the same by trust deed or otherwise on the undertaking of the company including its uncalled capital, upon any specific property rights, present and future, of the Company or otherwise, howsoever.
- To receive/invest moneys on deposit on such terms and conditions as may be deemed expedient in the interest of the Company.
- To draw, make, accept, endorse, discount, rediscount, negotiate, execute and issue of bills of exchange, promissory notes and other negotiable or transferable instruments.
- To act as Trustees of any deeds constituting or securing any debentures, debenture-stock, or other securities or obligations and to undertake and execute any other trusts, and also to undertake the office of or exercise the powers of executor, administrator, receiver, treasurer, custodian and trust Corporation.
- To provide consultancy and merchant banking services in or outside India.
- To perform and undertake activities pertaining to warehousing, bill marketing, factoring, custodial services and related fields.
- To set up Trusts, under the Indian Trust Act for establishment of mutual funds, venture capital funds and funds of any kind and to carry on and to provide related services.
- To set up investment company to buy, underwrite, invest in and acquire and hold shares, stocks, debentures, debenture stock, bonds obligations and securities issued or guaranteed by any company constituted or carrying on business in India and debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any Government, State, Commissioners, public body or authority, supreme, municipal, local or otherwise firm or person and to deal with sell, dispose of and turn to account the same provided always that no investment imposing unlimited liability on the Company shall be made.
- To deal, transact, undertake, buy, sell foreign currencies as an authorized (Foreign Exchange) Dealer.
- To carry on the business of Depository Participant and to provide related services

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through the Issue.

Subsidiaries

As on the date of filing of the Draft Shelf Prospectus, the Company has 6 (six) Subsidiaries and 6 (six) step down Subsidiaries, the details of which are as follows:

IFCI Infrastructure Development Limited

IFCI Infrastructure Development Limited ("IIDL") was incorporated on October 10, 2007, as a public limited company under the provisions of Companies Act, 1956 to leverage its expertise in the emerging infrastructure and real estate sector. IIDL received the commencement of business certificate on October 23, 2007.

The authorized share capital of IIDL is Rs. 1000.00 crore divided into 100,00,00,000 equity shares of Rs. 10 each. The Company, including through its nominees, holds 100% of the issued and paid up equity share capital of IIDL. The securities of IIDL are unlisted.

Shareholding Pattern of IIDL as on August 31, 2014 is as follows:

S. No	Name of the Shareholder	Number of Equity Shares of Face Value of Rs. 10 each	% of Shareholding
1	IFCI Limited	47,70,99,237	100.00
2	Shri Biranchi Narayan Nayak*	1	0.00
3	Shri Dileep Kumar Jain*	1	0.00
4	Shri V. Satyavenkat Rao*	1	0.00
5	Shri S. P. Arora*	1	0.00
6	Shri Pawan Kumar*	1	0.00
7	Mrs. Pooja S Mahajan*	1	0.00
	Total	**47,70,99,243**	**100.00**

** Nominee shareholders of IFCI Limited*

The Board of Directors of IIDL as on August 31, 2014 is as follows:

S. No	Name of the Director	Designation
1	Shri Malay Mukherjee	Chairman
2	Shri Achal Kumar Gupta	Non Executive Director
3	Shri Surender Kumar Vats	Managing Director
4	Shri Sree Kumar Nair	Independent Director
5	Shri Vas Dev Dewan	Independent Director
6	Shri Anil Kumar Bansal	Independent Director

IIDL Realtors Private Limited (Wholly owned Subsidiary of IIDL)

IIDL Realtors Private Limited ("IRPL") was incorporated on August 17, 2005 under the provisions of Companies Act, 1956, and is engaged in the business of purchase and leasing of properties and providing Project Consultancy services for various commercial and infrastructural projects.

The authorized share capital of IRPL is Rs. 0.10 crore divided into 15,000 equity shares of Rs. 10 each and 85,000 redeemable preference shares of Rs. 10 each. IIDL, including through its nominees, holds 100% of the issued and paid up equity share capital of IRPL. The securities of IRPL are unlisted.

Shareholding Pattern of IRPL as on August 31, 2014 is as follows:

S. No	Name of the Shareholder	Number of Equity Shares of Face Value of Rs. 10 each (A)	Number of Preference Shares of Face Value of Rs. 10 each (B)	% of Shareholding
1	IFCI Infrastructure Development Limited	9,999	73,700	100.00
2	Shri Shivendra Tomar*	1	0	0.00
	Sub Total	10,000	73,700	100.00
	Total (A + B)	**83,700**		100.00

** Nominee shareholders of IRPL*

The Board of Directors of IRPL as on August 31, 2014 is as follows:

S. No	Name of the Director	Designation
1	Shri Surender Kumar Vats	Director
2	Shri Sree Kumar Nair	Director

IFCI Factors Limited

IFCI Factors Limited ("IFL") was incorporated on December 14, 1995 under the Companies Act, 1956, as a public limited company under the name 'Foremost Factors Limited'. IFL is into the business of factoring both domestic and international by purchasing, selling, discounting, rediscounting or arrangement of debts receivable actionable and other claims. IFL received its certificate for commencement of business on January 5, 1996. Pursuant to a resolution passed by its shareholders in their meeting dated December 16, 2008, the name of the Company was changed to 'IFCI Factors Limited', on account of IFCI acquiring control of the Company, and a fresh certificate of incorporation was issued on January 7, 2009.

The authorized share capital of IFL is Rs. 150.00 crore divided into 15,00,00,000 equity shares of Rs. 10 each. The Company including through its nominees, holds 7,91,54,700 equity shares, representing 99.74% of the issued and paid up equity share capital of IFL. The non-convertible debentures/bonds of IFL are listed on BSE Limited.

Shareholding Pattern of IFL as on August 31, 2014 is as follows:

S. No	Name of the Shareholder	Number of Equity Shares of Face Value of Rs. 10 each	% of Shareholding
1.	Mr. Vinod Chopra	100	0.00
2.	Mrs. Neena Dhawan	100	0.00
3.	Mr. Vinod Kumar Dhawan	100	0.00
4.	Mr. Navneet Chibber	500	0.00
5.	Mr. Lokesh Goyal	1,000	0.00
6.	Mr. Amit Vadhera	5,000	0.01
7.	Mr. Sanjay Prasad	1,000	0.00
8.	Mr. A.K. Mehta	5,000	0.01
9.	Mr. Sushant Chabra	10,000	0.01
10.	Mr. Jagdish Kapoor	1,000	0.00
11.	Mrs. Reema Ajmera	1,000	0.00
12.	Mr. BalKrishna Jaggi	5,000	0.01
13.	Mr. Sanjay Kumar	5,000	0.01
14.	Mr. Vijay Roop Chand	10,000	0.01
15.	Mr. Brij Kapoor	33,000	0.04
16.	Mr. Rishi Talwar	5,000	0.01
17.	Puri Constructions Pvt Limited	90,000	0.11
18.	Mr. Daljit Singh	10,000	0.01
19.	Mrs. Deep Kaur	10,000	0.01
20.	Mr. G P Singh	10,000	0.01
21.	IFCI Limited	7,91,54,692	99.74
22.	Mohan Puri	200	0.00
23.	Sh. Avinash Kumar *	1	0.00
24.	Sh. Saravjeet Kaur *	1	0.00
25.	Sh. S K Vats *	1	0.00
26.	Sh. B N Nayak *	1	0.00
27.	Sh. S.K. Bhatia *	1	0.00
28.	Sh. Gopal Singh *	1	0.00
29.	Sh. V.S.V. Rao *	1	0.00
30.	Sh. S. P. Arora *	1	0.00
	Total	**7,93,57,700**	**100.00**

* *Nominee shareholders of IFCI Limited*

The Board of Directors of IFL as on August 31, 2014 is as follows:

S. No	Name of the Director	Designation
1.	Mr. Malay Mukherjee	Non - Executive Chairman
2.	Mr. Sudhir Garg	Non Independent Non - Executive Director
3.	Mr. Bikash Kanti Roy	Managing Director
4.	Mr. Shrawan Nigam	Independent Director
5.	Mr. Vinod Kumar Gupta	Independent Director
6.	Mr. Ajoy Kumar Deb	Independent Director
7.	Mr. Rajib Sekhar Sahoo	Independent Director

IFCI Financial Services Limited

IFCI Financial Services Limited ("IFIN") was incorporated on January 4, 1995 under the Companies Act, 1956, to provide a wide range of financial products and services to investors, institutional and retail. IFIN is primarily involved in Stock Broking, Portfolio Management Services, Investment Banking and Advisory Services, Depository Participant Services, Insurance Products and Mutual Funds Distribution and the like. IFIN received the commencement of business certificate on March 1, 1995.

The authorized share capital of IFIN is Rs. 50.00 crore divided into 5,00,00,000 equity shares of Rs. 10 each. The Company, including through its nominees, holds 3,93,63,809 shares, representing 94.78% of the issued and paid up equity share capital of IFIN. The shares of IFIN are unlisted.

The Shareholding Pattern of IFIN as on August 31, 2014 is as follows:

S. No.	Name of the Shareholder	Number of Equity Shares of Face Value of Rs. 10 each	% of Shareholding
1	IFCI Limited	3,93,63,803	94.78
2	Shri Satpal Arora*	1	0.00
3	Shri Dileep Kumar Jain*	1	0.00
4	Shri Biranchi N Nayak*	1	0.00
5	Shri V. Satyavenkata Rao*	1	0.00
6	Shri Pawan Kumar*	1	0.00
7	Smt. Rashmi Sachdev*	1	0.00
8	Smt. Chandra Ramesh	17,57,619	4.23
9	Shri. D.V. Ramesh	4,12,281	0.99
	Total	**4,15,33,709**	**100.00**

***** *Nominee of IFCI Limited*

The Board of Directors of IFIN as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1	Shri Malay Mukherjee	Chairman-Executive Director
2	Shri Achal Kumar Gupta	Non Executive Director
3	Shri M P Rege	Director
4	Shri M V Muthu	Director
5	Smt. S Usha	Managing Director
6	Shri O. Ramesh Babu	Non Executive Director
7	Shri Lalit Kumar Patangia	Director
8	Shri V. Ramanan	Director

IFIN has three wholly- owned subsidiaries namely IFIN Securities Finance Limited, IFIN Commodities Limited and IFIN Credit Limited.

IFIN Securities Finance Limited

IFIN Securities Finance Limited ("IFIN Securities") was incorporated on July 27, 1999 under the provision of Companies Act, 1956 under the name 'Narayan Sriram Investments Private Limited'. IFIN Securities is registered as an NBFC with RBI and is engaged in the business of Margin Funding, Loans against Shares and Property, Promoter Funding and the like. Pursuant to change of name to "IFIN Securities Finance Limited" a fresh certificate was issued on August 26, 2013.

The authorized share capital of IFIN Securities is Rs. 60.00 crore consisting of 59,75,500 equity shares of Rs. 100 each and 24,500 redeemable preference shares of Rs. 100 each. IFIN, including through its nominees, holds 100% of the issued and paid up equity share capital of IFIN Securities. The shares of IFIN Securities are unlisted.

Shareholding pattern of IFIN Securities as on August 31, 2014 is as follows:

S. No.	Name of the Shareholder	Number of Equity Shares of Face Value of Rs. 100 each	% of Shareholding
1	IFCI Financial Services Limited	30,00,994	99.99
2	SMT. Chandra Ramesh*	1	0.00
3	Shri Ram Kumar Srinivasan*	1	0.00
4	Shri Oggu Ramesh Babu*	1	0.00
5	Shri K Kasthurirengan	1	0.00
6	Shri R. Govindarajan*	1	0.00
7	Smt S Usha*	1	0.00
	Total	**30,01,000**	**100.00**

**Nominee of IFCI Financial Services Limited*

The Board of Directors of IFIN Securities as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1	Shri Achal Kumar Gupta	Director
2	Shri M V Muthu	Director
3	Shri Ram Kumar Srinivasan	Director
4	Shri O Ramesh Babu	Director
5	Smt. S Usha	Director
6	Shri A Ramchandran	Whole Time Director
7	Shri V Ramanan	Director

IFIN Commodities Limited

IFIN Commodities Limited ("IFIN Commodities") was incorporated on January 21, 2009 under the Companies Act, 1956, under the name 'IFCI Commodity Limited". IFIN Commodities is in the business of commodity broking and is a member of several Commodities Exchanges. IFIN Commodities received its certificate for commencement of business on February 18, 2009. Pursuant to change of name to "IFIN Commodities Limited" a fresh certificate was issued on September 21, 2010.

The authorized share capital of IFIN Commodities is Rs. 5.00 crore divided into 50,00,000 equity shares of Rs. 10 each. IFIN, including through its nominees, holds 100% of the issued and paid up equity share capital of IFIN Commodities. The shares of IFIN Commodities are unlisted.

Shareholding Pattern of IFIN Commodities as on August 31, 2014 is as follows:

S. No.	Name of the Shareholder	Number of Equity Shares of Face Value of Rs. 10 each	% of Shareholding
1	IFCI Financial Services Limited	49,99,994	99.99
2	SMT. Chandra Ramesh*	1	0.00
3	Shri D. V. Ramesh*	1	0.00
4	Shri Oggu Ramesh Babu*	1	0.00
5	Shri R. Govindarajan*	1	0.00
6	Shri V.S. Nair*	1	0.00
7	Shri Satpal Kumar Arora*	1	0.00
	Total	**50,00,000**	**100.00**

** Nominee of IFCI Financial Services Limited*

The Board of Directors of IFIN Commodities as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1	Shri Achal Kumar Gupta	Director
2	Shri Ram Kumar Srinivasan	Whole Time Director
3	Smt. S Usha	Director
4	Shri O Ramesh Babu	Director
5	Shri M P Rege	Director

IFIN Credit Limited

IFIN Credit Limited ("IFIN Credit") was incorporated on June 28, 1995 under the Companies Act, 1956 under the name 'CA. Financial Options Limited". IFIN Credit is into the business of lending and advancing money, either with or without security and give credit to such persons, firm or body corporate on interest and otherwise. IFIN Credit received its certificate for commencement of business on June 30, 1995. Pursuant to change of name to "IFIN Credit Limited" a fresh certificate was issued on March 18, 2010.

The authorized share capital of IFIN Credit is Rs. 3.50 crore divided into 35,00,000 equity shares of Rs. 10 each. IFIN, including through its nominees, holds 100% of the issued and paid up equity share capital of IFIN Credit. The shares of IFIN Credit are unlisted.

Shareholding Pattern of IFIN Credit as on August 31, 2014 is as follows:

S. No.	Name of the Shareholder	Number of Equity Shares of Face Value of Rs. 10 each	% of Shareholding
1	IFCI Financial Services Limited	24,99,994	99.99
2	SMT. Chandra Ramesh*	1	0.00
3	Shri D. V. Ramesh*	1	0.00
4	IFIN Commodities Limited *	1	0.00
5	Shri R. Govindarajan*	1	0.00
6	Shri R. Govindarajan*	1	0.00
7	Smt S Usha*	1	0.00
	Total	**25,00,000**	**100.00**

** Nominee of IFCI Financial Services Limited*

The Board of Directors of IFIN Credit as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1	Shri O Ramesh Babu	Director
2	Shri R. Govindarajan	Director
3	Smt S Usha	Director

IFCI Venture Capital Funds Limited

IFCI Venture Capital Funds Limited ("IVCFL"), a Public Financial Institution under Section 4A of the Companies Act 1956, was initially set up in the year 1975 as 'Risk Capital Foundation', and was subsequently corporatized in the year 1988 as Risk Capital and Technology Finance Corporation (RCTC) to promote entrepreneurship based on innovative indigenous technologies. In the year 2000, it's name of IVCFL name was changed to its present name i.e. "IFCI Venture Capital Funds Limited". IVCFL is engaged in the business of managing private equity funds and carrying on NBFC activities.

The authorized share capital of IVCFL is Rs. 150.00 crore divided into 15,00,00,000 equity shares of Rs. 10 each. The Company, including through its nominees, holds 5,95,21,008 shares, representing 98.60% of the issued and paid up equity share capital of IVCFL. The shares of IVCFL are unlisted.

Shareholding Pattern of IVCFL as on August 31, 2014 is as follows:

Name of Shareholders	No. of shares of Equity Face Value of Rs. 10 each	Holding %
IFCI Limited	5,95,21,008#	98.60
Tata Global Beverages Limited	2,50,000	0.41
Tata Chemicals Limited	2,50,000	0.41
IL&FS Financial Services Limited	2,50,000	0.41
Tata Steel Limited	1,00,000	0.17
Total	**6,03,71,008**	**100.00**

Includes four shares held by employees of IFCI Limited, for its beneficial interest, of IFCI Limited.

The Board of Directors of IVCFL as on August 31, 2014 is as follows:

S. No.	Name of Director	Designation
1.	Shri Malay Mukherjee	Chairman
2.	Shri Anil Vidyarthi	Independent Director
3.	Dr. Ravi Gupta	Independent Director
4.	Shri Ajoy Kumar Deb	Independent Director
5.	Shri K. S. Mehta	Independent Director
6.	Shri Pavan K. Vijay	Independent Director
7.	Shri Amarjit Chopra	Independent Director
8.	Shri Sudhir Garg	Director
9.	Shri Shivendra Tomar	Managing Director

MPCON Limited

MPCON Limited ("MPCON") was incorporated on March 23, 1979 under the Companies Act, 1956, under the name 'Madhya Pradesh Consultancy Organisation Limited' and is engaged in the business of catering to the needs of industry and entrepreneurs by proving necessary support and consultancy. MPCON received commencement of business certificate on March 23, 1979. Pursuant to change of name to "MPCON Limited" a fresh certificate of incorporation was issued on October 22, 2008.

The authorised share capital of MPCON is Rs. 1.00 crore divided into 10,000 equity shares of Rs. 1,000 each. The Company, including through its nominees, holds 7,972 shares, representing 79.72% of the issued and paid up equity share capital of MPCON. The shares of MPCON are unlisted.

Shareholding Pattern of MPCON as on August 31, 2014 is as follows:

S. No.	Name of the Shareholder	Number of Equity Shares of Face Value of Rs. 1000 each	% of Shareholding
1	IFCI Limited	7,972	79.72
2	SIDBI	220	2.20
3	ICICI Bank	180	1.80
4	M.P.State Industrial Devt. Corporation Limited	60	0.60
5	M.P.Financial Corporation	60	0.60
6	M.P.Laghu Udyog Nigam Limited	420	4.20
7	State Bank of India	320	3.20
8	Punjab National Bank	160	1.60
9	Allahabad Bank	160	1.60
10	Central Bank of India	160	1.60
11	Bank of India	160	1.60
12	Bank of Baroda	32	0.32
13	Union Bank of India	32	0.32
14	UCO Bank	32	0.32
15	Dena Bank	32	0.32
Total		**10,000**	**100.00**

The Board of Directors of MPCON as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1	Shri Achal Kumar Gupta	Nominee Director
2	Shri Surajit Roy	Managing Director
3	Shri V D Dewan	Nominee Director
4	Shri Piyush Mathur	Nominee Director
5	Shri Satish Nema	Nominee Director
6	Shri Subodh Dave	Nominee Director
7	Shri Tarun Kanti Pal	Nominee Director
8	Shri R G Dwivedi	Nominee Director

Stock Holding Corporation of India Limited

Stock Holding Corporation of India Limited ("SHCIL") was incorporated on July 28, 1986. SHCIL is one of the largest Depository Participants, besides being the country's largest and premier custodian in terms of assets under custody, provides post trading and custodial services to institutional investors, mutual funds, banks, insurance companies, etc.

The authorised share capital of SHCIL is Rs. 50.00 crore divided into 5,00,00,000 equity shares of Rs. 10 each. The Company holds 1,11,30,000 shares, representing 52.86% of the issued and paid up equity share capital of SHCIL. The shares of SHCIL are unlisted.

The Shareholding pattern of SHCIL as on August 31, 2014 is as follows:

S. No.	Name of Shareholders	Number of Equity Shares of Face Value of Rs. 10 each	% of Shareholding
1	IFCI Limited	1,11,30,000	52.86
2	Administrator of the specified undertaking of the Unit Trust of India	35,70,000	16.96
3	Life Insurance Corporation of India	31,50,000	14.97
4	General Insurance Corporation of India	6,30,000	2.99
6	New India Assurance Company Limited	6,30,000	2.99
7	United India Insurance Company Limited	6,30,000	2.99
8	Oriental Insurance Company Limited	6,30,000	2.99
9	National Insurance Company limited	6,30,000	2.99
10	Others	54,400	0.26
	Total	**2,10,54,400**	**100.00**

The Board of Directors of SHCIL as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1	Shri Malay Mukherjee	Chairman
2	Shri Ramesh N.G.S	Managing Director & CEO
3	Shri Prakash P. Mallya	Independent Director (Non- Executive)
4	Shri Sudhir Garg	Non Executive Director representing IFCI Limited
5	Shri Pravin Kutumbe	Non executive Director representing LIC of India
6	Shri M.S. Sundra Rajan	Independent Director(Non- Executive)
7	Shri M.V. Nair	Independent Director(Non- Executive)
8	Shri C.M Dixit	Independent Director(Non- Executive)
9	Shri Gautam Sen	Independent Director(Non- Executive)
10	Shri B. Baburao	Independent Director representing SU-UTI

SHCIL has two wholly-owned subsidiaries namely SHCIL Services Limited and SHCIL Projects Limited.

SHCIL Services Limited

SHCIL Services Limited ("SSL") was incorporated on February 14, 1995 under the Companies Act, 1956 under the name 'National Depository Corporation of India Limited' to cater the needs of industry and entrepreneurs. SSL is engaged in the business of providing stock broking services to institutional and retail clients. SSL received commencement of business certificate on March 22, 1995. Pursuant to change of name to "SHCIL Services Limited" a fresh certificate of incorporation was issued on July 8, 2002.

The authorized share capital of SSL is Rs. 20.00 crore. SHCIL, including through its nominees, holds the shares representing the entire issued and paid up equity share capital of SSL. The shares of SSL are unlisted.

The Shareholding Pattern of SSL as on August 31, 2014 is as follows:

S. No.	Name of Shareholders	Number of Equity Shares of Face Value of Rs. 10 each (A)	Number of Preference shares of Rs. 10 each (B)	% of Shareholding
1	Stock Holding Corporation of India Limited	5,769,993	18,86,250	100.00
2	Mr. L. Viswanathan*	1	0	0.00
3	Mr. Umesh Punde*	1	0	0.00
4	Mr. Jagdish Thakur*	1	0	0.00
5	Mr. Shashikant Nayak*	1	0	0.00
6	Mr. Vineet Potnis*	1	0	0.00
7	Mr. DRK Jagannath*	1	0	0.00
8	Mr. Nitin Jog*	1	0	0.00
	Sub Total	57,70,000	18,86,250	100.00
	Total A+B	**76,56,250**		100.**00**

**Nominee of Stock Holding Corporation of India Limited*

The Board of Directors of SSL as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1	Shri Ramesh N.G.S	Non Executive Chairman
2	Shri Nitin Jog	Managing Director & CEO
3	Shri Vineet Potnis	Nominee Director
4	Shri P.H Kutumbe	Director
5	Shri V.S. Nair	Director
6	Smt Kalpana Joshi	Director

SHCIL Projects Limited.

SHCIL Projects Limited ("SPL") was incorporated on August 10, 2006 under the Companies Act, 1956, and is engaged in the business of providing end to end document management solutions, IT enabled services and insurance depository services. SPL received the commencement of business certificate on September 21, 2006.

The authorized share capital of SPL is Rs. 40.00 crore divided into 4,00,00,000 equity shares of Rs. 10 each. SHCIL, including through its nominees, holds the shares representing the entire issued and paid up equity share capital of SPL. The shares of SPL are unlisted.

The Shareholding Pattern of SPL as on August 31, 2014 is as follows:

S. No.	Name of Shareholders	Number of Equity Shares of Face Value of Rs. 10 each	% of Shareholding
1.	Stock Holding Corporation of India limited	3,69,99,994	100.00
2.	Mr. L. Viswanathan*	1	0.00
3.	Mr. Rohinton Hirji Mewawala*	1	0.00
4.	Mr. Shashikant Nayak*	1	0.00
5.	Mr. R Anand*	1	0.00
6.	Mr. Jagdish Thakur*	1	0.00
7.	Mr. DRK Jagannath*	1	0.00
	Total	**3,70,00,000**	**100.00**

* *Nominee of Stock Holding Corporation of India Limited*

The Board of Directors of SPL as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1	Shri Ramesh N.G.S	Non Executive Chairman
2	Shri Sanjeev Vivrekar	Managing Director & CEO
3	Shri Gaurishankar Prasad Sinha	Director
4	Shri Rohinton Hirji Mewawala	Director
	Shri L. Viswanathan	Nominee Director
6	Shri Umesh Punde	Director
7	Shri Jagdish Thakur	Director
8	Smt Meena Pednekar	Director

Associate Companies

As at the date of the Draft Shelf Prospectus, the Company has 6 (six) associate companies, the details of which are as follows:

Tourism Finance Corporation of India Limited

Tourism Finance Corporation of India Limited ("TFCI") was incorporated on January 27, 1989 in Delhi under the Companies Act, 1956, and is engaged in the business of financing the tourism sector. The authorized share capital of TCFI is Rs. 500.00 crore divided into 25,00,00,000 equity shares of Rs. 10 each and 25,00,00,000 redeemable preference shares of Rs. 10 each. The Company holds 343,04,266 equity shares representing 42.50% of the entire issued and paid up equity share capital of TFCI.

The Board of Directors of TFCI as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1	Shri Malay Mukherjee	Chairman
2	Shri S.K Sangar	Managing Director
3	Smt. Usha Sharma	Nominee Director- Ministry of Tourism, Government of India
4	Shri Sanjeev K Jindal	Nominee Director- Ministry of Finance, Government of India
5	Shri Niraj Agrawal	Director (Representing LIC of India)
6	Shri V.P Singh	Independent director
7	Shri Sethurathnam Ravi	Independent director
8	Shri Vivek Nair	Independent director
9	Shri S Sridhar	Independent director

North India Technical Consultancy Organisation Limited

North India Technical Consultancy Organisation Limited (NITCON) was incorporated on March 28, 1993 under the Companies Act, 1956, and is engaged in the business of catering to the needs of industry and entrepreneurs by proving necessary support and consultancy services. The authorized share capital of NITCON is Rs. 1.00 crore divided into 1,00,000 equity shares of Rs. 100 each. The Company holds 9,750 equity shares representing 48.75% of the entire issued and paid up equity share capital of NITCON.

The Board of Directors of NITCON as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1.	Shri Achal Kumar Gupta	Chairman
2.	Shri V.K. Aggarwal	Nominee Director
3.	Shri Sanjiv Bawa	Nominee Director
4.	Shri S.L Bansal	Nominee Director
5.	Shri Satish Kumar Dua	Nominee Director
6.	Shri Manish Sinha	Nominee Director
7.	Shri Jagdish Garwal	Nominee Director
8.	Shri Rattan Singh	Managing Director

Himachal Consultancy Organisation Limited

Himachal Consultancy Organisation Limited (HIMCON) was incorporated on February 10, 1997 in Himachal Pradesh under the Companies Act, 1956, and is engaged in the business of catering to the needs of industry and entrepreneurs by proving necessary support and consultancy services. The authorized share capital of HIMCON is Rs. 0.20 crore divided into 2,000 equity shares of Rs. 1,000 each. The Company holds 735 equity shares representing 49% of the entire issued and paid up equity share capital of HIMCON.

The Board of Directors of the HIMCON as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1	Sh. V Satya Venkata Rao	Chairman
2	Sh. Jagdish Garwal	Managing Director
3	Sh. Mohan Chauhan (IAS)	Director
4	Sh. S.S. Guleria, (IAS)	Director
5	Sh. V.K. Goyal	Director
6	Sh. B.D. Suyal, IFS	Director
7	Sh. S. Thangavelu	Director

HARDICON Limited

HARDICON Limited (previously known as Haryana Delhi Industrial Consultants Limited) was incorporated on June 11, 1995 under the Companies Act, 1956, and is engaged in the business of catering to the needs of industry and entrepreneurs by proving necessary support and consultancy services. The authorized share capital of HARDICON Limited is Rs. 0.20 crore divided into 20,000 equity shares of Rs. 100 each. The Company holds 4,550 equity shares representing 45.5% of the entire issued and paid up equity share capital of HARDICON Limited.

The Board of Directors of HARDICON Limited as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1	Shri Biswajit Banerjee	Chairman
2	Shri Sachikanta Mishra	Director
3	Shri Salil Narang	Director
4	Shri R.P.Kaushik	Director
5	Shri Sanjay Naveen Gowan	Director
6	Shri Vinay Kumar Agrawal	Director

Rajasthan Consultancy Organisation Limited

Rajasthan Consultancy Organisation Limited ("RAJCON") was incorporated on March 16, 1978 under the Companies Act, 1956, and is engaged in the business of catering to the needs of industry and entrepreneurs by proving necessary support and consultancy services. The authorized share capital of RAJCON is Rs. 0.30 crore divided into 3,000 equity shares of Rs. 1,000 each. The Company holds 980 equity shares representing 49% of the entire issued and paid up equity share capital of RAJCON.

The Board of Directors of RAJCON as on August 31, 2014 is as follows:

S. No	Name of the Director	Designation
1	Shri D.K. Jain	Chairman
2	Shri P.D. Agarwal	Director
3	Shri R.K. Zutshi	COO & Director
4	Shri Pramod Kumar Vijavargia	Director
5	Shri Dinesh M. N., IPS	Director
6	Shri N.K. Arora	Director
7	Shri S.K. Pandit	Director
8	Shri H.R.Srivastava	Director

KITCO Limited

KITCO Limited (formerly Kerala Industrial and Technical Consultancy Organization Limited) was incorporated on June 3, 1972 a under the Companies Act, 1956, and is engaged in the business of catering to the needs of industry and entrepreneurs by proving necessary support and consultancy services. The authorized share capital of KITCO Limited is Rs. 10.00 crore divided into 1,00,000 equity shares of Rs. 1,000 each. The Company holds 19,950 equity shares representing 20.26% of the entire issued and paid up equity share capital of KITCO Limited. The shares of KITCO Limited are unlisted.

The Board of Directors of KITCO Limited as on August 31, 2014 is as follows:

S. No.	Name of the Director	Designation
1.	Mr. Rakesh Rewari	Chairman
2.	Mr. Cyriac Davies	Managing Director
3.	Mr. A C Sahu	Director
4.	Mr. Venu Nallur (KSIDC has withdrawn the nomination and the same will be placed in the ensuing Board Meeting)	Director
5.	Mr. P G Jayashankar	Director
6.	Mr. Tom Jose, IAS	Director
7.	Mr. K S Srinivas, IAS	Director
8.	Mr. Abraham Lincoln	Director
9.	Mr. T C John (Union Bank of India has withdrawn the nomination and the same will be placed in the ensuing Board Meeting)	Director

Collaborations

Except as provided in this section our Company has not entered into any collaboration with any third party.

Material Agreements

Other than the agreements in relation to the Issue, the Company has not entered into material agreements which are not in the ordinary course of business.

MANAGEMENT

Members of the Board

Presently the Board comprises of the Non Executive Chairman, Managing Director, Deputy Managing Director, Government Directors, Non Executive Directors and Independent Directors. As on date of this Draft Prospectus there are twelve (12) Directors of which 1 (one) is Chief Executive Officer and Managing Director; 1 (one) Deputy Managing Director; 2 (two) Government Directors; 4 (four) Non Executive Directors and 4 (four) Independent Directors. Mr. S.V Ranganath is Non- Executive Independent Chairman of the board and also is an Independent Director.

(i) Details of the current directors (as on the date of this Draft Shelf Prospectus)

The Board of Directors of the IFCI is appointed in accordance with the provisions of the Companies Act, 2013. The Board of Directors of IFCI as on the date of this Draft Shelf Prospectus are as follows:

Name, Designation, Residential Address, Nationality, Occupation	Director since	Director Identification Number (DIN)	Age in Years	Other Companies in which Directorship held
Shri S. V. Ranganath Independent Director and Non-Executive Chairman of the Board. No. 25, 8th Cross, 2nd Block, Janaynagar, Bangalore 560011 Nationality- Indian Occupation- (Retired IAS)	22.11.2013	00323799	61	- Center For Study Of Science Technology And Policy - Indian Institute of Human Settlements
Shri Malay Mukherjee Chief Executive Officer & Managing Director C-159 (GF), Greater Kailash, Part-I, New Delhi - 110048 Nationality- Indian Occupation- Service	12.12.2013	02272425	59	- Cent Bank Financial Services Limited -IFCI Factors Limited -IFCI Infrastructure Development Limited -Tourism Finance Corporation of India Limited -IFCI Venture Capital Funds Limited -IFCI Financial Services Limited -Stock Holding Corporation Of India Limited
Shri Achal Kumar Gupta Deputy Managing Director Flat No. 814, Asian Games Village Complex, New Delhi - 110049 Nationality- Indian Occupation- Service	12.12.2013	02192183	61	-IFCI Infrastructure Development Limited -IFCI Financial Services Limited -IFIN Commodities Limited -IFIN Securities Finance Limited -MPCON Limited - North India Technical Consultancy Organization Limited
Shri Anurag Jain Government Director A-4, 4th Floor, Tower-7 Block-A New Moti Bagh, New Delhi-110021 Nationality- Indian Occupation- Service (IAS)	04.01.2013	01779759	49	-Optel Telecommunications Limited -National Insurance Company Limited. - Punjab National Bank
Shri Alok Tandon Government Director 4A, Type 6, HUDCO Place, Andrewz Ganj, New Delhi - 110049 Nationality- Indian Occupation- Service (IAS)	10.06.2014	01841717	52	-United India Insurance Company Limited -ICICI Bank Limited - National Credit Gurantee Trustee Company Limited - Small Industries Development Bank of India - National Housing Bank UCM Coal Company Limited
Shri P.G. Muralidharan Non Executive Director IAS (Retd) Lavanya, VH-52, Vikramapuram Hill, Kuravankonam, Trivandrum- 695003 Nationality- Indian Occupation- Service (IAS)	25.08.2006	00960475	79	Religare Invesco Asset Management Company Private Limited.

Name, Designation, Residential Address, Nationality, Occupation	Director since	Director Identification Number (DIN)	Age in Years	Other Companies in which Directorship held
Ms. Kiran Sahdev Non Executive Director, B-1/399, Janakpuri, New Delhi-110058 Nationality- Indian Occupation- Service	24.10.2013	06718968	55	NIL
Smt. Savita Mahajan Independent Director 89 Villa Greens, Gandipet (NARSINGHI-PS), Hyderabad, Andhra Pradesh-500075. Nationality- Indian Occupation- Service, Deputy Dean-ISB	12.02.2013	06492679	55	Nil
Shri K. S. Sreenivasan Non Executive and Independent Director Rajalakshmi Niwas, Old No. 47/1, New No 51, Sadullah Street, T.Nagar, Chennai, Tamil Nadu-600017 Nationality- Indian Occupation- Practicing Chartered Accountant	31.03.2014	05273535	59	-Canbank Factors Limited -Indiabulls Asset Management Company Limited - Oriental Bank of Commerce
Shri S. N. Ananthasubramanian Non Executive Director Building No.10, Flat No.26, Brindaban, Thane (West), Maharashtra-400601 Nationality- Indian Occupation- Practicing Company Secretary	04.07.2014	00001399	59	- Snaco Consulting Private Limited - SAGE Government Advisory, LLP
Prof. N. Balakrishnan Non Executive Director DQ 19, IISC Quaters, Indian Institute of Science, Bangalore, Karnataka-560012 Nationality- Indian Occupation-Professor	26.06.2014	00181842	64	-C-Dot Alcatel-Lucent Research Centre Private Limited -Data Security Council Of India -Bharat Sanchar Nigam Limited - Central Bank of India
Prof. Arvind Sahay Independent Director IIM Ahmedabad, Vastrapur, Ahmedabad-380015 Nationality - Indian Occupation – Professor (Marketing & International Business), Dean (Alumni and External Relationships)	12.09.2014	03218334	49	-Hindustan Copper Ltd -Brandscapes Consultancy Private Limited - Gujarat Narmada Valley Fertilisers & Chemicals Limited (GNFC)

None of the current directors are appearing in the defaulters list of RBI or ECGC default list.

Profile of Directors

1. **Mr. S. V. Ranganath** is the Non-executive Chairman of the Board. He retired as Chief Secretary, Government of Karnataka, is an IAS Officer of Karnataka- 1975 cadre. He has worked as a civil servant in various capacities both in Government of India and Government of Karnataka. Besides IFCI Limited, Mr. Ranganath is on the board of Central for Study of Science, Technology And Policy.

2. **Mr. Malay Mukherjee** is Chief Executive Officer and Managing Director of the Company. He is post graduate in Physics. He joined Indian Bank as Probationary Officer in 1976 and has more than 35 years of experience in the Banking Industry. He has had a wide field exposure, having worked in various branches in Assam, Bihar, West Bengal, Maharashtra, Gujarat and New Delhi as Branch Manager in Banks. He had also worked in Risk Management Department and Technology Management Department of Indian Bank at its Corporate Office. He was held the position of Executive Director with Central Bank of India. Besides IFCI Limited, he is on the board of IFCI Factors Limited, IFCI Infrastructure Development Limited, Tourism Finance Corporation of India Limited, IFCI Financial Services Limited, IFCI Venture Capital Funds Limited and Stock Holding Corporation of India Limited. He is also Chairman of the Board of Governors of Management Development Institute, Entrepreneurship Development Institute of India and Institute of Leadership Development.

3. **Mr. Achal Kumar Gupta** is Deputy Managing Director of the Company. He is post graduate in English and is CAIIB qualified. He has been a banker by profession. In his 38 years of experience in Banking and Finance, he has held various critical positions in State Bank of India and its associates/subsidiaries and handled various business verticals which inter-alia included Chief General Manager (Corporate Accounts Group), Managing Director, SBI Funds Management Private Limited and Managing Director of State Bank of Patiala. Besides IFCI Limited, he is on the board of IFCI Infrastructure Development Limited, IFCI Financial Services Limited, IFIN Commodities Limited, IFIN Securities Finance Limited, MPCON Limited, MPCON Finestar, and North India Technical Consultancy Organisation Limited. He is also a member of the Board of Governors of Institute of Leadership Development.

4. **Mr. Anurag Jain** is a Government Director on the Board of the Company He is Joint Secretary (IF & CVO), Department of Financial Services, Ministry of Finance, Government of India, is B.Tech (Hons.) Electrical Engineer from IIT–Kharagpur. He also holds a Master Degree in Public Administration. He has work experience of about 26 years; 3 years in Larsen & Toubro as Commissioning Engineer and 23 years as Indian Administrative Service Officer in various fields such as, General Administration (District/Sub-Divisions), Rural Development, Health & Family Welfare, Energy, Information Technology etc. in Government Departments. In the previous assignment as Secretary, Chief Minister's Office, he coordinated activities of development departments in the State Government. Besides IFCI Limited, Mr. Anurag Jain is also on the board of Punjab National Bank and National Insurance Company Limited.

5. **Mr. Alok Tandon** is a Government Director on the Board of the Company. He is currently holding the post of Joint Secretary, Ministry of Finance since October 2011. He did B. Tech (Electrical) from IIT (Kanpur) in 1984 and is the recipient of President's Gold Medal. He joined Indian Administrative Service in 1986 and was allotted UP Cadre. He has held various positions in the Government of UP including Joint Secretary, Deptt. of Heavy Industries and District Magistrate of 3 Districts – Maharganj, Allahabad and Varanasi. He has also worked as Chairman and Managing Director of UP Rajya Vidyut Utpadan Nigam Limited, Lucknow. Mr. Tandon has also completed his Masters degree in Public Policy from Princeton University in 2006. Besides IFCI Limited, Mr. Alok Tandon is also on the board of ICICI Bank, United India Insurance Company Limited, Small Industries Development Bank of India, National Housing Bank and National Credit Guarantee Trustee Company Limited.

6. **Mr. P G Muralidharan** is the Non Executive Director on the Board of the Company. Besides IFCI Limited, he is on the board of Religare Invesco Asset Management Company Private Limited and is also a member of its Audit Committee of Directors.

7. **Ms. Kiran Sahdev** is Director on the Board of the Company. She is also Executive Director of Life Insurance Corporation of India Limited. She does not hold any directorship in any other Company.

8. **Ms. Savita Mahajan** is an Independent Director on the Board of our Company. She is the Deputy Dean at Indian School of Business (ISB). After obtaining an graduation degree in Economics from Delhi University, she did her MBA from the Indian Institute of Management, Ahmedabad, in 1981. Since then, she has worked in several Indian organisations, including Maruti Udyog Limited, Karvy Consultants Private Limited, in diverse industry sectors, including automobiles, engineering, financial services and software. She does not hold any directorship in any other Company.

9. **Mr. K. S. Sreenivasan** is a Non-executive Independent Director on the Board of our Company. He is a senior Chartered Accountant and is practicing for more than 26 years of experience, is also a life time member of Indian Council of Arbitration. He has earlier served on the board of Oriental Bank of Commerce and Union Bank of India. Besides IFCI Limited, Mr. Sreenivasan is also on the board of Canbank Factors Limited and Indiabulls Asset Management Company Limited.

10. **Mr. S. N. Ananthasubramanian** is a Non Executive Director on the Board of our Company. He is a Fellow Member of the Institute of Company Secretaries of India (ICSI) has been elected as the President of the Institute w.e.f 19th January 2013. Mr. Ananthasubramanian has been in practice as a Company Secretary at Thane since 1991. He has contributed to the visibility and growth of the profession as member of ICSI-WIRC between 2001 and 2006. As its Chairman in 2005, he was actively associated in ICSI-NSE Collaboration towards the inclusion of Corporate Governance Module in National Certificate in Financial Markets (NCFM) and as its Secretary, facilitated the formation of Thane Chapter of ICSI in 2003. Mr. Ananthasubramanian was a member of various Committees of the Council of the ICSI including the Core Group for formulating the ICSI-Vision 2020. Besides IFCI Limited, Mr. Ananthasubramanian is also on the board of Snaco Consulting Private Limited and SAGE Governance Advisory Limited.

11. **Prof. N. Balakrishnan** is a Non Executive Director on the Board of our Company. He is a Professor at the Department of Aerospace Engineering and at the Supercomputer Education and Research Centre. He joined the Department of Aerospace Engineering as an Assistant Professor. He has received many notable accolades including the Padmashree by the President of India in 2002, Professor S N Mitra Memorial Award, 2013 of the Indian National Academy of Engineering, IETE Diamond

Jubilee Medal 2013, Homi J. Bhabha Award for Applied Sciences, 2004, JC Bose National Fellowship in 2007, the Alumni Award for Excellence in Research for Science & Engineering by IISc, 2001 and Millennium Medal of the Indian National Science Congress in 2000 among others. Besides IFCI Limited, he is also on the board of Central Bank of India, Bharat Sanchar Nigam Limited.

12. **Prof. Arvind Sahay** is an Independent Director on the Board of our Company. He is Professor of Marketing and International Business, Dean (Alumni & External Relations) at IIM Ahmedabad. He is Ph.D. from University of Texas Austin and B.Tech. from IIT Kanpur. He did Post Graduation Diploma in Business from IIM Ahmedabad. Prof. Sahay has authored more than 50 cases and published in leading international journals like the Journal of Marketing, Journal of Product Innovation Management, Journal of International Business Studies, Sloan Management Review, Vikalpa, the Journal of Academy of Marketing Science. He has been a regular columnist for Outlook Business magazine on marketing strategy and has also written for the leading Indian business newspaper Financial Express, on economics and business. He is the author of a case book on marketing strategy called Cases in Pricing, Marketing Communications and Distribution. Besides IFCI Limited, Professor Sahay is also on the board of Brandscapes Consultancy Private Limited, Hindustan Copper Limited and Gujarat Narmada Valley Fertilisers & Chemicals Limited.

(ii) The changes in our Board of our Company in the three years preceding the date of this Draft Shelf Prospectus are as follows:

S. No.	Name and Designation	Date of Joining/ Appointment	Date of Cessation
1.	Shri K. V. Eapen Government Director DIN: 01613015	12.09.2008	28.07.2011
2.	Shri Umesh Kumar Government Director DIN: 01733695	28.07.2011	16.11.2011
3.	Shri K. Raghuraman Independent Director DIN: 00320507	14.10.2008	07.08.2012
4.	Shri Shilabhadra Banerjee Independent Director DIN: 02922331	30.4.2010	04.08.2012
5.	Prof. Omprakash Mishra Independent Director DIN: 03068103	30.04.2010	27.08.2014
6.	Shri Prakash P. Mallya Director DIN: 02412404	14.10.2008	18.07.2012
7.	Shri Shobhit Mahajan Independent Director DIN: 01726240	04.08.2007	03.01.2013
8.	Shri Sujit Kumar Mandal Whole-Time Director DIN: 00086235	01.11.2008	12.12.2012
9.	Shri Sanjeev Kumar Jindal Government Director DIN: 02179374	27.06.2009	03.01.2013
10.	Shri Vijay Kumar Chopra Government Director DIN: 05178795	19.01.2012	03.01.2013
11.	Shri Anurag Jain Government Director DIN: 01779759	04.01.2013	Continuing
12.	Shri S. Shabbeer Pasha Independent Director DIN: 00997697	14.10.2008	04.01.2013
13.	Shri Rakesh Bharti Mittal Independent Director DIN: 00042494	27.10.2010	05.01.2013
14.	Shri Atul Ashok Galande Independent Director DIN: 00344342	18.07.2012	03.01.2013
15.	Shri Chandan Bhattacharya Independent Director DIN: 01341570	18.07.2012	07.01.2013
16.	Shri Vijendra Singh Jafa Independent Director DIN: 02256667	18.07.2012	04.01.2013
17.	Smt. Savita Mahajan Independent Director DIN: 06492679	12.02.2013	Continuing

S. No.	Name and Designation	Date of Joining/ Appointment	Date of Cessation
18.	Shri Arvind Kumar Government Director DIN: 03567738	30.07.2013	09.06.2014
19.	Smt. Usha Sangwan Non Executive Independent Director DIN: 02609263	23.03.2009	17.09.2013
20.	Shri Atul Kumar Rai Managing Director DIN: 00134638	01.06.2007	31.05.2013
21.	Shri Sanjeev Kumar Jindal* Government Director DIN: 02179374	20.05.2013	29.07.2013
22.	Shri Santosh B Nayar Managing Director DIN: 02175871	15.07.2013	11.12.2013
23.	Shri Ashok Kumar Jha Independent Director DIN: 00170745	15.07.2013	02.12.2013
24.	Ms Kiran Sahdev Non Executive Director DIN: 06718968	24.10.2013	Continuing
25.	Shri S. V. Ranganath Independent Director DIN: 00323799	22.11.2013	Continuing
26.	Shri Achal Kumar Gupta Deputy Managing Director DIN:02192183	12.12.2013	Continuing
27.	Shri Malay Mukherjee CEO & MD DIN: 02272425	12.12.2013	Continuing
28.	Shri K. S. Sreenivasan Independent Director DIN: 05273535	31.03.2014	Continuing
29.	Shri N. Balakrishnan Non Executive Independent Director DIN: 00181842	26.06.2014	Continuing
30.	Shri S. N. Ananthasubramanian Additional Director DIN: 00001399	04.07.2014	Continuing
31.	Shri Alok Tandon Government Director DIN: 01841717	10.06.2014	Continuing
32.	Prof. Arvind Sahay Independent Director DIN: 03218334	12.09.2014	Continuing

**Shri Sanjeev Kumar Jindal was again reappointed by GOI on 20.05 2013 and was withdrawn from the Board of IFCI on 29.07.2013.*

Relationship with other directors

None of our directors is related to one another.

Borrowing powers of the Board

Subject to the Memorandum and Articles of Association of the Company, the Shareholders at the Annual General Meeting held on August 27, 2014, have passed a resolution under Section 180(1)(c) of the Companies Act, 2013 and rules made thereunder, as amended from time to time, authorising the Board including any committee thereof to borrow from time to time, any sum or sums of monies, whether secured or unsecured, and on such terms and conditions as may be considered suitable by the Board, which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not to set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed by the Board shall not exceed a sum of Rs. 60,000.00 crore at any time. The aggregate value of the NCDs offered under this Draft Shelf Prospectus, together with the existing borrowings of our Company, is within the borrowing limits of Rs. 60,000.00 crore.

The Issue of NCDs offered under this Draft Shelf Prospectus is being made pursuant to the resolution passed by the Board of Directors at its meeting held of August 12, 2014.

Shareholding of the Directors

Our Article of Association does not require the directors to hold qualifying shares in the Company. Further, the Directors of the Company do not hold any shares in the Company or any of its Subsidiaries and Associates.

Remuneration of the Whole Time Directors

The Remuneration payable to the Whole Time Directors during the Fiscal 2014 is as follows:

S. No.	Name of the Chief Executive Officer and Managing Director	Salary for Annual Year 2013-14 (Rs. in lakh)	Contribution to PF & Other Funds for Annual Year 2013-14 (Rs. in lakh)	Perquisite for Annual Year 2013-14 (Rs. in lakh)	Others For Financial year 2013-14 (Rs. in lakh)	Total (Rs. in lakh)
1	Shri Atul Kumar Rai, Chief Executive Officer and Managing Director From- 01.04.2013 to 31.05.2013	28.25	0.77	2.40	0.14	31.56
2	Shri Anurag Jain Chief Executive Officer and Managing Director From- 31.05.2013 to 14.07.2013	--	--	--	--	--
3	Shri. Santosh B Nayar, Chief Executive Officer and Managing Director From- 15.07.2013 to 11.12.2013	8.25	0.39	1.04	0.75	10.43
4	Shri Malay Mukherjee, Chief Executive Officer and Managing Director From- 12.12.2013 to 31.03.2014	6.52	0.29	0.25	0.42	7.48
5	Shri Achal Kumar Gupta, Deputy Managing Director From- 12.12.2013 to 31.03.2014	6.23	0.28	0.23	0.12	6.86

No Remuneration is paid to the Non Executive Directors except the sitting fees to the Government Directors and Independent Nominee Directors. The Company pays sitting fees of Rs. 20,000 per meeting for the Board and Rs. 10,000 per meeting of Committee thereof, to the Non Executive Directors/ Independent Directors excluding Government Nominee/Institutional representatives. The following table sets forth the details of the sitting fees paid to our Directors during Fiscal 2014:

Name of Director	Sitting Fees (Rs. in lakh)*		Total (Rs. in lakh)
	Board Meeting	Committee Meetings	
Mr. P.G. Muralidharan	1.60	0.70	2.30
Prof. Om Prakash Mishra	1.80	1.90	3.70
Smt. Savita Mahajan	1.20	1.10	2.30
Mr. S.V. Ranganath	0.80	0.30	1.10
Mr. Ashok Kumar Jha	0.60	0.60	1.20
Total	**6.00**	**4.60**	**10.60**

Interest of the Directors

All our Directors may be deemed to be interested to the extent of sitting fees received by them and to the extent of the remuneration received by the CEO and Managing Director and Deputy Managing Director.

No Director of our Company has any interest in the appointment of the Debenture Trustee to the Issue. Our Directors have no interest in any property acquired or proposed to be acquired by the Company in the preceding two years of filing this Draft Shelf Prospectus with the Designated Stock Exchange nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to the Company. No benefit/ interest will accrue to our Promoters/Directors out of the objects of the issue.

All Directors may be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by us with any company in which they hold directorships or any partnership in which they are a partner. Directors with an interest in other companies are mentioned in this Draft Shelf Prospectus

Further, save and except as disclosed in this Draft Shelf Prospectus, no remuneration is payable or paid to the Directors by our Company or its Subsidiaries and Associates.

Except as otherwise stated in this Draft Shelf prospectus and statutory registers maintained in this regard, IFCI has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Shelf prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them.

The Directors and their relatives have not taken any loan from IFCI.

Debenture/ Subordinated Debt holding of the Directors:

Details of the debentures/subordinated debts held in our Company by our Directors, as on August 31, 2014 are provided below:

Name of the Director	Permanent Account Number(PAN)	Issue Name	No. of Bonds	Face Value per Bond (in Rs.)	Amount of Bonds (in Rs.)	Mode of Allotment
Shri P. G. Muralidharan	ACYPG5977E	IFCI-V Option I	4	5,000	20,000	Physical
Shri Malay Mukherjee	AANPM3876F	Infra-II Option II	4	5,000	20,000	Demat
		IFCI-IV Option I	4	5,000	20,000	Demat

Details of various committees of our Company as on August 31, 2014

Corporate Governance

We are in compliance with the requirements of corporate governance as mandated in Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges, particularly those in relation to the composition of the Board of Directors, constitution of committees such as audit committee, nomination and remuneration committee and investor/stakeholders grievance committee. The Board has laid down a Code of Conduct for all Board members and senior management of the Company and the same is posted on the web site of the Company in accordance with Clause 49 of the Listing Agreements entered into with the Stock Exchanges. We have complied with all the mandatory norms of corporate governance requirements. Currently our Board has eight Directors, and the Non Executive Chairman of the Board is an Independent Director. In compliance with the requirements of Clause 49 of the Listing Agreement, our Board has an optimum combination of executive and non executive directors consisting of 50% Non-Executive Directors and Chairman of the Board is also a Non Executive Independent Director. IFCI has constituted the following mandatory and non mandatory committees of the Board:

A Executive Committee
B Audit Committee
C. Nomination and Remuneration Committee
D. Stakeholders Relationship Committee
E. Corporate Social Responsibility Committee
F. Recovery and NPA Management Committee
G. E-Governance Committee
H. HR Committee
I. Risk Management Committee
J. Committee of Directors for Employees Stock Option

The details of these Committees are set forth below are:

A. Executive Committee: The members of the Executive Committee as on September 28, 2014:

1. Shri Malay Mukherjee: Chairman of the Committee (Chief Executive Officer & Managing Director)
2. Ms. Kiran Sahdev: Member
3. Smt Savita Mahajan: Member (Independent Director)
4. Shri S. N. Ananathasubramanian: Member
4. Shri Achal Kumar Gupta: Deputy Managing Director

The Executive Committee has the following terms of reference:

a) To sanction financial assistance including underwriting of above Rs. 100 crore and upto Rs. 300 crore in a single facility to a borrower and above Rs. 250 crore and upto Rs. 750 crore to a borrower group.
b) To review the affairs of assisted concerns and/or to note/approve merger/amalgamation/ change of controlling interest / management/hiving of divisions/one time settlement / negotiated settlement of dues/ conversion of loans into equity/ rehabilitation package to all concerns with outstanding principal amount and to approve consequential waiver of dues.
c) To review the status report of BIFR Cases.
d) To consider all other MIS/Periodical reports by the management in which no policy issues are involved.
   1. To consider and note/approve periodical reports stated below:
      - Relaxations/ Modifications in the terms of sanction of financial assistance/ settlements /Restructuring by CEO & MD
      - Write offs/ Waiver approved by CEO & MD
      - Approvals granted by CEO & MD for recall of loans and filing of suits.
      - Sale of assets approved by CEO & MD
      - Statistical information regarding foreign currency funds available, sub loans sanctioned and commitments made there against.
      - Review of special schemes.
        - Jute Modernisation Fund Scheme.
        - Sugar Development Scheme.
        - Technology Upgradation Fund Scheme.

- Periodic review of Non-Performing Assets / Investments.

e) Premature repayment of loans approved by CEO & MD.

f) Term Loans granted by Institutions against guarantees of Central/ State Govt./ Govt. undertaking – Statement showing defaults.

g) Review of contingent liabilities under Deferred Payment Guarantee/ Foreign Loan Guarantee.

B. Audit Committee: The members of the Audit Committee as on September 28, 2014 are:

1. Shri K. S. Sreenivasan: Chairman of the Committee (Independent Director)
2. Shri Alok Tandon: Member
3. Shri S.V. Ranganath: Member (Independent Director)

The scope and the terms of reference of the Audit Committee, *inter alia*, include:

a) To consider internal audit reports, reviews internal controls and systems and provides guidance and direction to the internal audit function. To review the corporate accounting and reporting practices and also considers changes in accounting policy. Review of quarterly/ half yearly and final accounts of the Company.

b) To have an oversight of the Company's financial reporting process and the disclosure of its financial information so as to ensure that the financial statement is correct, sufficient and credible.

c) To review with the management, the annual financial statements before submission to the board for approval,with particular reference to:

1. Matters to be included in the Director's Responsibility Statement in the Board's Report.
2. Changes, if any, in accounting policies and practices and reasons for the same.
3. Major accounting entries involving estimates based on the exercise of judgment by management.
4. Significant adjustments made in the financial statements arising out of audit findings.
5. Compliance with listing and other legal requirements relating to financial statements.
6. Qualifications in the draft audit report, if any
7. Disclosure of any Related Party Transactions (to be incorporated pursuant to SEBI Circular)

d) To review, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

e) To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit. It can have discussion with internal auditors regarding any significant findings and follow up there on.

f) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

g) To have discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

h) The Committee may also look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

i) The Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the audit committee) submitted by the management
3. Management Letters / Letters of internal control weaknesses issued by the statutory auditors
4. Internal Audit reports relating to internal control weaknesses and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to the review by the audit committee

j) The recommendation of appointment, remuneration and terms of appointment of Auditors of the Company;

k) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

l) Examination of the financial statement and the auditor's report thereon;

m) Approval or any subsequent modification of transactions of the Company with related parties;

n) Scrutiny of inter-corporate loans and investments;

o) Valuation of undertakings or assets of the Company, wherever it is necessary;

p) Evaluation of internal financial control and risk management systems;

q) Monitoring the end use of funds raised through public offers and related matters;

r) Formulation of the scope, functioning, periodicity and methodology for conducting the internal audit, in consultation with the internal auditor(s)

s) Overseeing of the vigil mechanism along with making provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

t) Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

C. Nomination and Remuneration Committee: The members of the Nomination Remuneration Committee as on September 28, 2014 are:

1. Shri Alok Tandon: Member
2. Shri P. G. Muralidharan: Member
3. Shri K.S. Sreenivasan: Member (Independent Director)
4. Shri S.V. Ranganath: Member (Independent Director)

The scope and the terms of reference of the Nomination and Remuneration Committee, *inter alia*, include:

a) To Identify persons who are qualified to become directors and who may be appointed in Senior Management as

per the criteria laid down and recommending to the Board their appointment and removal.
"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

b) The Committee shall evaluate performance of every Director.
c) The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director.
d) The Committee shall also formulate and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial personnel and other employees.

D. Stakeholders Relationship Committee: The members of the Stakeholders Relationship Committee as on date September 28, 2014 are:

1. Shri S.V. Ranganath:	Chairman of the Committee (Independent Director)
2. Shri Achal Kumar Gupta:	Deputy Managing Director
3. Shri Anurag Jain:	Member
4. Shri K.S. Sreenivasan:	Member (Independent Director)

The scope and the terms of reference of the Stakeholders Relationship Committee, *inter alia,* include to consider and resolve the grievances of security holders of the Company and redressal of shareholder and investor complaints.

E. Corporate Social Responsibility Committee: The members of the Corporate Social Responsibility Committee as on September 28, 2014 are:

1. Smt. Savita Mahajan:	Chair person of the Committee (Independent Director)
2. Shri Malay Mukherjee:	Chief Executive Officer & Managing Director
3. Prof. N. Balakrishnan:	Member
4. Shri K. S. Sreenivasan:	Member (Independent Director)
5. Shri Achal Kumar Gupta:	Deputy Managing Director

The scope and terms of reference of the Corporate Social Responsibility Committee *inter alia,* include:

a) Formulate and Recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.
b) Recommend the amount of expenditure to be incurred on the CSR activities.
c) Monitor the CSR Policy of the Company from time to time.
d) To institute a transparent monitoring mechanism for implementation of the CSR projects/ program/ activities undertaken by the Company.

F. Recovery and NPA Management Committee: The members of the Corporate Social Responsibility Committee as on September 28, 2014 are:

1. Shri S.V. Ranganath:	Chairman of the Committee (Independent Director)
2. Shri Malay Mukherjee:	Chief Executive Officer & Managing Director
3. Shri Achal Kumar Gupta:	Deputy Managing Director
4. Shri Anurag Jain:	Member
5. Shri K.S. Sreenivasan:	Member (Independent Director)
6. Shri. Alok Tandon:	Member

The scope and terms of reference of the Recovery and NPA Management Committee *inter alia,* include:

a) To have more effective control on the recovery of both Standard Accounts as well as NPA Accounts.
b) To monitor the recovery efforts in all accounts
c) To ensure that all accounts are properly identified for classification as NPA

G. Risk Management Committee: The members of the Risk Management Committee as on September 28, 2014 are:

1. Shri Malay Mukherjee :	Chief Executive Officer & Managing Director as Chairman of the Committee
2. Shri Achal Kumar Gupta:	Deputy Managing Director
3. Shri Alok Tandon:	Member
4. Ms. Kiran Sahdev:	Member

The scope and terms of reference of the Risk Management Committee *inter alia,* include:

a) Identifying and monitoring key risks of the institution.
b) Devising the policy and strategy for integrated risk management.
c) Satisfying itself that policies and procedures are in place to manage risks to which the institution is exposed, including credit, market, operational and reputational risks.
d) Critically assessing the institution's business strategies and plans from a risk perspective and advising the Board suitably.
e) Deciding the risk measurement methodologies, setting limits for risk management and reviewing, periodically, the actual positions vis-à-vis the limits set.
f) Satisfying itself that exceptional reporting framework is in place in the institution.

g) Reviewing the risk management policies periodically and suggesting the changes required in tune with the market environment.

h) Review of major policies viz., General Lending Policy, Credit Risk Management Policy, Treasury and Investment Policy and recommend for approval of the Board.

H. HR Committee of Director: The members of the HR Committee of Director as on September 28, 2014 are:

1. Shri S.V. Ranganath:	Chairman of the Committee (Independent Director)
2. Shri Malay Mukherjee:	Chief Executive Officer & Managing Director - Member
3. Shri Alok Tandon:	Member
4. Ms. Kiran Sahdev:	Member

The scope and terms of reference of the HR Committee of Director *inter alia,* include Policy on HR matters including, career management and succession planning.

I. E- Governance Committee: The members of the E- Governance Committee as on September 28, 2014 are:

1. Prof. N. Balakrishnan:	Chairman of the Committee
2. Shri. K.S. Sreenivasan:	Member (Independent Director)
3. Shri Achal Kumar Gupta:	Deputy Managing Director
4. Shri Anurag Jain:	Member

The scope and terms of reference of the HR Committee of Director *inter alia,* include:

a) To guide IT Department of the Company to develop and implement all IT policies and procedures, including those for architecture, security, disaster recovery.

b) To oversee the streamlining operation of the IT in the organization.

c) To oversee the deployment of long-term strategic plans for acquiring and enabling efficient and cost effective information processing and communication technologies.

d) To review, report on and make recommendations for the improvement of the IT infrastructure and IT systems.

e) To oversee the acquiring, deployment, monitoring, maintenance, development, and support of all hardware and software based on department needs.

f) To seek IT solutions that support business operations.

J. Employees Stock Option Scheme Committee: The members of the ESOP Committee as on the date of this Draft Shelf Prospectus are:

1. Shri Malay Mukherjee:	Chief Executive officer & Managing Director as Chairman
2. Shri P. G. Mutalidharan:	Member

The scope and terms of reference of the ESOP Committee *inter alia,* include:

a) The Committee will be for administration and superintendence of the ESOP.

b) The Committee shall, inter alia, formulate the detailed terms and conditions of the ESOP including

1. the quantum of option to be granted under an ESOS per employee and in aggregate.
2. the conditions under which option vested in employees may lapse in case of termination of employment for misconduct
3. the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
4. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
5. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
6. the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues ,merger, sale of division and others. In this regard following shall be taken into consideration by the compensation committee:
   i. the number and the price of ESOP shall be adjusted in a manner such that total value of the ESOP remains the same after the corporate action;
   ii. for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered; and
   iii. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
7. the grant, vest and exercise of option in case of employees who are on long leave; and
8. the procedure for cashless exercise of options.

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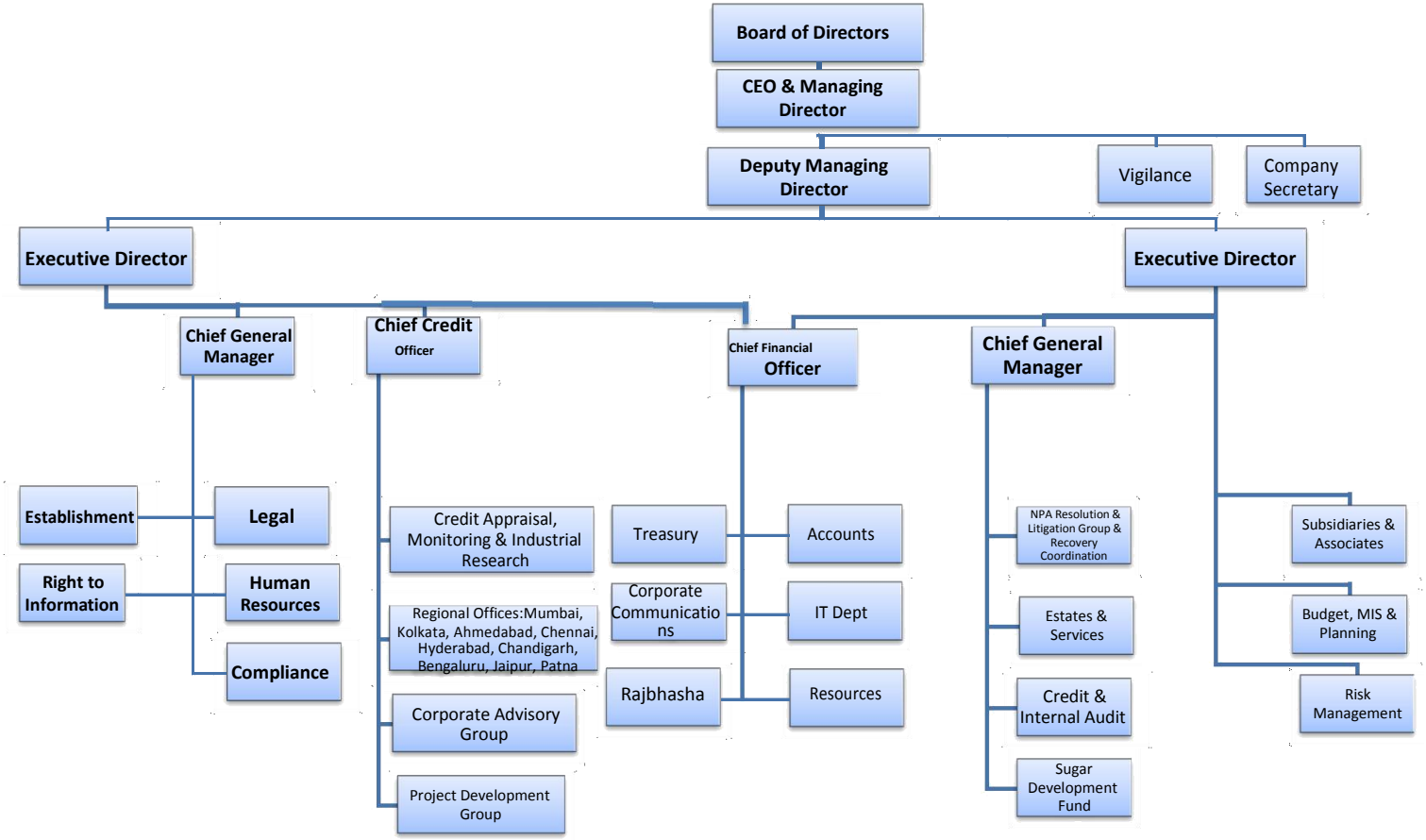
ORGANISATION CHART



PROMOTER

Profile of the Promoters

Our Promoter is President of India. Our Promoter currently holds 55.53% of the issued Equity share capital of the Company, as on June 30, 2014.

Promoter holding in the Company as on the date of the Draft Shelf Prospectus:

S. No.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share Capital	No. of Equity Shares pledged	Percentage of Equity Shares pledged
1.	President of India	92,30,00,000	92,30,00,000	55.53	Nil	Nil

Details of Shares allotted to our Promoters during the last three Financial Years

The President of India assumed the status of Promoter after being allotted equity shares in 2 (two) tranches on October 17, 2012 and December 20, 2012 of 40.00 Crore and 53.50 Crore Equity Shares.

Details of Promoter's Contribution in our Company:

S. No.	Nature of Issue	Date of Allotment	Number of Shares	Face Value (Rs.)	Nature of Consideration	Source of Funds contributed	Date when the Shares were made fully paid up	% of total pre and post issue capital*
1.	Conversion of 9.75% Unsecured Convertible Debentures (UCDs) of Rs. 400.00 crore into equity shares at par by Government of India#	October 17, 2012	40,00,00,000	10.00	Conversion of the UCDs of Rs. 400.00 crore#	Conversion of the UCDs of Rs. 400.00 crore #	October 17, 2012	Pre Issue – NIL Post Issue – 28.54
2.	Conversion of 0.1% Optionally Convertible Debentures (OCDs) of Rs. 523.00 crore into equity shares at par by Government of India^	December 20, 2012	52,30,00,000	10.00	Conversion of the OCDs of Rs. 523.00 crore^	Conversion of the OCDs of Rs. 523.00 crore^	December 20, 2012	Pre Issue – 28.54 Post Issue – 47.93

 # The GoI in the year 2001, as part of its recapitalization plan infused Rs.400.00 crore as Tier -I capital in the form of 20 year 9.75% Unsecured Convertible Debentures (UCDs) and is redeemable on October 30, 2021. The terms of the said instrument provide GoI the option of converting the debentures, wholly or partly into fully paid equity shares of the Company, at par, at any time during the currency of debentures subject to compliance with the provisions of SEBI guidelines in respect of preferential allotment.

^ In December 2002, the GoI approved a financial assistance of Rs.5220.00 crore to the Company, which was to be released over the period from 2003 to 2011-2012. Out of the said package, financial assistance of Rs.2932.31 crore - Rs.523.00 crore as loan in the form of Optionally Convertible Debentures (OCDs) and Rs.2409.31 crore as grants-in-aid, was released. Since, the Company started making profits from the year 2006-2007, it was decided to stop release of further assistance to the Company. The aforesaid loan of Rs.523.00 crore from GoI to the Company was in the form of 0.01% OCDs and redeemable on March 28, 2023.

** This includes both Equity share capital and Preference share capital.*

DESCRIPTION OF CERTAIN INDEBTEDNESS

Details of borrowings (*on Standalone basis*) as on August 31, 2014

(a) Secured Loan Facilities

Our Company total secured borrowings as on August 31, 2014 are Rs. 1081.22 crore. The details of individual borrowings are setout below:

(i) Cash Credit facilities Availed By the Company

S No.	Bank	Date Of Sanction	Amount Sanctioned	Amount Outstanding as on August 31, 2014
NIL				

ii) Short Term Loans Availed by the Company

S No.	Bank	Date Of Sanction	Amount Sanctioned	Amount Outstanding as on August 31, 2014
NIL				

(iii) Overdrafts against deposits with banks

Our Company has no overdrafts against deposits with Banks

(iv) Loans against Deposits

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date	Security
NIL					

(v) Collateralized Borrowing and Lending Obligation (CBLO)

Our Company has borrowed from CBLO segment. The outstanding position of the Company in CBLO segment as on August 31, 2014 is as under:

Particulars	Principal Amount Outstanding (Rs in crore)	Maturity Date
Borrowing	71.33	September 1, 2014
Lending	5.99	September 1, 2014

(vi) Long term loans availed by the Company

Lenders Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Redemption Date/ Schedule	Security
NIL					

(vii) Secured Non-Convertible Debentures

Debenture series	Tenor/ period of maturity	Coupon / Effective Yield (in percentage %)	Amounts outstanding as on August 31, 2014 (Rs. in crore)	Date of Allotment	Credit Rating	Secured/ Unsecured	Redemption Date/ Schedule	Security
NIL								

(viii) Secured Tax Free Bonds

Series	Tenor (Years)	Coupon	Principal Amount Outstanding (Rs. in crore)	Date of Allotment	Date of Maturity	Rating	Secured/ Unsecured
TFB 1	10	8.39	165.00	March 31, 2014	March 31, 2024	BWR AA-, ICRA A, CARE A	Secured
TFB	15	8.76	145.00	March 31, 2014	March 31, 2029	BWR AA-, ICRA A, CARE A	Secured
Total			**310.00**				

(ix) Secured Corporate Bond Repo

(Rs. in crore)

Lenders' Name	Type of Facility/ Instrument	Sanctioned Amount	Principal Amount Outstanding	Repayment Schedule	Security
HDFC Bank	Corporate Bond Repo	199.93	199.93	90 days from the date of disbursement i.e. June 10, 2014	Corporate Bonds having a face value of Rs. 271.20 crore
Deutsche Bank AG	Corporate Bond Repo	499.96	499.96	1 year from the date of disbursement i.e. August 6, 2014	Corporate Bonds having a face value of Rs. 634.00 crore

(b) Unsecured Loan Facilities

Our Company total unsecured borrowings as on August 31, 2014 are Rs. 20,139.37 crore. The details of individual borrowings are setout below:

(i) Lines of Credit/Working Capital Demand Loans

Lender's Name	Type of Facility/ Instrument	Sanctioned Amount	Principal Amount Outstanding	Repayment Date/Schedule
NIL				

(ii) Borrowing of IFCI from Reserve Bank of India

Lender's Name	Type of Facility/ Instrument	Sanctioned Amount	Principal Amount Outstanding	Repayment Date/Schedule
NIL				

(iii) Term Loans (as on August 31, 2014)

(Rs. in crore)

Lender's Name	Type of Facility/ Instrument	Sanctioned Amount	Principal Amount Outstanding	Repayment Schedule
Oriental Bank of Commerce*	Term Loan	100.00	100.00	Bullet repayment after 20 years i.e. May 2, 2022
Bank of Baroda**	Term Loan	200.00	200.00	Repayment in 20 years from July 23, 2002 i.e. July 23, 2022
Life Insurance Corporation of India ***	Term Loan	100.00	100.00	April 1, 2022
Allahabad Bank	Term Loan	250.00	125.00	Repayable in 4 equal instalments of Rs. 62.50 crore each after a moratorium period of one year from the initial disbursement i.e. December 31, 2012
Allahabad Bank	Term Loan	250.00	250.00	Repayable in 8 equal instalments of Rs. 31.25 crore each after a moratorium of 1 year from the initial disbursement i.e. September 30, 2013
Allahabad Bank	Term Loan	450.00	450.00	Repayable in 8 equal instalments of Rs. 56.25 crore each after a moratorium of 1 year i.e. November 11, 2013
Bank of India	Term Loan	1,000.00	1000.00	Repayable in 16 equal quarterly instalments of Rs. 62.50 crore each which will commence after moratorium of 1 year from the date of first disbursement i.e. September 30, 2013
Punjab & Sind	Term Loan	250.00	31.25	Repayable in 8 half yearly instalments of Rs. 31.25 crore after completion of moratorium period of 9 months from the date of first disbursement i.e. May 7, 2010
Punjab & Sind	Term Loan	300.00	50.00	Repayable in 12 quarterly instalments after of moratorium period of 24 months from the date of disbursement i.e. December 26, 2013
Punjab & Sind	Term Loan		250.00	Repayable in 12 quarterly instalments after of moratorium period of 24 months from the date of disbursement i.e. December 30, 2013

Lender's Name	Type of Facility/ Instrument	Sanctioned Amount	Principal Amount Outstanding	Repayment Schedule
Syndicate Bank	Term Loan	400.00	18.75	Repayable in 16 quarterly instalments after initial moratorium of 12 months i.e. march 29, 2010
Syndicate Bank	Term Loan		56.25	The term loan is to be repaid in 16 quarterly instalments after initial moratorium of 12 months i.e. April 6, 2010
Syndicate Bank	Term Loan	300.00	150.00	Repayable in 8 quarterly instalments after initial moratorium of 1 year from the date of first disbursement i.e. June 29, 2012
Syndicate Bank	Term Loan	850.00	250.00	Repayable in 12 quarterly instalments after initial moratorium of 1 year, from the date of release i.e. December 31, 2012.
Syndicate Bank****	Term Loan		217.49	Repayable in 12 quarterly instalments after initial moratorium of 1 year, from the date of release i.e. December 19, 2012.
Vijaya Bank	Term Loan	200.00	133.35	Repayable in 12 equal quarterly instalments commencing after 8 quarters from the date of first disbursement i.e. June 29, 2011
Canara Bank	Term Loan	1,000.00	332.00	Repayable in 5 half yearly instalments and 1 half yearly instalments of Rs. 165 crore which will commence after moratorium of 1 year from the date of first disbursement i.e. March 23, 2011
Canara Bank	Term Loan	500.00	100.00	Repayable in 16 equal quarterly instalments which will commence after moratorium of 1 year from the date of first disbursement i.e. February 24, 2014
Canara Bank	Term Loan		200.00	Repayable in 16 equal quarterly instalments which will commence after moratorium of 1 year from the date of first disbursement i.e. March 21, 2014
Canara Bank	Term Loan		200.00	Repayable in 16 equal quarterly instalments which will commence after moratorium of 1 year from the date of first disbursement i.e. March 22, 2014
Central Bank of India	Term Loan	200.00	40.01	Repayable in 15 quarterly instalments after moratorium of 18 months from the date of first disbursement i.e. January 28, 2010
Dena Bank	Term Loan	500.00	500.00	Repayable in 8 quarterly equal instalments of Rs.62.50 crore each which will commence after moratorium of 3 year i.e. December 1, 2011
State Bank of Hyderabad	Term Loan	250.00	100.00	Repayable in 10 equal quarterly instalments of Rs. 25 crore after completion of moratorium period of 6 months from the date of first disbursement i.e. August 17, 2012
State Bank of Patiala	Term Loan	300.00	150.00	Repayable in 4 half yearly instalments of Rs. 75 crore after completion of moratorium period of 1 and half year from the date of first disbursement i.e. June 15, 2012
State Bank of Travancore*****	Term Loan	150.00	37.50	Repayable in 8 quarterly instalments of Rs. 18.75 crore after completion of moratorium period of 1 year from the date of first disbursement i.e. June 15, 2012
State Bank of Bikaner & Jaipur	Term Loan	250.00	250.00	Repayable in 16 equal quarterly instalments of Rs. 31.25 crore after moratorium period of 1 year from the date of first disbursement i.e. December 19, 2013

Lender's Name	Type of Facility/ Instrument	Sanctioned Amount	Principal Amount Outstanding	Repayment Schedule
Oriental Bank of Commerce	Term Loan	500.00	200.00	Repayable in 12 quarterly instalments after moratorium period of 2 year from the date of first disbursement i.e. December 30, 2013
Oriental Bank of Commerce	Term Loan		100.00	Repayable in 12 quarterly instalments after moratorium period of 2 year from the date of first disbursement i.e. February 6, 2014
Oriental Bank of Commerce	Term Loan		200.00	Repayable in 12 quarterly instalments after moratorium period of 2 year from the date of first disbursement i.e. February 14, 2014
Punjab National Bank	Term Loan	250.00	100.00	Repayable in 12 quarterly instalments after moratorium period of 2 year from the date of first disbursement i.e. March 12, 2014
Punjab National Bank	Term Loan		150.00	Repayable in 12 quarterly instalments after moratorium period of 2 year from the date of first disbursement i.e. March 28, 2014
Union Bank of India	Term Loan	500.00	200.00	Repayable in 12 equal quarterly instalments after moratorium of 24 months i.e. March 29, 2014
Union Bank of India	Term Loan		300.00	Repayable in 12 equal quarterly instalments after moratorium of 24 months i.e. June 4, 2014
State Bank of India	Term Loan	1,000.00	450.00	Repayable in 10 equal quarterly instalments each amounting to Rs. 45 crore commencing 6 months after the date of first disbursement i.e. March 27, 2014
State Bank of India	Term Loan		100.00	Repayable in 10 equal quarterly instalments each amounting to Rs. 10 crore commencing 6 months after the date of first disbursement March 28, 2014
State Bank of India	Term Loan		450.00	Repayable in 10 equal quarterly instalments each amounting to Rs. 45 crore commencing 6 months after the date of first disbursement i.e. March 31, 2014
Bank of Baroda	Term Loan	300.00	100.00	Repayable in 16 equal quarterly instalments amounting to Rs. 6.25 crore including moratorium period of 1 year from the date of first disbursement i.e. February 28, 2014
Bank of Baroda	Term Loan		100.00	Repayable in 16 equal quarterly instalments amounting to Rs. 6.25 crore including moratorium period of 1 year from the date of first disbursement i.e. March 12, 2014
Bank of Baroda	Term Loan		100.00	Repayable in 16 equal quarterly instalments amounting to Rs. 6.25 crore including moratorium period of 1 year from the date of first disbursement i.e. March 28, 2014
United Bank of India******	Term Loan	1,000.00	750.00	By way of 16 equal instalments of Rs. 62.50 crore after completion of moratorium period of 12 months from the date of first disbursement i.e. November 12, 2013.
State Bank of Hyderabad	Term Loan	300.00	300.00	Repayable in 10 equal quarterly instalments of Rs.30 crore after completion of moratorium period of 6 months from the date of first disbursement i.e. June 23, 2014
Central Bank of India	Term Loan	500.00	500.00	Repayable in 4 quarterly instalments after 2 years from the date of first disbursement i.e. June 30, 2014.
Term Loan from GoI#	Term Loan		23.13	February 15, 2023
Total			**9414.74**	

** The Original loan agreement was executed on February 22, 2002 with the bullet repayment of the principle amount after 5 years from the date of execution of the loan agreement. However, the loan was rescheduled by the Government of India, Department of Economic Affairs, Ministry of Finance vide letter dated December 24, 2002 and the repayment was revised for a period of 20 years from the date of the original loan agreement. Further, Oriental Bank of Commerce loan is secured by way of negative lien over specific designated account of the Company.*

*** The original loan agreement was executed on July 19, 2002 with a repayment after 54 months. However, the loan was rescheduled vide loan agreement dated March 30, 2005 and the repayment was revised for a period of 20 years from July 23, 2002. Further, Bank of Baroda loan is secured by way of negative lien over specific designated account of the Company.*

**** Copy of the loan agreement pertaining to the loan amount of Rs. 100.00 crore from Life Insurance Corporation of India is not available in the records of the Company.*

*****The Company has prepaid an amount of Rs. 24.17 on August 7, 2014.*

******The Company has prepaid the sixth quarterly instalment due on September 15, 2014 for an amount of Rs. 18.75 crore on August 7, 2014.*

*******The Company has prepaid an amount of Rs. 250.00 crore on February 14, 2014.*
 # Interest Differential Fund (IDF) has arisen out of the long term developmental loan by Kreditanstalt fur Wiederaufbau (KfW), Germany to IFCI, guaranteed by GoI. Under this arrangement, a part of interest payable on KfW loans was being deposited with GoI as IDF, which was returned to IFCI to be utilized for specific development purposes. In respect of Credit Lines 1 to 18, this amount was returned in form of grant (50%) and loan (50%). The loans carried interest in the range of 11% to 14%. Accordingly, aggregate loan of Rs .44.22 crore was given to IFCI out of IDF created from interest on KfW loans, against which Rs.21.09 crore has been repaid by 2001-02, there remaining a balance of Rs.23.13 crore. As a part of restructuring of liabilities of IFCI, during 2002-03, GoI agreed to service the guaranteed liabilities including KfW loan. In view of aforesaid restructuring and GoI having taken over the guaranteed liabilities, IFCI requested GOI in 2002-03 to convert the outstanding IDF loan into grant. Further, KfW vide its letter dated December 9, 2004, allowed IFCI to utilize the IDF directly for its restructuring by obviating the process of routing the same through GoI. Accordingly, GoI was last requested vide letter dated November 29, 2013 and subsequently on May 25, 2014 to convert this loan into grant. In view of such requests no installments of principal or interest are being considered due and payable by the Company and no payments are being made to GoI on account of the said loan.

(iv) No loan has been taken from the Directors and Relatives of Directors.

(v) Details of Commercial Paper as on August 31, 2014

Maturity Date	Amount Outstanding
NIL	

(vi) Details of NCDs as on August 31, 2014

(Rs. in crore)

Series	Tenor (Years)	Coupon	Principal	Date of Allotment	Date of Maturity	Rating	Secured/ Unsecured
BN	8.25	9.37	418.18	January 1, 2014	April 1, 1022	BWR AA-	Unsecured
BN	20	6.00	200.00	December 28, 2001	December 28, 2021	BWR AA-	Unsecured
BN	20	6.00	200.00	January 25, 2002	January 25, 2022	BWR AA-	Unsecured
17	17	6.00	90.00	October 15, 1997	October 15, 2014	BWR AA-, ICRA A	Unsecured
17	17	6.00	107.50	November 30, 1997	November 30, 2014	BWR AA-, ICRA A	Unsecured
18	17	6.00	41.50	January 15, 1998	January 15, 2015	BWR AA-, ICRA A	Unsecured
19	17	6.00	15.00	January 25, 1998	January 25, 2015	BWR AA-, ICRA A	Unsecured
20	17	6.00	58.50	January 25, 1998	January 25, 2015	BWR AA-, ICRA A	Unsecured
20	20	6.00	1.60	January 25, 1998	January 25, 2018	BWR AA-, ICRA A	Unsecured
21	17	6.00	14.50	March 25, 1998	March 25, 2015	BWR AA-, ICRA A	Unsecured
21	17	6.00	0.50	March 31, 1998	March 31, 2015	BWR AA-, ICRA A	Unsecured
22	17	6.00	45.88	July 20, 1998	July 20, 2015	BWR AA-, ICRA A	Unsecured
23	17	6.00	10.00	July 31, 1998	July 31, 2015	BWR AA-, ICRA A	Unsecured
23	17	6.00	10.00	September 30, 1998	September 30, 2015	BWR AA-, ICRA A	Unsecured
24	17	6.00	107.50	January 20, 1999	January 20, 2016	BWR AA-, ICRA A	Unsecured

Series	Tenor (Years)	Coupon	Principal	Date of Allotment	Date of Maturity	Rating	Secured/ Unsecured
25	17	6.00	12.50	November 30, 1998	November 30, 2015	BWR AA-, ICRA A	Unsecured
26	17	6.00	52.50	March 1, 1999	March 1, 2016	BWR AA-, ICRA A	Unsecured
27	17	6.00	60.04	March 31, 1999	March 31, 2016	BWR AA-, ICRA A	Unsecured
28	20	6.00	0.50	June 7, 1999	June 7, 2019	BWR AA-, ICRA A	Unsecured
28	17	6.00	2.52	June 7, 1999	June 7, 2016	BWR AA-, ICRA A	Unsecured
30	15	9.00	1.80	October 25, 1999	October 25, 2014	BWR AA-	Unsecured
31	15	6.00	1.00	November 20, 1999	November 20, 2014	BWR AA-, ICRA A	Unsecured
31	15	9.00	3.59	November 20, 1999	November 20, 2014	BWR AA-, ICRA A	Unsecured
32	15	9.00	5.17	January 20, 2000	January 20, 2015	BWR AA-	Unsecured
33	15	6.00	2.50	March 20, 2000	March 20, 2015	BWR AA-, ICRA A	Unsecured
33	17	6.00	10.00	March 20, 2000	March 20, 2017	BWR AA-, ICRA A	Unsecured
33	15	9.00	13.53	March 20, 2000	March 20, 2015	BWR AA-, ICRA A	Unsecured
34	15	9.00	8.06	April 20, 2000	April 20, 2015	BWR AA-	Unsecured
35	20	6.00	5.00	May 18, 2000	May 18, 2020	BWR AA-, ICRA A	Unsecured
35	15	9.00	19.99	May 18, 2000	May 18, 2015	BWR AA-, ICRA A	Unsecured
36	15	9.00	44.67	August 8, 2000	August 8, 2015	BWR AA-	Unsecured
37	20	6.00	12.50	September 20, 2000	September 20, 2020	BWR AA-, ICRA A	Unsecured
37	15	9.00	20.44	September 20, 2000	September 20, 2015	BWR AA-, ICRA A	Unsecured
38	15	9.00	23.48	November 20, 2000	November 20, 2015	BWR AA-	Unsecured
39	15	6.00	15.00	December 20, 2000	December 20, 2015	BWR AA-, ICRA A	Unsecured
39	15	9.00	36.26	December 20, 2000	December 20, 2015	BWR AA-, ICRA A	Unsecured
40	20	6.00	25.00	February 15, 2001	February 15, 2021	BWR AA-, ICRA A	Unsecured
40	15	9.00	25.57	March 20, 2001	March 20, 2016	BWR AA-, ICRA A	Unsecured
41	15	6.00	5.00	May 20, 2001	May 20, 2016	BWR AA-, ICRA A	Unsecured
41	17	6.00	3.00	May 20, 2001	May 20, 2018	BWR AA-, ICRA A	Unsecured
41	15	9.00	5.55	May 20, 2001	May 20, 2016	BWR AA-, ICRA A	Unsecured
41	15	8.50	0.03	May 20, 2001	May 20, 2016	BWR AA-, ICRA A	Unsecured
41	15	8.50	4.60	May 20, 2001	May 20, 2016	BWR AA-, ICRA A	Unsecured
41	15	9.00	10.02	May 20, 2001	May 20, 2016	BWR AA-, ICRA A	Unsecured
42	15	9.00	9.85	July 20, 2001	July 20, 2016	BWR AA-	Unsecured
43	15	6.00	21.50	April 20, 2002	April 20, 2017	BWR AA-, ICRA A	Unsecured
43	15	9.00	1.81	April 20, 2002	April 20, 2017	BWR AA-, ICRA A	Unsecured
46	10	10.20	75.00	June 20, 2009	June 20, 2019	BWR AA-	Unsecured
46	10	10.20	50.40	June 30, 2009	June 30, 2019	BWR AA-	Unsecured
47	15	9.75	200.00	January 25, 2010	January 25, 2025	BWR AA-	Unsecured
48	15	9.55	200.00	March 5, 2010	March 5, 2025	BWR AA-	Unsecured
49	15	9.55	225.00	April 13, 2010	April 13, 2025	BWR AA-	Unsecured

Series	Tenor (Years)	Coupon	Principal	Date of Allotment	Date of Maturity	Rating	Secured/ Unsecured
50	20	9.70	250.00	May 4, 2010	May 4, 2030	BWR AA-	Unsecured
51	20	9.70	250.00	May 18, 2010	May 18, 2030	BWR AA-	Unsecured
53	20	9.75	250.00	July 13, 2010	July 13, 2030	BWR AA-, ICRA A, CARE A	Unsecured
54	20	9.75	500.00	July 16, 2010	July 16, 2030	BWR AA-, ICRA A	Unsecured
55	20	9.98	250.00	October 29, 2010	October 29, 2030	BWR AA-, ICRA A	Unsecured
56	10	10.25	124.07	June 26, 2012	June 26, 2022	BWR AA-, ICRA A, CARE A	Unsecured
56	10	10.15	2.80	June 26, 2012	June 26, 2022	BWR AA-, ICRA A, CARE A	Unsecured
57A	5	10.25	33.34	August 17, 2012	August 17, 2017	BWR AA-, ICRA A, CARE A	Unsecured
57B	10	10.05	8.20	September 28, 2012	September 28, 2022	BWR AA-, ICRA A, CARE A	Unsecured
57C	10	9.95	5.41	October 8, 2012	October 8, 2022	BWR AA-, ICRA A, CARE A	Unsecured
57C	15	10.12	19.59	October 8, 2012	October 8, 2027	BWR AA-, ICRA A, CARE A	Unsecured
57D	15	10.10	5.15	October 8, 2012	October 8, 2027	BWR AA-, ICRA A, CARE A	Unsecured
57E	5	9.70	22.50	October, 15, 2012	October 15, 2017	BWR AA-, ICRA A, CARE A	Unsecured
58	10	9.90	106.87	November 5, 2012	November 5, 2022	BWR AA-, ICRA A, CARE A	Unsecured
58	15	9.90	106.87	November 5, 2012	November 5, 2027	BWR AA-, ICRA A, CARE A	Unsecured
58	20	9.90	106.87	November 5, 2012	November 5, 2032	BWR AA-, ICRA A, CARE A	Unsecured
58	25	9.90	106.87	November 5, 2012	November 5, 2037	BWR AA-, ICRA A, CARE A	Unsecured
59	8	9.90	151.20	January 11, 2013	January 11, 2021	BWR AA-, ICRA A, CARE A	Unsecured
60	15	9.75	350.00	April 26, 2013	April 26, 2028	BWR AA-, ICRA A, CARE A	Unsecured
BE	17	6.00	25.00	November 28, 1998	November 28, 2015	BWR AA-, ICRA A	Unsecured
BE	20	6.00	5.00	February 24, 2000	February 24, 2020	BWR AA-, ICRA A	Unsecured
BE	17	6.00	10.00	October 6, 1998	October 6, 2015	BWR AA-, ICRA A	Unsecured
BE	17	6.00	8.00	November 11, 1998	November 11, 2015	BWR AA-, ICRA A	Unsecured
BE	17	6.00	7.50	December 04, 1998	December 4, 2015	BWR AA-, ICRA A	Unsecured
BE	17	6.00	5.00	October 16, 1998	October 16, 2015	BWR AA-, ICRA A	Unsecured
BE	17	6.00	5.00	October 9, 1998	October 9, 2015	BWR AA-, ICRA A	Unsecured
BE	15	9.00	1.00	June 10, 2000	June 10, 2015	BWR AA-, ICRA A	Unsecured
BE	20	6.00	5.00	February 28, 2000	February 28, 2020	BWR AA-, ICRA A	Unsecured
BE	15	9.00	2.00	June 9, 2000	June 9, 2015	BWR AA-, ICRA A	Unsecured
BE	15	9.00	1.00	February 10, 2000	February 10, 2015	BWR AA-, ICRA A	Unsecured
BE	17	6.00	3.50	March 3, 1999	March 3, 2016	BWR AA-, ICRA A	Unsecured
BE	17	6.00	7.50	February 24, 1999	February 24, 2016	BWR AA-, ICRA A	Unsecured
BE	17	6.00	1.50	March 1, 1999	March 1, 2016	BWR AA-, ICRA A	Unsecured
BE	20	6.00	45.00	September 27, 2002	September 27, 2022	BWR AA-, ICRA A	Unsecured
BE	20	6.00	50.00	December 10, 2002	December 10, 2022	BWR AA-, ICRA A	Unsecured
BE	20	6.00	25.00	November 18, 2002	November 18, 2022	BWR AA-, ICRA A	Unsecured

Series	Tenor (Years)	Coupon	Principal	Date of Allotment	Date of Maturity	Rating	Secured/ Unsecured
BE	20	6.00	50.00	October 22, 2002	October 22, 2022	BWR AA-, ICRA A	Unsecured
BE10	5	9.50	25.00	October 31, 2009	October 31, 2014	BWR AA-	Unsecured
BE10	5	9.50	0.45	April 3, 2013	April 3, 2018	BWR AA-	Unsecured
I1	10	7.85	22.70	September 15, 2010	September 15, 2020	BWR AA-	Unsecured
I1	10	7.85	37.33	September 15, 2010	September 15, 2020	BWR AA-	Unsecured
I1	10	7.95	1.39	September 15, 2010	September 15, 2020	BWR AA-	Unsecured
I1	10	7.95	3.90	September 15, 2010	September 15, 2020	BWR AA-	Unsecured
I2	10	8.00	71.67	January 31, 2011	January 31, 2021	BWR AA-	Unsecured
I2	10	8.00	271.55	January 31, 2011	January 31, 2021	BWR AA-	Unsecured
I2	10	8.25	4.54	January 31, 2011	January 31, 2021	BWR AA-	Unsecured
I2	10	8.25	27.92	January 31, 2011	January 31, 2021	BWR AA-	Unsecured
I3	10	8.50	80.95	December 12, 2011	December 12, 2021	BWR AA-, ICRA A, CARE A	Unsecured
I3	10	8.50	28.37	December 12, 2011	December 12, 2021	BWR AA-, ICRA A, CARE A	Unsecured
I3	15	8.75	11.44	December 12, 2011	December 12, 2026	BWR AA-, ICRA A, CARE A	Unsecured
I3	15	8.75	3.20	December 12, 2011	December 12, 2026	BWR AA-, ICRA A, CARE A	Unsecured
I4	10	9.09	56.93	February 15, 2012	February 15, 2022	BWR AA-, ICRA A, CARE A	Unsecured
I4	15	9.16	10.28	February 15, 2012	February 15, 2027	BWR AA-, ICRA A, CARE A	Unsecured
I4	15	9.16	44.09	February 15, 2012	February 15, 2027	BWR AA-, ICRA A, CARE A	Unsecured
I4	10	9.09	278.50	February 15, 2012	February 15, 2022	BWR AA-, ICRA A, CARE A	Unsecured
I5	12	8.50	91.61	March 31, 2012	March 31, 2024	BWR AA-, ICRA A, CARE A	Unsecured
I5	12	8.50	22.04	March 31, 2012	March 31, 2024	BWR AA-, ICRA A, CARE A	Unsecured
I5	15	8.72	22.96	March 31, 2012	March 31, 2027	BWR AA-, ICRA A, CARE A	Unsecured
I5	15	8.72	6.35	March 31, 2012	March 31,2027	BWR AA-, ICRA A, CARE A	Unsecured
ON10	10	9.75	77.50	July 31, 2009	July 31, 2019	BWR AA-, ICRA A	Unsecured
ON10	5	9.25	0.12	October 31, 2009	October 31, 2014	BWR AA-, ICRA A	Unsecured
ON10	5	9.00	2.33	November 30, 2009	November 30, 2014	BWR AA-, ICRA A	Unsecured
ON10	7	9.25	0.20	November 30, 2009	November 30, 2016	BWR AA-, ICRA A	Unsecured
ON10	10	9.40	31.86	November 30, 2009	November 30, 2019	BWR AA-, ICRA A	Unsecured
ON10	10	8.75	26.67	January 31, 2010	January 31, 2020	BWR AA-, ICRA A	Unsecured
ON10	5	8.00	0.25	January 31, 2010	January 31, 2015	BWR AA-, ICRA A	Unsecured
ON10	5	8.75	0.88	March 31, 2010	March 31, 2015	BWR AA-, ICRA A	Unsecured
ON10	7	9.00	4.03	March 31, 2010	March 31, 2017	BWR AA-, ICRA A	Unsecured
ON10	10	9.15	11.55	March 31, 2010	March 31, 2020	BWR AA-, ICRA A	Unsecured
ON11	7	9.00	0.10	April 30, 2010	April 30, 2017	BWR AA-, ICRA A	Unsecured
ON11	10	9.15	0.45	April 30, 2010	April 30, 2020	BWR AA-, ICRA A	Unsecured
ON11	10	10.00	1.30	April 30, 2011	April 30, 2021	BWR AA-, ICRA A	Unsecured

Series	Tenor (Years)	Coupon	Principal	Date of Allotment	Date of Maturity	Rating	Secured/ Unsecured
ON11	5	8.90	1.56	May 31, 2010	May 31, 2015	BWR AA-, ICRA A	Unsecured
ON11	7	9.15	1.92	May 31, 2010	May 31, 2017	BWR AA-, ICRA A	Unsecured
ON11	10	9.25	0.72	May 31, 2010	May 31, 2020	BWR AA-, ICRA A	Unsecured
ON11	5	8.90	14.86	July 31, 2010	July 31, 2015	BWR AA-, ICRA A	Unsecured
ON11	7	9.15	4.11	July 31, 2010	July 31, 2017	BWR AA-, ICRA A	Unsecured
ON11	10	9.25	11.16	July 31, 2010	July 31, 2020	BWR AA-, ICRA A	Unsecured
ON11	5	8.90	0.32	August 31, 2010	August 31, 2015	BWR AA-, ICRA A	Unsecured
ON11	7	9.15	2.70	August 31, 2010	August 31, 2017	BWR AA-, ICRA A	Unsecured
ON11	10	9.25	1.06	August 31, 2010	August 31, 2020	BWR AA-, ICRA A	Unsecured
ON11	5	8.90	1.49	September 30, 2010	September 30, 2015	BWR AA-, ICRA A	Unsecured
ON11	7	9.15	0.54	September 30, 2010	September 30, 2017	BWR AA-, ICRA A	Unsecured
ON11	10	9.25	7.70	September 30, 2010	September 30, 2020	BWR AA-, ICRA A	Unsecured
ON11	7	9.15	1.00	October 31, 2010	October 31, 2017	BWR AA-, ICRA A	Unsecured
ON11	10	9.25	6.50	October 31, 2010	October 31, 2020	BWR AA-, ICRA A	Unsecured
ON11	5	8.90	0.10	November 30, 2010	November 30, 2015	BWR AA-, ICRA A	Unsecured
ON11	7	9.15	0.80	November 30, 2010	November 30, 2017	BWR AA-, ICRA A	Unsecured
ON11	10	9.25	6.85	November 30, 2010	November 30, 2020	BWR AA-, ICRA A	Unsecured
ON11	7	9.25	0.64	January 31, 2011	January 31, 2018	BWR AA-, ICRA A	Unsecured
ON11	10	9.50	7.91	January 31, 2011	January 31, 2021	BWR AA-, ICRA A	Unsecured
ON11	5	9.75	4.60	January 31, 2011	March 31, 2016	BWR AA-, ICRA A	Unsecured
ON11	10	10.00	5.81	January 31, 2011	March 31, 2021	BWR AA-, ICRA A	Unsecured
ON12	5	9.75	2.90	April 30, 2011	April 30, 2016	BWR AA-, ICRA A, CARE A	Unsecured
ON12	10	10.00	24.90	April 30, 2011	April 30, 2021	BWR AA-, ICRA A, CARE A	Unsecured
ON12	5	10.30	13.12	May 31, 2011	May 31, 2016	BWR AA-, ICRA A, CARE A	Unsecured
ON12	7	10.40	20.11	May 31, 2011	May 31, 2018	BWR AA-, ICRA A, CARE A	Unsecured
ON12	10	10.20	0.30	May 31, 2011	May 31, 2021	BWR AA-, ICRA A, CARE A	Unsecured
ON12	5	10.30	3.00	July 31, 2011	July 31, 2016	BWR AA-, ICRA A, CARE A	Unsecured
ON12	7	10.40	4.00	July 31, 2011	July 31, 2018	BWR AA-, ICRA A, CARE A	Unsecured
ON12	5	10.30	1.28	August 31, 2011	August 31, 2016	BWR AA-, ICRA A, CARE A	Unsecured
ON12	7	10.40	1.64	August 31, 2011	August 31, 2018	BWR AA-, ICRA A, CARE A	Unsecured
ON12	10	10.50	6.38	August 31, 2011	August 31, 2021	BWR AA-, ICRA A, CARE A	Unsecured
ON12	3	10.40	8.33	November 30, 2011	November 30, 2014	BWR AA-, ICRA A, CARE A	Unsecured
ON12	5	10.50	5.72	November 30, 2011	November 30, 2016	BWR AA-, ICRA A, CARE A	Unsecured
ON12	10	10.60	0.30	November 30, 2011	November 30, 2021	BWR AA-, ICRA A, CARE A	Unsecured
ON12	3	10.40	0.47	December 31, 2011	December 31, 2014	BWR AA-, ICRA A, CARE A	Unsecured

Series	Tenor (Years)	Coupon	Principal	Date of Allotment	Date of Maturity	Rating	Secured/ Unsecured
ON12	5	10.50	1.45	December 31, 2011	December 31, 2016	BWR AA-, ICRA A, CARE A	Unsecured
ON12	10	10.60	1.75	December 31, 2011	December 31, 2021	BWR AA-, ICRA A, CARE A	Unsecured
ON12	3	10.20	8.50	January 31, 2012	January 31, 2015	BWR AA-, ICRA A, CARE A	Unsecured
ON12	5	10.30	0.10	January 31, 2012	January 31, 2017	BWR AA-, ICRA A, CARE A	Unsecured
ON12	7	10.40	3.21	January 31, 2012	January 31, 2019	BWR AA-, ICRA A, CARE A	Unsecured
ON12	5	10.20	2.11	February 28, 2012	February 28, 2017	BWR AA-, ICRA A, CARE A	Unsecured
ON12	10	10.25	0.40	February 28, 2012	February 28, 2022	BWR AA-, ICRA A, CARE A	Unsecured
ON12	5	10.20	5.36	March 31, 2012	March 31, 2017	BWR AA-, ICRA A, CARE A	Unsecured
ON12	10	10.25	0.89	March 31, 2012	March 31, 2022	BWR AA-, ICRA A, CARE A	Unsecured
ON13	5	10.20	6.05	April 30, 2012	April 30, 2017	BWR AA-, ICRA A, CARE A	Unsecured
ON13	5	9.95	10.00	September 30, 2012	September 30, 2017	BWR AA-, ICRA A, CARE A	Unsecured
ON_0	17	6.00	25.00	June 30, 1999	June 30, 2016	BWR AA-, ICRA A	Unsecured
ON_0	15	6.00	25.00	March 31, 2000	March 31, 2015	BWR AA-, ICRA A	Unsecured
ON_0	17	6.00	37.50	July 31, 1999	July 31, 2016	BWR AA-, ICRA A	Unsecured
ON_0	17	6.00	5.00	January 31, 2000	January 31, 2017	BWR AA-, ICRA A	Unsecured
ON_0	15	9.00	1.50	January 31, 2000	January 31, 2015	BWR AA-, ICRA A	Unsecured
ON_0	15	9.00	1.00	January 31, 2000	January 31, 2015	BWR AA-, ICRA A	Unsecured
ON_1	15	9.00	1.00	May 31, 2000	May 31, 2015	BWR AA-, ICRA A	Unsecured
ON_1	15	9.00	0.15	June 30, 2000	June 30, 2015	BWR AA-, ICRA A	Unsecured
ON_1	15	9.00	1.45	June 30, 2000	June 30, 2015	BWR AA-, ICRA A	Unsecured
ON_1	15	9.00	6.00	March 20, 2001	March 20, 2016	BWR AA-, ICRA A	Unsecured
ON_1	15	9.00	0.08	June 30, 2000	June 30, 2015	BWR AA-, ICRA A	Unsecured
ON_2	15	6.00	5.00	December 31, 2001	December 31, 2016	BWR AA-, ICRA A	Unsecured
ON_2	15	6.00	12.50	June 19, 2001	June 19, 2016	BWR AA-, ICRA A	Unsecured
ON_2	13	6.00	1.00	November 30, 2001	November 30, 2014	BWR AA-, ICRA A	Unsecured
ON_2	15	6.00	1.07	November 30, 2001	November 30, 2016	BWR AA-, ICRA A	Unsecured
ON_2	15	6.00	5.00	January 31, 2002	January 31, 2017	BWR AA-, ICRA A	Unsecured
ON_2	15	6.00	2.00	June 8, 2001	June 8, 2016	BWR AA-, ICRA A	Unsecured
ON_2	15	6.00	10.00	June 8, 2001	June 8, 2016	BWR AA-, ICRA A	Unsecured
ON_2	17	9.00	1.00	February 28, 2002	February 28, 2019	BWR AA-, ICRA A	Unsecured
ON_2	15	9.00	0.36	June 8, 2001	June 8, 2016	BWR AA-, ICRA A	Unsecured
ON_2	15	9.00	0.37	June 8, 2001	June 8, 2016	BWR AA-, ICRA A	Unsecured
ON_2	15	9.00	0.20	September 30, 2001	September 30, 2016	BWR AA-, ICRA A	Unsecured
ON_3	15	9.00	0.10	July 31, 2002	July 31, 2017	BWR AA-, ICRA A	Unsecured
ON_3	15	9.00	0.26	July 31, 2002	July 31, 2017	BWR AA-, ICRA A	Unsecured

Series	Tenor (Years)	Coupon	Principal	Date of Allotment	Date of Maturity	Rating	Secured/ Unsecured
S1	10	10.50	169.62	August 1, 2011	August 1, 2021	BWR AA-, ICRA A, CARE A	Unsecured
S1	10	10.50	29.25	August 1, 2011	August 1, 2021	BWR AA-, ICRA A, CARE A	Unsecured
S1	15	10.75	403.59	August 1, 2011	August 1, 2026	BWR AA-, ICRA A, CARE A	Unsecured
S1	15	10.75	88.23	August 1, 2011	August 1, 2026	BWR AA-, ICRA A, CARE A	Unsecured
S2	10	10.55	200.00	August 25, 2011	August 25, 2021	BWR AA-, ICRA A, CARE A	Unsecured
S3	10	10.60	4.75	October 31, 2011	October 31, 2021	BWR AA-, ICRA A, CARE A	Unsecured
S3	10	10.60	4.22	October 31, 2011	October 31, 2021	BWR AA-, ICRA A, CARE A	Unsecured
S3	10	10.50	74.50	October 31, 2011	October 31, 2021	BWR AA-, ICRA A, CARE A	Unsecured
S3	15	10.75	102.48	October 31, 2011	October 31, 2026	BWR AA-, ICRA A, CARE A	Unsecured
S4	10	10.50	64.69	February 28, 2012	February 28, 2022	BWR AA-, ICRA A	Unsecured
S4	10	10.70	123.63	February 28, 2012	February 28, 2022	BWR AA-, ICRA A	Unsecured
S5A	25	9.98	25.00	September 18, 2012	September 18, 2037	BWR AA-, ICRA A	Unsecured
S5B	25	9.98	25.00	September 18, 2012	September 18, 2037	BWR AA-, ICRA A	Unsecured
S5C	25	9.98	20.00	October 5, 2012	October 5, 2037	BWR AA-, ICRA A	Unsecured
S5D	20	9.98	10.00	October 15, 2012	October 15, 2032	BWR AA-, ICRA A	Unsecured
50-R	30	8.41	133.85	June 14, 1988	June 14, 2018	BWR AA-, ICRA A	Unsecured
51-R	30	6.07	146.20	December 13, 1988	December 13, 2018	BWR AA-, ICRA A	Unsecured
52-R	30	6.02	26.11	February 28, 1989	February 28, 2019	BWR AA-, ICRA A	Unsecured
53-R	30	6.70	153.39	May 30, 1989	May 30, 2019	BWR AA-, ICRA A	Unsecured
54-R	30	7.07	99.41	September 19, 1989	September 19, 2019	BWR AA-, ICRA A	Unsecured
55-R	30	7.69	58.38	December 26, 1989	December 26, 2019	BWR AA-, ICRA A	Unsecured
56-R	30	7.65	163.82	June 26, 1990	June 26, 2020	BWR AA-, ICRA A	Unsecured
57-R	30	7.87	110.70	September 24, 1990	September 24, 2020	BWR AA-, ICRA A	Unsecured
58-R	30	7.90	56.84	December 26, 1990	December 26, 2020	BWR AA-, ICRA A	Unsecured
59-R	30	8.26	147.37	August 19, 1991	August 19, 2021	BWR AA-, ICRA A	Unsecured
60-R	30	8.19	138.25	January 13, 1992	January 13, 2022	BWR AA-, ICRA A	Unsecured
61-R	30	8.22	46.21	March 3, 1992	March 3, 2022	BWR AA-, ICRA A	Unsecured
62-R	25	7.89	176.85	September 14, 1992	September 14, 2017	BWR AA-, ICRA A	Unsecured
63-R	25	7.96	176.43	October 8, 1992	October 8, 2017	BWR AA-, ICRA A	Unsecured
64-R	25	7.50	9.39	January 28, 1993	January 28, 2018	BWR AA-, ICRA A	Unsecured
52	30	9.75	9.34	July 7, 2010	July 7, 2040	BWR AA-, ICRA A	Unsecured
52	29	9.75	10.23	July 7, 2010	July 7, 2040	BWR AA-, ICRA A	Unsecured
52	28	9.75	11.24	July 7, 2010	July 7, 2040	BWR AA-, ICRA A	Unsecured
52	27	9.75	12.34	July 7, 2010	July 7, 2040	BWR AA-, ICRA A	Unsecured
52	26	9.75	13.54	July 7, 2010	July 7, 2040	BWR AA-, ICRA A	Unsecured

Series	Tenor (Years)	Coupon	Principal	Date of Allotment	Date of Maturity	Rating	Secured/ Unsecured
52	25	9.75	14.87	July 7, 2010	July 7, 2040	BWR AA-, ICRA A	Unsecured
52	24	9.75	16.31	July 7, 2010	July 7, 2040	BWR AA-, ICRA A	Unsecured
52	23	9.75	17.90	July 7, 2010	July 7, 2040	BWR AA-, ICRA A	Unsecured
52	22	9.75	19.65	July 7, 2010	July 7, 2040	BWR AA-, ICRA A	Unsecured
52	21	9.75	21.57	July 7, 2010	July 7, 2040	BWR AA-, ICRA A	Unsecured
Total			**10,213.79**				

(vii) Corporate Guarantee issued by IFCI

The Comfort Letter in nature of guarantees have been issued by the Company as detailed below:

(a) The Company has issued a letter of comfort for an amount of Rs. 50.00 crore in favor of Oriental Bank of Commerce for opening a letter of credit on behalf of Pioneer Gas Power Limited favoring of Tata Projects Limited;
(b) The Company has issued a letter of comfort for an amount of Rs. 26.00 crore in favor of Axis Bank Limited for opening a letter of credit on behalf of Sravanthi Energy Private Limited to facilitate import of goods for the project; and
(c) The Company has given letters of comfort to certain banks for its Subsidiaries Financial Services Limited, in connection with availing loans from those banks. As on August 31, 2014 the outstanding of loans availed under such letter of comfort was Rs. 805 crore.

Details of rest of the unsecured borrowings outstanding as on August 31, 2014

(i) Foreign Borrowings#

Name of Bank	Type of Facility/ Instrument	Rate of Interest (% p.a.)	Amount (in Euros)	Amount (Rs. in crore)	Date of Maturity	Repayment	Date of Next Instalment	Number of instalments
KFW, Frankfurt	Foreign Currency Loan	0.75%	24,03,071.91	19.17 **	December 31, 2026	Half Yearly	December 31, 2014	25
KFW, Frankfurt	Foreign Currency Loan	1.25%	29,39,928.27	23.46**	December 31, 2029	Half Yearly	December 31, 2014	31
KFW, Frankfurt*	Foreign Currency Loan	0.75%	20,28,806.23	16.19**	June 30, 2030	Half Yearly	December 31, 2014	32
KFW, Frankfurt	Foreign Currency Loan	0.75%	20,92,206.42	16.69**	December 31, 2030	Half Yearly	December 31, 2014	33
KFW, Frankfurt	Foreign Currency Loan	0.75%	32,23,695.26	25.72**	June 30, 2031	Half Yearly	December 31, 2014	34
KFW, Frankfurt	Foreign Currency Loan	0.75%	34,60,423.50	27.61**	June 30, 2032	Half Yearly	December 31, 2014	36
KFW, Frankfurt	Foreign Currency Loan	0.75%	36,96,640.25	29.49**	December 31, 2033	Half Yearly	December 31, 2014	39
KFW, Frankfurt	Foreign Currency Loan	0.75%	51,12,918.82	40.79**	June 30, 2034	Half Yearly	December 31, 2014	40
KFW, Frankfurt	Foreign Currency Loan	0.75%	65,60,897.34	52.35**	December 31, 2034	Half Yearly	December 31, 2014	41
KFW, Frankfurt*	Foreign Currency Loan	0.75%	71,09,513.61	56.73**	December 31, 2036	Half Yearly	December 31, 2014	45
KFW, Frankfurt*	Foreign Currency Loan	0.75%	2,42,47,506.10	193.46**	June 30, 2038	Half Yearly	December 31, 2014	48
KFW, Frankfurt	Foreign Currency Loan	0.75%	78,88,722.50	62.94**	December 31, 2032	Half Yearly	December 30, 2014	37
		Total	**7,07,64,3.30**	564.61				

 # The loan availed from KFW is back by guarantee of GoI.
** Copy of the agreements pertaining to the loan is not traceable.*
*** The foreign exchange rate is taken to be Rs. 79.78, as on August 28, 2014 (Source: Foreign Exchange Dealers' Association of India)*

(ii) Public Deposit Scheme

As on August 31, 2014, the Company has no Public Deposit Scheme.

(iii) Inter Corporate Deposits

As on August 31, 2014, Company has no Inter Corporate Deposits.

(iv) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by IFCI, in the past 5 years:

As at the date of this Draft Shelf Prospectus there has been no default in payment of principal or interest, read with para below, on any existing secured or unsecured loans or debt instruments and other financial indebtedness including corporate guarantees issued by the Company, in the past five years.

Note: As a part of restructuring of liabilities of the Company, during the year 2002-03, GoI agreed to service the guaranteed liabilities including KfW loan. Accordingly, GoI was last requested vide letter dated November 29, 2013 and subsequently on May 25, 2014 to convert the outstanding IDF loan of Rs. 23.13 crore into grant. Thus, no payments are being made to GoI on account of the said loan as no installments of principal or interest are being considered due and payable by the Company. For more details see Section ***"Term Loans"*** on page 93 of this Draft Shelf Prospectus.

Restrictive Covenants under our Financing Arrangements:

Many of our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the lenders before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

- to create or permit to submit any charge, pledge, lien or other encumbrances over the receivables in favour of any other party/ person;
- to transfer, encumber, charge, pledge, hypothecate or mortgage the receivables in respect of the identified loan accounts;
- to change or in any way alter the capital structure of the borrowing concern;
- effect any scheme of amalgamation or reconstitution;
- implement a new scheme or expansion or take up an allied line of business or manufacture;
- enlarge the scope of the other manufacturing/ trading activities, if any;
- withdraw or allow to be withdrawn any moneys brought in by the promoters and directors or relatives and friends of the promoters or directors;
- invest any funds by way of deposits, or loans or in share capital of any other concern (including subsidiaries) so long as any money is due;
- to change its constitution, more particularly in promoter, directors or in the core management team or any merger/ acquisition/ amalgamation;
- to undertake any new project/ any further expansion or acquire fixed assets;
- to obtain any fund bases/ non fund bases credit facility from any financial institution or any other source;
- to disinvest the Promoters quota in equity of the Company;
- to effect any change in company's capital structure;
- to undertake any investment activity within group companies;
- to enter into any scheme of expansion programme or take up any new activities;
- to invest or lent money except in the ordinary course of business or act as surety or guarantor;
- to lease out or dispose of the building/ machinery/ vehicle/ other assets or any part of the building/ machinery/ vehicle/ other assets mortgaged/ hypothecated or shift of plant and machinery/ vehicle/ other assets to any other place;
- to transfer, encumber, charge, alienate its any movable/ immovable assets (both present and future) in any manner whatsoever which materially or substantially affect the business or interest and other money etc;
- to enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise accept deposit;
- to permit any merger, consolidation, scheme or arrangement or compromise with its creditors or share holders or effect any scheme of Amalgamation or Reconstruction;
- implement any scheme of expansion/ diversification/ modernisation other than incurring routine capital expenditure;
- make any investments by way of share capital, or debentures or loan or to place deposits with any concern except giving trade credits;
- revalue its assets at any time;
- permit any transfer of the controlling interest of Promoters/ Directors/ Partners or make drastic change in the management set up;
- enter into contractual obligations of long term nature or affecting the Borrower's financial position to any significant extent;
- carry on general trading activity other than the sale of its own products;
- purchase or sell capital goods on hire purchase basis or lease basis;
- increase the remuneration of Directors/ Partners whether by way of salary, commission, perquisite, sitting fee etc or make any change in the existing practice with regard to payment of remuneration, salary, perquisite, sitting fees etc;
- to make investments in or giving loans to subsidiary or associate companies to effect mergers and acquisitions;
- to pay dividend other than out of the current year's earnings after making the due provisions applicable only in the event of default;
- to give guarantee on behalf of third parties except in the ordinary course of business;
- premature repayment of loans and discharge of other liabilities payable except on interest reset dates.

SECTION V- LEGAL AND OTHER INFORMATION
MATERIAL LITIGATION

As on date of this Draft Shelf Prospectus, there are no defaults or non-payment of statutory dues including institutional/ bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company. Except as described below, there are no outstanding litigations against our Company that may have an adverse effect on our business.

Save and except as disclosed herein below, there are no pending proceedings/litigations pertaining to:

- *matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature;*
- *litigation involving our Company, our Director, our Subsidiaries and our Associate companies or any other person, whose outcome could have material adverse effect on the position of our Company;*
- *proceedings initiated against our Company for economic offences;*
- *matters pertaining to default and non-payment of statutory dues;*
- *matters pertaining to any material frauds committed against our Company in the last 5 (five) financial years; and*
- *Any inquiry, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous companies' law in the last 5 (five) years in the case of our Company and all of its subsidiaries*

Save and except as disclosed herein below:

- *No other prosecutions were filed under the Companies Act 2013 or any previous companies' law in the last 5 (five) years in the case of our Company and all of its subsidiaries;*
- *No other fines were imposed under the Companies Act 2013 or any previous companies' law in the last 5 (five) years in the case of our Company and all of its subsidiaries; and*
- *No other compounding of offences was done in the last 5 (five) years under the Companies Act 2013 or any previous companies' law in the last 5 (five) years in the case of our Company and all of its subsidiaries.*

Further, save and except as disclosed herein there are no matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature and there are no such litigation whose outcome could have material adverse effect on our position and involves our Company, our Directors, our Subsidiaries, our group companies.

Further from time to time, we have been and continue to be involved in legal proceedings filed by and against us, arising in the ordinary course of our business. These legal proceedings are both in the nature of civil and criminal proceedings.

The term "material" as used herein means:

i. Any Legal Proceeding which may have any impact on the current or future revenues of the Company, whether individually or in aggregate, where the aggregate amount involved in such proceedings approximately exceeds Rs. 30.00 crore and above (after taking into consideration the provisioning made by the Company in its books in respect of such matters); and/or

ii. Where such Legal Proceedings individually or in the aggregate is likely to disrupt and/or materially adversely impact the operations and/or profitability of the Company.

Applying the aforementioned parameters, in the view of our Company, all pending proceedings whether civil, arbitral, tax related litigations, or otherwise, of value more than Rs. 30.00 crore (after taking into consideration the provisioning made by the Company in its books in respect of such matters) are material/potentially material to the Company or its subsidiaries.

Litigation involving the Company

1. Our Company had filed an original application against JEG Hospitality Limited (JEG) and its guarantors before the Hon'ble Debt Recovery Tribunal 1, Delhi (IFCI Limited Vs. JEG Hospitality Limited and others [O.A. No. 6 of 2012]). The Hon'ble Debt Recovery Tribunal was pleased to issue Recovery Certificate bearing No. 33 of 2014 in favour of our Company for the entire outstanding amount of Rs. 111.29 crore (approx.) along with interest @ 15% p.a. and cost of Rs. 1.5 lakh. The Recovery Proceedings have been initiated against JEG and the guarantors before the Learned Recovery Officer, Debt Recovery Tribunal, Delhi. Demand Notice has been issued to the guarantors and the guarantors have been directed to file affidavit of their assets. However, in the meanwhile the loan account has been assigned to ACE.

2. Our Company has filed an original application against Murli Industries Limited before the Hon'ble Debt Recovery Tribunal, Delhi (IFCI Limited Vs Murli Industries Limited [O.A. No. 92/2011]) for the recovery of the dues of our Company amounting to Rs. 35.56 crore (approx.). The Hon'ble Delhi High Court vide its order dated 20.09.2013 passed in writ petition No. 2864/ 2011, instituted by Murli Industries Limited against our Company, allowed the entire amount of Loan – I and some portion of Loan II to be restored, and our Company was further directed to maintain the pledged shares in a demat account. Accordingly, our Company kept the pledged shares of Murli Industries Limited, in a Demat Account and filed an application for modification of the claim amount pursuant to the restoration of entire corporate Loan Account – I and some portion of Corporate Loan Account – II. Under the amendment to the aforesaid original application filed by our Company, our Company has sought to recover an amount of Rs. 105.23 crore (approx.). Reply and rejoinder is to be filed. The next date of hearing in has been fixed for 14.11.2014.

3. Our Company has also filed Original Application against Blue Coast Hotels Limited (BCHL) and its promoters (IFCI Limited Vs. Blue Coast Hotels Limited [O.A. No. 175/ 2013]), before the Hon'ble Debt Recovery Tribunal, Delhi for recovery of its dues. BCHL has also filed a counter claim for an amount of Rs. 2,000.00 crore (approx.) against our Company in the O.A No. 175/2013, alleging huge losses being suffered by it on account of advertising the sale of assets of by our Company much below the market valuation of the assets, and on account of damages caused to its reputation. The matter was listed before Registrar for completion of pleadings. The next date of hearing in the matter is 08.10.2014.

4. SBICAP Trustee Company Limited, acting in capacity as debenture trustee on behalf of PACL Limited has filed a civil suit in the court of Hon'ble Civil Judge Senior Division, Goa against BCHL and its promoters (SBICAP Trustee Company Limited Vs. BCHL [CS 2/2014/A]), for recovery of defaulted amount of Rs. 162.50 crore (approx.) in respect of the debentures held by PACL Limited in BCHL, and for seeking a declaration of their valid and subsisting charge over the property of BCHL at Goa. Our Company has first charge over the property and the charge of SBICAP is being disputed by our Company. In this regard, our Company has filed an application before the Hon'ble Civil Judge Senior Division, Goa for dismissal of the said civil suit. Next date of hearing in the matter is 9.10.2014.

5. Our Company has initiated proceedings under the provisions of SARFAESI Act against Marine Drive Hospitality & Realty Private Limited (MDHRPL), for the recovery of the dues of our Company to the tune of Rs. 190.05 crore (approx.). MDHRPL has preferred an Securitisation Application (Marine Drive Hospitality & Realty Private Limited Vs IFCI Limited [S.A. No. 7/ 2014]) before the Hon'ble Debt Recovery Tribunal, Mumbai against the said proceedings of our Company under the SARFAESI Act. The Hon'ble Debt Recovery Tribunal, Mumbai vide its order dated 18.07.2014 stayed the proceedings initiated by our Company under the SARFAESI Act, subject to MDHRPL depositing 20% of amount claimed in the demand notice issued by our Company within 6 weeks, and further 20% within 6 weeks thereafter. Being aggrieved by the aforesaid order dated 18.07.2014, MDHRPL preferred an appeal before the Hon'ble Debt Recovery Appellant Tribunal, Mumbai (Marine Drive Hospitality & Realty Private Limited Vs. IFCI Limited [Appeal No. 155/2014]) and *interalia* prayed for: (a) quashing and setting aside of the said order dated 18.07.2014, and (b) restraint order against our Company from initiating any further enforcement action against the assets of MDHRPL, pending the disposal of the said appeal.

6. Our Company has also filed an Original Application before the Hon'ble Debt Recovery Tribunal, Delhi (IFCI Limited Vs Marine Drive Hospitality & Realty Private Limited [O.A. No. 260/ 2014]) for recovery of its claims amounting to Rs. 184.25 crore (approx.) against MDHRPL. The Hon'ble Debt Recovery Tribunal, Delhi vide its order dated 08.09.2014 directed Mr. Vinod Goenka to maintain status quo in respect of 16,32,108 equity shares held by him in MDHRPL. The Hon'ble Debt Recovery Tribunal, Delhi further issued a show cause notice as to why receiver shall not be appointed for inspecting the mortgaged property. Further the Hon'ble Debt Recovery Tribunal, Delhi also directed the guarantor, Hilton Hotel to furnish the security to our Company to the tune of its dues against MDHRPL failing which the defendant has been directed to show cause as to why restrain order shall not be passed against its property. The next date of hearing in the matter is fixed for 18.11.2014, before which the defendants have been directed to file their written statements.

7. Our Company has initiated proceedings under the provisions of SARFAESI Act against TRS Technology Private Limited (TTPL), for the recovery of the dues of our Company to the tune of Rs. 75.74 crore. A notice for sale of secured assets under the SARFAESI Act was issued to TTPL. TTPL preferred a Securitisation Application before the Hon'ble Debt Recovery Tribunal, Ranchi (TRS Technology Private Limited Vs IFCI Limited [SA No. 57, 2014]) against the said action initiated by our Company. Reply has been filed by our Company to the said Securitisation Application and the matter is next fixed for filing of written statement on 24.10.2014.

8. Our Company has filed a civil suit before the Hon'ble High Court of Calcutta against Shree Metalics Limited (SML) (IFCI Limited Vs. Shree Metalics Limited [C.S. No. 275/ 2012]) *interalia* to: (a) enforce the right of the Company to seek conversion of Optional Fully Convertible Debentures(OFCDs) into equity shares of SML, as specified in the debenture subscription agreement, (b) formalizing the appointment of our Company's nominee as a director on the board of directors of SML, and (c) allowing the concurrent audit of the account of SML by a firm of chartered accountants appointed by our Company. In the captioned matter at the first stance, the Hon'ble High Court passed a restrain order, thereby restraining SML from alienating its assets. As per the last order dated 09.09.2013, the Hon'ble High Court was pleased to observe that our Company be permitted to advertise for the sale of its stake in SML by inviting offers to buy the debentures. However, no offer shall be accepted without the leave of the court.

9. Our Company has also filed an Original Application against SML before the Hon'ble Debt Recovery Tribunal, Calcutta, for recovery of its outstanding dues to the tune of Rs. 85.09 crore (IFCI Limited Vs Shree Metalics Limited [O.A. 100/ 2013]). At the first stance the court was pleased to pass an order restraining the guarantor from disposing their respective properties. However, during the pendency of the proceedings, SML has been wound up in a winding up petition filed by a third party.

10. Our Company has filed an Original Application against Western India Shipyard Limited (WISL) before the Hon'ble Debt Recovery Tribunal, Delhi, for recovery of its outstanding dues to the tune of Rs. 40.37 crore (IFCI Limited Vs Western India Shipyard Limited [O.A. 40/ 2013]). Currently, the matter is pending for completion of the pleadings.

11. Our Company has filed a criminal complaint against REI Agro Limited ("RAL") under Section 138 of the Negotiable Instruments Act, 1881 (IFCI Limited Vs REI Agro Limited and Ors. [CC No. 3457/ 2014]) before the Court of Hon'ble Metropolitan Magistrate, Saket for dishonour of a cheque for the amount of 40.73 crore. The Hon'ble Court was pleased to issue summons against the RAL and its Managing Director. The matter is presently pending adjudication.

12. The compulsory convertible debentures (CCD), which have a face value of Rs. 10 lakh and were issued to our Company for cash value of Rs.100.00 crore, by Coastal Project Limited ("CPL"). There was a default in redemption of the CCD by the CPL and accordingly, our Company filed a petition before the Hon'ble High Court of Delhi (IFCI Limited vs. S. Surender and another [O.M.P 1087 of 2012]). The Hon'ble High Court of Delhi vide its order dated 23.11.2012 restrained CPL and its promoters from disposing of 21 immovable properties. Subsequently, the said proceedings were adjourned sine die in view of the reschedulement of terms and conditions of settlement entered into between our Company and CPL. However, in view of the default in settlement terms, our Company has filed an application for restoration of the injunction granted by the Hon'ble High Court of Delhi on the immovable properties of CPL and its Promoters vide order dated 23.11.2012, which was kept in abeyance till satisfaction of terms of settlement. The matter is presently pending adjudication.

13. Our Company has filed an Original Application against CPL before the Hon'ble Debt Recovery Tribunal, Delhi (IFCI Limited Vs Coastal Projects Limited [O.A. 230/ 2014]), for recovery of its outstanding dues to the tune of Rs. 108.54 crore. The Notice has been issued and the matter is pending.

14. Our Company has filed an Original Application against MVL Limited ("MVL") and its guarantors before the Hon'ble Debt Recovery Tribunal, Delhi (IFCI Limited Vs MVL Limited [204/2012]) for recovery of its dues amounting to Rs. 49.23 crore (approx.) alongwith interest. Our Company has obtained attachment order for 76 flats at Bhiwadi, Rajasthan and also land at Yamunagar. Pursuant to that MVL came forward and mortgaged the 76 flats to IFCI Limited with IL&FS Trusteeship Private Limited, as security trustee (for the

benefit of our Company) and came up with restructuring proposal and made certain payments. The restructuring proposal has been revoked and the Original Application is listed for completion of pleadings before the Registrar. In the meanwhile, MVL filed counter claim before the Hon'ble Debt Recovery Tribunal, Delhi claiming the reduction in the price of shares pledged with the Company.

15. Our Company has filed an Original Application against Ess Ess Exim Private Limited (EEEPL) before the Hon'ble Debt Recovery Tribunal, Delhi (IFCI Limited Vs Ess Ess Exim Private Limited [O.A. No. 53/ 2012]) for recovery of its dues of Rs. 49.20 crore (approx.). Our Company had lend a corporate loan to EEEPL, for the purpose of investment in its flagship company i.e. Surya Pharmaceutical Limited (SPL) for providing growth capital for the expansion plan. In April 2012, SPL was admitted to corporate restructuring, due to liquidity problem. Pursuant thereto, our Company invoked the pledge of shares of SPL and sold the pledged shares. EEEPL filed an application for the stay of sale of shares before Hon'ble Debt Recovery Tribunal which was dismissed, subsequently EEEPL filed appeal before Hon'ble Draft Recovery Appellant Tribunal, which also upheld the sale of pledged shares by our Company.

16. EEEPL has also filed application before the Hon'ble Debt Recovery Tribunal, Delhi for the amendment of written statement filed in the Original Application viz. O.A No. 53/2012, and made a counter claim of Rs. 29.82 crore (approx.) against our Company for the losses suffered by its due to the sale of shares of SPL, thereby causing the drastic reduction in the market price of the shares which in turn caused huge losses to SPL and EEEPL. The said application was allowed by the Hon'ble Debt Recovery Tribunal, Delhi. Our Company has preferred an appeal before the Hon'ble Debt Recovery Appellant Tribunal, Delhi against the said order. The said appeal is presently pending adjudication.

17. Our Company had filed an Original Application against Tarai Foods Limited (TFL) and its promoters before the Hon'ble Debt Recovery Tribunal, Delhi (IFCI Limited Vs Tarai Foods Limited [O.A. No. 160/2011]) for the recovery of the dues of our Company amounting to Rs. 27.93 crore (approx.). Against the aforesaid claim of our Company, TFL filed its written statement along with counter claim, claiming thereby a sum of Rs. 55.33 crore (approx.) on the ground that our Company negligently failed to follow up the claims of TFL with the National Insurance Company Limited, despite repeated requests and reminders, which resulted in huge loss of business and reputation to TFL. The matter is currently listed before the Registrar for completion of pleadings.

18. Our Company has also filed winding up petition against TFL before the Hon'ble High Court of Delhi (IFCI Limited Vs Tarai Foods Limited [Co. Petition No. 67/2013]). The said winding up petition is presently pending adjudication.

19. Our Company has filed an Original Application against Kiri Industries Limited (KIL) and its guarantors before the Hon'ble Debt Recovery Tribunal, Ahmedabad (IFCI Limited Vs Kiri Industries Limited & Others [O.A. No. 218/2012]) for the recovery of the dues of our Company amounting to Rs. 36.23 crore (approx.). The Hon'ble DRT vide its order dated 18.03.2013 appointed our Company as court receiver for attaching and selling hypothecated plant and machineries of KIL and directed for fresh valuation from Government approved valuer. The said Original Application is presently pending adjudication. In the interregnum, our Company has received a bid for acquisition of the financial assets of KIL from ACE, and our Company is in the process of assigning the said financial asset to ACE.

20. KIL has also filed suit for damages against our Company before the Hon'ble Ahmedabad City Civil Court (Kiri Industries Limited Vs. IFCI Limited [Long Cause Suit No. 04/ 2013]). KIL is claiming an amount of Rs. 140.98 crore (approx.) against our Company towards the damages suffered by KIL on account of losses suffered by the sale of the shares of KIL.

21. Our Company has filed an Original Application against Neesa Leisure Limited (NLL) and its guarantors before the Hon'ble Debt Recovery Tribunal- I, Ahmedabad (IFCI Limited vs. Neesa Leisure Limited and others [O.A No. 18/2013]) for recover of the dues of our Company amounting to Rs.32.06 crore (approx.) alongwith interest @20.5% p.a. with monthly rests from 21.1.2013. The Hon'ble Debt Recovery Tribunal- I, Ahmedabad was pleased to grant an injunction order in respect of properties of NLL. Subsequently, the defendants have filed two interim applications in the said Original Application, viz. (i) by NLL for creating a subservient charge in favour of CDR lenders over the properties (securities) etc. and (ii) by the guarantors for challenging its maintainability on various grounds including institution of Regular Civil Suit No.712 of 2013 before the Hon'ble City Civil Court, Ahmedabad. The case is listed for filing of replies and for further proceedings. Apart from the above proceedings, NLL has filed three Regular Civil Suits before the City Civil Court, Ahmedabad.

22. Our Company has also subscribed to the Cumulative Convertible Preference Shares (CCPS) issued by NLL aggregating to Rs. 26.00 crore. Consequent to default in payments on CCPS, our Company filed an Original Application against NLL and its promoters before the Hon'ble Debt Recovery Tribunal- I, Delhi (IFCI Limited vs. Neesa Leisure Limited and others [O.A No. 192/2012]) for recovery of the CCPS facility of Rs. 40.78 crore (approx.). The Hon'ble Debt Recovery Tribunal was pleased to passed a restraint order in respect of properties of the promoters. The matter is to be listed further for arguments.

23. Our Company has filed an Original Application against Punjab Woolcombers Limited (PWL) before the Hon'ble Debt Recovery Tribunal, Chandigarh (IFCI Limited vs. Punjab Woolcombers Limited [O.A No. 204/2000]) for recover of the claims of our Company amounting to Rs. 18.75 crore. Our Company has entered into a settlement with PWL for an amount of Rs.12.60 crore. The Hon'ble Board of Industrial and Financial Reconstruction vide its order dated 06.09.2007 passed the sanctioned scheme based on settlement of dues of all secured creditors with respect to the Company and directed our Company to release the charge on the assets of PWL and withdrawal of suit filed against PWL on receipt of the settlement amount. The settlement was subsequently revoked by our Company on account of better payment terms offered by PWL to other lenders and having failed to compensate our Company to that extent as per the terms of approval of settlement. The Hon'ble High Court of Punjab and Haryana vide its order dated 31.10.2013 directed our Company to comply with the order dated 06.09.2007 of the Hon'ble Board of Industrial and Financial Reconstruction. In compliance of said order dated 31.10.2013, our Company released the title deeds of PWL and issued No dues certificate and vacated charge. Further, our Company has filed therequisite application for withdrawal of the said Original Application no. 204/2000. PWL has also made counter claims of Rs. 525.00 crore against our Company to the in the said Original Application. PWL has filed reply to the said application submitting that the counter claim application may be proceeded separately. The said Original Application is presently pending adjudication.

24. Our Company had filed an Original Application against Atcom Technologies Limited (ATL) and its promoters before the Hon'ble Debt Recovery Tribunal 1, Mumbai (IFCI Limited Vs Atcom Technologies Limited [O.A. No. 187/2002]) for the recovery of the dues of our Company amounting to Rs. 24.24 crore (approx.). The proceedings were transferred from the Hon'ble Debt Recovery Tribunal 1,

Mumbai to the Hon'ble Debt Recovery Tribunal 2, Mumbai, and subsequently to Hon'ble Debt Recovery Tribunal, Pune, where it has been renumbered to O.A No. 263/2004. The matter is presently pending adjudication.

25. ATL has also filed a suit against various financial institutions including our Company before the Hon'ble Court of Civil Judge (Senior Division) (Atcom Technologies Limited and Another Vs. Dena Bank and others, [Suit no. 22 of 2005]) for an amount of Rs. 1195.71 crore against all the defendants. Our Company is one of the defendants in the matter. The matter is presently pending adjudication.

26. Our Company had filed an Original Application against Kusum Ingots & Alloys Limited (KIAL) and others before the Hon'ble Debt Recovery Tribunal, Mumbai (IFCI Limited Vs Kusum Ingots & Alloys Limited & Others [O.A. No. 1706/1999]) for the recovery of the dues of our Company amounting to Rs. 13.23 crore (approx.). Against the aforesaid claim of our Company, KAIL filed its written statement along with counter claim, claiming thereby a sum of Rs. 1776.11 crore (approx.). The matter is at the stage of arguments.

27. Our Company has filed an Original Application against Mukerian Papers Limited (MPL) before the Hon'ble Debt Recovery Tribunal, Chandigarh (IFCI Limited vs. Mukerian Papers Limited [O.A No. 779/2000]) for recover of the claims of our Company amounting to Rs. 139.36 crore. In the interregnum our Company assigned the financial asset of MPL to Asset Reconstruction Company (India) Limited ('ARCIL'). MPL has filed a counter claim in the said Original Application against ARCIL and our Company claiming a sum of Rs. 11,500 crore along with compound interest @15% per annum. The matter is presently pending adjudication.

28. Our Company has made an equity investment of Rs. 85.00 Crore in Silver Resort Hotel India Pvt. Ltd (SRHIPL) subscribing to 8,50,00,000 equity shares at Rs. 10 each. According to the terms of the investment the promoters had the buyback obligations which they had failed to hounour accordingly our Company has presented the cheques towards the buyback obligations. As the cheques were dishonoured, our Company filed a Criminal complaint against the SRHIPL and promoters u/s 138 of Negotiable Instrument Act, 1881 for dishonour of cheques amounting to Rs. 49.58 crore which were given as security by SRHIPL for return of investment and buyback obligation. Currently notice has been issued in the same

Litigation involving the Subsidiary

1. SHCIL (wholly owned subsidiary of our Company) is involved legal proceedings with IndusInd Bank Limited. SHCIL has filed a civil suit (No. 190/2001) before the Hon'ble High Court of Kolkata against IndusInd Bank for seeking directions that the three post dated cheques amounting to Rs. 24.40 crore issued by SHCIL in favour of Harish Chandra Biyani for the sale of equity shares of DSQ Industries Limited pursuant to cash-on-payout scheme of SHCIL be declared as null and void. Harish Chandra Biyani had discounted these cheques prior to pay out by Kolkata Stock Exchange, despite instructions of SHCIL that the cheques be encashed after the payout from Kolkata Stock Exchange. SHCIL has also filed a civil suit (No. 339 of 2003) before the High Court of Kolkata against Kolkata Stock Exchange and Harish Chandra Biyani seeking money decrees aggregating to Rs. 24.40 crore.

2. IndusInd Bank Limited has also initiated recovery proceedings against SHCIL through Original Application (O.A No. 218/2001) before the Hon'ble Debt Recovery Tribunal for recovery of Rs. 24.40 crore. The application for recovery of the amount form SHCIL was dismissed. IndusInd Bank Limited filed an appeal to Hon'ble Debt Recovery Appellant Tribunal (Appeal no. 86/2010) against the order passed in the said O.A no. 218/2001. The Hon'ble Debt Recovery Appellant Tribunal vide its order dated September 23, 2011 held SHCIL and Harishchandra Biyani jointly and severally liable. SHCIL filed a revision application to the Hon'ble High Court on November 30, 2011 which was admitted, however, no stay was granted. Hence, SHCIL had filed a special leave petition in the Hon'ble Supreme Court of India for stay of the order of the Hon'ble High Court and order of the Hon'ble Debt Recovery Appellant Tribunal. The Hon'ble Supreme Court vie its order dated April 23, 2012 has requested the High Court to dispose off the revision application of SHCIL within a period of four months. In the meanwhile SHCIL has deposited an amount of Rs. 30.00 crore with the Hon'ble High Court as per the directions of the Hon'ble Supreme Court. The matter is pending adjudication.

3. Further, IndusInd Bank Limited has filed a criminal complaint (No. 3526/2001) under Section 138 of the Negotiable Instruments Act, 1881 against SHCIL before the Metropolitan Magistrate Court, Kolkata alleging dishonouring of the cheques amounting to Rs. 24.40 crore.

4. IndusInd Bank Limited has filed a criminal compliant (No. 3826/2001) before the Chief Metropolitan Magistrate Court, Kolkata under Section 156(3) of the Criminal Procedure Code, 1973 against SHCIL and Harishchandra Biyani.

5. Indu Devi Tapuriah filed a criminal complaint (No. 898 of 2006) before the Metropolitan Magistrate Court with respect to securities pledged in favour of Nedungadi Bank (taken over by Punjab National Bank), and the pledge was invoked by PNB. The complaint was filed against PNB and SHCIL. Indu Devi pledged her securities in favour of Nedungadi Bank (taken over by Punjab National Bank) for availing certain credit facilities. Later on, at the instructions of Punjab National Bank, SHCIL invoked the pledge in compliance with NSDL byelaws and business rules.

Tax Matters involving our Company

1. Income Tax Department has filed a Special Leave Petition (Commission of Income Tax v/s IFCI Limited [SLP(C) No. 16322 of 2012]) before the Hon'ble Supreme Court of India against the order of Hon'ble High Court of Delhi dated July 11, 2011. The matter was last listed on January 3, 2014. The dispute pertains to Assessment Year 1995-96 wherein our Company had withdrawn Rs. 175.00 crore from special resave created u/s 36(1)(viii) of the Income Tax Act, 1961. The amount was added back to the income of our Company vide assessment order dated February 29, 2000. Further, as per the assessment order, the demand raised by the Assessing Officer amounts to Rs. 195.00 crore. The Hon'ble High Court of Delhi vide its order dated July 11, 2011 has allowed the withdrawal from special reserve created u/s 36(1)(viii) of the Income Tax Act, 1961. The Special Leave Petition filed by Income Tax Department is pending for admission before Hon'ble Supreme Court of India.

2. Income Tax Department has filed a Special Leave Petition (Commission of Income Tax - IV v/s IFCI Ltd [SLP(C) No. 5332 of 2012]) before the Hon'ble Supreme Court of India against the order of Hon'ble High Court of Delhi dated July 11, 2011. The matter was last listed on January 3, 2014. The dispute pertains to Assessment Year 1996-97 wherein our Company had withdrawn Rs. 50.00 crore from special reserve created u/s 36(1)(viii) of the Income Tax Act. The amount was added back to the income of our Company vide assessment order dated February 26, 1999. The Assessing Officer made a further disallowance of Rs. 11.59 crore claimed as deduction

on account of swapping of foreign currency fund. However, as per the assessment order, the demand raised by the Assessing Officer amounts to Rs. 229.97 crore. The Hon'ble High Court of Delhi vide its order dated July 11, 2011 has decided both the issues in favor of IFCI Limited. The Special Leave Petition filed by Income Tax Department is pending for admission before Hon'ble Supreme Court.

3. Income Tax Department has filed a Special Leave Petition (Commission of Income Tax v/s IFCI Limited [SLP(C) No. 21342 of 2012]) before the Hon'ble Supreme Court of India against the order of Hon'ble High Court of Delhi dated July 11, 2011. The matter was last heard on January 3, 2014. The dispute pertains to Assessment Year 1997-98 wherein the Assessing Officer disallowed Rs. 141.68 crore being expenses incurred on issue of bonds, Rs. 15.00 crore being deduction of provision for bad & doubtful debts u/s 36(1)(viia) (c) of the Income Tax Act, 1961 and Rs. 160.00 crore being amount withdrawn from special reserve created u/s 36(1)(viii) of the Income Tax Act, 1961. The demand raised by the Assessing Officer amounts to Rs. 251.55 crore, vide the assessment order dated March 29, 2000. The Hon'ble High Court of Delhi vide its order dated July 11, 2011 has decided the matter in favor of IFCI Limited. The Special Leave Petition filed by Income Tax Department is pending for admission before Hon'ble Supreme Court.

4. Income Tax Dept. has filed a Special Leave Petition (Commission of Income Tax – IV v/s IFCI Limited [SLP(C) No. 16321 of 2012]) before the Hon'ble Supreme Court of India against the order of Hon'ble High Court of New Delhi dated July 11, 2011. The matter was last listed on January 3, 2014. The dispute pertains to Assessment Year 1998-99 wherein the Assessing Officer disallowed Rs. 32.98 crore being expenses incurred on issue of bonds, Rs. 6.08 crore being deduction of provision for bad & doubtful debts u/s 36(1)(viia) (c) of the Income Tax Act, 1961, Rs. 287.00 crore being amount withdrawn from special reserve created u/s 36(1)(viii) of the Income Tax Act, 1961and Rs. 14.55 crore being interest on loans taken for construction of office building. However, the demand raised by Assessing Officer amounts to Rs. 169.11 crore. The Hon'ble High Court of Delhi vide order dated July 11, 2011 has decided the matter in favor of IFCI Limited. The Special Leave Petition filed by Income Tax Department is pending for admission before Hon'ble Supreme Court.

5. Income Tax Department has filed an appeal before the Hon'ble Income Tax Income Tax Appellate Tribunal (ITAT), New Delhi (DCIT v/s IFCI Limited, [ITA 2817/Del-2011]) against the order of Commissioner of Income Tax (Appeals)–XXX dated March 28, 2011. The dispute pertains to Assessment Year 2003-04 wherein the Assessing Officer considered Rs. 2241.00 crore being grant received/ receivable from Government of India as income of Assessee and further disallowed a sum of Rs. 129.65 u/s 43B of the Income Tax Act being interest due to Banks and Financial Institutions converted into securities. The Commissioner of Income Tax (Appeals) vide order dated March 28, 2011 held that the grant received/ receivable from 'Govt. of India' was in the nature of capital receipt and could not be brought to tax. Further out of Rs. 129.65 core disallowed u/s 43B of the Income Tax Act, 1961 Rs. 70.31 crore was allowed by CIT (A) in favor of IFCI Limited As per the Assessment Order, the demand raised by the Assessing Officer amounts to Rs. 368.39 crore. The Income Tax Department has filed an appeal before ITAT, New Delhi against the order of Commissioner of Income Tax (Appeals)-XXX. The matter is presently pending adjudication.

   Further, IFCI Limited has also preferred an appeal against the order of CIT (A) for upholding the disallowance of Rs. 59.65 crore out of total disallowance of Rs. 129.65 crore (IFCI Ltd v/s ITO, Ward 11(1) [Case No. ITA 2659/Del-2011]) which is pending before ITAT, New Delhi. The matter is presently pending adjudication.

Regulatory proceedings/ compounding by our Company and subsidiaries

The Company and its Subsidiaries in the normal course of business receives or has received from various statutory authorities including the Ministry of Corporate Affairs calling for various information and explanations from time to time and the same has been duly replied to.

1. The Office of Registrar of Companies, NCT of Delhi and Haryana issued a Show Cause Notice dated December 11, 2012 under section 217(5) for contravention of section 217(3) of the Companies Act, 1956 to the Company for not giving fullest information and explanation in its report on every reservation, qualification or adverse remark contained in the Auditors Reports for the FY 2009-2010, hence being a violation under section 217(3) of the Companies Act, 1956. In response, the Company has filed an application before the Company Law Board, New Delhi Bench, New Delhi, CA no. 16/277/2013-CLB for compounding of offence as provided under section 621A(4)(a) of the Companies Act, 1956. Pursuant to Order dated August 27, 2013 the offence was compounded on payment of Rs. 4000 by the Managing Director and the compounding fees was duly paid.

2. The Office of Registrar of Companies, NCT of Delhi and Haryana issued a Show Cause Notice dated December 11, 2012 under section 307(7) for contravention of section 307 of the Companies Act, 1956 to the Company for not maintaining the register of Directors showing their share holdings for the FY 2011-2012 and 2012-2013, hence being a violation of the provisions of section 307 of the Companies Act, 1956. In response, the Company has filed an application before the Company Law Board, New Delhi Bench, New Delhi CA no. 16/278/2013-CLB for compounding of offence as provided under section 621A(4)(a) of the Companies Act, 1956. Pursuant to Order dated September 25, 2013 the offence was compounded on payment of Rs. 12000/- for two years of default by the Company and MD and Rs. 6000/- for two years of default by the Company Secretary and the compounding fees was duly paid by the applicants.

3. The Office of Registrar of Companies, NCT of Delhi and Haryana issued a Show Cause Notice dated December 11, 2012 under section 215(5) for contravention of section 217(1)(e) of the Companies Act, 1956 to the Company for not furnishing complete details in respect of foreign exchange earnings and outgo in the Directors' Report for the FY 2011, hence being a violation of the provisions of section 217(1)(e) of the Companies Act, 1956. In response, the Company has filed an application before the Company Law Board, New Delhi Bench, New Delhi CA no. 16/279/2013-CLB for compounding of offence as provided under section 621A(4)(a) of the Companies Act, 1956. Pursuant to Order dated August 27, 2013 the offence was compounded on payment of Rs. 4000/- and the compounding fees was duly paid by the Company.

4. The Office of Registrar of Companies, NCT of Delhi and Haryana issued a Show Cause Notice dated December 11, 2012 under section 217(5) for contravention of section 217(2A) of the Companies Act, 1956 to the Company for not disclosing the particulars relating to the remuneration to employees drawing not less than 5 Lakh per month, hence being a violation under section 217(2A) of the Companies Act, 1956 during the FY 2011. In response, the Company has filed an application before the Company Law Board, New Delhi Bench, New Delhi CA no. 16/276/2013-CLB for compounding of offence as provided under section 621A(4)(a) of the Companies Act, 1956. Pursuant to Order dated August 27, 2013 the offence was compounded on payment of Rs. 4000/- by the Managing Director and the compounding fees was duly paid.

5. The Office of Registrar of Companies, NCT of Delhi and Haryana issued a Show Cause Notice dated December 11, 2012 under section 303(3) for contravention of section 303(2) of the Companies Act, 1956 to the Company for not filing Form-32 for the appointment of Executive Director. In response, the Company vide letter dated December 28, 2012 clarified its stance that the Mr. Javed Yunus was never appointed as an Executive Director of the Company, hence were not in non compliance.

6. The Office of Registrar of Companies, NCT of Delhi and Haryana issued a Show Cause Notice dated December 11, 2012 under section 211(7) for contravention of section 211of the Companies Act, 1956 to the Company that the financial statement do not give true and fair view of the state of affairs of the Company. In response, the Company vide letter dated December 28, 2012 clarified its stance with respect to the observations made and clarifications sought by Office of Registrar of Companies, NCT of Delhi and Haryana.

7. The Office of Registrar of Companies, NCT of Delhi and Haryana issued a Show Cause Notice dated December 11, 2012 under section 303(3) for contravention of section 303(1) of the Companies Act, 1956 to the Company for not maintaining the Register of Directors for the FY 2011. In response, the Company has filed an application before the Company Law Board, New Delhi Bench, New Delhi CA no. 16/275/2013-CLB for compounding of offence as provided under section 621A(4)(a) of the Companies Act, 1956. Pursuant to Order dated September 25, 2013 the offence was compounded on payment of Rs. 16000/- for two years of default by the Company and CEO & Managing Director and Rs. 4000/- for two years by the Company Secretary, and the compounding fees was duly paid by the applicants.

8. The Office of Registrar of Companies, NCT of Delhi and Haryana issued a Show Cause Notice dated December 11, 2012 under section 217(5) for contravention of section 217(2AA) of the Companies Act, 1956 to the Company for failure to disclose the information in respect of non compliance with AS-9, AS-13 and AS-16 issued by ICAI in the Directors' Report, hence being a violation of section 217(2AA) of the Companies Act, 1956. In response, the Company vide letter dated December 28, 2012 clarified its stance with respect to the observations and clarifications sought by the Office of Registrar of Companies, NCT of Delhi and Haryana.

9. Mr. Sanjeev Kumar Gaur, Assistant Director, Serious Fraud Investigation Office, Ministry of Corporate Affairs has filed a complaint before the Additional Chief Metropolitan Magistrates in CC No. 3700761/SS/2010 alleging that SHCIL Services Limited has not maintained proper minutes of the Board and General Meeting of SHCIL Services Limited. In response, SHCIL Services Limited has filed a compounding application with Company Law Board, Mumbai (CLB). The matter is currently pending for hearing.

10. Mr. Sanjeev Kumar Gaur, Assistant Director, Serious Fraud Investigation Office, Ministry of Corporate Affairs has filed a complaint before the Additional Chief Metropolitan Magistrates in CC No. 3700765/SS/2010 alleging that the accused have given a false statement on oath regarding status of the SHCIL Services Limited. In response, SHCIL Services Limited has filed a compounding application with Company Law Board, Mumbai (CLB). The matter is currently pending for hearing.

11. Mr. Sanjeev Kumar Gaur, Assistant Director, Serious Fraud Investigation Office, Ministry of Corporate Affairs has filed a complaint before the Additional Chief Metropolitan Magistrates in CC No. 3700763/SS/2010 alleging that SHCIL Services Limited had not filed the Form 5 within a period of 30 (thirty) days after reclassification of authorized share capital into 85 Lakh Preference Shares of Rs. 10 each and 15 Lakh Equity Shares of Rs. 10 each at the Extra Ordinary General Meeting held on January 6, 2006. In response, SHCIL Services Limited has filed a compounding application with Company Law Board, Mumbai (CLB). The matter is currently pending for hearing.

12. Mr. Sanjeev Kumar Gaur, Assistant Director, Serious Fraud Investigation Office, Ministry of Corporate Affairs has filed a complaint before the Additional Chief Metropolitan Magistrates in CC No. 3700764/SS/2010 alleging that SHCIL Services Limited resolved to issue the Shares to the persons other than the existing Shareholders of SHCIL Services Limited. In response, SHCIL Services Limited has filed a compounding application with Company Law Board, Mumbai (CLB). The matter is currently pending for hearing.

13. Mr. Sanjeev Kumar Gaur, Assistant Director, Serious Fraud Investigation Office, Ministry of Corporate Affairs has filed a complaint before the Additional Chief Metropolitan Magistrates in CC No. 3700767/SS/2010 alleging that SHCIL Services Limited failed to furnish explanation in Directors' Report in respect of qualifications in Auditors' Report for the FY 2013, 2014 and 2015. In response, SHCIL Services Limited has filed a compounding application with Company Law Board, Mumbai (CLB). The matter is currently pending for hearing.

14. Mr. Sanjeev Kumar Gaur, Assistant Director, Serious Fraud Investigation Office, Ministry of Corporate Affairs has filed a complaint before the Additional Chief Metropolitan Magistrates in CC No. 3700760/SS/2010 alleging that SHCIL Services Limited has paid remuneration to the managerial person in excess of the limit specified under section 198 and 309 of the Companies Act, 1956. In response, SHCIL Services Limited has filed a compounding application with Company Law Board, Mumbai (CLB). The matter is currently pending for hearing.

15. Mr. Sanjeev Kumar Gaur, Assistant Director, Serious Fraud Investigation Office, Ministry of Corporate Affairs has filed a complaint before the Additional Chief Metropolitan Magistrates in CC No. 3700768/SS/2010 alleging that SHCIL Services Limited had made the appointment of Managing Director in contravention with the provisions of section 260 read with Schedule XIII of the Companies Act, 1956. In response, SHCIL Services Limited has filed a compounding application with Company Law Board, Mumbai (CLB). The matter is currently pending for hearing.

16. Mr. Sanjeev Kumar Gaur, Assistant Director, Serious Fraud Investigation Office, Ministry of Corporate Affairs has filed a complaint before the Additional Chief Metropolitan Magistrates in CC No. 3700762/SS/2010 alleging that the Shareholders has not filed the necessary declaration under section 187(c) of the Companies Act, 1956 about their nature of interest in SHCIL Services Limited. In response, SHCIL Services Limited has filed a compounding application with Company Law Board, Mumbai (CLB). The matter is currently pending for hearing.

17. Mr. Sanjeev Kumar Gaur, Assistant Director, Serious Fraud Investigation Office, Ministry of Corporate Affairs has filed a complaint before the Additional Chief Metropolitan Magistrates in CC No. 3700766/SS/2010 alleging that SHCIL Services Limited has not increased the paid up capital as per the requirement of section 3(4) of the Companies Act, 1956. In response, SHCIL Services Limited has filed a compounding application with Company Law Board, Mumbai (CLB). The matter is currently pending for hearing.

18. Reserve Bank of India has issued show cause notice against IFIN Securities on January 23, 2013 for delay in intimating the public notice dated December 24, 2010 for takeover of the IFIN Securities by IFIN. IFIN Securities submitted its reply to the Reserve Bank of India. Reserve Bank of India imposed a penalty of Rs. 5.00 lakh under Section (1) clause (b) of Section 58G of the Reserve Bank of India, 1934 for the said non-compliance and IFIN Securities has paid the same.

Notices received from Stock Exchanges

Our Company has applied for desisting of shares from stock exchanges at New Delhi, Kolkata, Chennai and Ahmedabad pursuant to receipt of shareholders' approval received vide resolution passed in the Annual General Meeting held on September 10, 2001. However, the delisting approval is yet to be received by our Company from the said exchanges. The exchanges have been issuing notices to our Company for payment of the listing fees prior to according the approval for delisting of securities. In this regard, Statutory Notices/ Legal Notices have been issued by the said stock exchanges to the Company for payment of the listing fees.

Other Proceedings involving our Company in the Ordinary course of business

Our Company has initiated numerous cases under section 138 of the Negotiable Instruments Act, 1881, against our customers to recover money due under dishonoured cheques which were presented to the Company. These cases are pending across different courts in India. Our Company has also initiated several arbitration proceedings against defaulting parties. These proceedings are pending before various arbitrators. In cases where the arbitral award was passed in our favour, we have filed execution petitions to execute the awards and have several execution petitions pending for attachment of certain property or for issuance of warrants before several courts in India. We have also filed petitions under Section 9 of the Arbitration and Conciliation Act, 1996 for restraining customers from disposing of certain property during the pendency of the arbitration proceedings.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations summaries below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for any professional legal advice.

Except as otherwise specified in this Draft Shelf Prospectus, taxation statutes such as the Income Tax Act, 1961, various labor laws and regulations such as Payment of Gratuity Act, 1972 and other miscellaneous laws such as Trade Marks Act, 1999 apply to us as they do to any other Indian company and therefore have not been detailed below. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Overview

The Company is registered with the RBI as a NBFC-ND-SI. Set out below are significant regulations which affect our operations. We are also notified as a 'public financial institution' ("PFI") under Section 4A the Companies Act. A PFI is entitled to certain tax deductions under the Income Tax Act, in relation to any provision made by it for bad and doubtful debts, in respect of 'profits and gains from business and profession' chargeable to income tax in India. Further, under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, a PFI notified under the Companies Act is treated as a secured creditor in the event it seeks to enforce any security interests from its debtors.

NBFC Regulations

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/ stock/ bonds/ debentures/ securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/ purchase/ construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/ 1269) issued in 1999, that in order to identify a company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50% (fifty percent) of its total assets (netted off by intangible assets) and income from financial assets should be more than 50% (fifty percent) of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every Company which satifies the aforementioned conditions are required to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities within the meaning of section 45-IA of the RBI Act.

Further, an NBFC may be registered as a deposit accepting NBFC ("***NBFC-D***") or as a non-deposit accepting NBFC ("***NBFC-ND***"). NBFCs registered with RBI are further classified as:

- Asset Finance Companies;
- Investment Companies;
- Loan Companies;
- Infrastructure Finance Companies;
- Systematically Important Core Investment Companies;
- Infrastructure Debt Funds;
- Non-Banking Financial Company - Micro Finance Institution;
- Non-Banking Financial Company – Factors

Our Company is an NBFC-ND-SI, and is classified as a Loan Company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration under Section 45-IA of the RBI Act.

NBFCs are primarily governed by the RBI Act, the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("***Prudential Norms – D***"), the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("***Prudential Norms – ND***"). In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- an NBFC cannot accept deposits repayable on demand;
- NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself;
- deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

Systemically Important NBFC-NDs

All NBFC-ND with an asset size of Rs. 100.00 crore or more as per the last audited balance sheet will be considered as a NBFC- ND-SI. It is clarified that once an NBFC- ND reaches an asset size of Rs. 100.00 crore or above, it shall come under the regulatory requirement for NBFC-ND-SI as stated above, despite not having such assets as on the date of last balance sheet.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio of 10 % (ten percent), which was increased to 12% (twelve percent) by March 31, 2010 and 15% (fifteen percent) by March 31, 2011.

Rating of NBFCs

All NBFCs with an asset size of Rs. 100.00 crore are required to, as per RBI to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended, (the **"*Prudential Norms – ND*"),** amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

Provisioning Requirements

A NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against sub-Standard Assets, Doubtful Assets and Loss Assets in the manner provided for in the Prudential Norms- ND.

NBFCs are required to make provision for standard assets at 0.25% (zero point twenty five percent) of the outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Capital Adequacy Norms

Every systemically important NBFC-ND is required to maintain, with effect from April 1, 2007, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 10% (ten percent) of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. The said ratio was increased to 12% (twelve percent) by March 31, 2010 and 15% (fifteen percent) by March 31, 2011. Also, the total of the Tier II capital of a NBFC-ND, at any point of time, shall not exceed 100% (one hundred percent) of the Tier I capital.

Tier -I Capital, has been defined in the Prudential Norms – ND as, owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% (ten percent) of the Owned Fund and perpetual debt instruments issued by a systemically important NBFC-ND in each year to the extent it does not exceed 15% (fifteen percent) of the aggregate Tier I capital of such company as on March 31 of the previous accounting year.

Owned Funds, has been defined in the Prudential Norms – ND as, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier - II Capital has been defined in the Prudential Norms – ND, includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55% (fifty five percent); (c) general provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I Capital, to the extent that the aggregate does not exceed Tier-I Capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Prudential Norms- ND, prescribed credit exposure limits for NBFC- ND- SI in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% (fifteen percent) of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% (twenty five percent) of the owned funds of the systemically important NBFC-ND. Further, the NBFC- ND- SI shall not invest in the shares of another company exceeding 15% (fifteen percent) of its owned funds, and in the shares of a single group of companies exceeding 25% (twenty five percent) of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any NBFC-ND- SI classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% (five percent) of its owned fund, with the approval of its Board of Directors. The loans and investments of the NBFC-ND- SI taken together may

not exceed 25% (twenty five percent) of its owned funds to or in single party and 40% (forty percent) of its owned funds to or in single group of parties.

"Public funds" for the purpose of the proviso shall include funds raised either directly or indirectly through public deposits, commercial papers, debentures, inter-corporate deposits and bank finance.
Asset Classification

The Prudential Norms require that every NBFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation.

Regulatory Requirements of an NBFC under the RBI Act

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of Rs. 2.00 crore. For this purpose, the RBI Act and the circulars issued thereunder have defined "net owned fund" to mean:

(a) The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, and (iii) other intangible assets; and (b) further reduced by the amounts representing, (1) investment by such companies in shares of: (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and (2) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% (ten percent) of (a) above.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% (twenty percent) of its net profits earned annually before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

Information in regard to change of address, Directors, Auditors, etc. to be submitted

An NBFC-ND is required to inform the RBI of any change in the address, telephone nos., etc. of its Registered Office, names and addresses of its directors / auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC would need to ensure that its registration with the RBI remains current.

Other

All NBFCs (whether accepting public deposits or not) having an asset base of Rs. 100.00 crore or more or holding public deposits of Rs. 20.00 crore or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

NBFCs should give at least three months public notice prior to the date of closure of any of its branches / offices in, at least, one leading national news paper and a leading local (covering the place of branch/ office) vernacular language newspaper indicating therein the purpose and arrangements being made to service the depositors etc.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders: Framework for Revitalizing Distressed Assets in the Economy

The RBI issued Framework for Revitalizing Distressed Assets in the Economy (Framework) on January 30, 2014. The framework covered in the guidelines, has outlined a corrective action plan that will incentivize early identification of problem account, timely restructuring of accounts which are considered to be viable, and taking prompt steps by lenders for recovery or sale of unviable accounts

Corporate Governance

Pursuant to a RBI Master Circular dated July 01, 2014, all NBFCs having an asset base of Rs. 100.00 crore or more or holding public deposits of Rs. 20.00 crore or more are required to consider adopting best practices and transparency in their systems. An NBFC having assets of Rs. 50.00 crore and above as per its last audited balance sheet is required to constitute an audit committee, consisting of not less than three members of its Board of Directors. Constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending have also been prescribed in the RBI Circular.

Reporting by Statutory Auditors

The statutory auditors of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

KYC Guidelines

The RBI has extended the Know Your Customer ("KYC") guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The KYC policies are required to have certain key elements, including, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to KYC guidelines and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents.

Financing of NBFCs by bank

The RBI has issued the guidelines vide a Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs) dated July 1, 2014. In particular, the guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as: (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or inter corporate deposits by NBFCs to/ in any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities, (v) further lending to individuals for the purpose of subscribing to an initial public offer or for purchase of shares from secondary market.

Norms for excessive interest rates

In addition, the RBI has vide a circular Number RBI/ 2006-07/ 414 dated May 24, 2007 whereby all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 01, 2014 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Prior permission of RBI for change of control

The RBI has issued guidelines vide Master Circular – Requirement for Obtaining Prior Approval of RBI in Cases of Acquisition / Transfer of Control of NBFCs dated July 1, 2014. Since a certificate of registration is given to a company if the RBI is satisfied, inter alia, that the general character of the management or the proposed management of the NBFC shall not be prejudicial to the public interest or the interests of its depositors. In this connection, to enable RBI to ensure that the 'fit and proper' character of the management of NBFCs, both deposit accepting and non-deposit accepting, is continuously maintained, NBFCs were advised to obtain prior written permission of the RBI for the following:

(i) any takeover or acquisition of control of an NBFC, whether by acquisition of shares or otherwise;
(ii) any merger/ amalgamation of an NBFC with another entity or any merger / amalgamation of an entity with an NBFC that would give the acquirer/ another entity control of the NBFC; and
(iii) any merger/ amalgamation of an NBFC with another entity or any merger/ amalgamation of an entity with an NBFC which would result in acquisition / transfer of shareholding in excess of 10% (ten percent) of the paid up capital of the NBFC.

Prior written approval of the Reserve Bank would also be required before approaching the Court or Tribunal under Section 391-394 of the Companies Act, 1956 or Section 230-233 of Companies Act, 2013 seeking order for mergers or amalgamations with other companies or NBFCs.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2014. As per this Master Circular, the NBFCs meeting certain criteria, including, an asset base of Rs.100.00 crore, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of Rs. 20 crore or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks.

Anti Money Laundering

The RBI has issued a Master Circular dated July 01, 2014 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record: (i) for all cash transactions of value of more than Rs. 0.10 crore; (ii) all series of cash transactions integrally connected to each other which have been valued below Rs. 0.10 crore where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds Rs. 0.10 crore. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance

and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the **"DRT Act")** provides for establishment of the Debt Recovery Tribunals (the **"DRTs")** for expeditious adjudication and recovery of debts due to banks and financial institutions. The DRT Act lays down the procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the **"SARFAESI Act")** regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution may sell financial assets to an asset reconstruction company provided the asset is a non-performing asset. These assets are to be sold on a "without recourse" basis only. A securitization company may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower, by change in, or takeover of, the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Companies Act, 2013

The Companies Act, 2013 (the "2013 Act") has been notified by the Government of India on August 30, 2013 (the "Notification"). Under the Notification, Section 1 of the 2013 Act that dealt with the commencement and application of the 2013 Act, and amongst others, sets out the types of companies to which the 2013 Act applies came into effect. Further the Ministry of Corporate Affairs has by its notification dated September 12, 2013 ("September 12 Notification") notified 98 sections of the 2013 Act to come into force from September 12, 2013. Additionally, pursuant to a notification dated March 26, 2014, 171 new sections, certain un-notified sub – sections under the sections notified in the September 12 Notification and 6 schedules were notified that came into effect from April 1, 2014. The Companies Act, 2013 has 470 sections of which 269 sections are now notified. The Government of India has reserved for itself the power to notify different provisions of the 2013 Act at different points of time. The 2013 Act seeks to overhaul the Companies Act, 1956 so as to make it more adaptable to the changing circumstances and make it comprehensive.

Additionally, section 465 (yet to be notified) of the 2013 Act provides for repeals and savings where under anything done or any action taken or purported to have been done or taken, including any rule, notification, inspection, order or notice made or issued or any appointment or declaration made or any operation undertaken or any direction given or any proceeding taken or any penalty, punishment, forfeiture or fine imposed under the repealed enactments shall, insofar as it is not inconsistent with the provisions of 2013 Act, be deemed to have been done or taken under the corresponding provisions of the 2013 Act.

Labour Laws

India has stringent labour related legislations. We are required to comply with certain labour laws, which include the Minimum Wages Act, 1948, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and The Industrial Dispute Act, 1947, amongst others.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *interalia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Subject to the Memorandum and Articles of Association of the Company, the Shareholders at the Annual General Meeting held on August 27, 2014, have passed a resolution under Section 180 (1)(c) of the Companies Act, 2013 and rules made thereunder, as amended from time to time, authorising the Board to borrow from time to time, any sum or sums of monies, whether secured or unsecured, and on such terms and conditions as may be considered suitable by the Board, which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not to set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed by the Board shall not exceed a sum of Rs. 60,000.00 crore (Rupees Sixty Thousand Crore) at any time. The aggregate value of the NCDs offered under this Draft Shelf Prospectus, together with the existing borrowings of our Company, is within the borrowing limits of Rs. 60,000.00 crore (Rupees Sixty Thousand Crore).

The Board of Directors of the Company, at its meeting held on August 12, 2014, approved the public issue of NCDs in India to eligible investors, in one or more tranches (each being a "Tranche Issue"), for an amount aggregating upto Rs. 2,000.00 crore ("Shelf Limit") on the terms and conditions as setout in separate Tranche Prospectus(es) for each Tranche Issue, which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus.

Eligibility to make the Issue

The Company and persons in control of the Company and/or our Promoters have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

Disclaimer clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER SBI CAPITAL MARKETS LIMITED, A. K. CAPITAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUE IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLSOURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, SBI CAPITAL MARKETS LIMITED, A. K. CAPITAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

[●]

Disclaimer clause of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED AUGUST 18, 2009 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Disclaimer Clause of BSE

[●]

Listing

The application will be sent to Bombay Stock Exchange ("**BSE**") simultaneously with the filing of the Draft Shelf Prospectus for permission to list on BSE. We have received the in-principle approval dated [●] from the BSE. The application for listing of the NCDs will be made to BSE at an appropriate stage.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the stock exchange mentioned above are taken within 12 Working Days from the date of allotment.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Consents

Consents in writing of the Directors, Chief Financial Officer, Compliance Officer, Statutory Auditors, Bankers to the Company, Lead Managers, Registrar to the Issue, Credit Rating Agencies, Debenture Trustee and Legal Advisors to the Issue, in their respective capacities, have been obtained and will be filed along with a copy of each Tranche Prospectus(es) with the RoC.

The consents of the Statutory Auditors of the Company, namely ASA & Associates and Andros & Co. for (a) inclusion of their name as the Statutory Auditors, (b) examination reports on Reformatted Financial Statements and Limited Review Financial Statements in the form and context in which they appear in this Draft Shelf Prospectus, have been obtained and the same will be filed along with a copy of the Prospectus with the RoC.

Expert Opinion

Except the letter dated September 26, 2014 issued Brickwork, in respect of the credit rating of the Issue, and Report dated August 12, 2014 related to Limited Review Financial Statements issued by ADNROS and Company, Statutory Auditors of the Company, Examination Report on the Reformatted Financial Statements and the Statement of Tax Benefits each dated September 29, 2014 issued by ASA and Associates and ANDROS and Company, Statutory Auditors of the Company, the Company has not obtained any expert opinions.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue Size of relevant Tranche Issue within 30 days from the date of Issue of the relevant Tranche Prospectus or such other period as may be specified by SEBI, the entire Application Amounts shall be refunded to the Applicants within 12 Days from closure of the Issue. If there is delay in the refund of Application Amounts beyond the time prescribed above, our Company will pay interest for the delayed period at rate of 15% per annum for the delayed period.

Filing of the Draft Prospectus

A copy of the Draft Prospectus has been duly filed with the Designated Stock Exchange in terms of Regulation 7 of the SEBI Debt Regulation for dissemination on their website.

Debenture Redemption Reserve

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to atleast 25% of the amount raised through public issue of debentures in accordance with the SEBI Debt Regulations in case of NBFCs registered with RBI and no DRR is required in case of privately placed debentures.

Accordingly our Company is required to create DRR of 25% of the value of NCDs issued through the Issue. In addition, as per Rule 18(7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. Every company required to maintain or create DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien ; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentutes maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. This may have a bearing on the timely redemption of the NCDs by our Company.

Issue Related Expenses

The expenses of this Issue include, among others, fees for the Lead Manager, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses to be incurred for the Issue size of upto Rs. [●] crore (assuming the full subscription) are as follows:

Activity	Expenses (in Rs.)
Fees to intermediaries (Lead Management Fee, brokerage, rating agency, registrar, legal advisors, Debenture Trustees etc.)	[●]
Advertising and Marketing Expenses	[●]
Printing and Stationery	[●]
Others (including stamp duty and registration charges, if any)	[●]
Total	[●]

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956, which made any capital issue during the last three years

The Company is promoted and controlled by President of India, through Ministry of Finance, Government of India, and, as such, we do not have any identifiable 'group' companies or 'companies under the same management'.

No Reservation or Discount

No portion of this Issue has been reserved.

Common Form of Transfer

There will be a common form of transfer for NCDs held in physical form and relevant provisions of the Companies Act and other applicable laws will be duly complied with in respect of all transfers of the NCDs and registration thereof. The transfer of NCDs in demat form will be done as per the procedure/rules prescribed by the Depositories and Depository Participants.

Dividend

Our Company follows the applicable provisions of law in relation to declaration of divident. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

The Company has paid dividend of Rs. 553.07 crore in the last 5 (five) financial years. The dividend paid for the fiscal for 2014, 2013, 2012, 2011 and 2010, are as under:

Fiscal	Dividend paid on Equity Shares (Rs. in crore)	Dividend paid on Preference Shares (Rs. in crore)	Total amount of dividend paid (Rs. in crore)	Date of AGM in which dividend was declared
2014	166.20	0.26	166.46	August 27, 2014
2013	166.20	0.26	166.46	November 13, 2013
2012	73.78	0.26	74.04	July 18, 2012
2011	73.78	0.26	74.04	September 13, 2011
2010	73.78	0.26	74.04	September 17, 2010

Previous Issue

Except as stated in the Sections titled "***Capital Structure***" and "***Description of certain Indebtedness***" on pages 42 and 92 respectively, our Company has not made any other issue of non-convertible debentures. Further, save and except as disclosed in "***Description of certain Indebtedness***" of this Draft Shelf Prospectus our Company has no outstanding listed/ unlisted/ rated/ unrated, secured/ unsecured, non convertible debentures/ bonds as at August 31, 2014.

Other than as specifically disclosed in the Draft Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

Previous Public or Rights Issues by the Company during last 5 (five) years

Nil

Commission or Brokerage on Previous Issues

Not applicable, as no public issue was made in the last 5 years.

Utilisation details of Previous Issues

The proceeds of the previous public issuances have been fully utilised according to the objects mentioned in the respective prospectus.

Change in auditors of the Company during last three years

S. No	Name	Address	Date of Appointment/ Resignation	Date of Cessation	FRN
1.	Chokshi & Chokshi Chartered Accountants	15/17, Raghavji 'B' Building, Ground Floor, Raghavji Road, Off Corner, Combella Hill Hospital, Mumbai – 400036	September 18, 2009	July 18, 2012	101872W
2.	Ray & Ray Chartered Accountants	6, Church Lane, Kolkata – 700001	July 18, 2012	July 29, 2013	301072E
3.	Thakur Vaidyanath Aiyar & Co.	221-223, Deen Dayal Marg, New Delhi – 11000	August 7, 2013	August 20, 2014	000038N
4.	ASA and Associates	KH House, 118, Shahpur Jat New Delhi- 110 049	July 26, 2014	Continuing	009571N
5.	ANDROS and Company	A- 101, Group Industrial Area, Wazirpur New Delhi- 110 052	July 26, 2014	Continuing	08976N

For more information on the Statutory Auditors, see "***General Information***" on *page* 37.

Revaluation of assets

Except the details stated below for the year 2010, there has not been any revaluation of assets for the last five years. :

(Rs. in crore)

Particulars	Total Revaluation
Land	347.27
Building	686.64

Benefit/ interest accruing to Promoters/ Directors out of the object of the Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of the Issue.

Details regarding lending out of issue proceeds of Previous Issues

A. Lending Policy

Please refer to the Section "***Business***" at page 58 of this Draft Shelf Prospectus.

B. Classification of loans/ advances given to associate, entities / persons related to Board, senior management or Promoters, others etc.

Our Company has not provided any loans/ advances to associates, entities/ persons related to Board, senior management or Promoters out of the proceeds of the previous issues.

A. Types of loans

The loans given by the Company out of the proceeds of Previous Issues are loans which are given primarily to [companies/ partnerships/ sole proprietorships]. Maturity profile of total loan portfolio of the Company as on June 30, 2014 is as follows:

Maturity profile of total loan portfolio of the Company as on June 30, 2014 is as follows:

Period	Amount(Rs. in Crore)
Less than One year	2,246.36
1-3 years	9,879.54
3-5 years	5,456.43
5-10 years	2,873.33
Above 10 years	531.61
Total	**20,987.27**

Denominations of the above loans are as follows:

Loan Denomination	Amount (Rs in crore)
Below 50 lakhs	31.27
50 lakhs to 1 crore	33.01
1 crore to 5 crore	224.98
5 crore to 25 crore	1,064.60
25 crore to 100 crore	5,789.35
Above 100 crore	13,844.06
Total	**20,987.27**

Geographical break up of the above loans is as follows:

Zone	Amount (Rs in Crore)
South India	4,222.52
North India	9,865.18
West India	6,059.04
East India	840.53
Total	**20,987.27**

D. Details of top ten borrowers, as on June 30, 2014

S. No	Customer Name	Address	Amount (Rs. in crore)
1.	Essar Oil Limited	Khambhalia Post, Post Box No. 24, District, Devbhumi Dwarka, Jamnagar, Gujarat – 361 305	1,300.80
2.	Sravanthi Energy Private Limited*	3rd Floor, Rider House, 136, Sector 44, Gurgaon – 122 002	626.94
3.	Jaiprakash Associates Limited	Sector – 128, Noida, U.P. 201 304	608.34
4.	Vadinar Oil Terminal Limited	Registered office at 39 KM, Jamnagar-Okha Highway, Khambaliya Vadinar-361305, Gujarat	573.28
5.	Alok industries Limited	Tower B, 2nd & 3rd Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013	427.60
6.	Ratnagiri gas and Power Private Limited (RGPPL)	2nd Floor, Block-2, IGL Complex Plot No.2-B Sector -128, Expressway , NOIDA-201304	416.59
7.	Binani Cement Limited	Merchantile Chambers, 12 JN Heredia Marg, Ballard Estate, Mumbai – 400 001.	403.09
8.	Videocon Industries Limited	Fort House, 2nd Floor, 221,Dr. DN Road, Fort, Mumbai- 400 001(India)	398.00
9.	Ksk Energy Company Private Limited	8-2-293/82/A/431/A, Road No. 22, Jubilee Hills Hyderabad – 500 033	378.21
10.	Amtek Auto Limited	3, LSC – Pamposh Enclave, Greater Kailash – 1, New Delhi – 110 048	350.00
Total			**5,482.85**

***** *Net of provisions made.*

E. Details of top ten loans, overdue and non-performing assets, as on June 30, 2014

S. No	Customer Name	Address	Loan Amount* (Rs. in crore)
1.	Sravanthi Energy Private Limited	3rd Floor, Rider House, 136, Sector 44, Gurgaon – 122 002	626.94
2.	DB Hospitality Private Limited (DBHPL)	DB House, Gen, A.K.Vaidya Marg, Goregaon (East), Mumbai – 400 063	123.97
3.	Surana Industries Limited	29, Whites Road, 2nd Floor, Royapettah, Chennai – 600014	115.12
4.	Shiv Vani Oil and Gas Exploration Limited	Tower 1, 5th Floor, NBCC Plaza, Sector V, Pushp Vihar, Saket, New Delhi - 110017	103.29
5.	Blue Coast Hotels Limited	Registered office: 263C, Arossim, Cansaulim, Goa – 403 712 Corporate office: 415-417, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi – 110 001	97.20
6.	Orchid Chemicals and Pharmaceuticals Limited	313 – Valluvar Kottam High Road, Nungambakkam, Chennai – 600034	85.46
7.	Skil Infrastructure Limited (SKIL)	Registered Office at SKIL House, 209 Bank Street, Cross Lane, Fort, Mumbai – 400 023	82.40
8.	Era Housing and Developers (India) Limited (EHDL)	370-371/2, Sahi Hospital Road, Bhogal, Jangpura New Delhi-110014	81.11
9.	Murli Industries Limited	Radha House, 239 East Wardhaman Nagar, Nagpur – 440 008	67.69
10.	Coastal Projects Limited	Plot No. 304 – 0, Road No. 78, Film Nagar, Jubilee Hills, Hyderabad – 500 033 A.P. India	66.06
Total			**1,449.24**

***** *Net of provisions made.*

Track record of past public issues handled by the Lead Managers

Details of the track record of the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, has been disclosed on the respective websites of the Lead Managers.The track record of past issues handled by SBI Capital Markets Limited, A.K. Capital Services Limited, Edelweiss Financial Services Limited and RR Investors Capital Services Private Limited are available at www.sbicaps.com, www.akcapindia.com, www.edelweissfin.comand www.rrfcl.com, respectively.

Material Contracts

The Company has not entered into any material contracts other than in the ordinary course of business, in the last two years.

Underwriting

This Issue has not been underwritten.

Trading

Debt securities issued by our Company, which are listed on BSE are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Legal Proceedings

Proceedings involving the Company, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of the Company

Except as described in Section "***Material Litigation***" on Page 105 of this Draft Shelf Prospectus, We believe that there are no legal proceedings involving the Company, promoter, director, subsidiaries, group companies, and in our opinion, no proceedings are threatened, which may have, or have had a material adverse effect on our business, financial position, profitability or results of operations.

Details of default and non-payment of statutory dues

Other than as disclosed in the section titled "***Material Litigation***" on Page 105 of this Draft Shelf Prospectus, the Company has not received any demand notice from any statutory agency for default and non-payment of statutory dues.

Enquiries, Inspections or Investigations under company law

Other than as disclosed in the section titled "***Material Litigations***" on Page 105 of this Draft Shelf Prospectus there are no enquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years immediately preceding the year of issue of Draft Shelf Prospectus in case of the Company and all of its Subsidiaries. Further, there are no prosecution filed (whether pending or not), fines imposed or compounding offences done in the last five years immediately preceding the year of the Draft Shelf prospectus for the Company and all of its Subsidiaries.

Auditor's Remarks

The statutory auditor of the Company, ASA and Associates and ANDROS and Company confirm that except as disclosed in the Risk Factors, there have been no reservations or qualifications or adverse remarks in the Financial Statements of the Company in the last five financial years immediately preceding this Draft Shelf Prospectus.

Details of fraud committed against the Company

There have not been any acts of material frauds committed against the Company in the last five years.

Mechanism for redressal of investor grievances

The agreement dated September 26, 2014 between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner.
All grievances relating to the Issue may be addressed to the Registrar to the Issue or Compliance Officer giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted. The contact details of Registrar to the Issue and Compliance Officer of our Company are as follows:

Registrar to the Issue

KARVY Computershare Private Limited
Plot No. 17 to 24, Vithal Rao Nagar
Madhapur, Hyderabad 500 081
Tel: +91(40) 4456 5000
Fax: +91 (40) 2343 1551
Investor Help line no.: 1-800-3454001
Email ID: ifci.bonds@karvy.com
Investor Grievance ID: einward.ris@karvy.com
Website: http://karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration Number: INR000000221

Compliance Officer of the Company:

Ms. Barkha Chhabra
Deputy General Manager
IFCI Tower
61, Nehru Place
New Delhi- 110 019, India
Tel: +91 11 41732000, 26485610
Fax: +91 11 26230029
Email: bondscomplianceofficer@ifciltd.com

MATERIAL DEVELOPMENTS

Material Development since the last Balance Sheet as on March 31, 2014

In the opinion of the Board, other than as disclosed below, there has not arisen, since the date of the last financial statements, any circumstance that materially or adversely affects the profitability of our Company or the value of our assets or our ability to pay our material liabilities over the next 12 months.

1. Pursuant to the allotment and issuance of shares by ACE to SSG Capital Management (Singapore) Pte Limited, the percentage shareholding of our Company in ACE has reduced to 19.34% as on date. Thus, post issuance and allotment of shares by ACE to SSG Capital Management (Singapore) Pte Limited, as aforesaid, ACE is longer our associate company.

2. We are in the process of disinvestment of our entire stake in one of our subsidiary companies viz. IFIN. Thus, post disinvestment in our stake in IFIN and its wholly owned subsidiaries i.e. IFIN Credit, IFIN Commodities and IFIN Securities will no longer be our subsidiary.

SECTION VI – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The Board of Directors of the Company, at its meeting held on August 12, 2014, the Directors approved the issue of NCDs to the public in India to eligible investors, in one or more tranches, in the aggregate amount of up to Rs. 2,000.00 crore.

Particulars of the NCDs

The following are the key terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in "***Terms of the Issue***" on page 127 of this Draft Shelf Prospectus.

COMMON TERMS FOR ALL SERIES OF THE NCDs	
Issuer	IFCI Limited
Lead Managers	SBI Capital Markets Limited, A. K. Capital Services Limited, Edelweiss Financial Services Limited and RR Capital Services Private Limited
Type of Instrument	Secured redeemable non-convertible debentures
Issue	Public issue of the secured redeemable non-convertible debentures of face value of Rs. 1000 each, proposed to be issued by the Company pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es), in one or more tranches (each being a "Tranche Issue") for an amount aggregating upto Rs. 2,000.00 crore ("Shelf Limit") on the terms and conditions as setout in separate Tranche Prospectus(es) for each tranche issue, which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus
Face Value (Rs.)	Rs. 1,000 per NCD
Issue Price (Rs.)	Rs. 1,000 per NCD
Nature of Instrument	Secured
Mode of Issue	Public issue
Minimum Application Size and in multiples	As mentioned in the respective Tranche Prospectus(es)
Pay-in Date	The date of Application. The entire Application Amount is payable on Application. See "***Issue Procedure – Payment Instructions***" on page 149 of this Draft Shelf Prospectus.
Eligible Investor	See the section titled "***Issue Procedure- Who can apply***" on page 139 of this Draft Shelf Prospectus.
Listing	BSE. BSE being the Designated Stock Exchange. For more information, see "***Terms of the Issue – Listing***" on page 135 of this Draft Shelf Prospectus. The NCDs shall be listed on the BSE within 12 Working Days from the relevant Tranche Issue Closing Date
Credit Rating / Rating of the Instrument	ICRA has, vide its letter no. D/RAT/2014-15/1-57/6 dated September 26, 2014, assigned a credit rating of "[ICRA] A (Stable)" to the NCDs. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2014-15/0211 dated September 26, 2014, assigned a credit rating of "BWR AA- (Outlook: Stable)" to the NCDs. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see "Annexure B – Credit Rating" of this Draft Shelf Prospectus
Security	*Pari passu* floating first charge on receivables of the Company (other than the Lien Receivables) with an asset cover of one time of the total outstanding amount of NCDs and interest thereon at any point of time. The Company reserves the right to create first pari passu charge on the present and future receivables for its present and future financial requirements or otherwise, provided that a minimum security cover of 1 (one) time is maintained
Security Cover	One time of the total outstanding NCDs and the interest due thereon at any point in time
Tenor	As specified in the Tranche Prospectus
Nature of Indebtedness and Ranking/ Seniority	The claims of the Debenture holders shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank *pari passu* inter se to the claims of other secured creditors of the Company having the same security
Put/Call Option	As per relevant respective Tranche Prospectus(es)
Debenture Trustee	Axis Trustee Services Limited
Depositories	Central Depository Services (India) Limited ("**CDSL**") and National Securities Depository Limited ("**NSDL**")
Registrar	Karvy Computershare Private Limited
Modes of Payment/Settlement Mode	1. Direct Credit; 2. National Electronic Clearing System ("**NECS**"); 3. Real Time Gross Settlement ("**RTGS**"); 4. National Electronic Fund Transfer ("**NEFT**"); and 5. Demand Draft/ Cheque/ Pay Order For more information, see "***Terms of the Issue – Manner and Modes of Payment***" on page 131 of this Draft Shelf Prospectus.
Mode of Issuance	In dematerialised form and physical form, at the option of the Applicant*
Mode of Trading	In dematerialised form only*
Market Lot / Trading Lot	One NCD
Deemed Date of Allotment	The date on which, the Board of Directors or Board Committee, approves the Allotment of NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or Board Committee and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on NCDs (as specified in each Tranche Issue by Tranche Prospectus(es) shall be available from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Issue Opening Date	As specified in the respective Tranche Prospectus(es)
Issue Closing Date	As specified in the respective Tranche Prospectus(es)

COMMON TERMS FOR ALL SERIES OF THE NCDs		
Record Date	Date falling 15 days prior to the relevant Interest Payment Date on which interest or the Maturity Date on which the Maturity Amount is due and payable under the relevant Tranche Prospectus(es). In the event the Record Date falls on a Saturday, Sunday or a Public Holiday in New Delhi, the previous Working Day shall be considered as the Record Date	
Objects of the Issue and Utilisation of Proceeds	See "***Objects of the Issue***" on page 48 of this Draft Shelf Prospectus.	
Working/ Business Day Convention	See "***Terms of the Issue- Effect of holidays on payment*** " on page 131 of this Draft Shelf Prospectus	
Day Count Convention	See "***Terms of the Issue- Day Count Convention***" on page 131 of this Draft Shelf Prospectus	
Transaction Documents	This Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus(es) read with notices, corrigenda, documents/ undertakings/ agreements entered into or to be entered into by the Company with Lead Managers and/or other intermediaries for the purpose of this Issue, including but not limited to the following: -	
	Debenture Trust Agreement	Debenture Trust Agreement dated September 26, 2014 entered into between the Debenture Trustee and the Company
	Escrow Agreement	Escrow Agreement dated [●] entered into between the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants on the terms and conditions thereof
	Issue Agreement	Issue Agreement dated September 27, 2014 entered into between the Company and the Lead Managers
	Consortium Agreement	Consortium Agreement dated [●] entered into between the Company and the Consortium Members
	Registrar Agreement	Agreement dated September 26, 2014 entered into between the Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
	Tripartite Agreements	Tripartite agreement dated November 3, 2011 entered into between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated November 9, 2011 entered into between the Company, NSDL and the Registrar to the Issue
Conditions precedent/ subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See "***Terms of the Issue - Utilisation of Issue Proceeds***" on page 135 of this Draft Shelf Prospectus	
Event of Default	See "***Terms of the Issue- Event of Defaults***" on page 134 of this Draft Shelf Prospectus	
Cross Default	Not applicable	
Roles and Responsibilities of Debenture Trustee	See "***Terms of the Issue- Debenture Trustee***" on page 134 of this Draft Shelf Prospectus	
Discount at which NCDs are issued and the effective yield as a result of such discount	Not applicable	
Governing Law	Laws of the Republic of India	
Jurisdiction	The courts of New Delhi will have exclusive jurisdiction for the purposes of the Issue.	

** The Allotment of NCDs shall be in dematerialized form as well as physical form. In terms of Regulation 4 (2)(d) of the SEBI Debt Regulations and Section 29 of the Companies Act, 2013, the Company shall make public issue of NCDs in dematerialized form. However, in terms of Section 8(1) of the Depositories Act, the Company, at the request of the Investors who wish to hold the NCDs in physical form will fulfill such request. However, trading in NCDs shall be compulsorily in dematerialized form.*

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

SPECIFIC TERMS FOR EACH SERIES OF NCDs

As specified in the relevant Tranche Prospectus(es).

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue Size of relevant Tranche Issue within 30 days from the date of Issue of the relevant Tranche Prospectus or such other period as may be specified by SEBI, the entire Application Amounts shall be refunded to the Applicants within 12 Days from closure of the Issue. If there is delay in the refund of Application Amounts beyond the time prescribed above, our Company will pay interest for the delayed period at rate of 15% per annum for the delayed period.

Market Lot & Trading Lot

As per the SEBI Debt Regulations, since trading in the NCDs will be in dematerialised form only, the tradable lot is one NCD ("**Market Lot**"). The Company has made depository arrangements with CDSL and NSDL for trading of the NCDs in dematerialised form, pursuant to the tripartite agreement dated November 3, 2011 between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated November 9, 2011 between the Company, NSDL and the Registrar to the Issue (collectively, "**Tripartite Agreements**").

Listing

For information, see "***Terms of the Issue – Listing***" on page 135 of this Draft Shelf Prospectus.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

Subject to the Memorandum and Articles of Association of the Company, the Shareholders at the Annual General Meeting held on August 27, 2014, have passed a resolution under Section 180 (1)(c) of the Companies Act, 2013 and rules made thereunder, as amended from time to time, authorising the Board to borrow from time to time, any sum or sums of monies, whether secured or unsecured, and on such terms and conditions as may be considered suitable by the Board, which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not to set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed by the Board shall not exceed a sum of Rs. 60,000.00 crore (Rupees Sixty Thousand Crore) at any time. The aggregate value of the NCDs offered under this Draft Shelf Prospectus, together with the existing borrowings of our Company, is within the borrowing limits of Rs. 60,000.00 crore (Rupees Sixty Thousand Crore).

The Board of Directors of the Company, at its meeting held on August 12, 2014, approved the public issue of NCDs in India to eligible investors, in one or more tranches (each being a "Tranche Issue"), for an amount aggregating upto Rs. 2,000.00 crore ("Shelf Limit") on the terms and conditions as set out in separate Tranche Prospectus(es) for each Tranche Issue, which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus.

Terms & Conditions of the Issue

The terms and conditions of NCDs being offered in the Issue are subject to the Companies Act, 1956, Companies Act, 2013, the SEBI Debt Regulations, the Debt Listing Agreement, this Draft Shelf Prospectus, the Shelf Prospectus the Tranche Prospectus(es), the Application Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the Debenture Trust Agreement and Debenture Trust Deed to be entered into between the Debenture Trustee and the Company, as well as other laws applicable from time to time, including rules, regulations, guidelines, notifications and any statutory modifications or re-enactments including those issued by GoI, SEBI, RBI, the Stock Exchanges and/or other statutory/ regulatory authorities relating to the Issue and listing of securities and any other documents that may be executed in connection with the NCDs. For more information, see "***Issue Structure***" on page 124 of this Draft Shelf Prospectus.

Face Value

The face value of each NCD is Rs. 1,000.00.

Security

The NCDs will be secured by a *pari passu* floating first charge on receivables, present and future, of the Company (other than the Lien Receivables), with an asset cover of one time of the total outstanding amount of NCDs, from time to time. The Company reserves the right to create first pari passu charge on its present and future receivables for its present and future financial requirements or otherwise, without requiring the consent of, or intimation to, the Debenture holders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.

The Company undertakes to execute necessary documents for the creation of the charge, where applicable, including the Debenture Trust Deed within the time frame prescribed in the SEBI Debt Regulations and other relevant regulations/act/rules etc. and the same would be uploaded on the website of the Designated Stock Exchange, where the debt securities are proposed to be listed, within five working days of execution of the same. The Debenture holders are entitled to the benefit of the Debenture Trust Deed and are bound by and are deemed to have notice of all provisions of the Debenture Trust Deed.

The Company has applied for NOC from the existing debenture trustees/ lenders for creation and sharing of *pari passu* security interest as aforesaid.

Credit Rating

ICRA Limited has, letter no. D/RAT/2014-15/1-57/6 dated September 26, 2014, assigned a credit rating of "[ICRA]A (Stable)" to the NCDs. Instruments with this rating are considered to have the adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Brickwork Rating India Private Limited has, Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2014-15/0211 dated September 26, 2014, assigned a credit rating of "BWR AA- (Outlook: Stable)" to the NCDs. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

For the rationale for these ratings, see "***Annexure B – Credit Rating***".

Issue Period

Issue Opens On	As specified in the Tranche Prospectus
Issue Closes On	As specified in the Tranche Prospectus

The Issue shall open for subscription on Working Days from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Board Committee. In the event of such early closure or extension of the subscription list of the Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Tranche Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper.

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges during the Issue Period mentioned above, on all Working Days, i.e., between Monday and Friday, both inclusive, barring public holidays: (i) by the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, at the centres mentioned in the Application Form through the non-ASBA mode, or (ii) in case of ASBA Applications, (a) directly by Designated Branches of SCSBs or (b) by the centres of the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, only at the specified cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) ("**Specified Cities**"), except that on the Tranche Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges (after taking into account the total number of Applications received up to the closure of timings for acceptance of Application Forms as stated herein). Applicants may also make their Applications through Direct Online Applications using the online payment facility offered through the Stock Exchange(s) during the Issue Period, subject to such online payment facility being made available by the Stock Exchange(s) prior to the date of filing of the respective Tranche Prospectus(es) by the Company with RoC

Due to limitation of time available for uploading Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue.

The NCDs are being issued at par and the full amount of the face value per NCD is payable on Application, except ASBA Application the amount will be blocked in the ASBA Account.

Neither the Company, nor the Members of the Syndicate or Trading Members of the Stock Exchange(s) shall be liable for any failure in uploading Applications due to failure in any software/hardware system or otherwise.

MINIMUM APPLICATION

As mentioned in the respective Tranche Prospectus(es).

ESCROW MECHANISM

Please refer "***Issue Procedure – Escrow Mechanism for Applicants other than ASBA Applicants***" and "***Issue Procedure – Payment into Escrow Account***" on page 150 and page 151 of this Draft Shelf Prospectus, respectively.

ALLOTMENT OF NCDs

Deemed Date of Allotment

The Deemed Date of Allotment will be the date on which, the Board of Directors or Board Committee approves the Allotment of NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or Board Committee and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by Tranche Prospectus(es)) shall be available from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment

Basis of Allotment

As specified in the respective Tranche Prospectus(es).

Group of Applications and Allocation Ratio

The Registrar will aggregate the applications based on the applications received through an electronic book from the Stock Exchanges and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

For the purposes of the basis of allotment:

a) *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together ("**QIB Portion**");
b) *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together ("**Domestic Corporate Portion**");
c) *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together; and ("**High Networth Individual Portion**")
d) *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together. ("**Retail Individual Investor Portion**")

For avoidance of doubt, the terms "**QIB Portion**", "**Domestic Corporate Portion**", "**High Net Worth Individual Portion**" and "**Retail Individual Investor Portion**" are individually referred to as a "**Portion"** and collectively referred to as **"Portions"**.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, the Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case the Company opts to retain any oversubscription in the Issue up to the Shelf Limit. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case the Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the **"Overall Issue Size".**

Allocation Ratio

QIB Portion	Domestic Corporate Portion	High Networth Individual Portion	Retail Individual Investor Portion
[●]% of the Overall Issue Size	[●]% of the Overall Issue Size	[●]% of the Overall Issue Size	[●]% of the Overall Issue Size

Additional/Multiple Applications

Please refer "***Issue Procedure – Additional/Multiple Applications***" on page 145 of this Draft Shelf Prospectus.

Form of Allotment and Denomination

The Allotment of NCDs shall be in dematerialized form as well as physical form. In terms of Regulation 4 (2)(d) of the SEBI Debt Regulations and Section 29 of the Companies Act, 2013, the Company shall make public issue of NCDs in dematerialized form. However, in terms of Section 8(1) of the Depositories Act, the Company, at the request of the Investors who wish to hold the NCDs in physical form will fulfill such request. However, trading in NCDs shall be compulsorily in dematerialized form.

The Company has made depository arrangements with CDSL and NSDL for the issuance of the NCDs in dematerialized form, pursuant to the tripartite agreement dated November 3, 2011 between the Company, the Registrar and CDSL and the tripartite agreement dated November 9, 2011 between the Company, the Registrar and NSDL. The Company shall take necessary steps to credit the Depository Participant account of the Applicant with the number of NCDs Allotted in dematerialized form. The Debenture holders holding the NCDs in dematerialized form shall deal with the NCDs in accordance with the provisions of the Depositories Act, Companies Act, 2013, as the case may be, and rules and regulations notified thereunder, from time to time.

In case of NCDs held in physical form, whether on Allotment or on rematerialization of NCDs allotted in dematerlised form, a single certificate will be issued to the Debenture holder for the aggregate amount ("**Consolidated Certificate**") for each Series of NCD. The applicant can also request for the issue of Debenture certificates in denomination of the Market Lot.

In respect of Consolidated Certificates, we will, only on receipt of a request from the Debenture holder within 30 Working Days of the request, split such Consolidated Certificates into smaller denominations in accordance with the applicable rules/regulations/act, subject to the minimum of Market Lot. No fees will be charged for splitting of Debenture certificate(s) in Market Lots, but stamp duty payable, if any, would be borne by the Debenture holder. The request for splitting should be accompanied by the original Consolidated Certificates which will, on issuance of the split Consolidated Certificate, be treated as cancelled by us.

PAYMENT OF REFUNDS

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Tranche Issue Closing Date, the Registrar to the Issue will dispatch refund orders/ issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of NCDs. The Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds. For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be issued to the clearing system within 12 Working Days of the Tranche Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving refunds through these modes, giving details of the bank where refunds will be credited with the amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses (in India) of Applicants, as per Demographic Details received from the Depositories. The Demographic Details would be used for mailing of the physical refund orders, as applicable.

The Applicant who applied for NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Please note that Failure to do so could result in delays in credit of refund to the Applicant at the sole risk of the Applicant and neither the Lead Managers nor the Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for such delays on part of the Applicants.

Mode of refunds for Applicants other than ASBA Applicants

Payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the following modes:

1. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, will be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

2. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the Magnetic Ink Character Recognition ("**MICR**") code from the Depositories.

3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 2.00 lakh or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Charges, if any, levied by the applicant's bank receiving the credit would be borne by the Applicant.

4. NEFT – Payment of refund will be undertaken through NEFT wherever the Applicant's bank has been assigned the IFSC which can be linked to a MICR code, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine

digit MICR number and their bank account number while opening and operating the beneficiary account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. If NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through speed/registered post only to Applicants that have provided details of a registered address in India. Such refunds will be made by cheques, pay orders or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Moreover, the Company, Lead Managers and Registrar to the Issue will not be responsible for any delay in receipt of credit of interest, refund or Maturity Amount so long as the payment process has been initiated in time.

Mode of refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar to the Issue will instruct the relevant SCSB to unblock funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Tranche Issue Closing Date.

INTEREST/ PREMIUM ON THE NCDs

As specified in the respective Tranche Prospectus(es).

Interest on Application and Refund Money

Interest on application monies received which are used towards allotment of NCDs

We shall pay interest on the application amount for which NCDs are Allotted to the Applicants (except ASBA Applicants) subject to deduction of income tax under the Income Tax Act, to any Applicants to whom the NCDs are Allotted pursuant to the Issue from the date of realization of application money through cheque(s)/ demand draft(s)/ any other mode up to one day prior to the Deemed date of Allotment, at the rate as specified in the Tranche Prospectus. However, we shall not be liable to pay any interest on Application Amounts in case of monies paid in excess of the amount of Bonds applied for in the Application Form.

In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of the banking records, we shall pay interest on the Application Amounts on the amount Allotted from 3 (three) Working Days from the date of upload of each Application on the electronic Application platform of the relevant Stock Exchange(s) up to one day prior to the Deemed Date of Allotment, at the aforementioned rates.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, the interest warrant will be dispatched along with the Letter of Allotment/ Allotment Advice at the sole risk of the Applicant, to the sole/first Applicant.

A tax deduction certificate will be issued for the amount of income tax so deducted.

Interest on application monies received which are liable to be refunded

We shall pay interest on application money which is liable to be refunded to the Applicants (except ASBA Applicants) in accordance with the SEBI Debt Regulations and/or Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the Income Tax Act, as applicable, from the date of realization of the application money through cheque(s)/demand draft(s)/ any other mode up to one day prior to the Deemed Date of Allotment, at the rate as specified in the Tranche Prospectus. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched/credited (in case of electronic payment) along with the refund orders at the sole risk of the Applicant, to the sole/first applicant. A tax deduction certificate will be issued for the amount of income tax so deducted.

In the event our Company does not receive a minimum subscription of 75% of the Base Issue as mentioned in the respective Tranche Prospectus on the date of closure of the relevant Tranche Issue, the Company shall pay interest on application money which is liable to be refunded to the Applicants (except ASBA Applicants) in accordance with the SEBI Debt Regulations and/or Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the Income Tax Act, as applicable.

A tax deduction certificate will be issued for the amount of income tax so deducted, if any.

Provided that, notwithstanding anything contained hereinabove, the Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, and/or (b) applications which are withdrawn by the applicant, and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For more information, see "***Issue Procedure - Rejection of Application***" on page 152 of this Draft Shelf Prospectus.

Interest in case of Delay

The Company undertakes to pay interest in connection with any delay in Allotment, dematerialised credit and refunds, beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under applicable statutory and/or regulatory requirements.

REDEMPTION

The Company will redeem at par, on the respective Maturity Dates of each Series of NCDs.

NCDs held in electronic form:

No action is required on the part of Debenture holders on the Maturity Date(s).

NCDs held in physical form:

No action will ordinarily be required on the part of the Debenture holder at the time of redemption, and the Maturity Amount will be paid to those Debenture holders whose names appear in the Register of Debenture holders maintained by the Company on the Record Date fixed for the purpose of Redemption. However, the Company may require the Debenture Certificate(s), duly discharged by the sole holder or all the joint-holders (signed on the reverse of the Consolidated Debenture Certificate(s)) to be surrendered for redemption on Maturity Date and sent by the Debenture holders by registered post with acknowledgment due or by hand delivery to the Registrar to the Issue or the Company or to such persons at such addresses as may be notified by the Company from time to time. Debenture holders may be requested to surrender the Debenture Certificate(s) in the manner stated above, not more than three months and not less than one month prior to the Maturity Date so as to facilitate timely payment.

Right to re-issue NCD(s)

Subject to the provisions of the Companies Act, 1956 and the Companies Act, 2013, as applicable on the date of this Draft Shelf Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

PAYMENT OF INTEREST ON NCDs

Day Count Convention

Interest rate will be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. Where the coupon/ interest period (start date to end date) includes February 29, coupon/ interest rate will be computed on 366 days-a-year basis, on the principal outstanding on the NCDs.

Effect of holidays on payments

If the date of payment of coupon/ interest does not fall on a Working Day, the payment shall be made on the immediately succeeding Working Day along with the interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next coupon/ Interest Payment Date. If the Redemption Date/ Maturity Date (also being the last Coupon/ Interest Payment Date) of any Series of NCDs falls on a day which is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with the interest accrued on the NCDs until but excluding the date of such payment.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 will be a disclosed in the relevant Tranche Prospectus(es).

Manner and Modes of Payment

For NCDs held in electronic form:

No action is required on the part of Debenture holders on the Maturity Date. Payment on the NCDs will be made to those Debenture holders whose name appears first in the register of beneficial owners maintained by the Depository, on the Record Date. The Company's liability to Debenture holders for payment or otherwise will stand extinguished from the Maturity Date or on dispatch of the amounts payable by way of principal and/or interest to the Debenture holders. Further, the Company will not be liable to pay any interest, income or compensation of any kind accruing subsequent to the Maturity Date.

The Debenture holders' respective bank account details will be obtained from the Depository for payments. Applicants are therefore advised to immediately update their bank account details as appearing on the records of their DP. Failure to do so could result in delays in credit of payments to applicants at their sole risk, and neither the Company, the Members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange(s) will bear any responsibility or liability for the same.

For NCDs held in physical form

The bank details will be obtained from the Registrar to the Issue for effecting payments.

Moreover, the Company, Lead Managers and Registrar to the Issue will not be responsible for any delay in receipt of credit of interest, refund or Maturity Amount so long as the payment process has been initiated in time.

All payments to be made by the Company to the Debenture holders will be made through any of the following modes, in the following order of preference:

(a) ***Direct Credit***

Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depository, will be eligible to receive payments through direct credit. Charges, if any, levied by the Refund Bank for the same would be borne by the Company.

(b) ***NECS***

Applicants having a bank account at any of the centres notified by RBI, as per Demographic Details received from the Depository, will be eligible to receive payments through NECS. This mode of payment is subject to availability of complete bank account details with the Depository, including the MICR code, bank account number, bank name and bank branch. The corresponding IFSC will be obtained from the RBI website as at a date prior to the date of payment, duly mapped with the relevant MICR code.

(c) ***RTGS***

Applicants having a bank account with a bank branch which is RTGS enabled, as per the information available on the website of RBI and as per records received from the Depository, will be eligible to receive payments through RTGS in the event the payment amount exceeds Rs. 2.00 lakh or such amount as may be fixed by RBI from time to time. This mode of payment is subject to availability of complete bank account details with the Depository, including the MICR code, bank account number, bank name and bank branch. Charges, if any, levied by the Refund Bank for the same would be borne by the Company. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. The corresponding IFSC will be obtained from the RBI website as at a date prior to the date of payment, duly mapped with the relevant MICR code.

(d) ***NEFT***

Applicants having a bank account with a bank branch which is NEFT enabled, as per records received from the Depository, will be eligible to receive payments through NEFT. This mode of payment is subject to availability of complete bank account details with the Depository, including the MICR code, bank account number, bank name and bank branch. The corresponding IFSC will be obtained from the RBI website as at a date prior to the date of payment, duly mapped with the relevant MICR code.

(e) ***Demand Draft/ Cheque/ Pay Order***

For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched by Registered/Speed Post, only to Applicants that have provided details of a registered address in India. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where the Applications are received. Bank Charges, if any, for cashing such cheque, pay orders or demand drafts at other centres will be payable by the Applicants.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of payment orders/ warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/warrants. Applications without these details are liable to be rejected. In relation to NCDs applied for and held in dematerialised form, these particulars would be taken directly from the Depositories. In case of NCDs held in physical form on account of rematerialisation, Applicants are advised to submit their bank account details with the Company or the Registrar to the Issue at least seven days prior to the Record Date, failing which the orders/warrants will be dispatched to the postal address (in India) of the Debenture holder as available in the register of beneficial owners maintained by the Depository, at the sole risk of the Debenture holder. Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

Record Date

The Record Date for payment of interest on the NCDs or the Maturity Amount will be 15 days prior to the date on which such amount is due and payable under the relevant Tranche Propectus(es) ("**Record Date**"). In the event the Record Date falls on a Saturday, Sunday or a public holiday in New Delhi, the previous Working Day shall be considered as the Record Date. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption.

TRANSFER OF THE NCDS

The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Companies Act,1956 and Companies Act, 2013 and the Company's Articles of Association will apply, *mutatis mutandis* (to the extent applicable to debentures) to the NCDs.

Transfer of NCDs held in dematerialized form

In respect of NCDs held in the dematerialized form, transfers of the NCDs may be effected, only through the Depositories where such NCDs are held, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. The Debenture holder shall give delivery instructions containing details of the prospective purchaser's DP's account to his DP. If a prospective purchaser does not have a demat account, the Debenture holder may rematerialize his or her NCDs and transfer them in a manner as specified below.

Transfer of NCDs in physical form

The NCDs may be transferred by way of a duly executed transfer deed or other suitable instrument of transfer as may be prescribed by the Company for the registration of transfer of NCDs. Purchasers of NCDs are advised to send the Consolidated Debenture Certificate to the Company or to such persons as may be notified by the Company from time to time. If a purchaser of the NCD in physical form intends to hold the NCD in dematerialized form, the NCDs may be dematerialized by the purchaser through his or her DP in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time.

The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date, failing which the interest and/or Maturity Amount for the NCDs will be paid to the person whose name appears in the register of debenture holders maintained by the Depositories. In such cases, any claims will be settled *inter se* between the parties and no claim or action will be brought against the Company or the Registrar to the Issue.

TAXATION

For details, please see "***Statement of Tax Benefits***" on page 49 of this Draft Shelf Prospectus.

Debenture holder Not a Shareholder

The Debenture holders will not be entitled to any of the rights and privileges available to equity and/or preference shareholders of the Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the Debt Listing Agreement.

Rights of Debenture holders

Provided below is an indicative list of certain significant rights available to the Debenture holders. The final rights of the Debenture holders will be as per the Debenture Trust Deed.

(a) The Company will maintain at its Registered Office or such other place as permitted by law a register of Debenture holders ("**Register of Debenture holders**") containing such particulars as required by Section 88 of the Companies Act, 2013. In terms of Section 88(3) of the Companies Act, 2013 the Register of Debenture holders maintained by a Depository for any NCD in dematerialised form under Section 11 of the Depositories Act, 1996 ("**Depositories Act**") will be deemed to be a Register of Debenture holders for this purpose.

(b) The NCDs will not, except as provided in the Companies Act, 1956 and Companies Act, 2013 to the extent applicable, confer on Debenture holders any rights or privileges available to members of the Company including the right to receive notices or annual reports of, or to attend and / or vote, at the Company's general meeting(s). However, if any resolution affecting the rights of the Debenture holders is to be placed before the shareholders, such resolution will first be placed before the concerned Debenture holders for their consideration. In terms of Section 136 of the Companies Act, 2013, the Debenture holders will be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to the Company.

(c) The rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with either (i) the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs; or (ii) the sanction of at least three-fourths of the Debenture holders present and voting at a meeting of the Debenture holders ("**Special Resolution**"), provided that nothing in such consent or resolution will be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the NCDs if modification, variation or abrogation is not acceptable to the Company.

(d) The Debenture holder or, in case of joint-holders, the person whose name stands first in the register of beneficial owners maintained by the Depository will be entitled to vote in respect of such NCDs, either by being present in person or, where proxies are permitted, by proxy, at any meeting of the concerned Debenture holders summoned for such purpose and every such Debenture holder will be entitled to one vote on a show of hands and, on a poll, his or her voting rights will be in proportion to the outstanding nominal value of NCDs held by him or her on every resolution placed before such meeting of the Debenture holders.

(e) NCDs may be rolled over with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a Special Resolution passed at a meeting of the Debenture holders convened with at least 21 days prior notice for such roll-over and in accordance with the SEBI Debt Regulations. The Company will redeem the NCDs of all the Debenture holders who have not given their positive consent to the roll-over.

(f) The NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, 1956/ Companies Act, 2013 to the extent applicable, our Memorandum and Articles of Association, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus(es), the Application Forms, Abridged Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

The above rights of Debenture holders are merely indicative. The final rights of the Debenture holders will be as per the terms of this Draft Shelf Prospectus and respective Tranche Prospectus(es) and Debenture Trust Deed.

Joint-holders

Where two or more persons are holders of any NCD(s), they will be deemed to hold the same as joint holders with benefits of survivorship subject to the Company's Articles of Association and applicable law.

Nomination

In accordance with Section 72 of the Companies Act, 2013, the sole/first Debenture holder, with other joint Debenture holders (being individuals), may nominate any one person (being an individual) who, in the event of death of the sole Debenture holder or all the joint Debenture holders, as the case may be, will become entitled to the NCDs. A nominee entitled to the NCDs by reason of the death of the original Debenture holder(s) will become entitled to the same benefits to which he would be entitled if he were the original Debenture holder. Where the nominee is a minor, the Debenture holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to NCDs in the event of the Debenture holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Company's Registered and Corporate Office or with the Registrar to the Issue or at such other addresses as may be notified by the Company.

The Debenture holders are advised to provide the specimen signature of the nominee to the Company to expedite the transmission of the NCD(s) to the nominee in the event of demise of the Debenture holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 72 read with Rules under Chapter IV of the Companies Act, 2013 any person who becomes a nominee by virtue of above said Section, will on the production of such evidence as may be required by the Board, elect either: (a) to register himself or herself as holder of NCDs; or (b) to make such transfer of the NCDs, as the deceased holder could have made.

Further, the Board may at any time issue notice requiring any nominee to choose either to be registered himself or to transfer the NCDs, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

In case of Application for allotment of NCDs in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with the respective DP of the Applicant will prevail. If Applicants want to change their nomination, they are advised to inform their respective DP.

Event of Defaults

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a Special Resolution, passed at a meeting of the Debenture holders, (subject to being indemnified and/or secured by the Debenture holders to its satisfaction), give notice to the Company specifying that the NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the event of default occurs. The complete list of Event of Default(s) shall be as specified in the Debenture Trust Deed.

The amount(s) so payable by the Company on the occurrence of one or more Event(s) of Default shall be as detailed in the Debenture Trust Deed. If an Event of Default occurs, which is continuing, the Debenture Trustee may, with the consent of the Debenture holders, obtained in accordance with the Debenture Trust Deed, and with prior written notice to the Company, take an action in terms of the Debenture Trust Deed.

In case of default in the redemption of Bonds, in addition to the payment of interest and all other monies payable hereunder on the respective due dates, the Company shall also pay interest on the defaulted amounts.

Debenture Trustee

The Company has appointed Axis Trustee Services Limited to act as Debenture Trustee for the Debenture holders. Axis Trustee Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated September 23, 2014 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus and all subsequent periodical communications sent to the holders of the NCDs issued, pursuant to this Issue.

The Company has entered into a Debenture Trust Agreement with the Debenture Trustee, the terms of which along with the Debenture Trust Deed will govern the appointment and functioning of the Debenture Trustee and specified the powers, authorities and obligations of the Debenture Trustee. Under the terms of the Debenture Trust Agreement, the Company will covenant with the Debenture Trustee that it will pay the Debenture holders the principal amount on the NCDs on the relevant Maturity Date and also that it will pay the interest due on NCDs at the rate/on the date(s) specified under the Debenture Trust Deed.

The Debenture holders will, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Debenture holders. Any payment made by the Company to the Debenture Trustee on behalf of the Debenture holders will discharge the Company *pro tanto* to the Debenture holders. All the rights and remedies of the Debenture holders will vest in and will be exercised by the Debenture Trustee without reference to the Debenture holders. No Debenture holder will be entitled to proceed directly against the Company unless the Debenture Trustee, having become so bound to proceed, failed to do so. The Debenture Trustee will protect the interest of the Debenture holders in the event of default by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the Company's cost. Further, the Debenture Trustee shall ensure that the assets of the Company are sufficient to discharge the principal amount of NCDs at all times under this Issue.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 the Company will, on or before the Tranche Issue Opening Date, publish a pre-Issue advertisement in the form prescribed under the SEBI Debt Regulations, in one national daily newspaper with wide circulation. Material updates, if any, between the date of filing of the relevant Tranche Prospectus(es) with the RoC and the date of release of the statutory pre-Issue advertisement will be included in the statutory pre-Issue advertisement.

Impersonation

Attention of the Applicants is specifically drawn to sub-section (1) of Section 38 of the Companies Act, 2013 reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

Listing

The NCD will be listed on BSE. BSE will be the Designated Stock Exchange. The provisions of sub-section(1) of Section 40 of the Companies Act, 2013 prescribes that every company making public offer shall, before making such offer, make an application to one or more recognised stock exchange or exchanges and obtain permission for the securities to be dealt with in such stock exchange or exchanges. The Company has obtained in-principle approval for the Issue from BSE, by a letter bearing no. [●] dated [●].

In the event of non-subscription to any one or more of the Series of the NCD, such Series(s) of NCDs will not be listed.

Utilisation of Application Amounts

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised.
(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilized monies have been invested.
(d) We shall utilize the Issue proceeds only upon creation of security as stated in this Draft Shelf Prospectus, receipt of the listing and trading approval from the Stock Exchange and on receipt of the minimum subscription of 75% of the Base Issue Size of the relevant Tranche Issue.
(e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property, however, the Issue proceeds may be used for issuing loans against securities.

Monitoring & Reporting of Utilisation of Issue Proceeds

In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of the Issue. The Board shall monitor the utilisation of the proceeds of the Issue.

The end-use of the proceeds of the Issue, duly certified by the Statutory Auditors, will be reported in the Company's annual reports and other reports issued by the Company to relevant regulatory authorities, as applicable, including the Stock Exchanges in relation to the Company's reporting obligations under the Debt Listing Agreement.

Further, the Company confirms that funds raised by the Company from previous public issues and private placements of NCDs have been utilised for the Company's business as stated in the respective offer documents, and as reported to the Stock Exchanges in relation to the Company's reporting obligations under the Debt Listing Agreement, as applicable.

For more information (including with respect to interim use of the Issue proceeds), see "***Objects of the Issue***" on page 48 of this Draft Shelf Prospectus.

Other Undertakings by the Company

The Company undertakes that:

(a) the complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by the Company expeditiously and satisfactorily;
(b) necessary cooperation to the Credit Rating Agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
(c) the Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 12 Working Days of the Tranche Issue Closing Date;
(d) the funds required for dispatch of refund orders/Allotment Advice/Debenture certificates will be made available by the Company to the Registrar to the Issue;
(e) the Company will forward details of utilisation of the Issue Proceeds, duly certified by the Statutory Auditor, to the Debenture Trustee at the end of each half year;
(f) the Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue of NCDs as contained in the relevant Tranche Prospectus(es);
(g) the Company will disclose the complete name and address of the Debenture Trustee in its annual report; and
(h) the Company shall made necessary disclosures/ reporting under any other legal or regulatory requirement as may be required from time to time.

Ranking of the NCDs

The NCDs will be secured by floating first charge on the receivables (other than on Lien Receivables) of the Company as may be mentioned in the security documents and/ or Debenture Trust Deed, with an asset cover of one time of the total outstanding amount of NCDs, from time to time. Accordingly, the NCDs would constitute direct and secured obligations of the Company and will rank *pari passu inter se* to the claims of other secured creditors of the Company having the same security and superior to the claims of any unsecured creditors of the Company, now existing or in the future, subject to any obligations preferred under applicable law.

The aforesaid charge over the receivables of the Company shall rank as a floating charge. The Company reserves the right to create floating first charge on present and future receivables for its present and future financial requirements or otherwise.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Replacement of Debenture Certificates

In case of NCDs in physical form, if a Debenture certificate is mutilated or defaced then on production thereof to the Company, the Company shall cancel such certificate and issue a new or duplicate certificate in lieu thereof, however, they will be replaced only if the certificate numbers and the distinctive numbers are legible. If any Debenture certificate is lost, stolen or destroyed, then, on proof thereof to the satisfaction of the Company and on furnishing such indemnity as the Company may deem adequate and on payment of any expenses incurred by the Company in connection with proof of such destruction or theft or in connection with such indemnity the Company shall issue a new or duplicate Debenture certificate. A fee may be charged by the Company not exceeding such sum as may be prescribed by applicable law for each new or duplicate Debenture certificate issued hereunder except certificates in replacement of those which are old, decrepit or worn out or defaced or where the pages for recording transfers have been fully utilised.

Put/Call Option

As per relevant respective Tranche Prospectus(es).

Future Borrowings

The Company will be entitled at any time in the future during the term of the NCDs or thereafter to borrow or raise loans or create encumbrances or avail of credit facilities/ financial assistance in any form, and also to issue promissory notes or debentures or any other securities in any form, manner, ranking and denomination whatsoever and to any eligible persons whatsoever, and to change its capital structure including through the issue of shares of any class, on such terms and conditions as the Company may deem appropriate, without requiring the consent of, or intimation to, the Debenture holders or the Debenture Trustee in this connection.

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the Debenture holder or deposits held in the account of the Debenture holder, whether in single name or joint name, to the extent of all outstanding dues by the Debenture holder to the Company.

Lien on Pledge of NCDs

Subject to applicable laws, the Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the Debenture holder against pledge of such NCDs as part of the funding.

Procedure for Rematerialisation of NCDs

Debenture holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. For more information, see "***–Form of Allotment and Denomination***" on page 129 of this Draft Shelf Prospectus.

Sharing of Information

The Company may, at its option, use its own, as well as exchange, share or part with any financial or other information about the Debenture holders available with the Company, its Subsidiary(ies) and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required. **Neither the Company nor its Subsidiaries and affiliates nor its or their respective agents will be liable for use of the aforesaid information.**

Loan against NCDs

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. However, if the RBI subsequently permits the extension of loans by NBFCs against the security of its debentures issued by way of private placement or public issues. The Company may consider granting loans against the security of such NCDs, subject to terms and conditions as may be decided by the Company at the relevant time, in compliance with applicable law.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

Succession

Where NCDs are held in joint names and one of the joint Debenture holder dies, the survivor(s) will be recognized as the Debenture holder(s). It will be sufficient for our Company to delete the name of the deceased Debenture holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased Debenture holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased Debenture holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Directors, in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of Debenture holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased Debenture holder. He shall approach the respective Depository Participant of the Debenture holder for this purpose and submit necessary documents as required by the Depository Participant.

Notices

All notices to the Debenture holders required to be given by the Company or the Debenture Trustee will be published in one English language newspaper having wide circulation and/or, will be sent by post/courier to the Debenture holders from time to time, only to Applicants that have provided a registered address in India.

Jurisdiction

The NCDs, the Debenture Trust Agreement, the Debenture Trust Deed and other relevant documents shall be governed by and construed in accordance with the laws of India. The courts of New Delhi will have exclusive jurisdiction for the purposes of the Issue.

Restriction on transfer of NCDs

There are currently no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any RBI requirements and/or as provided in our Articles of Association. Please see the section "***Annexure D- Main Provisions of the Articles of Association***" of this Draft Shelf Prospectus.

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants and Applicants making Direct Online Applications using the online payment facility of the Stock Exchange(s) should note that the ASBA process and Direct Online Applications processes involves application procedures which may be different from the procedures applicable to Applicants who apply for NCDs through any of the other permitted channels and accordingly should carefully read the provisions applicable to ASBA and Direct Online Applications, respectively.

All Applicants are required to make payment of the full Application Amount with the Application Form. ASBA Applicants are required to ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSBs.

*ASBA Applicants may submit their ASBA Applications to the Members of the Syndicate or Trading Members of the Stock Exchange(s) only in the Specified Cities or directly to the Designated Branches of SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the centres mentioned in the Application Form or make Direct Online Applications using the online payment facility of the Stock Exchange(s). For further information, please refer to "**Submission of duly Completed Application Forms**" on page 151 of this Draft Shelf Prospectus.*

This section has been prepared based on SEBI Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 and is subject to the Stock Exchange(s) putting in place the necessary systems and infrastructure for implementation of the abovementioned circular, including the systems and infrastructure required in relation to Direct Online Applications through the online platform and online payment facility to be offered by Stock Exchange(s) and accordingly is subject to any further clarification, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange(s) and/or SEBI, including SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013.

The following Issue procedure may consequently undergo change between the date of this Draft Shelf Prospectus and the Shelf Prospectus/ Tranche Prospectus. Applicants are accordingly advised to carefully read this Draft Shelf Prospectus, Application Form, and the Shelf Prospectus/ Tranche Prospectus in relation to any proposed investment. The information below is given for the benefit of the Investors. The Company, the Registrar to the Issue, and the Lead Managers shall not be liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

Trading Members of the Stock Exchange(s) who wish to collect and upload Applications in the Issue on the electronic application platform provided by the Stock Exchange(s) will need to approach the respective Stock Exchange(s) and follow the requisite procedures prescribed by the relevant Stock Exchange. ***The Members of the Syndicate, the Company and the Registrar to the Issue shall not be responsible or liable for any errors or omissions on the part of the Trading Members of the Stock Exchange(s) in connection with the responsibility of such Trading Members of the Stock Exchange(s) in relation to collection and upload of Applications in the Issue on the online platform and online payment facility to be provided by the Stock Exchange(s)****. Further, the relevant Stock Exchange(s) shall be responsible for addressing Investor grievances arising from Applications through Trading Members registered with such Stock Exchange(s).*

For purposes of the Issue, the term "Working Day" shall mean all days excluding Sundays or a public holiday in New Delhi, India, except with reference to Issue Period and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in New Delhi, India .

PROCEDURE FOR APPLICATION

Availability of Shelf Prospectus, Tranche Prospectus(es), Abridged Prospectus and Application Forms

Physical copies of the Abridged Prospectus containing salient features of Shelf Prospectus and Tranche Prospectus(es) for a particular Tranche Issue together with Application Forms may be obtained from:

(a) The Company's Registered Office and Corporate Office;
(b) Offices of the Lead Managers, Consortium Members and Sub-Consortium Members;
(c) Trading Members of the Stock Exchange(s); and
(d) Designated Branches of SCSBs.

Electronic Application Forms will be available on the websites of the Stock Exchange(s) and the SCSBs that permit submission of ASBA Applications electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange(s). Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, online beneficiary account portals may provide a facility of submitting Application Forms online to their account holders.

Trading Members of the Stock Exchange(s) can download Application Forms from the websites of the Stock Exchange(s). Further, Application Forms will be provided to Trading Members of the Stock Exchange(s) at their request.

Electronic copies of Shelf Prospectus and relevant Tranche Prospectus(es) will be available on the websites of the Lead Managers, the Stock Exchange(s), SEBI and the SCSBs.

Who Can Apply

Category I ("Qualified Institutional Buyers") ("QIBs")	Category II ("Domestic Corporates")	Category III ("High Networth Individuals") ("HNIs")	Category IV("Retail Individual Investors") ("RIIs")
• Public financial institutions as defined in Section 2 (72) of the Companies Act, 2013 as amended • • Indian alternative investment funds and venture capital funds registered with SEBI Scheduled commercial banks, • Indian Mutual funds registered with SEBI, • Statutory corporations including State Industrial Development Corporations • Insurance companies registered with the Insurance Regulatory and Development Authority, • Provident funds with a minimum corpus of Rs. 25 crore, • Pension funds with a minimum corpus of Rs. 25crore, superannuation funds and gratuity funds, • The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, • Insurance funds set up and managed by the army, navy, or air force of the Union of India, and • Insurance funds set up and managed by the Department of Posts, India, which are authorized to invest in NCDs.	• Companies within the meaning of section 2(20) of the Companies Act, 2013, • Limited Liability Partnerships registered under the provisions of the LLP Act, • Trusts settled under the Indian Trusts Act, 1882, public/private charitable/religious trusts settled and/or registered in India under applicable laws; • Partnership firms formed under applicable laws of India, in the name of partner, • Cooperative banks, regional rural banks incorporated in India, • Societies registered under the applicable law in India, • Resident Indian scientific and/or industrial research organizations; • Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment which are authorised to invest in NCDs	• The following investors applying for an amount aggregating to more than Rs. 2 lakh across all Series of NCDs in a Tranche Issue • Resident Individual Investors • Hindu Undivided Families applying through the Karta	• The following investors applying for an amount aggregating up to and including Rs. 2 lakh across all Series of NCDs in a Tranche Issue • Resident Individual Investors • Hindu Undivided Families through the Karta

Participation of any of the aforementioned persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities in the nature of the NCDs by such persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

Persons not eligible to Apply

The following persons and entities will not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- Minors without a guardian name. A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian. The Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872;
- Persons Resident Outside India and foreign nationals (including non-resident Indians, foreign portfolio investor, foreign institutional investors and qualified foreign investors, foreign venture capital investor);
- Overseas Corporate Bodies;
- Person ineligible to contract under applicable statutory/regulatory requirements; and

Based on information provided by the Depositories, the Company will have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for Allotment of NCDs in dematerialized form, the Registrar to the Issue shall verify the foregoing on the basis of records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded to the electronic platform of the Stock Exchange(s).

The concept of OCBs (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part is unauthorized in jurisdictions outside India. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions of the bonds and the information contained in the Shelf Prospectus and the relevant Tranche Prospectus(es).

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The information below is given for the benefit of Applicants. The Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

Modes of Making Applications

Applicants may use any of the following facilities for making Applications:

(a) Direct Online Applications using the online payment facility offered through the Stock Exchange(s). See "**-- Submission of Direct Online Applications**" on page 143 of this Draft Shelf Prospectus;

(b) ASBA Applications through the Members of the Syndicate or Trading Members of the Stock Exchange(s) only in the Specified Cities ("**Syndicate ASBA**"). See "**- Submission of ASBA Applications**" on page 142 of this Draft Shelf Prospectus;

(c) ASBA Applications through Designated Branches of SCSBs. See "**-Submission of ASBA Applications**" on page 142 of this Draft Shelf Prospectus; and

(d) Non-ASBA Applications through Members of the Syndicate or Trading Members of the Stock Exchange(s) at centres mentioned in the Application Form. See "**- Submission of Non-ASBA Applications (other than Direct Online Applications)**" on page 143 of this Draft Shelf Prospectus.

(e) Non-ASBA Applications for Allotment in physical form through the Members of the Syndicate or Trading Members of the Stock Exchange(s) at centres mentioned in the Application Form. See "**- Submission of Non- ASBA Applications for Allotment of the NCDs in physical form**" on page 142 of this Draft Shelf Prospectus.

As per Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange(s) putting in place the necessary systems and infrastructure, and is subject to any further clarifications, notification, modification, deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange(s) and/or SEBI.

Applications by certain categories of Applicants

Applications by Mutual Funds

No MF scheme may invest more than 15% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the board of trustees and the board of the asset management company ("**AMC**").

A separate Application can be made in respect of each scheme of an MF; such Applications will not be treated as multiple Applications. Applications made by the AMCs or custodians of an MF must clearly indicate the name of the scheme for which Application is being made. In case of Applications made by MFs, the Application Form must be accompanied by certified true copies of their (i) SEBI registration certificate; (ii) trust deed (iii) resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Trusts or Societies

Applications made by a trust, settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must be accompanied by a (i) certified true copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof; and (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. **Failing this, the Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Further, any society/trust applying for NCDs must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in bonds, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in bonds, and (c) applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Application by Alternative Investments Funds

Application made by Alternative Investments Funds eligible to invest in accordance with the SEBI Alternative Investment Funds Regulations, 2012, for Allotment of the NCDs must be accompanied by certified true copies of: (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions, memorandum and articles of associations; and (iii) specimen signatures of authorised signatories. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; (iv) specimen signatures of authorised signatories; and (v) PAN Card. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

The Application Form must be accompanied by certified copies of their (i) certificate of registration issued by IRDA; (ii) memorandum and articles of association; (iii) resolution authorising investment and containing operating instructions; (iv) power of attorney; and (v) specimen signatures of authorised signatories. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by PFIs

In case of Applications by PFIs authorised to invest in the NCDs, the Application Form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, the Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds and Pension Funds

In case of Applications by Indian provident funds and pension funds authorised to invest in the NCDs, the Application Form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) power of attorney, if any, in favour of one or more trustees thereof; (iii) board resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) specimen signature of authorised person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) tax exemption certificate issued by income tax authorities, if exempt from income tax. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

In case of Applications by National Investment Fund, the Application Form must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorised person. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by Companies, Limited Liability Partnership and Bodies Corporate

In case of Applications by companies, limited liability partnership and bodies corporate, the Application Form must be accompanied by certified true copies of: (i) board resolution/ resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, the Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants in Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants in Category III and Category IV, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. the Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that the Company and the Lead Managers may deem fit.**

Application by Partnership Firms

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions (Resolution); (iv)Specimen signature of authorized person. **Failing this, the Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms (ASBA as well as non-ASBA Applications) online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

For information on submission of Direct Online Applications through the online platform and online payment facility offered by the Stock Exchange(s), see "**- *Submission of Direct Online Applications***" on page 143 of this Draft Shelf Prospectus.

Application for allotment of NCDs in physical and dematerialised form

Application for allotment in physical form

Submission of Non- ASBA Applications for Allotment of the NCDs in physical form

Applicants can also apply for Allotment of the NCDs in physical form by submitting duly filled in Application Forms to the Members of the Syndicate or the Trading Members of the Stock Exchange(s), with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified under "***– Applications by certain Categories of Applicants***" and "***- Additional instructions for Applicants seeking Allotment of the NCDs in physical form***" at pages 140 and 147 of this Draft Shelf Prospectus, respectively. The Members of the Syndicate and Trading Members of the Stock Exchange(s) shall, on submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the electronic platforms of Stock Exchange(s), following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and returning it to the Applicant.

On uploading of the Application details, the Members of the Syndicate and Trading Members of the Stock Exchange(s) will submit the Application Forms, with the cheque/demand draft to the Escrow Collection Bank(s), which will realise the cheque/demand draft, and send the Application Form and the KYC documents to the Registrar to the Issue, who shall check the KYC documents submitted and match Application details as received from the electronic platforms of Stock Exchange(s) with the Application Amount details received from the Escrow Collection Bank(s) for reconciliation of funds received from the Escrow Collection Bank(s). In case of discrepancies between the two databases, the details received from the electronic platforms of Stock Exchange(s) will prevail, except in relation to discrepancies between Application Amounts. The Members of the Syndicate/Trading Members of the Stock Exchange(s) are requested to note that all Applicants are required to be banked with only the designated branches of Escrow Collection Bank(s). On Allotment, the Registrar to the Issue will dispatch NCD certificates/Allotment Advice to the successful Applicants to their addresses as provided in the Application Form.

If the KYC documents of an Applicant are not in order, the Registrar to the Issue will withhold the dispatch of Debenture Certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar to the Issue at the earliest. In such an event, any delay by the Applicant to provide complete KYC documents to the Registrar to the Issue will be at the Applicant's sole risk and neither the Company, the Registrar to the Issue, the Escrow Collection Bank(s), nor the Members of the Syndicate will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the NCD certificates are withheld by the Registrar to the Issue. Further, the Company will not be liable for any delays in payment of interest on the NCDs Allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the NCDs.

For instructions pertaining to completing the Application Form please see "***- General Instructions***" and "***- Additional Instructions for Applicants seeking allotment of NCDs in physical form***" on pages 143 and 147 of this Draft Shelf Prospectus, respectively.

Application for allotment in dematerialised form

Submission of ASBA Applications

Applicants may also apply for NCDs using the ASBA facility. ASBA Applications can be only by Applicants opting for Allotment in dematerialised form. ASBA Applications can be submitted through either of the following modes:

a) Physically or electronically to the Designated Branches of SCSB with whom the ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant will submit the Application Form at the relevant Designated Branch of the SCSB. The Designated Branch will verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic platform of the Stock Exchange(s). **If sufficient funds are not available in the ASBA Account, the respective Designated Branch will reject such ASBA Application and will not upload such ASBA Application in the electronic platform of the Stock Exchange(s).** If sufficient funds are available in the ASBA Account, the Designated Branch will block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic platform of the Stock Exchange(s). The Designated Branch of the SCSBs will stamp the Application Form. In case of Application in the electronic mode, the ASBA Applicant will submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.

b) Physically through the Members of the Syndicate or Trading Members of the Stock Exchange(s) only at the Specified Cities, i.e., Syndicate ASBA. ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, to deposit ASBA Applications. A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries.

On receipt of the Application Form by the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, an acknowledgement will be issued by giving the counter foil of the Application Form with the date stamp to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application will be uploaded in the electronic platform of the Stock Exchange(s) and the Application Form will be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be. A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. On receipt of the ASBA Application, the relevant branch of the SCSB will perform verification procedures and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. **If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB will block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount will remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the

amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of the Issue or withdrawal/rejection of the Application Form, as the case may be.

ASBA Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of SCSBs and with the Members of the Syndicate at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange(s) at least one day prior to the Tranche Issue Opening Date. Trading Members of the Stock Exchange(s) can download Application Forms from the websites of the Stock Exchange(s). Application Forms will also be provided to Trading Members of the Stock Exchange(s) at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Abridged Prospectus is made available on their websites.

(b) The Designated Branches of SCSBs will accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB will not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Tranche Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of SCSBs at Specified Cities can accept ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, after the closing time of acceptance of Applications on the Tranche Issue Closing Date. For further information on the Issue programme, see "***Terms of the Issue – Issue Period***" on page 127 of this Draft Shelf Prospectus.

(c) In case of Applications through Syndicate ASBA, the physical Application Form will bear the stamp of the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be; if not, the same will be rejected. **Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs, if not, the same are liable to be rejected.**

ASBA Applicants can invest in dematerialised form only.

For instructions pertaining to completing Application Form please see "- ***General Instructions***" on page 143 of this Draft Shelf Prospectus.

Submission of Non-ASBA Applications (other than Direct Online Applications)

Applicants must use the Application Form, which will be serially numbered, bearing the stamp of the relevant Member of the Syndicate or Trading Member of the Stock Exchange(s) at centres mentioned in the Application Form, as the case may be, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Member of the Syndicate or Trading Member of the Stock Exchange(s), as the case may be, with the cheque or bank draft for the Application Amount, before the closure of the Issue Period. The Stock Exchange(s) may also provide Application Forms for being downloaded and filled. Accordingly, Applicants may download Application Forms and submit the completed Application Forms together with cheques/demand drafts to the Members of the Syndicate or Trading Member of the Stock Exchange(s) at centres mentioned in the Application Form. On submission of the completed Application Form, the relevant Members of the Syndicate or Trading Member of the Stock Exchange(s), as the case maybe, will upload the Application Form on the electronic platform provided by the Stock Exchange(s), and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date of the acknowledgment and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft will be forwarded to the Escrow Collection Bank(s) for realisation and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with: (a) any cancellation/withdrawal of their Application; (b) queries in connection with Allotment and/or refund(s) of NCDs; and/or (c) all Investor grievances/complaints in connection with the Issue.

For instructions pertaining to completing the Application Form please see "- ***General Instructions***" on page 143 of this Draft Shelf Prospectus.

Submission of Direct Online Applications

As per Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange(s) putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification, deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange(s) and/or SEBI.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

General Instructions

(a) Applications must be made only in the prescribed Application Form.

(b) Applications must be completed in block letters in English as per the instructions contained in the relevant Tranche Prospectus(es), Abridged Prospectus and Application Form.

(c) Ensure that the Applicant's names (for Applications for the NCDs in dematerialised form) given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. Further, Application should be in single or joint names (not exceeding three names). In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

(d) Applications must be for a minimum number of NCDs as mentioned in the respective Tranche Prospectus(es) (for all Series of NCDs, either taken individually or collectively). For the purpose of fulfilling the requirement of minimum application, an Applicant may choose to apply for NCDs of the same Series or across different Series. Applicants may apply for one or more Series of NCDs Applied for in a single Application Form.

(e) Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any of the other languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his official seal.

(f) Applicants should hold a valid PAN allotted under the Income Tax Act and mention it in the Application Form.

(g) Applicants must tick the relevant box for the 'Category of Investor' provided in the Application Form.

(h) Applicants must tick the relevant box for the 'Mode of Application' provided in the Application Form, choosing either ASBA or Non-ASBA mechanism.

(i) ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account.

(j) Applications should be made by the Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.

(k) No separate receipts will be issued for the Application Amount payable on submission of the Application Form. However, the Lead Managers, Consortium Members, Trading Members of the Stock Exchange(s) at centres mentioned in the Application Form or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as the duplicate of the Application Form for the records of the Applicant.

The Company, the Members of the Syndicate, Trading Members of the Stock Exchange(s) at centres mentioned in the Application Form, Designated Branches of SCSBs, and the Registrar to the Issue will not be liable for errors in data entry due to submission of incomplete or illegible Application Forms.

Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialised form must mention their DP ID and Client ID in the Application Form, and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialised form is submitted in joint names, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. **In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchange(s) do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialised form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialised form, whose beneficiary accounts are inactive, will be rejected.**

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchange(s), the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. **Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither the Company, the Members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s) at centres mentioned in the Application Form, SCSBs, Registrar to the Issue nor the Stock Exchange(s) will bear any responsibility or liability for the same.**

The Demographic Details would be used for correspondence with the Applicants including mailing of Allotment Advice and printing of bank particulars on refund orders or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders would be mailed at the address (in India) of the Applicant as per Demographic Details received from the Depositories. Delivery of refund orders/ Allotment Advice may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such event, the address and other details provided by the Applicant (other than ASBA Applicants and Applicants using Direct Online Applications through the online payment facility of the Stock Exchange(s) in the Application Form would be used only to ensure dispatch of refund orders. In case of refunds through electronic modes detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the DP are incorrect. **Any such delay will be at such Applicants' sole risk and neither the Company, the Members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s) at centres mentioned in the Application Form, SCSBs, Registrar to the Issue nor the Stock Exchange(s) will be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay, or to pay any interest for such delay.**

In case of Applications made under power of attorney, the Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant will be used. By signing the Application Form, the Applicant would be deemed to have authorised the Depositories to provide to the Registrar to the Issue, on request, the required Demographic Details available on their records. The Demographic Details provided by the Applicant in the Application Form would not be used for any purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

PAN

Any Application Form without the PAN (or submitting the GIR number instead of the PAN) is liable to be rejected, irrespective of the amount of transaction. In accordance with SEBI circular dated April 27, 2007, the PAN would be the sole identification number for the participants transacting in the Indian securities market, irrespective of the amount of transaction. Therefore, the Applicant (in the case of Applications made in joint names, PAN allotted under the Income Tax Act of all the Applicant should be provided in the Application Form and for HUFs, PAN of the HUF should be provided. For minor Applicants applying through the guardian, it is mandatory to mention the PAN of minor Applicant. However, Applications on behalf of the Central or State Government officials and officials appointed by the courts in terms of SEBI circular dated June 30, 2008 may be exempt from the requirement to specify their PAN for transacting in the Indian securities market in terms of SEBI circular dated July 20, 2006. However, the exemption for the Central or State Government and the officials appointed by the courts is subject to the DPs verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e., exempt category.

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Additional/Multiple Applications

For purposes of Allotment of NCDs in the Issue, Applications will be grouped based on the PAN, i.e., Applications under the same PAN will be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first applicant is one and the same.

An Applicant is allowed to make one or more Applications for the NCDs for the same or other Series of NCDs, subject to a minimum Application size as mentioned in the respective Tranche Prospectus. **Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding Rs. 2.00 lakh shall deem such individual Applicant to be a Category III Applicant and all such Applications shall be grouped in the Category III Portion, for the purpose of determining the basis of Allotment to such Applicant. Applications made by any person in individual capacity and in capacity as a Karta of an HUF and/or as second or third Applicant in case of Applications made in joint names will not be treated as a multiple Application. Moreover, a separate Application can be made in respect of each scheme of an MF; such Applications will not be treated as multiple Applications.

Dos:

1. Check if you are eligible to apply as per the terms of the relevant Shelf Prospectus, Tranche Prospectus(es), Abridged Prospectus and applicable law.

2. Read all the instructions carefully and complete the Application Form in the prescribed form

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.

4. Applications are required to be in single or joint names (not more than three). In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form

5. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

6. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as "XYZ Hindu Undivided Family applying through *PQR*", where *PQR* is the name of the Karta.

7. Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the Collection Centres provided in the Application Forms, bearing the stamp of a Member of the Syndicate or a Trading Members of the Stock Exchange, as the case may be.

8. Ensure that the DP ID, Client ID and PAN mentioned in the Application Form are correct and match the details available in the Depository's database, and that the beneficiary account is activated for Allotment/trading of NCDs in dematerialised form.

9. Ensure that you have been given a transaction registration slip ("**TRS**") and an acknowledgment as proof of having accepted the Application Form.

10. Ensure that the name(s) provided in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the DP. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form.

11. Except in the case of ASBA Applications and Direct Online Applications using the online payment facility offered through the Stock Exchange(s), Applicants are requested to write their names and Application serial number on the reverse of the instruments by which the payments are made.

12. Tick the relevant box for the 'Category of Investor' provided in the Application Form.

13. Tick the relevant box for the 'Mode of Application' provided in the Application Form, choosing either ASBA or Non-ASBA mechanism.

14. Tick the Series of NCDs in the Application Form that you wish to apply for.

15. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the NCDs.

16. Ensure that the Application Forms are submitted to a Member of the Syndicate or Trading Member of a Stock Exchange, as the case may be, for Applications other than ASBA Applications/Direct Online Applications, before the closure of Application hours on the Tranche Issue Closing Date. For information on the Issue programme, see "***Terms of the Issue – Issue Period***" on page 127 of this Draft Shelf Prospectus.

17. In case of revision of an Application during the Issue Period, ensure that you have first withdrawn your original Application and then submit a fresh Application.

18. Ensure that the Demographic Details including PAN are updated, true and correct in all respects.

19. Permanent Account Number: It shall be mandatory for subscribers to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.

20. Applicants (other than ASBA Applicants) are requested to write their names and Application Form number on the reverse of the instruments by which the payments are made.

The Reserve Bank of India has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and non-CTS 2010 instruments in the three CTS grid locations.

SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 stipulating the time between closure of the Issue and listing at 12 Working Days. In order to enable compliance with the above timelines, investors are advised to use CTS cheques or use ASBA facility to make payment. Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected due to any clearing delays beyond 6 Working Days from the date of the closure of the Issue to avoid any delay in the timelines mentioned in the aforesaid SEBI Circular.

Don'ts:

1. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 or if you are otherwise ineligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.

2. Do not apply such that the number of NCDs applied for exceeds the Shelf Limit/Tranche Issue size (including retention of oversubscription for the respective tranche), and/or investment limit applicable to you under applicable laws or regulations.

3. Do not make an Application for lower than the minimum Application size.

4. Do not send Application Forms by post; instead submit the same to a Member of the Syndicate, Trading Member of a Stock Exchange or Designated Branch of an SCSB, as the case may be. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Bank(s).

5. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.

6. Do not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

7. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest.

8. Do not submit the Application Forms without the full Application Amount for the number of NCDs applied for.

9. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.

10. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.

11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.

12. Do not submit an Application to the Escrow Collection Bank(s), unless such Escrow Collection Bank is a Designated Branch of a SCSB where the ASBA Account is maintained, in case of ASBA Application.

13. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);

14. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases; and

15. Do not make an application of the NCDs on multiple copies taken of a single form.

Additional Instructions Specific to ASBA Applicants

Dos:

1. Check if you are eligible to apply under ASBA;

2. Ensure that you tick the ASBA option in the Application Form and provide correct details of your ASBA Account including bank account number/bank name and branch;

3. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities, and not directly to the Escrow Collection Bank(s) (assuming that such bank is not an SCSB) or to the Company or the Registrar to the Issue;

4. Before submitting physical Application Form with the Member of the Syndicate at the Specified Cities ensure that the SCSB, whose name has been filed in the Application Form, has a branch in that centre.

5. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to a Member of the Syndicate, at the Specified Cities or Trading Member of the Stock Exchange(s), ensure that the SCSB where the ASBA Account, as specified in the Application Form, is maintained has named at least one branch in that specified city for the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, to deposit Application Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);

6. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder; and

7. Ensure that the ASBA Account holder has funds equal to the Application Amount in the ASBA Account before submitting the Application Form.

8. Ensure that you have correctly ticked, provided or checked the authorization box in the Application Form, or otherwise have provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;

9. In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications; and

10. Ensure that you have received an acknowledgement from the Designated Branch or the Member of the Syndicate or Trading Member of the Stock Exchange, as the case may be for submission of the Application Form**.**

Don'ts:

1. Do not submit the Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts;

2. Do not submit the Application Form to the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, at a location other than the Specified Cities.

3. Do not send your physical Application Form by post; instead submit the same to a Designated Branch of an SCSB or Member of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, at the Specified Cities; and
4. Do not submit more than five Application Forms per ASBA Account**.**

ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that specified city for the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, to deposit such Application Forms. A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. See "*Rejection of Applications*" on page 152 of this Shelf Prospectus for information on rejection of Applications.

For further instructions, Applicants are advised to read the relevant Tranche Prospectus(es), Abridged Prospectus and Application Form.

ADDITIONAL INSTRUCTIONS FOR APPLICANTS SEEKING ALLOTMENT OF NCDs IN PHYSICAL FORM

Only Applicants who do not have a demat account as on date of the Application shall be eligible to apply for Allotment of NCDs in the physical form. Any Applicant who subscribes to the NCDs in physical form shall undertake the following steps:

- **Complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide DP details in the Application Form.** The requirement for providing DP details shall be mandatory only for Applicants who wish to subscribe to the NCDs in dematerialised form.

- Provide the following documents with the Application Form:

  (a) Self-attested copy of the PAN card or proof of identification in case of Applications by or on behalf of the Central or State Government and the officials appointed by the courts. Any one of the following documents shall be considered as a verifiable proof of identification:

- valid passport issued by the GoI; or
- voter's identity card issued by the GoI; or
- valid driving license issued by any transport authority of the Republic of India; or
- Government ID card; or
- Defence ID card; or
- ration card issued by the GoI
- Aadhar Card,
- Photo PAN Card.

(b) Self-attested copy of proof of residence. Any of the following documents shall be considered as a verifiable proof of residence:

- ration card issued by the GoI; or
- valid driving license issued by any transport authority of the Republic of India; or
- electricity bill (not older than three months);or
- landline telephone bill (not older than three months); or
- valid passport issued by the GoI; or
- voter's identity card issued by the GoI; or
- society outgoing bills; or
- AADHAR letter, issued by Unique Identification Authority of India, GoI.

(c) Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited. **In the absence of such cancelled cheque, the Company reserves the right to reject the Application or to consider the bank details given on the Application Form at its sole discretion. In such case the Company, the Lead Managers and the Registrar to the Issue shall not be liable for any delays/errors in payment of refund and/or interest.**

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers nor the Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the NCDs in physical form, which are not accompanied with the abovestated documents, may be rejected at the sole discretion of the Company.

In relation to the issuance of the NCDs in physical form, note the following:

1. An Applicant has the option to seek Allotment of NCDs in either dematerialised or physical mode. **No partial Application for the NCDs shall be permitted; any such partial Application is liable to be rejected.**

2. Any Applicant who provides Depository Participant details in the Application Form shall be Allotted the NCDs in dematerialised form only, irrespective of whether such applicant has provided the details required for Allotment in physical form. Such Applicant shall not be Allotted NCDs in physical form.

3. In case of NCDs issued in physical form, the Company will issue one certificate to the holders of the NCDs for the aggregate amount of the NCDs for each of the Series of NCDs that are applied for (each such certificate, a ("Consolidated NCD Certificate").

4. the Company shall dispatch the Consolidated NCD Certificate to the (Indian) address of the Applicant provided in the Application Form, within the time and in the manner stipulated under the the Company Act.

All terms and conditions disclosed in relation to the NCDs held in physical form pursuant to rematerialisation shall be applicable *mutatis mutandis* to the NCDs issued in physical form.

The Applicant shall be responsible for providing the above information and KYC documents accurately. Delay or failure in credit of payments or receipt of Allotment Advice or NCD certificates due to inaccurate or incomplete details shall be at the sole risk of the Applicants and the Lead Managers, the Company and the Registrar to the Issue shall have no responsibility and undertake no liability in this relation. In case of Applications for Allotment of NCDs in physical form, which are not accompanied with the aforestated documents, Allotment of NCDs in physical form may be held in abeyance by the Registrar to the Issue, pending receipt of KYC documents.

Please note that allotment of NCDs in physical form can be done only if applicant does not hold any Demat account.

Consolidated list of documents required for various categories

For the sake of simplicity we hereby provide the details of documents mandatorily required to be submitted by various categories of Applicants (who have applied for Allotment of the NCDs in dematerialised form) while submitting the Application Form:

Type of Investors	Mandatory documents to be submitted with application form (in addition to the documents required for applications for Allotment of NCDs in physical form)
Public financial institutions, commercial banks authorized to invest in the NCDs, companies within the meaning of section 3 of the Companies Act, 2013 and bodies corporate registered under the applicable laws in India and authorized to invest in the NCDs; State Industrial Development Corporations; Companies; bodies corporate and societies registered under the applicable laws in India and authorized to invest in the NCDs	The Application must be accompanied by certified true copies of: • Any Act/ Rules under which they are incorporated • Board Resolution authorizing investments • Specimen signature of authorized person
Insurance companies registered with the IRDA	The Application must be accompanied by certified copies of • Any Act/Rules under which they are incorporated • Registration documents (i.e. IRDA registration) • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person
Provident Funds, Pension Funds and National Investment Fund	The Application must be accompanied by certified true copies of: • Any Act/Rules under which they are incorporated • Board Resolution authorizing investments • Specimen signature of authorized person
Mutual Funds	The Application must be also accompanied by certified true copies of: • SEBI registration Certificate and trust deed (SEBI Registration) • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person
Applicants through a power of attorney under Category I and II	The Application must be also accompanied by certified true copies of: • A certified copy of the power of attorney or the relevant resolution or authority, as the case may be • A certified copy of the memorandum of association and articles of association and/or bye laws and/or charter documents, as applicable, must be lodged along with the Application Form. • Specimen signature of power of attorney holder/authorized signatory as per the relevant resolution
Resident Indian individuals under Categories III & IV	N.A.
Resident HUF under Categories III and IV	The Application must be also accompanied by certified true copies of: • Self-attested copy of PAN card of HUF • Bank details of HUF i.e. copy of cancelled cheque indicating HUF status of the applicant • Self-attested copy of proof of Address of karta, identity proof of karta
Power of Attorney under Category III and Category IV	The Application must be also accompanied by certified true copies of: • A certified copy of the power of attorney has to be lodge with the Application Form
Partnership firms in the name of the partners Limited Liability partnership formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)	• Partnership Deed • Any documents evidencing registration thereof under applicable statutory/ regulatory requirements • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person

PAYMENT INSTRUCTIONS

The entire Application Amount is payable at the time of submitting the Application Form. In case of ASBA Applicants, the entire Application Amount will be blocked in the ASBA Account. In case of Allotment of a lesser number of NCDs than applied for, the Company will refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

Payment mechanism for Direct Online Applicants

Applicants making Direct Online Applications through the online platform must make payment using the online payment facility offered by the Stock Exchange(s). Such online payments will be deposited in the Escrow Account(s) to be opened by the Company. See "- ***Escrow Mechanism for Applicants other than ASBA Applicants***" on page 150 of this Draft Shelf Prospectus.

Payment mechanism for ASBA Applicants

ASBA Applicants are required to specify the ASBA Account number in the Application Form. ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities will be uploaded onto the electronic platform of the Stock Exchange(s) and deposited with the relevant branch of the SCSB at the specified city named by such SCSB to accept such ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB will perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB will block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic platform. SCSBs may provide the electronic mode of Application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account. For ASBA Applications, the SCSBs, will block Application Amount only against/in a funded deposit account and ensure that clear demarcated funds are available for ASBA Applications and no lien shall be marked against credit limits/overdraft facility of account holders for ASBA Application, in accordance with SEBI circular CIR/CFD/DIL/12/2012 dated September 13, 2012.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, at the Specified Cities or to the Designated Branches of SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount will remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount to the Public Issue Account(s), or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue will send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allocable to the successful ASBA Applicants to the Public Issue Account(s). In case of withdrawal/failure of the Issue/refund, the blocked amount will be unblocked on receipt of such information from the Registrar to the Issue.

Escrow Mechanism for Applicants other than ASBA Applicants

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Applicants (except for ASBA Applicants) shall draw cheques or demand drafts should be crossed "A/c Payee only". All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts. **Applicants must use only CTS compliant instruments and refrain from using NONCTS 2010 instruments for the payment of the Application Amount.**

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

a) The payment instruments from the resident Applicants shall be payable into the Escrow Account drawn in favour of "[●]".

b) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected.

c) The monies deposited in the Escrow Account will be held for the benefit of the Applicants until the Designated Date.

d) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement, this Draft Shelf Prospectus and the respective Tranche Prospectus(es) into the Public Issue Account. The Escrow Collection Banks shall also, upon receipt of instructions from the Lead Managers and the Registrar, transfer all amounts payable to Applicants, who have not been allotted NCDs to the Refund Accounts.

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement and this Shelf Prospectus and respective Tranche Prospectus(es).

the Company will open Escrow Account(s) with each of the Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) will make out the cheque or demand draft in respect of their Application.

Cheques or demand drafts received for the full Application Amount from Applicants/payments received through the online payment facility offered by Stock Exchange(s) would be deposited in the Escrow Account(s). All cheques/bank drafts accompanying the Application should be crossed "A/c Payee only" and made payable to "[●]".

Application Amounts paid through the online payment facility of the Stock Exchange(s) will also be deposited in the Escrow Account(s).

The Escrow Collection Bank(s) will maintain the monies in the Escrow Account(s) until documents for creation of security for the NCDs are executed. The Escrow Collection Bank(s) will not exercise any lien whatsoever over the monies deposited therein and will hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) will transfer the funds represented by Allotment of NCDs (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account(s), as per the terms of the Escrow Agreement, into the Public Issue Account(s), provided that the Company will have access to such funds only after receipt of final listing and trading approvals from the Stock Exchange(s) and execution of the Debenture Trust Deed and security documents. The balance amount after transfer to the Public Issue Account(s) will be transferred to the Refund Account. Payments of refund to the relevant Applicants will be made from the Refund Account as per the terms of the Escrow Agreement and the relevant Tranche Prospectus(es).

Payment into Escrow Account

Each Applicant will draw a cheque or demand draft or remit the funds electronically through the mechanisms for the Application Amount as per the following terms:

(a) All Applicants would be required to pay the full Application Amount for the number of NCDs applied for, at the time of the submission of the Application Form.

(b) The Applicants will, with the submission of the Application Form, draw a cheque/demand draft for the full Application Amount in favour of the Escrow Account and submit the same to Escrow Collection Bank(s). **If the payment is not made favouring the Escrow Account with the Application Form, the Application is liable to be rejected. Application Forms accompanied by cash, stock invest, money order or postal order will not be accepted.**

(c) The cheque/demand draft for payment into the Escrow Account should be drawn in favour of "[●]".

(d) Payments should be made by cheque or demand draft drawn on any bank (including a cooperative bank) which is situated at and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. **Outstation cheques, post-dated cheques and cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest /money orders/postal orders will not be accepted. Cheques without the nine digit MICR code are liable to be rejected.**

(e) Applicants are advised to provide the number of the Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.

(f) The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants (other than ASBA Applicants) till the Designated Date.

(g) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account(s) with the Bankers to the Issue and the refund amount shall be transferred to the Refund Account.

Payment by cash/stockinvest/money order

Payment through cash/stockinvest/money order will not be accepted in the Issue.

Online Applications

The Company may decide to offer an online Application facility for the NCDs, as and when permitted by applicable laws, subject to the terms and conditions prescribed.

SUBMISSION OF DULY COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
Direct Online Applications	Online submission through the online platform and online payment facility offered by the Stock Exchange(s).
ASBA Applications	(i) If using physical Application Form, (a) to the Members of the Syndicate or Trading Members of the Stock Exchange(s) only at the Specified Cities ("**Syndicate ASBA**"), or (b) to the Designated Branches of SCSBs where the ASBA Account is maintained; or (ii) If using electronic/ online Application Form, to the SCSBs, electronically through internet banking facility, if available.
Non-ASBA Applications (other than Direct Online Applications)	The Members of the Syndicate or Trading Members of the Stock Exchange(s) at the centres mentioned in the Application Form.. Note: Applications for Allotment in physical form can be made only by using non-ASBA Applications (other than Direct Online Applications).

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Lead Managers/ Consortium Members / Trading Members of Stock Exchange(s) will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as a duplicate Application Form for the records of the Applicant.

Syndicate ASBA Applicants must ensure that their ASBA Applications are submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) only at the Specified Cities. ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, to deposit ASBA Applications. A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For information on the Issue programme and timings for submission of Application Forms, see "***Terms of the Issue – Issue Period***" on page 127 of this Draft Shelf Prospectus.

Applicants other than ASBA Applicants are advised not to submit Application Forms directly to Escrow Collection Bank(s); and the same are liable to be rejected and the Applicants will not be entitled to any compensation whatsoever.

Submission of Direct Online Applications

Please refer "– ***Submission of Direct Online Applications***" on page 143 of this Draft Shelf Prospectus.

Submission of ASBA Applications

Please refer "– ***Submission of ASBA Applications***" on page 142 of this Draft Shelf Prospectus.

Submission of Non-ASBA Applications (other than Direct Online Applications)

Please refer "– ***Submission of Non-ASBA Applications (other than Direct Online Applications)***" on page 143 of this Draft Shelf Prospectus.

Submission of Non- ASBA Applications for Allotment of the NCDs in physical form

Please refer "– ***Submission of Non-ASBA Applications for Allotment of NCDs in the physical form***" on page 142 of this Draft Shelf Prospectus.

REJECTION OF APPLICATIONS

The Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof. Applications would be liable to be rejected on one or more technical grounds, including but not restricted to the following:

- Applications where a registered address in India is not provided for the Applicant.
- Applications by persons who are not eligible to acquire NCDs of the Company in terms of applicable laws, rules, regulations, guidelines and approvals, including Applications by persons not competent to contract under the Indian Contract Act, 1872 (including a minor without a guardian name) and Applications by OCBs.
- In case of partnership firms, NCDs may be registered in the names of the individual partners and no firm as such will be entitled to apply. However, a limited liability partnership firm can apply in its own name.
- In case of Applications under power of attorney or by corporates, trusts, societies, etc., relevant documents are not submitted.
- Applications accompanied by Stock invest/money order/postal order/cash.
- Applications for an amount below the minimum Application size or for an amount less than bonds applied for. However, the Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder.
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law.
- Applications without payment of the entire Application Amount. However, the Company may Allot NCDs up to the value of Application Amounts paid, if such Application Amounts exceed the minimum Application size prescribed hereunder.
- Application Amount paid not tallying with the number of NCDs applied for. However, the Company may Allot NCDs up to the value of Application Amounts paid, if such Application Amounts exceed the minimum Application size prescribed hereunder.
- Applications for a number of NCDs which is not in a multiple of one. However, the Company may allot NCDs upto lower integer if such Application Amount exceeds one NCD.
- Submission of more than five ASBA Applications per ASBA Account.
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts, provided such claims have been verified by the DPs.
- GIR number furnished instead of PAN.
- DP ID, Client ID and bank account not mentioned in the Application Form, in case of Allotment in dematerialised form.
- ASBA Applications not having details of the ASBA Account to be blocked.
- Authorisation to the SCSB for blocking funds in the ASBA Account not provided.
- Signature of sole and/or joint Applicants missing. In case of joint Applicants, the Application Forms not being signed by each of the joint Applicants (in the same sequence as they appear in the records of the Depository).
- ASBA Application Forms not signed by the ASBA Account holder, if the ASBA Account holder is different from the Applicant.
- Application Forms submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) does not bear the stamp of the relevant Member of the Syndicate or Trading Member of the Stock Exchange(s), as the case may be. ASBA Applications submitted directly to the Designated Branches of SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or Member of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be.
- In case of Allotment in dematerialised form, no corresponding record is available with the Depositories that matches three parameters, namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database.
- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds.
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Applications not uploaded on the terminals of the Stock Exchange(s).
- Applications uploaded after the expiry of the allocated time on the Tranche Issue Closing Date, unless extended by the Stock Exchange(s), as applicable.
- Applications by Applicants whose beneficiary accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010.
- ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collection Bank (assuming that such bank is not a SCSB), to the Company or the Registrar to the Issue.
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, Shelf Prospectus and the relevant Tranche Prospectus(es) and as per the instructions in the Application Form, Shelf Prospectus and the relevant Tranche

Prospectus(es).

- Application Form accompanied with more than one payment instructions/ cheque.
- Date of Birth for first/sole Applicant for persons applying for Allotment of NCDs in physical form not mentioned in the Application Form.
- SCSB making an ASBA application (a) through an ASBA Account maintained with its own self or (b) through an ASBA account maintained through a different SCSB not in its own name, or (c) through an ASBA Account maintained through a different SCSB in its own name, which ASBA Account is not utilised for the purpose of applying in public issue.
- With respect to non-ASBA Applicants, Applications where clear funds are not available in Applicants Accounts as per final certificates from Escrow Collection Bank(s).
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI.
- Where PAN details in the Application Form and as entered into the electronic platform of the stock exchange(s), are not as per the records of the Depositories.
- In case of Applicants applying for the NCDs in physical form, if the address of the Applicant is not provided in the Application Form.

ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on certain procedures to be carried out by the Registrar to the Issue for finalisation of the Basis of Allotment, see "***- Information for Applicants***" on page 155 of this Draft Shelf Prospectus. For information on payment of refunds, see "***Terms of the Issue - Payment of Refunds***" on page 129 of this Draft Shelf Prospectus.

ELECTRONIC REGISTRATION OF APPLICATIONS

(a) The Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs, as the case may be, will register Applications using the online facilities of the Stock Exchange(s). There will be at least one online connection in each city where Applications are being accepted. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange(s). **the Company, the Members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s) and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to: (i) Applications accepted by the SCSBs, (ii) Applications uploaded by the SCSBs, (iii) Applications accepted but not uploaded within the time permitted by the Stock Exchange(s) by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) Applications accepted by the Trading Members of the Stock Exchange(s), or (vi) any Online Direct Applications.**

(b) In case of apparent data entry error by the Lead Managers, Members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s) or Designated Branches of SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(c) The Stock Exchange(s) will offer an electronic facility for registering Applications, which will be available during the Issue Period on the terminals of the Consortium Members and Sub-Consortium Members, Trading Members of the Stock Exchange(s) and the SCSBs. The Members of the Syndicate and Trading Members of the Stock Exchange(s) can also set up facilities for offline electronic registration of Applications subject to the condition that they will subsequently upload the offline data file into the online facilities for Applications on a regular basis, and before the expiry of the allocated time on the Tranche Issue Closing Date. On the Tranche Issue Closing Date, the Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs will upload Applications until such time as may be permitted by the Stock Exchange(s). This information will be available with the Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs on a regular basis. **A high inflow of Applications on the Tranche Issue Closing Date may lead to some Applications received on such day not being uploaded; such Applications will not be considered for allocation. Applicants are therefore advised to submit their Applications well in advance of the closing time of acceptance of Applications on the Tranche Issue Closing Date.** For further information on the Issue programme, see "***Terms of the Issue – Issue Period***" on page 127 of this Draft Shelf Prospectus.

(d) At the time of registering each Application, other than ASBA Applications and Direct Online Applications, the Members of the Syndicate or Trading Members of the Stock Exchange(s) will enter the requisite details of the Applicants in the online system including:

- Application Form number
- PAN of the sole/first Applicant
- Investor category and sub-category
- DP ID
- Client ID
- Series of NCDs applied for
- Number of NCDs Applied for in each Series of NCD
- Price per NCD
- Application amount
- Cheque number

(e) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches will enter the requisite details of the Applicants in the online system including:

- Application Form number

- PAN of the sole/first Applicant
- Investor category and sub-category
- DP ID
- Client ID
- Series of NCDs applied for
- Number of NCDs Applied for in each Series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(f) With respect to ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants will be entered in the online system including:

- Application Form number
- PAN of the sole/first Applicant
- Investor category and sub-category
- DP ID
- Client ID
- Series of NCDs applied for
- Number of NCDs Applied for in each Series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Location of Specified City
- Bank account number
- Application amount

(g) A system generated acknowledgement slip will be issued to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement slip stamped with date from the Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of the SCSBs, as the case may be. Registration of the Application by the Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs, as the case may be, does not guarantee that NCDs will be allocated/Allotted by the Company. The acknowledgement slip will be non-negotiable and by itself will not create any obligation of any kind.**

(h) Applications can be rejected on the technical grounds listed on page 152 of this Draft Shelf Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.

(i) The permission granted by the Stock Exchange(s) to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company and/or the Lead Managers are cleared or approved by the Stock Exchange(s); nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the management or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange(s).

(j) Only Applications that are uploaded on the online system of the Stock Exchange(s) will be considered for allocation/Allotment. The Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs will capture all data relevant for the purposes of finalising the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange(s). In order that the data so captured does not match with the Depository details, the Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs will have up to one Working Day after the Tranche Issue Closing Date to modify/verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

BASIS OF ALLOTMENT

Please refer "***Terms of the Issue – Basis of Allotment***" on page 128 of this Draft Shelf Prospectus.

PAYMENT OF REFUNDS

Please refer "***Terms of the Issue – Payment of Refunds***" on page 129 of this Draft Shelf Prospectus.

ALLOTMENT OF NCDs AND ISSUANCE OF ALLOTMENT ADVICE

The Company reserves, in its absolute and unqualified discretion and without assigning any reason therefor, the right to reject any Application in whole or in part. The unutilised portion of the Application Amount(s) will be refunded to the Applicant by an account payee cheque/demand draft. In case the cheque payable at par facility is not available, the Company reserves the right to adopt any other suitable mode of payment.

The Company will use best efforts to ensure that all steps for completion of the necessary formalities for Allotment, listing and commencement of trading at the Stock Exchange(s) where the NCDs are proposed to be listed are taken within 12 Working Days of the Tranche Issue Closing Date. The Company will ensure dispatch of Allotment Advice/refund orders within 12 Working Days of the Tranche Issue Closing Date and/or issue instructions for credit of NCDs to the respective beneficiary accounts with DPs for successful Applicants who have been Allotted NCDs in dematerialised form within 12 Working Days of the Tranche Issue Closing Date. Allotment Advice for

successful Applicants who have been Allotted NCDs in dematerialised form will be mailed to their addresses (in India) as per the Demographic Details received from the Depositories.

The Company will credit the Allotted NCDs to the respective beneficiary accounts/dispatch the Allotment Advice/refund orders, as the case may be, by speed/registered post at the Applicant's sole risk within 12 Working Days of the Tranche Issue Closing Date. the Company in default will be liable to pay interest at the applicable rate for delay beyond 8 days from the time the Company becomes liable to repay any amount on account of refund, as may be prescribed under the Company Act.

The Company will provide adequate funds required for dispatch of refund orders and Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of SEBI circular dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange(s) and all SCSBs, and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Members of the Syndicate and Trading Members of the Stock Exchange(s) at the Specified Cities, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

In case of non-ASBA Applications and Direct Online Applications, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Bank(s) with the electronic details in terms of SEBI circular dated April 22, 2010 and SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers, the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected.

Based on the information provided by the Depositories, the Company will have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Withdrawal of Applications during the Issue Period

Withdrawal of Direct Online Applications

Direct Online Applications may be withdrawn in accordance with the procedure prescribed by the Stock Exchange(s).

Withdrawal of ASBA Applications

ASBA Applicants may withdraw their ASBA Applications during the Issue Period by submitting a request in writing to a Member of the Syndicate, Trading Member of the Stock Exchange(s) or a Designated Branch of an SCSB, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities, on receipt of the request for withdrawal from the ASBA Applicant, the relevant Member of the Syndicate or Trading Member of the Stock Exchange(s), as the case may be, will do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchange(s). In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, on receipt of the request for withdrawal from the ASBA Applicant, the relevant Designated Branch will do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchange(s) and unblocking funds in the ASBA Account directly.

Withdrawal of Non-ASBA Applications (other than Direct Online Applications)

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request in writing for the same to the Member of the Syndicate or Trading Member of the Stock Exchange(s), as the case may be, through whom the Application had been made. On receipt of the request for withdrawal from the Applicant, the relevant Member of the Syndicate or Trading Member of the Stock Exchange(s), as the case may be, will do the requisite, including deletion of details of the withdrawn Non-ASBA Application Form from the electronic platform of the Stock Exchange(s).

Withdrawal of Applications after the Issue Period

In case an Applicant (ASBA as well as Non-ASBA) wishes to withdraw an Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment. The Registrar to the Issue will delete the withdrawn Application from the electronic file provided by the Stock Exchange(s) and a) issue instruction to the Refund Banker for refund of application amount (in case of Non-ASBA Application) b) SCSB for unblocking the ASBA Account (in case of ASBA Applications).

Revision of Applications

Applicants may revise/modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request to a Member of the Syndicate/Trading Member of the Stock Exchange(s)/Designated Branch of an SCSB, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. **Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Tranche Issue Closing Date. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the online Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.**

Depository Arrangements for Applicants Applying for Allotment in Dematerialised Form

The Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. Tripartite Agreements have been executed between the Company, the Registrar to the Issue and both the Depositories. As per the Depositories Act, NCDs issued by us can be held in a dematerialised form. In this context:

i. The Company has entered into Tripartite Agreements dated February 23, 2005 with the Registrar to the Issue and NSDL and dated March 1, 2013 with the Registrar to the Issue and CDSL, respectively for offering depository option to the Applicants.

ii. An Applicant must have at least one beneficiary account with any of the DPs of NSDL or CDSL prior to making the Application.

iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

v. Applications can be in single or joint names (not exceeding three names). If the Application Form is submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

vi. Non-transferable Allotment Advice/refund orders will be directly sent to the Applicant by the Registrar to the Issue.

vii. It may be noted that NCDs in electronic form can be traded only on Stock Exchange(s) having electronic connectivity with NSDL or CDSL. BSE have connectivity with NSDL and CDSL.

viii. Interest or other benefits with respect to NCDs held in dematerialised form will be paid to those NCDholders whose names appear on the list of beneficial owners provided by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/book closure date, the Company would keep in abeyance the payment of interest or other benefits, until such time that the beneficial owner is identified by the Depository and conveyed to the Company, whereon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

ix. Trading of the NCDs on the floor of the Stock Exchange(s) will be in dematerialised form only.

See "***- Instructions for completing the Application Form - Applicant's Beneficiary Account and Bank Account Details***" on page 144 of this Draft Shelf Prospectus.

The NCDs will cease to trade from the Record Date prior to the Maturity Date.

Trading of NCDs on the floor of the Stock Exchange(s) will be in dematerialised form only in multiples of one NCD.

Allottees will have the option to re-materialise the NCDs Allotted in the Issue as per the Companies Act, 2013 and the Depositories Act.

Interest in case of Delay

The Company undertakes to pay interest in connection with any delay in Allotment, dematerialised credit and refunds, beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under applicable statutory and/or regulatory requirements.

Impersonation

Please refer "***Terms of the Issue – Impersonation***" on page 134 of this Draft Shelf Prospectus.

Pre-closure/Extension

The Company, in consultation with the Lead Managers, reserves the right to close or extend the Issue at any time prior to the Tranche Issue Closing Date. In the event of such early closure or extension of the subscription list of the Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Tranche Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper. The Company will Allot NCDs with respect to the Applications received at/until the time of such pre-closure in accordance with the Basis of Allotment as described in "***- Basis of Allotment***" on page 128 of this Draft Shelf Prospectus .

Filing of the Shelf Prospectus and Tranche Prospectus(es) with the RoC

A copy of the Shelf Prospectus and relevant Tranche Prospectus(es) will be filed with RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013 and the Shelf Prospectus shall be valid for a period not exceeding one year from the first Tranche Issue Opening Date.

Communications

Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue, quoting all relevant details including the full name of the sole/first Applicant, Application Form number, Applicant's DP ID, Client ID and PAN, number of NCDs applied for, date of the Application Form, name and address of the Member of the Syndicate, Trading Member of the Stock Exchange(s) or Designated Branch of the SCSB, as the case may be, where the Application was submitted, and cheque/draft number and issuing bank thereof, or with respect to ASBA Applications, the ASBA Account number in which an amount equivalent to the Application Amount was blocked.

Applicants may contact the Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on Application Amount or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

SECTION VII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

AS PER ANNEXURE D

SECTION VIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office and Corporate Office of the Company situated IFCI Limited, IFCI Tower, 61 Nehru Place, New Delhi - 110 019, from 10.00 a.m. to 4.00 p.m. (Indian Standard Time), from the date of the Draft Shelf Prospectus until the date of closure of the Issue.

MATERIAL CONTRACTS

1. Issue Agreement dated September 28, 2014 between the Company and the Lead Managers.
2. Registrar Agreement dated September 26, 2014 between the Company and the Registrar to the Issue.
3. Debenture Trust Agreement dated September 26, 2014 between the Company and the Debenture Trustee for the Debenture holders.
4. Tripartite Agreement dated November 3, 2011 between CDSL, the Company and the Registrar to the Issue.
5. Tripartite Agreement dated November 9, 2011 between NSDL, the Company and the Registrar to the Issue.
6. Escrow Agreement dated [●] between Company, Lead Managers, Escrow Collection Banks, Refund Bank and Registrar to the Issue.
7. Consortium Agreement dated [●] between Company and Consortium Members.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of the Company, as amended.
2. Certificate of Incorporation and Certificate of Commencement of business issued by the RoC to the Company in May 21, 1993 and June 24, 1993, respectively.
3. Certificate of registration bearing No. B-14.00009 dated August 18, 2009 issued by RBI to the Company.
4. Certified True Copy of Resolution passed by the Shareholders at the general meeting held on August 27, 2014, granting authority to the Board of Directors to borrow monies under Section 180(1)(c) of the Companies Act 2013, from time to time.
5. Certified True Copy of the Resolution passed by the Board of Directors at its Meeting held August 12, 2014 authorising the Issue.
6. Certified True Copy of the Resolution passed by the Board of Directors at its Meeting held on September 29, 2014 approving the Draft Shelf Prospectus.
7. Letter dated September 26, 2014 by ICRA assigning credit rating of "[ICRA]A (Stable)" to the NCDs.
8. Letter dated September 26, 2014 by Brickwork assigning credit rating of "BWR AA- (Outlook: Stable)" to the NCDs.
9. Consents of each of the Directors, Chief Financial Officer, Compliance Officer, Lead Managers, Legal Advisors to the Issue, Registrar to the Issue, Bankers to the Company, the Debenture Trustee for the NCDs, Statutory Auditors, and the Credit Rating Agencies to include their names in the Draft Shelf Prospectus, in their respective capacities.
10. Consent of the Auditors, for inclusion of the report on the financial statements including the annexure and notes thereto, in the form and context in which they appear in the Draft Shelf Prospectus and their statement on tax benefits mentioned herein.
11. Examination Report of the Auditor dated August 12, 2014 on Limited Review Financial Statements for the 3 (three) months ended on June 30, 2014.
12. Examination Report of the Auditor dated September 29, 2014 on Reformatted Standalone Financial Statements and Reformatted Consolidated Financial Statements, prepared in accordance with the accounting standards generally accepted in India for Fiscal 2014, 2013, 2012, 2011 and 2010.
13. Annual Reports of the Company for the last 5 (five) Fiscals.
14. In-principle listing approval from BSE, through letter no. [●] dated [●], 2014.
15. Due Diligence Certificate dated [●], 2014 from each of the Lead Managers.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture holders, in the interest of the Company in compliance with applicable laws.

DECLARATION

We, the undersigned Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 1956/ the Companies Act, 2013 as applicable on the date of this Draft Shelf Prospectus and rules made thereunder and the guidelines issued by the Government of India and/ or the regulations/ guidelines/ circulars issued by the Reserve Bank of India and Securities and Exchange Board of India Act, 1992 as applicable, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, in connection with the Issue have been complied with.

We further certify that the disclosures and statements made in this Draft Shelf Prospectus are true and correct and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements. We further certify that the disclosures and statements made in this Draft Shelf Prospectus are in conformity with the relevant provisions of the Companies Act, 2013 to the extent applicable as on the date of this Draft Shelf Prospectus and rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended and nothing in the Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 1956/ the Companies Act, 2013, as applicable on the date of this Draft Shelf Prospectus, the Securities Contracts (Regulation) Act, 1956, or the Securities and Exchange Board of India, 1992 and the rules, regulations, circulars or guidelines made/ issued thereunder.

Signed by the Board of Directors

1.	Shri S.V. Ranganath *Non- Executive Chairman*
2.	Shri Malay Mukherjee *Chief Executive Officer and Managing Director*
3.	Shri Achal Kumar Gupta* *Deputy Managing Director*
4.	Shri Anurag Jain* *Government Director*
5.	Shri Alok Tandon* *Government Director*
6.	Shri P G Muralidharan *Director*
7.	Smt. Kiran Sahdev *Director*
8.	Smt. Savita Mahajan *Director*
9.	Shri K.S. Sreenivasan* *Director*
10.	Prof. N. Balakrishnan* *Director*
11.	Shri S N Ananthasubramanian *Director*
12.	Shri Arvind Sahay* *Director*

** Signed by their duly constituted attorney Shri Malay Mukherjee*

Place: New Delhi
Date: September 29, 2014

ANNEXURE A:

FINANCIAL STATEMENTS

S. No.	Particulars	Page no.
1	Limited Review Report on Unaudited Financial Results for the quarter ended June 30, 2014 together with the Unaudited (Standalone) Financial Results for the quarter ended June 30, 2014	F1 to F3
2	Independent Auditor's Report dated September 29, 2014 on Reformatted Standalone Financial Statements as at and for the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014, as issued by the Joint Statutory Auditors	F4 to F7
3	Reformatted Standalone Financial Statements as at and for the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014	F8 to F137
4	Independent Auditor's Report dated September 29, 2014 on Reformatted Consolidated Financial Statements as at and for the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014, as issued by the Joint Statutory Auditors	F138 to F141
5	Reformatted Consolidated Financial Statements as at and for the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014	F-142 to F-262

M/s Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants,
221-223, Deen Dayal Upadhyaya Marg
New Delhi-110001

M/s ANDROS & Co.
Chartered Accountants
A-101, GIA, Wazirpur
New Delhi-110052

LIMITED REVIEW REPORT ON UNAUDITED FINANCIAL RESULTS TO THE BOARD OF DIRECTORS OF IFCI LIMITED FOR THE QUARTER ENDED JUNE 30, 2014

1. We have reviewed the accompanying standalone Unaudited Financial Results ('The Statement') of IFCI Limited ('The Company') for the quarter ended June 30, 2014, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing agreement issued by the Securities and Exchange Board of India("Listing Agreement"). The disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors on 12th August, 2014. Our responsibility is to issue a report on this statement, based on our review.

2. We have conducted our review in accordance with Standard on Review Engagements(SRE) 2410, "*Review of Interim Financial Information performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review, conducted as explained in paragraphs 1 and 2 above, nothing has come to our attention that causes us to believe that accompanying statement of unaudited financial results, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms as per the "Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

for **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
ICAI FRN 000038N

for **ANDROS & CO**
Chartered Accountants
ICAI FRN 08976N

(V. Rajaraman)
Partner
M.No. 2705

(Mukesh Jindal)
Partner
M.No. 502315

Place: New Delhi
Dated: 12.08.2014

IFCI LTD.
CIN: L74899DDL1993PLC053677
REGD. OFFICE : IFCI TOWER
61, NEHRU PLACE, NEW DELHI – 110 019
WEBSITE: www.ifciltd.com

UNAUDITED (STANDALONE) FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

(₹ Lakh)

	Particulars	Quarter ended 30/06/14 (Unaudited)	Quarter ended 31/03/14 (Unaudited)	Quarter ended 30/06/13 (Unaudited)	Year ended 31/03/14 (Audited)
	PART I (STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2014)				
1	**Income from Operations**				
	a) Net income from operations	71,380	79,254	54,057	2,85,033
	b) Other operating income	1,236	819	1,087	3,418
	Total income from operations (net)	**72,616**	**80,073**	**55,144**	**2,88,451**
2	**Expenses**				
	a) Cost of Borrowings	49,056	44,325	40,653	1,66,599
	b) Employee benefits expense	1,607	1,956	975	5,889
	c) Depreciation and amortisation expense	271	324	325	1,304
	d) Other expenses	797	924	853	3,250
	Total Expenses	**51,731**	**47,529**	**42,806**	**1,77,042**
3	**Profit from operations before other income, provisions and exceptional items (1-2)**	**20,885**	**32,544**	**12,338**	**1,11,409**
4	Write off/ Provision for Bad & Doubtful Assets and others (Net)	7,821	12,586	5,331	52,039
5	**Profit from operations before other income and exceptional items (3-4)**	**13,064**	**19,958**	**7,007**	**59,370**
6	Other Income	1,039	2,899	1,009	6,675
7	**Profit from ordinary activities before exceptional items (5 + 6)**	**14,103**	**22,857**	**8,016**	**66,045**
8	Exceptional items	-	-	-	-
9	**Profit from ordinary activities before tax (7 ± 8)**	**14,103**	**22,857**	**8,016**	**66,045**
10	Tax expense				
	a) Income Tax	-	791	4,208	10,760
	b) Deferred Tax	4,656	5,037	(1,703)	4,475
11	**Net Profit from ordinary activities after tax (9 - 10)**	**9,447**	**17,029**	**5,511**	**50,810**
12	Extraordinary items	-	-	-	-
13	**Net Profit for the period (11 ± 12)**	**9,447**	**17,029**	**5,511**	**50,810**
14	Share of profit/ (loss) of associates	-	-	-	-
15	**Net Profit after taxes, minority interest and share of profit of associates (13 + 14 + 15)**	-	-	-	-
16	Paid-up equity share capital (Face Value of ₹ 10/- each)	1,66,112	1,66,112	1,66,099	1,66,112
17	Reserve excluding Revaluation Reserves				4,13,548
18.i	Earnings per share (before extraordinary items) (not annualised):				
	(a) Basic (₹)	0.57	1.02	0.33	3.05
	(b) Diluted (₹)	0.57	1.02	0.33	3.05
18.ii	Earnings per share (after extraordinary items) (not annualised):				
	(a) Basic (₹)	0.57	1.02	0.33	3.05
	(b) Diluted (₹)	0.57	1.02	0.33	3.05

IFCI LTD.
CIN: L74899DDL1993PLC053677
REGD. OFFICE : IFCI TOWER
61, NEHRU PLACE, NEW DELHI – 110 019
WEBSITE: www.ifciltd.com

UNAUDITED (STANDALONE) FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

(₹ Lakh)

Particulars		Quarter ended 30/06/14 (Unaudited)	Quarter ended 31/03/14 (Unaudited)	Quarter ended 30/06/13 (Unaudited)	Year ended 31/03/14 (Audited)
PART II (SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2014)					
A	**PARTICULARS OF SHAREHOLDING (EQUITY)**				
1	Public shareholding				
	- Number of Shares	73,90,37,235	73,90,37,235	73,90,37,235	73,90,37,235
	- Percentage of Shareholding	44.47%	44.47%	44.47%	44.47%
2	Promoters & Promoter Group Shareholding				
	a) Pledged/ Encumbered	NIL	NIL	NIL	NIL
	- No. of Shares	N.A.	N.A.	N.A.	N.A.
	- % of Shares (as a % of the total shareholding of promoter & promoter group)	N.A.	N.A.	N.A.	N.A.
	- % of Shares (as a % of the total share capital of the company)	N.A.	N.A.	N.A.	N.A.
	b) Non-encumbered	NIL	NIL	NIL	NIL
	- No. of Shares	92,30,00,000	92,30,00,000	92,30,00,000	92,30,00,000
	- % of Shares (as a % of the total shareholding of promoter & promoter group)	100%	100%	100%	100%
	- % of Shares (as a % of the total share capital of the company)	55.53%	55.53%	55.53%	55.53%

	Particulars	3 months ended 30/06/2014
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	2274
	Disposed off during the quarter	2274
	Remaining unresolved at the end of the quarter	Nil

Notes:

1 Segment Reporting as required under AS-17 issued by ICAI is not applicable, as more than 90% of the revenue comes from a single segment viz. Financing.

2 The figures for the quarter ended March 31, 2014 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2014 and the unaudited published year to date figures upto December 31, 2013, being the end of the third quarter of the financial year, which was subjected to a limited review.

3 The company has revised the useful life of the assets in alignment with schedule –II to the companies Act 2013 which has become applicable from 1st April 2014. Accordingly, 'Written Down Value (WDV)' of the assets as on 31st March, 2014 has been depreciated over the remaining useful life of the assets following straight line method. In respect of certain assets which were depreciated in the previous years on written down value method are now being depreciated on straight line value method. However the change from WDV to SLM has not been done retrospectively, since the amount involved is not likely to be material in the opinion of the management. Residual value in respect of assets other than Buildings and Vehicles are considered 'nil '. The depreciation has been provided on above basis.

4 The provision for income tax and MAT is Nil during the quarter ended June 30, 2014

5 Figures of the previous period/ year have been re-arranged/ re-grouped, wherever necessary.

6 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on August 12, 2014. The Limited Review as requried under Clause 41 of the Listing Agreement has been completed by theStatutory Auditors of the Company.

BY ORDER OF THE BOARD

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

ASA & Associates LLP
Chartered Accountants
K S House, 118, Shahpur Jat,
New Delhi – 110049
www.asa.in

ANDROS & Co.
Chartered Accountants
A-101, Group Industrial Area,
Wazirpur,
New Delhi - 110052

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors, IFCI Limited, New Delhi

1. We, 'ASA & Associates LLP', Chartered Accountants ('ASA') and 'ANDROS & CO.', Chartered Accountants ('ANDROS') as joint auditors, have reviewed the 'Reformatted Standalone Financial Statements' of **IFCI Limited** ('the Company') as at and for the years ended March 31, 2014, 2013, 2012, 2011 and 2010 annexed to this report, which is proposed to be included in the Draft Shelf Prospectus, Shelf Prospectus and Tranche Prospectus of the Company in connection with the proposed public issue of Secured Redeemable Non- Convertible Debentures ('NCDs') aggregating to Rs. 2,000 crores. These Reformatted Standalone Financial Statements have been prepared by the Company in accordance with the requirement of Section 26 of the Companies Act, 2013 ("the Act"), Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules 2014 and Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations, 2008 ('the SEBI Regulations') issued by Securities and Exchange Board of India ('SEBI'), as amended from time to time in pursuance of Section 11A of the Securities and Exchange Board of India Act, 1992 ('the SEBI Act') and related clarifications and in terms of our engagement letter dated September 15, 2014.

   ASA and ANDROS are collectively referred to as the "Joint Auditors" and the references to the Joint Auditors as 'we', 'us' or 'our', in this report, shall be construed accordingly.

2. **Management's Responsibility for the reformatted statements**

   The preparation and presentation of the Reformatted Standalone Financial Statements is the responsibility of the Company's management. The Reformatted Standalone Financial Statements have been extracted from the audited financial statements of the Company after making such reclassifications and regroupings as considered appropriate by the management. The Reformatted Standalone Financial Statements have been regrouped and reclassified (but not restated retrospectively for change in any accounting policy) for the years ended March 31, 2014, 2013, 2012, 2011 and 2010.

3. **Auditor's Responsibility**

   Our responsibility is to review and report on the annexed Reformatted Standalone Financial Statements prepared by the Company and approved by the Board of Directors of the Company, in accordance with the Guidance Note on 'Reports in Company Prospectus (Revised)' issued by the Institute of Chartered Accountants of India ('ICAI'), based on the audit procedures performed by us in accordance with auditing standards applicable in India.

4. **Reformatted Standalone Financial Statements as per audited financial statements**

We have reviewed the following statements:

a) the reformatted standalone statements of Assets and Liabilities as at March 31, 2014, 2013, 2012, 2011 and 2010 and the schedules forming part thereof (*Annexure I*);

b) the reformatted standalone statements of Profits and Losses for years ended March 31, 2014, 2013, 2012, 2011 and 2010 and the schedules forming part thereof (*Annexure II*); and

c) the reformatted standalone Cash Flow Statements for the years ended March 31, 2014, 2013, 2012, 2011 and 2010 (*Annexure III*),

The above (a), (b) and (c) together are referred to as "Reformatted Standalone Financial Statements".

The reformatted standalone financial statements have been prepared by the management from the audited financial statements and from the books of accounts.

The details of auditors, audit reports and date of approval by Board of Directors and adoption by the Members of the Company for the previous 5 financial years is given hereunder-

Auditor Name	Year of Audit	Date of Auditor's Report	Date of Approval by Board	Date of Adoption by Members
Chokshi & Chokshi	FY 2009-10	April 30, 2010	April 30, 2010	September 17, 2010
	FY 2010-11	April 18, 2011	April 18, 2011	September 13, 2011
	FY 2011-12	April 17, 2012	April 17, 2012	July 18, 2012
Ray & Ray	FY 2012-13	May 20, 2013	May 20, 2013	November 13, 2013
Thakur Vaidyanath Aiyar& Co. and ANDROS & CO.	FY 2013-14	April 29, 2014	April 29, 2014	August 27, 2014

We have performed such tests and audit procedures, which in our opinion were necessary for the purpose of our review. These procedures mainly involved comparison of the attached reformatted standalone financial statements with the Company's audited standalone financial statements for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 and review of regrouping and reclassification as per the requirements of 'SEBI Regulations'.

Based on our review of these Reformatted Standalone Financial Statements we state that:

i. The Reformatted Standalone Financial Statements have been rounded off to 'Rupees in Crores' solely for convenience of readers;

ii. The Reformatted Standalone Financial Statements have to be read in conjunction

with the relevant significant accounting policies and notes to financial statements as given in *Annexure IV*;

iii. The figures of earlier years have been regrouped (but not restated retrospectively for changes in accounting policy, if any),wherever necessary, to conform to the classification adopted for the Reformatted Standalone Financial Statements;

iv. There are no extra-ordinary items that need to be disclosed separately in the Reformatted Standalone Financial Statements; and

v. There are no qualifications in the auditor's report on the audited standalone financial statements for financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 that require adjustments to the figures in the Reformatted Standalone Financial Statements, other than those disclosed under 'Summary of Qualifications and Adverse Remarks' given in *Annexure-V*.

5. **Other Standalone Financial Information of the Company**

We have examined the following Other Standalone Financial Information of the Company, proposed to be included in the Draft Prospectus as approved by the Board of Directors and annexed to this report:

a) Statement of contingent liabilities for reformatted financial statements as at and for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (*Annexure VI*)

b) Statement of accounting ratios for reformatted financial statements as at and for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (*Annexure VII*)

c) Statement of list of related parties, nature of relationships, transactions with them and outstanding balances for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (*Annexure VIII A&B*)

d) Capitalization statement as at March 31, 2014 (*Annexure IX*)

e) Statement of dividends for reformatted financial statements as at and for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (*Annexure X*)

6. We have reviewed these Reformatted Standalone Financial Statements prepared by the Company and approved by the Board of Directors of the Company in accordance with the Guidance Note on 'Reports in Company Prospectus (Revised)' issued by the Institute of Chartered Accountants of India, *except* that whether these reformatted financial statements have been adjusted for the changes in accounting policies retrospectively in the respective financial years to reflect the same accounting policies for all the reporting periods and for adjustments of amounts pertaining to previous years in the respective financial years to which they relates.

7. The audited financial statements of the company and its subsidiaries are not available

for the financial year 2009-10 in the formats prescribed in Revised Schedule VI of the Companies Act, 1956. The Reformatted Standalone Financial Statements for the year ended March 31, 2010 have been prepared after regroupings that in the managements' opinion are appropriate.

8. Based on our review of the Reformatted Standalone Financial Statements and read with paragraph 7 above, we state that in our opinion, the Reformatted Standalone Financial Statements and Other Standalone Financial Information for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 have been prepared in accordance with Section 26 of the Companies Act, 2013 and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules 2014 and Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations, 2008, issued by Securities and Exchange Board of India, as amended from time to time in pursuance of Section 11A of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act") and related clarifications SEBI Regulations.

9. This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

10. This report is intended solely for your information and for inclusion in the Draft Prospectus in connection with the proposed issue of Secured Redeemable Non-Convertible Debentures and is not to be used, referred to or distributed for any other purpose without our prior written consent.

11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006

Parveen Kumar
Partner
Membership No. 088810

Place: New Delhi
Date: September 29, 2014

For **ANDROS & CO.**
Chartered Accountants
Firm Registration No:008976N

Brij Bhushan Garg
Partner
Membership No. 084865

Place: New Delhi
Date: September 29, 2014

IFCI LTD.
ANNEXURE - I: STANDALONE REFORMATTED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ crore)

		Note No.	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
I.	**EQUITY & LIABILITIES**						
(1)	Shareholders' Funds						
	(a) Share Capital	1	1,924.96	1,924.68	1,001.68	1,001.68	1,001.68
	(b) Reserves and Surplus	2	5,055.64	4,766.28	4,544.15	4,011.78	3,608.12
(2)	Non-current Liabilities						
	(a) Long-term Borrowings	3	17,342.11	14,224.67	17,474.98	17,402.56	11,573.74
	(b) Long-term Liabilities	4	86.86	73.37	69.60	41.58	35.65
	(c) Long-term Provisions	5	81.76	42.80	138.50	136.83	121.79
(3)	Current Liabilities						
	(a) Short-term Borrowings	6	247.95	14.68	384.44	-	36.01
	(b) Trade Payables	7	95.84	185.26	247.64	93.68	44.33
	(c) Other Current Liabilities	8	3,955.97	4,451.13	4,234.84	2,754.12	2,683.48
	(d) Short-term Provisions	9	198.22	198.54	87.97	85.75	86.08
	TOTAL		**28,989.31**	**25,881.41**	**28,183.80**	**25,527.98**	**19,190.88**
II.	**ASSETS**						
(1)	Non-current Assets						
	(a) Fixed Assets						
	(i) Tangible Assets	10	1,141.30	1,152.96	1,150.97	1,199.58	1,431.17
	(ii) Intangible Assets	11	0.20	0.34	0.41	0.46	-
	(iii) Capital work-in-progress		5.62	19.29	14.54	8.75	2.77
	(b) Non-current Investments	12	5,751.86	5,955.20	6,188.32	4,666.96	3,856.75
	(c) Deferred Tax Asset (Net)	13	682.04	726.79	836.92	1,020.91	1,387.44
	(d) Long-term Loans & Advances						
	(i) Loans	14	16,598.59	10,542.78	12,303.81	12,151.52	7,795.91
	(ii) Others	15	183.57	216.32	267.27	394.39	392.25
	(e) Other non-current assets	16	4.55	4.57	4.53	4.30	3.88
(2)	Current Assets						
	(a) Current Investments	17	1,761.67	2,686.21	1,646.72	1,787.16	1,388.46
	(b) Trade Receivables	18	33.82	15.08	15.58	75.67	59.95
	(c) Cash and Cash Equivalents	19	535.83	605.62	398.61	527.86	38.53
	(d) Short-term Loans and Advances						
	(i) Loans (Current Maturity of Long-term Loans)	20	2,036.52	3,737.14	4,639.20	3,488.04	2,687.63
	(ii) Others	21	34.31	32.52	509.74	21.31	31.80
	(e) Other Current Assets	22	219.43	186.59	207.18	181.07	114.34
	TOTAL		**28,989.31**	**25,881.41**	**28,183.80**	**25,527.98**	**19,190.88**

Accounting Policies and Notes of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJ BHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

IFCI LTD.
ANNEXURE - II: STANDALONE REFORMATTED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ crore)

		Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
	CONTINUING OPERATIONS						
I.	Revenue from Operations	23	2,884.51	2,705.85	2,800.97	2,421.04	1,653.40
II.	Other Income	24	66.75	53.45	49.23	64.73	22.28
III.	**Total Revenue**		**2,951.26**	**2,759.30**	**2,850.20**	**2,485.77**	**1,675.68**
IV.	**Expenses**						
	Finance Cost	25	1,665.99	1,814.61	1,871.08	1,324.63	891.18
	Employee Benefits Expenses	26	58.89	60.94	65.32	65.38	57.80
	Depreciation and Amortization Expense (Net of transfer from Revaluation Reserve)		13.04	10.33	11.67	10.28	8.98
	Other Expenses	27	32.50	44.15	57.10	69.55	50.27
	Total Expenses		**1,770.42**	**1,930.03**	**2,005.17**	**1,469.84**	**1,008.23**
V.	**Profit before NPA Recovery, Provisions/ Write-off**		**1,180.84**	**829.27**	**845.03**	**1,015.93**	**667.45**
VI.	Less: Provision for Bad & Doubtful Assets and others (Net of Write-off)	28	520.39	165.15	(112.71)	(150.32)	(447.81)
VII.	**Profit before Tax**		**660.45**	**664.12**	**957.74**	**1,166.25**	**1,115.26**
VIII.	Tax Expense						
	- Current Tax		107.60	103.12	110.13	93.47	105.45
	- Deferred Tax (Net)		44.75	110.13	183.99	366.53	338.87
IX.	**Profit for the period**		**508.10**	**450.87**	**663.62**	**706.25**	**670.94**

Accounting Policies and Notes of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJ BHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

IFCI LTD.
ANNEXURE - III: STANDALONE REFORMATTED SUMMARY OF CASH FLOW STATEMENT

(₹ crore)

	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITES					
Net Profit before Tax	660.45	664.12	957.74	1,166.25	1,115.26
Adjustments for:					
Depreciation	13.04	10.33	11.67	10.28	8.98
Provision/ write offs	520.39	165.15	(112.71)	(150.32)	(447.81)
Bond Issue Expenses charged to Share Premium Account	(5.58)	(17.33)	(25.94)	-	-
(Profit)/ Loss on Sale of Assets	(0.03)	0.04	(1.10)	(34.09)	3.92
Employee Stock Option Compensation Cost	0.44	0.91	0.45	0.00	0.00
Lease Equalisation	0.00	12.23	23.91	21.65	17.47
Operating Profit before Working Capital Changes & Operating Activities	1,188.71	835.45	854.02	1,013.77	697.82
Adjustments for Operating Activities:					
(Increase)/ decrease in Investments *(incl. Current Investments)*	1,014.44	(829.24)	(1,442.06)	(1,260.32)	(2,149.74)
(Increase)/ decrease in Loans & Advances (incl. current maturities of long-term loans & advances)	(4,760.53)	2,534.93	(1,129.60)	(4,954.29)	(2,282.24)
Increase/ (decrease) in Borrowings *(incl. current maturities of long-term liabilities)*	2,867.98	(3,418.75)	2,178.48	5,689.43	3,878.36
Operating Profit before Working Capital Changes	310.60	(877.61)	460.84	488.59	144.20
Adjustments for:					
(Increase)/ decrease in Current Assets	(52.07)	489.66	(459.73)	(62.24)	112.86
Increase/ (decrease) in Current Liabilities	(49.72)	(137.08)	(55.93)	244.34	(163.94)
Cash Flow before taxation	208.81	(525.03)	(54.82)	670.69	93.12
Income Tax (paid)/ refund - Net	(77.74)	(57.68)	22.04	(105.75)	(104.27)
Net cash flow from Operating Activities	**131.07**	**(582.71)**	**(32.78)**	**564.94**	**(11.15)**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of/ Advance for Fixed Assets (including Leased Assets)	(7.49)	(48.40)	(13.07)	(28.29)	(22.09)
Sale proceed of Fixed Assets	0.86	0.10	1.73	39.28	3.23
Net cash flow from Investing Activities	**(6.63)**	**(48.30)**	**(11.34)**	**10.99**	**(18.86)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Issue of Equity Shares by way of conversion of OCDs held by GoI	-	923.00	-	-	-
Issue of Equity Shares on exercise of employee stock options	0.28	-	-	-	(24.57)
Share Premium (net of expenses)	0.23	0.01	-	-	(238.39)
CSR Fund (net of expenses)	0.02	(0.08)	0.02	0.06	-
Redemption of Preference Shares					(82.03)
Staff Welfare Fund	-	-	-	(0.27)	-
Benevolent Reserve Fund	-	0.25	-	-	-
Dividend paid	(194.76)	(85.16)	(85.15)	(86.39)	(70.06)
Net cash flow from Financing Activities	**(194.23)**	**838.02**	**(85.13)**	**(86.60)**	**(415.05)**

Net Increase/ (Decrease) in Cash and Cash Equivalent Flow (A+B+C)	**(69.79)**	**207.01**	**(129.25)**	**489.33**	**(445.06)**
Opening Cash and Cash Equivalent	605.62	398.61	527.86	38.53	483.59
Closing Cash and Cash Equivalent	535.83	605.62	398.61	527.86	38.53
Increase/ (Decrease) in Cash and Cash Equivalent	**(69.79)**	**207.01**	**(129.25)**	**489.33**	**(445.06)**

Accounting Policies and Notes to accounts of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJ BHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

1 SHARE CAPITAL

1.1 Share capital authorised, issued, subscribed and paid up:

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
AUTHORISED					
Equity Shares of ₹10/- each	2,000.00	2,000.00	1,500.00	1,500.00	1,500.00
Cumulative Redeemable Preference Shares of ₹10/- each	1,000.00	1,000.00	1,500.00	1,500.00	1,500.00
	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
ISSUED					
Equity Shares of ₹10/- each	1,729.28	1,729.28	805.08	805.08	805.08
Cumulative Redeemable Preference Shares of ₹10/- each	263.84	263.84	263.84	263.84	263.84
	1,993.12	1,993.12	1,068.92	1,068.92	1,068.92
SUBSCRIBED					
Equity Shares of ₹10/- each	1,663.35	1,663.35	739.15	739.15	739.15
Cumulative Redeemable Preference Shares of ₹10/- each	263.84	263.84	263.84	263.84	263.84
	1,927.19	1,927.19	1,002.99	1,002.99	1,002.99
PAID UP					
(A) EQUITY					
Equity Shares of ₹10/- each	1,662.04	1,662.04	737.84	737.84	737.84
Less: Loan given to ESOP Trust recoverable (outstanding) (shares alloted to Trust)	(0.92)	(1.20)	-	-	-
TOTAL - EQUITY	**1,661.12**	**1,660.84**	**737.84**	**737.84**	**737.84**
(B) PREFERENCE					
0.10% Cumulative Redeemable Preference Shares of ₹ 10/- each					
Redeemable at par on 31.03.2021	2.00	2.00	2.00	2.00	2.00
Redeemable at par on 03.03.2021	8.00	8.00	8.00	8.00	8.00
Redeemable at par on 02.03.2021	30.00	30.00	30.00	30.00	30.00
Redeemable at par on 01.03.2021	10.00	10.00	10.00	10.00	10.00
Redeemable at par on 31.10.2020	2.00	2.00	2.00	2.00	2.00
Redeemable at par on 31.03.2019	30.00	30.00	30.00	30.00	30.00
Redeemable at par on 17.09.2018	50.00	50.00	50.00	50.00	50.00
Redeemable at par on 15.09.2018	93.00	93.00	93.00	93.00	93.00
Redeemable at par on 02.08.2017	38.84	38.84	38.84	38.84	38.84
TOTAL - PREFERENCE	**263.84**	**263.84**	**263.84**	**263.84**	**263.84**
TOTAL SHARE CAPITAL	**1,924.96**	**1,924.68**	**1,001.68**	**1,001.68**	**1,001.68**

1.2 Reconciliation of the number of equity shares and share capital:

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Number of shares				
Issued Capital					
Outstanding at beginning of the period	1,728,084,785	805,084,785	805,084,785	805,084,785	805,084,785
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	-	923,000,000	-	-	-
Outstanding at the end of the period	1,728,084,785	1,728,084,785	805,084,785	805,084,785	805,084,785
Subscribed Capital					
Outstanding at beginning of the period	1,662,154,031	739,154,031	739,154,031	739,154,031	739,154,031
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	-	923,000,000	-	-	-
Outstanding at the end of the period	1,662,154,031	1,662,154,031	739,154,031	739,154,031	739,154,031
Paid up Capital					
Outstanding at beginning of the period	1,660,837,331	737,837,331	737,837,331	737,837,331	737,837,331
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	-	923,000,000	-	-	-
Add: Shares issued to employees on exercise of employee stock options	278,282	-	-	-	-
Outstanding at the end of the period	1,661,115,613	1,660,837,331	737,837,331	737,837,331	737,837,331

1.3 Shareholders holding more than 5% of equity shares as at the end of the year:

Name of the shareholder	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Number of shares				
Government of India	923,000,000	923,000,000	-	-	-
Life Insurance Corporation of India	-	-	61,934,044	61,934,044	61,934,044

Name of the shareholder	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Percentage Shareholding				
Government of India	55.53	55.53	-	-	-
Life Insurance Corporation of India	-	-	8.39	8.39	8.39

1.4 Employee Stock Option Scheme

ESOP A (Weighted Average Exercise Price (₹17.55))

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Number of options				
Outstanding at the beginning of the period	3,801,999	4,554,700	-	-	-
Add: Granted during the period	-	-	4,573,312	-	-
Less: Cancelled during the period	141,558	752,701	18,612	-	-
Less: Exercised during the period	233,522	-	-	-	-
Less: Expired during the period	-	-	-	-	-
Outstanding at the end of the period *	3,426,919	3,801,999	4,554,700	-	-
** incl. shares allotted to Employee Stock Option Trust*	*748,810*	*982,332*	-	-	-

ESOP B (Weighted Average Exercise Price (₹23.40))

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Number of options				
Outstanding at the beginning of the period	2,024,776	2,623,681	-		
Add: Granted during the period	-	-	2,623,681		
Less: Cancelled during the period	148,841	598,905			
Less: Exercised during the period	44,760	-	-		
Less: Expired during the period	-	-	-		
Outstanding at the end of the period *	1,831,175	2,024,776	2,623,681		
** incl. shares allotted to Employee Stock Option Trust*	*172,812*	*217,572*	-		

2 RESERVES AND SURPLUS

(₹ crore)

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) **Capital Reserve** *(foot-note 1)*	0.85	0.85	0.85	0.85	0.85
(B) **Capital Redemption Reserve** *(foot-note 2)*					
Opening Balance	193.08	193.08	193.08	193.08	111.05
Additions	-	-	-	-	82.03
Closing Balance	193.08	193.08	193.08	193.08	193.08
(C) **Securities Premium Reserve**					
Opening Balance	930.18	945.90	971.84	971.84	1,210.23
Additions	-	1.61	-	-	-
Deductions/ Transfers	(5.58)	(17.33)	(25.94)	-	(238.39)
Closing Balance	924.60	930.18	945.90	971.84	971.84
Less: Loan given to ESOP Trust recoverable (outstanding) (shares alloted to Trust)	(0.80)	(1.03)	-	-	-
	923.80	929.15	945.90	971.84	971.84

(D) **Debenture Redemption Reserve**					
Opening Balance	-	5.00	5.00	5.00	5.00
Transfer to General Reserve	-	(5.00)	-	-	-
Closing Balance	-	-	5.00	5.00	5.00
(E) **Revaluation Reserve**					
Opening Balance	939.25	958.28	978.00	1,194.32	567.18
Additions	-	-	-	-	637.44
Deduction on account of Depreciation	(19.03)	(19.03)	(19.72)	(216.32)	(10.30)
Deduction on account of transfer/ sale/ disposal	(0.06)	-	-	-	-
Closing Balance	920.16	939.25	958.28	978.00	1,194.32
(F) **Share Options Outstanding A/c**					
Employee Stock Options Outstanding	1.57	1.65	2.66	-	-
Less: Deferred Employee Compensation Outstan	(0.34)	(0.86)	(2.21)	-	
	1.23	0.79	0.45	-	-
(G) **Corporate Social Responsibility**					
Opening Balance	10.00	10.08	10.06	-	-
Additions	0.82	0.80	0.81	10.82	-
Deductions	(0.80)	(0.88)	(0.79)	(0.76)	-
Closing Balance	10.02	10.00	10.08	10.06	-
(H) **Grant received from GOI under KfW**	184.48	184.48	184.48	184.48	184.48
(I) **Special Reserve under Section 36(1)(viii)**					
- for the period upto 31.03.97	1.69	1.69	1.69	1.69	1.69
- after 01.04.97					
Opening Balance	50.00	35.00	20.00	10.00	-
Additions	15.00	15.00	15.00	10.00	10.00
Closing Balance	65.00	50.00	35.00	20.00	10.00
(J) **Reserve u/s 45IC of RBI Act** *(foot-note 5)*					
Opening Balance	669.10	578.93	446.21	304.96	170.77
Additions	101.62	90.17	132.72	141.25	134.19
Closing Balance	770.72	669.10	578.93	446.21	304.96
(K) **Benevolent Reserve**					
Opening Balance	-	4.11	4.11	4.11	4.11
Additions/ Transfers	-	0.25	-	-	-
Transfer to General Reserve	-	(4.36)	-	-	-
Closing Balance	-	-	4.11	4.11	4.11
(L) **General Reserve**					
Opening Balance	139.36	130.00	130.00	130.00	65.00
Additions/ Transfers	-	-	-	-	65.00
Transfer from Benevolent Reserve	-	4.36	-	-	-
Transfer from Debenture Redemption Reserve	-	5.00	-	-	-
Closing Balance	139.36	139.36	130.00	130.00	130.00

(M) **Surplus**					
Opening Balance	1,648.53	1,496.30	1,066.46	607.79	312.11
Add: Profit for the year	508.10	450.87	663.62	706.25	670.94
Less: Appropriations					
Reserve u/s 45IC of RBI Act	(101.62)	(90.17)	(132.72)	(141.25)	(134.19)
Capital Redemption Reserve	-	-	-	-	(82.03)
General Reserve	-	-	-	-	(65.00)
Special Reserve u/s 36(1)(viii)	(15.00)	(15.00)	(15.00)	(10.00)	(10.00)
Staff Welfare Fund	-	-	-	(0.27)	-
Corporate Social Responsibility Fund	-	-	-	(10.00)	-
Proposed Dividend - Equity @ ₹ 1 per share	(166.20)	(166.20)	(73.78)	(73.78)	(71.81)
Tax on Proposed Distributed Profits - Equity	(28.25)	(26.96)	(11.97)	(11.97)	(11.92)
Dividend - Preference @ ₹ 0.01 per share	(0.26)	(0.26)	(0.26)	(0.26)	(0.26)
Tax on Distributed Profits - Preference	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
Closing Balance	1,845.25	1,648.53	1,496.30	1,066.46	607.79
TOTAL RESERVES AND SURPLUS	**5,055.64**	**4,766.28**	**4,544.15**	**4,011.78**	**3,608.12**

Foot-notes to Note no. 2

1 Capital Reserve represents proceeds of forfeited shares

2 Capital Redemption Reserve represents amount transferred from surplus in profit and loss statement towards redemption of preference shares without fresh issue of capital, as required under section 80 of the Companies Act, 1956.

3 Grant received from Government of India under KfW Loans is of a capital nature and to be utilized for specified purposes for promotional activities of Industrial Development.

4 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.

5 In terms of Section 45IC of RBI Act, 1934, every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared

3 LONG-TERM BORROWINGS
3.1 RUPEE - UNSECURED

(₹ crore)

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) **Optionally Convertible Debentures**					
(i) 9.75% Govt. of India - Redeemable on 30.10.2021	-	-	400.00	400.00	400.00
Sub - Total 'A' *(refer foot note 1)*	-	-	400.00	400.00	400.00
(B) **Non-Convertible Debentures (NCDs)**					
(i) 6.00% LIC - Redeemable on 28.12.2021	200.00	200.00	200.00	200.00	200.00
(ii) 6.00% SBI - Redeemable on 25.01.2022	200.00	200.00	200.00	200.00	200.00
(iii) 0.00% LIC - Redeemable on 01.04.2022	418.19	418.19	418.19	418.19	418.19
Sub - Total 'A'	818.19	818.19	818.19	818.19	818.19

(C) **Bonds**					
i) Guaranteed by Government of India and redeemable at par *(refer foot note 2)*	-	1,643.27	1,838.77	2,162.05	1,938.84
ii) Privately Placed Bonds *(refer foot note 2)*	6,300.30	4,879.76	5,049.84	5,505.94	4,082.94
iii) Privately Placed Bonds issued to Subsidiaries	75.00	75.00	75.00	75.00	-
iv) Privately Placed Zero Coupon Bonds *	141.70	129.11	117.64	107.12	-
v) Infrastructure Bonds #	1,097.79	1,029.36	964.40	370.75	-
vi) Subordinate - Tier II Bonds @	1,333.68	1,322.97	1,233.30	-	-
vii) Application Money	-	4.00	-	-	-
Sub-Total 'B' **	8,948.47	9,083.47	9,278.95	8,220.86	6,021.78
(D) **Other Long Term Borrowings**					
a) Government of India under restructuring *(refer foot note 3)*	-	-	523.00	523.00	523.00
b) Banks ##	6,591.87	3,706.99	5,826.00	6,794.18	3,116.67
c) Financial Institutions *(repayable on 01/04/2022)*	100.00	100.00	100.00	100.00	100.00
d) Subsidiaries	-	-	-	10.00	-
e) Government of India under KfW Loans	3.07	4.24	4.89	5.47	6.04
f) Others	-	7.72	7.72	26.37	85.57
g) Inter Corporate Deposit to Subsidiaries	-	-	-	-	-
Sub-Total 'C'	6,694.94	3,818.95	6,461.61	7,459.02	3,831.28
TOTAL (RUPEE - UNSECURED)	**16,461.60**	**13,720.61**	**16,958.75**	**16,898.07**	**11,071.25**

3.2 RUPEE - SECURED

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Tax-free Bonds (secured by Receivables)					
- subscribed by related parties					
IFCI Infrastructure Development Ltd. (a subsidiary company)	15.00	-	-	-	-
IFCI Venture Capital Funds Ltd. (a subsidiary company)	5.00	-	-	-	-
Stock Holding Corporation of Infia Ltd. (a subsidiary company)	25.00	-	-	-	-
Tourism Finance Corporation of India Ltd. (an associate company)	50.00	-	-	-	-
- subscribed by others	215.00	-	-	-	-
TOTAL (RUPEE - SECURED)	**310.00**	-	-	-	-

3.3 FOREIGN CURRENCIES - UNSECURED

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) **KfW Line** - Guaranteed by Government of India	570.51	504.06	516.23	504.49	502.49
TOTAL (FOREIGN CURRENCIES)	**570.51**	**504.06**	**516.23**	**504.49**	**502.49**
TOTAL LONG-TERM BORROWINGS	**17,342.11**	**14,224.67**	**17,474.98**	**17,402.56**	**11,573.74**
* Net of unamortised discount	895.05	907.64	919.11	929.63	-
# Including cumulative interest on Infrastructure bonds	155.20	86.77	21.76	-	-
@ Including cumulative interest on Subordinate Bonds	20.38	9.67	-	-	-
** Put/ Call Option applicable on Bonds	2237.78	2,943.70	2,721.41	1,096.55	756.85
## Put/ Call Option applicable on Bank Borrowings	1180.00	315.00	465.00	1,433.33	-

Foot-notes to Note no. 3

1 GOI had the option of converting the debentures, wholly or partly into fully paid equity shares of IFCI Limited, at par, at any time during the currency of debentures subject to compliance with provisions of SEBI guidelines, in respect of preferential allotment. GOI exercised the conversion option during the previous year and the Company has accordingly allotted 40 crore equity shares of ₹10 each of IFCI Limited at par in favour of GOI in October, 2012.

2 Privately placed Bonds of ₹6,300.30 crore shown at 3.1(B)(ii) above includes ₹1,643.27 crore 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 rolled over erstwhile government guaranteed bonds are clustered under Privately Place Bonds as on March 31, 2014 above.

3 Loan from GOI was to be issued in the form of 0.1% Optionally Convertible Debentures redeemable on 28.03.2023 had a right of recompense on par with other stakeholders. During the previous year, OCDs of ₹523 crore were issued in favour of GOI as approved in the EGM of Company held on December 5, 2012. GOI having exercised the option of conversion during the previous year, the Company has allotted 52.30 crore equity shares of ₹10 each of IFCI Ltd at par in favour of GOI in December, 2012.

4 LONG-TERM LIABILITIES

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Funds placed with the Corporation					
a) Jute Development Fund (placed by Govt. of India)	4.58	4.32	4.14	3.95	3.87
b) Employees' Provident Fund	46.70	39.53	38.50	33.47	27.58
c) Staff Welfare Fund	2.90	3.46	3.63	4.16	4.20
(B) Interest accrued but not due on bonds & borrowings	19.48	17.83	16.44	-	-
(C) Other Liabilities (security deposits)	13.20	8.23	6.89	-	-
TOTAL	**86.86**	**73.37**	**69.60**	**41.58**	**35.65**

5 LONG-TERM PROVISIONS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Provision for standard and securitised assets	72.55	32.06	121.10	118.40	108.41
(B) Employee Benefits	9.21	10.74	17.40	18.43	13.38
TOTAL	**81.76**	**42.80**	**138.50**	**136.83**	**121.79**

6 SHORT-TERM BORROWINGS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Book Overdraft (Unsecured)	-	0.01	49.99	-	36.01
(B) Collaterised Borrowings Lending Operations (CBLO) (Secured against Treasury Bills)	48.05	-	299.54	-	-
(C) Commercial Paper (Unsecured)	-	14.67	34.91	-	-
(D) Corporate Bond Repo (maturing on 05/06/2014; secured against Corporate Bonds ₹271.20 crore)	199.90	-	-	-	-
TOTAL	**247.95**	**14.68**	**384.44**	**-**	**36.01**

7 TRADE PAYABLES

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Sundry Creditors					
(i) Total outstanding dues to Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Total outstanding dues of creditors other than Micro, Small & Medium Enterprises	95.84	185.26	247.64	93.68	44.33
TOTAL	**95.84**	**185.26**	**247.64**	**93.68**	**44.33**

8 OTHER CURRENT LIABILITIES

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Current maturities of Long-term debt					
(i) Rupee	3,150.47	3,651.35	3,454.39	1,762.39	1,862.37
(ii) Foreign Currencies	29.21	24.55	23.96	22.36	31.69
Sub - Total 'A'	**3,179.68**	**3,675.90**	**3,478.35**	**1,784.75**	**1,894.06**
(B) Others					
(i) Interest accrued but not due on bonds and borrowings *(refer note 4(B))*	433.49	427.53	417.49	470.76	407.02
(ii) Interest accrued and due on bonds and borrowings	-	-	-	-	-
(ii) Income received in Advance	0.09	1.32	0.27	0.18	0.75
(iii) Unclaimed Dividend *	10.36	7.95	3.70	3.79	-
(iv) Unpaid Matured Debentures	1.24	2.67	2.62	4.56	92.24
(i) Interest accrued on Unpaid Matured Debentures	-	-	-	0.69	2.91
(v) Other Liabilities (trade deposits and other payables)	331.11	335.76	332.41	489.39	286.50
Sub - Total 'B'	**776.29**	**775.23**	**756.49**	**969.37**	**789.42**
TOTAL	**3,955.97**	**4,451.13**	**4,234.84**	**2,754.12**	**2,683.48**

* will be credited to Investor Education and Protection Fund if not claimed within seven years from the date of issue of dividend

CURRENT MATURITIES OF LONG-TERM DEBT
RUPEE - UNSECURED

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) **Bonds**					
i) Guaranteed by Government of India and redeemable at par	-	195.50	297.41	108.11	400.00
ii) Privately Placed Bonds	573.21	955.76	348.31	313.08	624.10
Sub-Total 'A'	573.21	1,151.26	645.72	421.19	1,024.10
(B) **Other Long Term Borrowings**					
a) Banks	2,548.47	2,438.18	2,759.84	1,272.50	758.33
b) Government of India under KfW Loans	20.06	18.89	18.24	17.66	17.09
c) Others	7.72	-	28.65	49.20	62.85
d) Inter Corporate Deposit to Subsidiaries	-	36.00	-	-	-
Sub-Total 'B'	2,576.25	2,493.07	2,806.73	1,339.36	838.27
(C) Funds placed with the Corporation - Employees' Provident Fund	-	2.72	1.94	1.84	-
(D) Other Liabilities (security deposits)	1.01	4.30	-	-	-
TOTAL (RUPEE - UNSECURED)	**3,150.47**	**3,651.35**	**3,454.39**	**1,762.39**	**1,862.37**

FOREIGN CURRENCIES - UNSECURED

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) **KfW Line** - Guaranteed by Government of India	29.21	24.55	23.96	22.36	31.69
TOTAL (FOREIGN CURRENCIES)	**29.21**	**24.55**	**23.96**	**22.36**	**31.69**

9 SHORT-TERM PROVISIONS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Employee Benefits	3.26	3.58	1.32	-	-
(B) Proposed Dividend	166.20	166.20	73.78	73.78	73.78
(C) Corporate Dividend Tax	28.76	28.76	12.87	11.97	12.30
TOTAL	**198.22**	**198.54**	**87.97**	**85.75**	**86.08**

10 FIXED ASSETS - TANGIBLE ASSETS

(₹ crore)

Gross Block	Gross Block				
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Owned Assets					
Freehold Land	70.40	70.40	70.40	70.40	105.38
Leasehold Land	328.81	327.12	298.97	298.97	460.45
Buildings	892.79	874.90	865.21	866.03	863.17
Leasehold Improvements	3.29	3.29	3.29	-	-
Plant & Machinery	8.05	7.70	5.34	6.29	6.29
Furniture & Fixtures	18.46	18.45	16.75	15.06	15.52
Vehicles	1.81	2.95	2.95	2.97	2.52
Office Equipments	11.46	11.67	11.63	10.68	13.88
Electrical Installations and Equipments	26.37	25.86	24.74	24.49	20.34
Leased Assets					
Plant & Machinery	197.92	197.92	197.92	217.32	251.00
TOTAL	**1,559.36**	**1,540.26**	**1,497.20**	**1,512.21**	**1,738.55**

Accumulated Depreciation	Accumulated Depreciation				
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Owned Assets					
Freehold Land	-	-	-	-	-
Leasehold Land	39.27	30.45	25.20	20.25	15.31
Buildings	139.45	121.59	103.78	86.48	70.92
Leasehold Improvements	1.98	1.32	0.66	-	
Plant & Machinery	4.30	3.94	3.68	4.03	3.73
Furniture & Fixtures	11.42	10.05	8.42	5.56	6.85
Vehicles	1.29	1.81	1.52	1.37	0.91
Office Equipments	9.63	9.27	8.63	7.70	9.81
Electrical Installations and Equipments	12.80	10.95	8.65	6.07	6.64
Leased Assets					
Plant & Machinery	197.92	197.92	185.69	181.17	193.21
TOTAL	**418.06**	**387.30**	**346.23**	**312.63**	**307.38**

Net Block	Net Block				
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Owned Assets					
Freehold Land	70.40	70.40	70.40	70.40	105.38
Leasehold Land	289.54	296.67	273.77	278.72	445.14

Buildings	753.34	753.31	761.43	779.55	792.25
Leasehold Improvements	1.31	1.97	2.63	-	-
Plant & Machinery	3.75	3.76	1.66	2.26	2.56
Furniture & Fixtures	7.04	8.40	8.33	9.50	8.67
Vehicles	0.52	1.14	1.43	1.60	1.61
Office Equipments	1.83	2.40	3.00	2.98	4.07
Electrical Installations and Equipments	13.57	14.91	16.09	18.42	13.70
Leased Assets					
Plant & Machinery	-	-	12.23	36.15	57.79
TOTAL	**1,141.30**	**1,152.96**	**1,150.97**	**1,199.58**	**1,431.17**

11 FIXED ASSETS - INTANGIBLE ASSETS

(₹ crore)

Gross Block	Gross Block				
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Computer Software	1.74	1.74	1.59	1.40	-
TOTAL	**1.74**	**1.74**	**1.59**	**1.40**	**-**

Accumulated Depreciation	Accumulated Depreciation				
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Computer Software	1.54	1.40	1.18	0.94	-
TOTAL	**1.54**	**1.40**	**1.18**	**0.94**	**-**

Net Block	Net Block				
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Computer Software	0.20	0.34	0.41	0.46	-
TOTAL	**0.20**	**0.34**	**0.41**	**0.46**	**-**

12 NON-CURRENT INVESTMENTS (NON-TRADE)

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
A. QUOTED					
1. Equity Shares					
a) Associates	86.21	86.21	86.21	75.25	61.39
b) Assistance under financing	388.97	838.40	872.55	632.60	676.12
c) Others	929.15	1,010.92	784.75	338.21	177.23
	1,404.33	**1,935.53**	**1,743.51**	**1,046.06**	**914.74**
2. Bonds	120.24	230.37	230.45	230.53	230.79
3. Warrants	-	0.03	-	-	-
4. Units	-	0.51	0.51	0.51	0.51
B. UNQUOTED					
1. Equity Shares					
a) Subsidiaries	1,395.56	758.79	776.92	699.65	544.97
b) Associates	7.73	304.95	304.95	7.48	7.48
c) Joint Venture	0.01	0.01	0.01	-	-
d) Assistance under financing	2,271.41	2,087.29	2,493.59	1,716.01	1,014.65
e) Others	72.63	72.63	72.63	307.08	486.02
	3,747.34	**3,223.67**	**3,648.10**	**2,730.22**	**2,053.12**
2. Preference shares	365.40	381.21	386.61	489.93	480.30
3. Debentures/ Bonds					
a) Subsidiaries	100.00	25.00	-	-	-
a) Joint Venture	2.64	2.64	2.64	-	-
	102.64	**27.64**	**2.64**	**-**	**-**
4. Security Receipts (issued by Asset Reconstruction Companies)	51.96	64.07	70.43	96.78	133.92
5. Warrants	-	-	0.06	0.06	-
5. Government Securities	400.00	400.00	400.01	400.01	400.01
6. Units	246.56	259.63	274.75	180.11	98.35
TOTAL	**6,438.47**	**6,522.66**	**6,757.07**	**5,174.21**	**4,311.74**
Less: Provision for Diminution in value	686.61	567.46	568.75	507.25	454.99
TOTAL	**5,751.86**	**5,955.20**	**6,188.32**	**4,666.96**	**3,856.75**

13 DEFERRED TAX ASSET (NET)

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Unabsorbed Business Loss *	-	-	-	30.57	187.51
(B) Unabsorbed Depreciation *	-	-	-	55.43	56.75
(A) Provision against Loans/ Advances & other Assets	740.35	747.64	841.76	953.29	1,196.77
(B) Timing difference in Depreciable Assets	(71.82)	(34.44)	(38.62)	(47.56)	(63.22)
(C) Other Timing Differences	13.51	13.59	33.78	29.18	9.63
TOTAL	**682.04**	**726.79**	**836.92**	**1,020.91**	**1,387.44**

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

14 LONG-TERM LOANS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Loans to Assisted Concerns	14,841.27	9,069.24	11,047.56	12,370.05	9,851.03
(B) Debentures	2,919.62	2,940.46	2,693.10	1,708.00	791.79
(C) Loan to Subsidiaries/ Associates	190.38	167.05	429.55	347.57	152.75
(D) Lease Rental Receivable	2.40	2.38	7.79	8.28	8.25
(E) Other Institutions	-	-	-	0.06	0.06
	17,953.67	12,179.13	14,178.00	14,433.96	10,803.88
(i) Considered good					
- Secured	*16,501.49*	*10,445.68*	*12,206.71*	*12,054.42*	*7,698.81*
- Unsecured	*97.10*	*97.10*	*97.10*	*97.10*	*97.10*
(ii) Considered doubtful	*1,355.08*	*1,636.35*	*1,874.19*	*2,282.44*	*3,007.97*
	17,953.67	12,179.13	14,178.00	14,433.96	10,803.88
Less: Allowance for bad and doubtful assets					
- Loans	1,265.59	1,479.17	1,673.00	2,014.02	2,783.25
- Debentures	89.49	157.18	201.19	268.42	224.72
	1,355.08	*1,636.35*	*1,874.19*	*2,282.44*	*3,007.97*
TOTAL	**16,598.59**	**10,542.78**	**12,303.81**	**12,151.52**	**7,795.91**

15 LONG-TERM LOANS & ADVANCES - OTHERS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Capital Advances	0.27	0.27	5.75	3.82	16.16
(B) Security Deposits	1.45	1.44	1.42	1.36	0.37
(C) Advance Tax paid (net of provisions)	39.91	52.60	59.74	191.91	179.63
(D) MAT Credit Entitlement	131.50	148.67	186.97	186.97	186.97
(F) Other Loans and advances					
(a) Loans to Staff (Secured - considered good)	10.44	13.34	13.39	10.33	9.12
TOTAL	**183.57**	**216.32**	**267.27**	**394.39**	**392.25**

16 OTHER NON-CURRENT ASSETS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Accrued Income	4.55	4.57	4.53	4.23	3.81
(B) Assets aquired in settlement of dues and held for sale	-	-	-	0.07	0.07
TOTAL	**4.55**	**4.57**	**4.53**	**4.30**	**3.88**

17 CURRENT INVESTMENTS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
A. QUOTED					
1. Equity Shares	-	-	-	-	39.71
2. Government Securities	-	-	-	-	66.94
3. Treasury Bills	47.92	-	302.81	-	-
4. Units of Mutual Funds	20.00	-	-	4.90	120.22
	67.92	**-**	**302.81**	**4.90**	**226.87**
B. UNQUOTED					
1. Bonds	1,269.06	1,330.17	123.00	125.85	216.98
2. Commercial Paper	-	-	140.11	205.26	138.79
3. Certificate of Deposit	443.26	1,186.15	947.72	1,227.44	761.12
	1,712.32	**2,516.32**	**1,210.83**	**1,558.55**	**1,116.89**
C. APPLICATION MONEY					
1. Equity shares					
i) Subsidiaries - IFCI Financial Services Ltd.	0.02	0.02	0.02	76.27	0.02
ii) Associates - Assets Care Reconstruction & Enterprise Ltd.	-	-	26.34	-	-
ii) Others	11.00	205.30	114.09	159.16	57.25
2. Preference shares	15.57	15.57	17.10	15.61	15.61
3. Units	-	-	2.50	-	-
	26.59	**220.89**	**160.05**	**251.04**	**72.88**
TOTAL	**1,806.83**	**2,737.21**	**1,673.69**	**1,814.49**	**1,416.64**
Less: Provision	45.16	51.00	26.97	27.33	28.18
TOTAL	**1,761.67**	**2,686.21**	**1,646.72**	**1,787.16**	**1,388.46**

18 TRADE RECEIVABLES

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Secured	-	-	-	-	-
(B) Unsecured					
- More than 6 months	5.04	5.55	13.10	10.36	1.14
- Others	34.39	13.53	4.48	67.31	60.81
	39.43	19.08	17.58	77.67	61.95
Less: Allowance for bad and doubtful debts	(5.61)	(4.00)	(2.00)	(2.00)	(2.00)
TOTAL	**33.82**	**15.08**	**15.58**	**75.67**	**59.95**
Out of the above,					
(i) Considered good	33.82	15.08	15.58	75.67	59.95
(ii) Considered doubtful	5.61	4.00	2.00	2.00	2.00
	39.43	19.08	17.58	77.67	61.95

19 CASH & CASH EQUIVALENTS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Balances with Banks					
- Bank balance	312.69	11.42	8.58	30.55	18.35
- Unclaimed dividend Account	10.36	7.96	3.70	3.79	-
- Balances with Banks held as margin money/ security against guarantees	8.90	8.90	8.87	8.87	6.87
- Bank Deposits (entirely due within 12 months)	187.30	485.89	349.15	482.48	11.07
(B) Cheques on hand & under collection and remittances in transit	16.57	91.43	28.30	2.15	2.22
(C) Cash in hand (including postage stamps)	0.01	0.02	0.01	0.02	0.02
TOTAL	**535.83**	**605.62**	**398.61**	**527.86**	**38.53**

20 CURRENT MATURITIES OF LONG-TERM LOANS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Loans to Assisted Concerns	1,456.05	3,214.19	4,043.26	3,437.13	2,544.65
(B) Debentures	528.80	316.28	521.77	25.91	142.98
(C) Loan to Subsidiaries/ Associates	51.67	206.67	74.17	25.00	-
	2,036.52	3,737.14	4,639.20	3,488.04	2,687.63
(i) Considered good					
- Secured	*2,036.52*	*3,737.14*	*4,639.20*	*3,488.04*	*2,687.63*
- Unsecured	-	-	-	-	-
(ii) Considered doubtful	-	-	-	-	-
TOTAL	**2,036.52**	**3,737.14**	**4,639.20**	**3,488.04**	**2,687.63**

21 SHORT-TERM LOANS & ADVANCES - OTHERS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Other Deposits/ Loan					
- Considered good	-	-	500.00	-	-
- Considered doubtful	12.12	12.12	-	-	-
Less: Allowance for bad and doubtful debts	(12.12)	(12.12)	-	-	-
(B) Other Loans and advances					
(a) Loans to Staff (Secured - considered good) $	0.41	0.12	3.25	5.93	1.68
(b) Others (Unsecured)					
- Considered good	33.90	32.40	6.49	15.38	30.12
- Considered doubtful	1.00	1.00	1.00	1.00	1.00
Less: Allowance for bad and doubtful debts	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)
TOTAL	**34.31**	**32.52**	**509.74**	**21.31**	**31.80**

22 OTHER CURRENT ASSETS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Accrued Income					
(i) Interest and commitment charges on Loans	76.12	68.82	102.94	87.67	56.71
(ii) Interest on Debentures	95.33	45.77	37.45	27.70	7.60
(iii) Interest on Investments	19.04	31.65	25.14	16.25	20.67
(iv) Other Income	21.32	32.75	16.67	30.76	25.90
(B) Sundry Deposits	6.22	4.65	3.18	4.31	2.22
(C) Forward Deal Outstanding	-	-	19.99	13.40	-
(D) Due from Gratuity Fund	-	1.16	-	-	-
(E) Pre-paid Expenses	1.40	1.79	1.81	0.98	1.24
TOTAL	**219.43**	**186.59**	**207.18**	**181.07**	**114.34**

23 REVENUE FROM OPERATIONS

(₹ crore)

	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Interest Income					
(i)	Loans *(refer foot-note 1)*	1,545.73	1,655.56	1,887.77	1,681.17	1,027.92
(ii)	Debentures	444.49	362.58	242.85	110.86	35.71
(iii)	Income from deployment of liquid funds	232.35	223.86	204.34	69.52	64.47
(iv)	Interest on Bonds/ Government Securities/ other contratual obligation	171.44	96.52	77.76	80.34	83.70
(v)	Lease Rentals etc.	1.52	10.14	27.09	27.58	8.62
(vi)	Lease Equalisation Account	-	(12.23)	(23.91)	(21.65)	(17.47)
	SUB-TOTAL (A)	**2,395.53**	**2,336.43**	**2,415.90**	**1,947.82**	**1,202.95**
(B)	Other Financial Services					
(i)	Income from Acquired Non-performing Assets	18.11	41.28	37.20	10.27	1.66
(ii)	Dividend (Gross)					
	- non-current	40.91	36.58	46.95	32.92	63.61
	- current	-	-	0.04	0.62	0.21
(iii)	Profit on sale of Shares/ Debentures (Net)					
	- Assistance under financing - non-current	316.37	208.24	105.78	301.82	304.67
	- Investments - non-current	49.02	29.31	23.20	26.34	30.34
	- Investments - current	-	2.68	1.39	23.05	20.92
(iv)	Business Services Fees and Commission (including guarantee commission)	34.18	27.71	48.93	31.52	27.66
(v)	Exchange Fluctuation Gains/ (Loss)	(2.03)	(1.43)	(2.38)	(1.31)	1.38
(vi)	Provision/ Liability no longer required written back	32.42	25.05	123.96	47.99	-
	SUB-TOTAL (B)	**488.98**	**369.42**	**385.07**	**473.22**	**450.45**
	TOTAL (A+B)	**2,884.51**	**2,705.85**	**2,800.97**	**2,421.04**	**1,653.40**

Foot-notes to Note no. 23

1	Interest on Loans includes from subsidiaries & associates	27.69	44.30	43.04	29.92	10.46

24 OTHER INCOME

(₹ crore)

	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Interest on staff advances	0.70	0.90	0.98	0.79	0.58
(B)	Profit on sale of fixed assets (Net)	0.03	(0.04)	1.10	34.09	(3.92)
(C)	Rental Income	40.03	29.30	28.60	28.30	23.62
(D)	Dividend from Subsidiaries/ Associates	24.57	20.33	11.49	-	-
(E)	Miscellaneous Income	1.42	2.96	7.06	1.55	2.00
	TOTAL	**66.75**	**53.45**	**49.23**	**64.73**	**22.28**

25 FINANCE COST

(₹ crore)

	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Interest on Rupee Bonds and Borrowings *	1,610.26	1,772.07	1,837.80	1,291.10	870.61
(B)	Interest on Foreign Currency Borrowings	43.87	36.14	22.57	16.38	14.34
(C)	Interest on Bank Overdraft	0.64	0.08	0.30	0.89	0.59
(D)	Other Interest (Jute Development Fund, Provident Fund & Corporate Social Resposibility)	4.75	4.50	4.10	3.87	2.08
(E)	Commitment Charges, Brokerage, Commission and other costs	6.47	1.82	6.31	12.39	3.56
	TOTAL	**1,665.99**	**1,814.61**	**1,871.08**	**1,324.63**	**891.18**

* Financial Year 2013-14 includes interest of ₹1.28 crore pertaining to previous years

26 EMPLOYEE BENEFIT EXPENSES

(₹ crore)

	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Salaries and Allowances	31.37	36.35	45.23	44.27	33.36
(B)	Contribution to Retirement Funds	24.10	20.64	16.47	17.63	21.52
(C)	Staff Welfare Expenses	2.98	3.04	3.17	3.48	2.92
(D)	Employee Compensation Expenses (ESOP)	0.44	0.91	0.45	0.00	0.00
	TOTAL	**58.89**	**60.94**	**65.32**	**65.38**	**57.80**

27 OTHER EXPENSES

(₹ crore)

	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Rent	2.57	6.64	6.55	2.02	0.36
(B)	Rates and Taxes	3.26	3.97	3.01	2.82	2.95
(C)	Insurance	0.25	0.29	0.38	0.46	0.14
(D)	Repairs and Maintenance					
	- Buildings	6.96	11.26	8.93	17.83	14.91
	- IT	0.86	1.60	0.09	-	-
	- Others	0.19	0.40	0.98	0.69	0.58
(E)	Electricity & Water Charges	4.95	4.83	4.35	3.52	3.81
(F)	Security	1.37	1.50	1.86	1.45	1.47
(G)	Payment to Auditors	0.41	0.36	0.36	0.24	0.23
(H)	Directors' Fee & Expenses	0.74	0.88	0.37	0.27	0.25

(I)	Publications, Advertisement & Business Development *(refer foot-note 1)*	0.70	4.25	6.40	14.84	7.36
(J)	Consultation and Law Charges *(refer foot-note 1)*	1.81	0.98	6.96	6.99	3.96
(K)	Travelling & Conveyance	1.54	2.03	3.93	4.61	2.98
(L)	Training & Development	0.17	0.18	3.54	3.16	2.99
(M)	Postage & Telephone	1.17	0.90	1.58	2.11	1.64
(N)	Printing & Stationery	0.78	0.89	1.69	2.59	2.37
(O)	Listing/ Filing/ Custody Fee	1.36	1.39	1.11	0.92	0.84
(P)	Library/ Membership Subscription	1.80	1.02	1.50	1.19	1.10
(Q)	Other Miscellaneous Expenses *(refer foot-note 2)*	1.61	0.78	3.51	3.84	2.33
	TOTAL	**32.50**	**44.15**	**57.10**	**69.55**	**50.27**

Foot-notes to Note no. 27

1 Expenditure of Financial Year 2012-13 is net of expenditure booked during the previous years, reversed and debited to loan account as the same is recoverable from assisted concerns (Publications & Advertisement - ₹0.51 crore; Consultation and Law Charges - ₹0.94 crore)

2 Financial Year 2013-14 includes ₹0.99 crore paid to an architect for redevelopment of a property, held under CWIP, now written-off

28 PROVISION FOR BAD & DOUBTFUL ASSETS AND OTHERS (NET OF WRITE OFF)

(₹ crore)

	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Loans & Advances					
	- Provision Reversal on recovery from NPAs	(31.07)	(153.61)	(177.51)	(186.23)	(456.88)
	- Write-off	645.59	447.44	236.39	513.81	284.61
	Less transfer from provision held for bad & doubtful debts	(645.59)	(447.44)	(236.39)	(513.81)	(284.61)
	- Provision for assets	437.48	274.16	39.60	15.75	-
	- Provision u/s 36(1)(viia)(c) of Income Tax Act, 1956	-	-	(36.00)	21.00	15.00
(B)	Investments					
	- Provision Reversal	(13.58)	(2.83)	-	-	-
	- Write-off	0.03	0.13	-	-	-
	- Provision made	106.72	25.95	61.50	-	0.00
	- Provision - mark to market	19.02	(0.41)	(0.30)	(0.84)	(5.98)
(C)	Debtors					
	- Write-off	0.18	7.64	-	-	0.05
	- Provision made	1.61	2.00	-	-	-
(D)	Other Loans & Advances	-	12.12	-	-	-
	TOTAL	**520.39**	**165.15**	**(112.71)**	**(150.32)**	**(447.81)**

Annexure – IV :

A. SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2013-14

1. Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on a historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India which encompasses applicable accounting standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act 1956 and 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 Company adopts the accrual concept in the preparation of accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

2. Revenue Recognition

(a) Interest and other dues are recognized on accrual basis except in the case of income on Non-Performing Assets (NPA) which is recognized, as and when received, as per the prudential norms prescribed by the RBI for Non-Banking Financial Companies.

(b) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates and LC Commission are accounted for on cash basis.

(c) Dividends declared by the respective Companies till the close of the accounting period are accounted for as income.

(d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees.

(e) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(f) Interim returns by promoter/ promoter group companies at a pre-agreed rate of return, as per buy-back agreements, on certain equity investments are taken to income on receipt basis.

(g) Surplus/ gains on sale of investments is net of losses thereon.

3. Investments

(a) Investments are classified under two categories i.e. current and long term and are valued in accordance with the RBI Guidelines as applicable to Non-Banking Financial Companies (NBFCs).

(i) ‘Long term Investments’ are carried at acquisition cost. The RBI Guidelines prescribe Accounting Standard 13 on ‘Accounting for Investments’ for valuation of long-term investments. Accordingly, provision is made for diminution other than temporary on an individual basis. However, long term investment in equity shares with firm buy- back commitment are assessed for diminution other than temporary only when there is a default in buy-back commitment by the promoter/ promoter group and provision is made accordingly on individual basis.

(ii) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

(c) Bonds in the nature of current investment are valued in accordance with the calculators provided on the FIMMDA platform for the purpose.

4. Derivatives

(a) Equity Index/ Stock Futures and Currency Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/ Stock Futures and Currency Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:

- The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the statement of profit and loss.
- The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the statement of profit and loss.
- Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

5. Foreign Exchange Transactions

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

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

6. Tangible Fixed Assets and Depreciation

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any.

(b) Depreciation on assets given on lease is provided on Straight Line Method (SLM) over the useful life of the asset as prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.

(c) Leasehold Land is amortized over the lease period.

(d) Depreciation on increase in the value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset. An equal amount is withdrawn from the revaluation reserve and adjusted against the depreciation on revalued value of assets.

(e) Leasehold Improvements are amortized over the remaining lease period.

(f) Mobile phones are fully depreciated in the year of acquisition itself.

(g) Depreciation on all other assets is provided on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956 except in respect of Office Building and Plant & Machinery at Corporate Office which is provided on SLM.

(h) Depreciation is calculated on a pro-rata basis, including the month of addition and excluding the month of sale/ disposal. Assets having individual value of less than ₹ 5,000/- are charged to the Statement of Profit & Loss in the year of purchase.

7. Intangible assets and amortization

Intangible assets are recorded at the consideration paid for acquisition. Consideration 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.
Intangible assets include computer software having perpetual license and are amortized @40% per annum on Written Down Value (WDV) method under Schedule XIV of the Companies Act, 1956.

8. Impairment of Assets

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

9. Provisions/ Write off against Loans and Other Credit Facilities

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines as applicable to Non-Banking Financial Companies. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

(b) For restructured/ rescheduled assets, provision is made in accordance with the amended guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

10. **Grants received from Government of India Under Interest Differential Fund (IDF)**

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

11. **Borrowing Cost**

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

A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are charged to revenue.

12. **Leases**

Lease arrangements where the risks and rewards incidental to the ownership of an asset vest substantially with the lessor are recognized as operating leases. Lease rent under operating leases are recognized in the Profit & Loss Statement with reference to the lease terms.

13. **Miscellaneous Expenditure**

(a) Expenses on issue of Shares and Debentures/ Bonds are charged to Securities Premium Reserve in accordance with Section 78 of Companies Act, 1956.

14. **Employee Benefits**

(a) Monthly contributions to the Provident Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators.

(b) Prior to 01/04/2008, 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 for employees existing on 01/04/2008 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.

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

(d) Provision for leave encashment is being made on actuarial valuation basis.

(e) 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 amount is charged to the Staff Welfare Fund as and when incurred.

15. **Employee Stock Option Plan**

The Company had formulated Employee Stock Option Schemes (ESOS) in 2011-12 in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provided for grant of options to employees (including

employees deputed in subsidiaries/ associates/ joint ventures) to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price was amortised on a straight-line basis over the vesting period.

16. Taxation

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

17. Provisions and Contingencies

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

B. NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2013-14

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

1.1 Contingent Liabilities (₹ Crore)

	As at	31/03/2014	31/03/2013
(i)	Bank Guarantees	84.87	34.87
(ii)	Performance Guarantees issued	0.02	0.02
(iii)	Claims not acknowledged as debts	12.99	179.67
(iv)	Tax Matters – Income Tax Service tax In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.	 29.58 13.44	 28.78 12.39

1.2 Commitments

(₹ Crore)

	As at	31/03/2014	31/03/2013
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	0.62	0.62
(ii)	Undrawn Commitments (in line with RBI Circular dated December 26, 2011)	1,044.08	2,624.64

2. IFCI Ltd. has given letters of comfort to certain banks for one of its subsidiary, IFCI Factors Ltd. in connection with availing loans from those banks. Outstanding of loans availed under such letters of comfort was ₹690 crore as on March 31, 2014 (Previous Year: ₹729.00 crore).

3. In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide notification dated February 08 2011, has exempted Public Financial Institutions as specified under section 4A of the Companies Act, 1956 from disclosing company-wise details of Investments subject to fulfillment of certain conditions, which have been fulfilled. The accounts for the year ended March 31, 2014 have been prepared in accordance therewith.

4. The Company had obtained valuation of certain long term unquoted investments by an independent valuer and the report of the said expert has been considered for the purpose of assessment of the value of said long term unquoted investments.

5. Hitherto, the interim return received, till the date of actual buy back, in certain cases of equity investment was being considered as “Amount received against unquoted investments”. Due to this policy an amount of ₹69.02 crore was accumulated upto 31/03/2013 and was shown under Trade Payables. These equity investments were made at pre-agreed rate of return and with firm buy back commitments from the promoter(s)/ promoter group company(ies). During the year, the company changed this policy to recognize the interim return, so received as income on receipt basis and amount of ₹104.49 crore has been recognized as income.

This amount of ₹104.49 crore includes ₹69.02 crore pertaining to previous years' accumulation as stated above. Had this change in accounting policy not been made, the profit of the Company would have been lower by ₹104.49 crore and Trade Payables higher by an equivalent amount.

6. Expenditure in Foreign Currencies:

(₹ crore)

	Year ended 31/03/2014	Year ended 31/03/2013
Interest on borrowings	4.78	4.41
Other matters	0.29	0.01
	5.07	**4.42**

7. Earnings in Foreign Currency:

	Year ended 31/03/2014	Year ended 31/03/2013
Earnings in Foreign Currency	Nil	Nil

8. Auditors' Remuneration

(₹ crore)

	Year ended 31/03/2014	Year ended 31/03/2013
Fees	0.38	0.35
Out of pocket expenses	0.03	0.01
	0.41	**0.36**

9. Balances appearing under loans, sundry debtors and sundry creditors are subject to confirmation.

10. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2014. 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.

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

12. Defined Benefit Plans/ Long Term Compensated Absences – As per Actuarial Valuations as on March 31, 2014 and recognized in the financial statements in respect on Employee Benefit Schemes.

(₹ crore)

		For the year ended	31/03/2014		31/03/2013	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Un-funded	Funded	Un-funded
I	Components of Employer Expense					

		For the year ended	31/03/2014		31/03/2013	
	1	Current Service Cost	0.25	0.67	0.32	0.78
	2	Interest Cost	0.65	1.14	0.76	1.49
	3	Expected Return on Plan Asset	0.82	-	0.83	-
	4	Curtailment Cost/ (Credit)	-	-	-	-
	5	Settlement Cost/ (Credit)	-	-	-	-
	6	Past Service Cost	-	-	-	-
	7	Actuarial (gain)/ loss recognized	(1.46)	(2.54)	(1.06)	(3.27)
	8	Expense Recognized in Statement of Profit/ Loss	1.54	0.73	0.81	1.00
II	Actual Returns for the year		0.82		0.87	-
III	Net (Asset)/ Liability recognized in Balance Sheet					
	1	Present Value of Defined Benefit Obligation	10.11	11.98	8.10	14.31
	2	Fair Value on Plan Assets	9.85	-	9.26	-
	3	Status (Surplus/ Deficit)	(0.27)	11.98	1.16	14.31
	4	Unrecognised Past Service Cost	-	-	-	-
	5	Net (Asset)/ Liability recognized in Balance Sheet	(0.27)	11.98	1.16	14.31
IV	Change in Defined Benefit Obligations (DBO)					
	1	Present Value of Obligation at Beginning of year	8.10	14.32	9.47	18.69
	2	Current Service Cost	0.25	0.67	0.32	0.78
	3	Interest Cost	0.65	1.14	0.76	1.49
	4	Curtailment cost	-	-	-	-
	5	Settlement Cost	-	-	-	-
	6	Plan Amendments	-	-	-	-
	7	Acquisitions	-	-	-	-
	8	Actuarial (gain)/ loss on Obligations	1.46	(2.54)	(1.06)	(3.27)
	9	Benefits Paid	(0.34)	(1.61)	(1.40)	(3.38)
	10	Present Value of Obligation at end of Year	10.11	11.98	8.10	14.31
V	Change in Fair Value of Assets during the year					
	1	Fair Value of Plan Asset at Beginning of year	9.26*	-	8.74*	-
	2	Acquisition Adjustment	-	-	-	-
	3	Expected Return on Plan Asset	0.81	-	0.83	-
	4	Actuarial (gain)/ loss on Plan Asset	-	-	-	-
	5	Contributions	0.11	-	1.09	-
	6	Benefits Paid	(0.34)	-	(1.40)	-
	7	Fair Value of Plan Asset at end of year	9.85	-	9.26	-
VI	Actuarial Assumptions					
	1	Mortality Table		LIC 1994-96		LIC 1994-96
	2	Early Retirement & Disablement		Age Related		Age Related
	3	Discount Rate	8.00%	8.00%	8.00%	8.00%
	4	Inflation Rate	5.00%	5.00%	5.00%	5.00%

		For the year ended	31/03/2014		31/03/2013	
	5	Return on Asset	8.54%		8.96%	
VII	Major Category of Plan Assets as a % of the Total Plan Assets					
	1	Government Securities	-		0.11%	
	2	Special Deposit Scheme				
	3	High Quality Corporate Bonds				
	4	Insurance Companies	99.99%		99.84%	
	5	Cash & Cash Equivalents	0.01%		0.05%	

* excluding Government Securities, bank balances and interest thereon

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

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

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

Nature of Relationship	Name of the Related Party
Subsidiary	IFCI Financial Services Ltd.
	IFCI Venture Capital Funds Ltd.
	IFCI Infrastructure Development Ltd.
	IFCI Factors Ltd.
	MPCON 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)
	Stock Holding Corporation of India Ltd. (w.e.f. 29/03/2014)
	SHCIL Services Ltd. (indirect control through SHCIL)
	SHCIL Projects Ltd. (indirect control through SHCIL)
Associates	Assets Care & Reconstruction Enterprise Ltd.
	Tourism Finance Corporation of India Ltd.
	HIMCON Ltd.
	NITCON Ltd.
	HARDICON Ltd.
Joint Ventures	IFCI Sycamore Capital Advisors Pvt. Ltd.
Key Managerial Personnel	Mr. Malay Mukherjee (CEO & MD) – w.e.f 12/12/2013.
	Mr. Achal Kumar Gupta (WTD designated as Deputy Managing Director)-w.e.f 12/12/2013.
	Mr. Santosh B. Nayar (CEO & MD) – from 15/07/2013 to 11/12/2013.
	Mr. Anurag Jain (CEO & MD) from 01/06/2013 to 14/07/2013.
	Mr. Atul Kumar Rai (CEO & MD) - Relieved from services on 31/05/2013.

2. Transaction with the related party during the period:-

Subsidiaries:

IFCI Financial Services Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Rent & Maintenance received	1.27	2.25
Brokerage/ Professional fee paid	0.25	0.51
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	0.22	0.23
Employees deputed/ posted by IFCI (No.)	1	-

IFCI Venture Capital Fund Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Dividend Received	5.95	5.95
Rent & Maintenance received	0.51	0.79
Professional fee received	0.05	0.05
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	0.26	0.30
Loans given - outstanding	25.00	-
Maximum amount outstanding (receivable)	25.00	7.50
Interest received/ receivable on Loan	0.04	0.08
Bonds issued by IFCI – outstanding	5.00	-
Employees deputed/ posted by IFCI (No.)	2	1

IFCI Infrastructure Development Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Dividend Received	11.93	-
Buy-back of Equity	-	18.13
Rent & Maintenance received	1.79	1.43
Rent & Maintenance paid	0.15	-
Professional fee paid/ payable	0.22	0.52
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	0.01	-
Salaries/ Other Estt. Exp. paid by IFCI for employees deputed in IFCI, Paid/ payable to them	0.05	0.28
Loans given - outstanding	-	30.00
Maximum amount outstanding (receivable)	30.00	60.00
Interest received/ receivable on Loan	0.03	5.28
Bonds/ Debenture subscribed – outstanding	75.00	75.00
Interest received/ receivable on Bonds	7.27	7.27
Bonds issued by IFCI – outstanding	90.00	75.00
Interest paid/ payable by IFCI	7.27	7.26
Inter corporate deposits	-	36.00
Interest paid/ payable by IFCI	3.40	0.04
Employees deputed by IFCI (No.)	1	-
Employees deputed in IFCI (No.)	1	2

IFCI Factors Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Dividend Received	-	5.54

Rent & Maintenance received	3.43	3.28
Professional fee received	0.06	0.06
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	0.12	0.25
Loans given - outstanding	175.00	275.00
Maximum amount outstanding (receivable)	275.00	365.00
Interest received/ receivable on Loan	20.89	30.80
Bonds/ Debenture subscribed – outstanding	25.00	25.00
Interest received/ receivable on Bonds	3.12	2.55
Employees deputed/ posted by IFCI (No.)	1	-

Stock Holding Corporation of India Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Bonds issued by IFCI – outstanding	25.00	-
Dividend Received	2.50	4.64
Brokerage/ Professional fee paid	0.20	0.22

IIDL Realtors Pvt. Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Rent & Maintenance paid	2.08	6.30
Security Deposit paid – outstanding	0.93	0.93

Associates

Assets Care & Reconstruction Enterprise Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013

Rent & Maintenance received by IFCI	1.10	0.87
Loan given – outstanding	42.05	68.72
Interest received/ receivable on Loan	6.72	8.46
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	-	0.15
Professional fee received	0.06	0.06

Tourism Finance Corporation of India Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Bonds issued by IFCI – outstanding	50.00	-
Rent & Maintenance received by IFCI	3.64	3.03
Dividend Received	4.12	4.12
Dividend Paid on Preference Shares	₹20,000	₹20,000
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.19	0.24
Salaries/ Other Estt. Exp. paid by IFCI for employees deputed in IFCI, Paid/ payable to them	0.06	-
Employees deputed/ posted by IFCI (No.)	-	4

HIMCON

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Dividend Received	0.04	0.01
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.07	0.24
Employees deputed/ posted by IFCI (No.)	-	1

HARDICON

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013

Dividend Received	0.01	0.06
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.14	0.11
Employees deputed/ posted by IFCI (No.)	1	-

NITCON

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Dividend Received	0.03	0.01
Brokerage/ Professional fee paid	-	0.02

Joint Ventures

IFCI Sycamore Capital Advisors Pvt. Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Rent & Maintenance received by IFCI	0.07	0.54

Key Management Personnel & Relatives of Key Management Personnel

(₹ crore)

Name and Designation	Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Mr. Malay Mukherjee- Chief Executive Officer and Managing Director	Managerial Remuneration	0.07	-
Mr. Santosh B. Nayar - Chief Executive Officer and Managing Director	Managerial Remuneration	0.10	-
Mr. Atul Kumar Rai - Chief Executive Officer and Managing Director	Dividend Payment	-	0.01
	Interest on IFCI Bonds	-	0.03
	Managerial Remuneration	0.32	1.84 *
Mr. Achal Kumar Gupta – WTD designated as Deputy Managing Director	Managerial Remuneration	0.07	-

Mr. Sujit K. Mandal - Whole Time Director	Managerial Remuneration	-	0.71
	Salary of Relative of Key Management Personnel	-	0.01

* includes gratuity, leave salary etc. paid on completion of initial contract

15. Earnings per share:

For the Year ended			31.03.2014	31.03.2013
I.				
	(a)	Profit Computation for Equity shareholders		
		Net profit as per Statement of Profit & Loss	508.10	450.87
		Less: Preference Dividend	(0.31)	(0.31)
		Net profit for Equity Shareholders	507.79	450.56
	(b)	Weighted Average Number of Equity Shares outstanding	1,66,20,37,235	1,08,74,01,715
II.				
	(a)	Profit Computation for Equity shareholders (including potential shareholders)		
		Net profit as per Statement of Profit & Loss	508.10	450.87
		Less: Preference dividend	(0.31)	(0.31)
		Add: Interest on Convertible Debentures (net of Tax)	-	-
		Net profit for equity shareholders (including potential shareholders)	507.79	450.56
	(b)	Weighted Average Number of Equity Shares outstanding	1,66,27,05,271	1,08,93,52,574
III.		Earnings Per Share (not annualized) (Weighted Average)		
		Basic (₹)	3.05	4.14
		Diluted (₹)	3.05	4.14

16. In terms of Accounting Standard 19 on ‘Leases’ issued by ICAI,

(a) The Company has entered into lease agreement at four centers and lease rent in respect of above is charged to the Statement of Profit & Loss.

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

(₹ crore)

Particulars	Year ended 31/03/2014	Year ended 31/03/2013
Minimum Lease payments:		
a) Not later than one year	0.16	6.45
b) Later than one year but not later than five years	0.04	11.15
c) Later than five years	-	-
Rentals charged during the Period	2.57	6.64

17. The Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited (ISCAPL) incorporated in India in November 2011. The amounts invested at par were ₹ 0.01 crore Class A Equity Shares and ₹ 2.64 crore Fully Convertible Debentures. ISCAPL‘s Board has approved the winding up of the company and the financials of ISCAPL for the year ended 31/03/2014 are under finalization. A firm of Chartered Accountants has certified that ISCAPL have adequate liquidity in the form of fixed deposits to honour the investment and accordingly, the Debentures are carried at cost.

18. Fixed Assets possessed by the Company are treated as 'Corporate Assets’ and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2014, there were no events or changes in circumstances which indicate any impairment in the assets.

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

(₹ crore)

Particular	Opening Balance	Addition/ Transfer	Deduction/ Transfer	Closing Balance
Leave Encashment	14.32		2.12	12.20
Gratuity	(1.16)	1.43		0.27
Income Tax	522.77	90.47	-	613.24
Fringe Benefit Tax	6.34	-	-	6.34
Assets	2,271.93	583.85	750.20	2,105.58

20. The following additional information is disclosed in terms of RBI Circulars applicable to Non-Banking Financial Companies:

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

(₹ crore)

Particulars	As on 31/03/2014	As on 31/03/2013

	O/s	Overdue	O/s	Overdue
(a) Debentures:				
(i) Secured	Nil	Nil	Nil	Nil
(ii) Unsecured	818.19	Nil	818.19	Nil
(b) Deferred Credits	Nil	Nil	Nil	Nil
(c) Term Loans	9,240.33	Nil	6,245.17	Nil
(d) Inter Corporate loans & borrowing	30.85	Nil	66.85	Nil
(e) CBLO/ Commercial Paper	48.05	Nil	14.67	Nil
(f) Other Loans (incl. FC Loan)	599.72	Nil	528.61	Nil
(g) Funds placed with IFCI	46.70	Nil	50.03	Nil
(h) Bonds	9,831.65	Nil	10,234.73	Nil

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

(b) Break-up of Leased Assets and stock on hire and other assets counting towards Loan activities

(₹ crore)

Particulars		As on 31/03/2014	As on 31/03/2013
(i)	Lease assets including lease rentals		
	(a) Financial Lease	Nil	Nil
	(b) Operating Lease	Nil	Nil
(ii)	Stock on hire incl. hire charges under sundry debtors	Nil	Nil
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
(iii)	Other loans counting towards AFC activities	Nil	Nil
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

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

(₹ crore)

	Category	As on 31/03/2014	As on 31/03/2013
1.	Related Parties		
	(a) Subsidiaries	200.00	305.00

	Category	As on 31/03/2014	As on 31/03/2013
	(b) Companies in same group	Nil	Nil
	(c) Other Related Parties	42.05	68.72
2.	Other than Related Parties	18,393.07	13,906.21
	Total	18,635.12	14,279.93

Amount is net of provision against non-performing and standard restructured assets

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

	Category	As on 31/03/2014		As on 31/03/2013	
		Market/ Break- up/ Fair Value/ NAV	Book Value	Market/ Break- up/ Fair Value/ NAV	Book Value
1.	Related Parties				
	(a) Subsidiaries	1,465.94	1,703.24	1,203.55	1,089.93
	(b) Companies in same group	99.50	93.94	245.44	391.16
	(c) Joint Venture	2.65	2.65	2.64	2.65
2.	Other than Related Parties	5,695.94	6,445.47	6,623.42	7,776.14
	Total	7,262.93	8,245.30	8,075.05	9,259.88

(e) Other Information:

(₹ crore)

	Particulars	As on 31/03/2014	As on 31/03/2013
1.	Gross Non-Performing Assets (excluding technical write-off)		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	3,451.36	3,063.07
2.	Net Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	2,122.77	1,453.65
3.	Assets acquired in satisfaction of debt	Nil	Nil

(f) Capital to Risk Assets Ratio (CRAR)

	Particulars			As on 31/03/2014	As on 31/03/2013
A.	Capital				
	(a)	Capital to Risk Assets Ratio (CRAR)		21.34%	23.88%
		(i)	Core CRAR	13.89%	15.31%
		(ii)	Supplementary CRAR	7.45%	8.57%
	(b)	Subordinated debt raised, outstanding as Tier II Capital (₹ crore)		1,258.51	1,322.97

	(c)	Risk-weighted assets (₹ crore):			
		(i)	On-Balance Sheet Items	25,772.04	21,861.87
		(ii)	Off-Balance Sheet Items	1,195.48	1,954.68

(g) Exposure to Real Estate Sector

Category			As on 31/03/2014	As on 31/03/2013
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)	Nil	Nil
	(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	2,457.31	481.04
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	Nil	Nil
		a) Residential		
		b) Commercial Real Estate		
b)	Indirect Exposure			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		Nil	Nil

(h) Maturity Pattern of assets and liabilities:

(₹ crore)

Particulars	1 day to 30 days	1 mths to 2 mths	2 mths to 3 mths	3 mths to 6 mths	6 mths to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
LIABILITIES									
Borrowing from Banks	205.00	25.00	639.19	461.17	1,247.32	4,295.19	2,171.89	853.62	9,898.38
Market borrowings	36.58	53.45	37.94	22.49	430.47	790.34	811.24	8,497.45	10,679.96
TOTAL	**241.58**	**78.45**	**677.13**	**483.66**	**1,677.79**	**5,085.53**	**2,983.13**	**9,351.07**	**20,578.34**
ASSETS									

Advances	165.04	60.03	357.91	771.83	1,103.38	6,848.97	4,764.25	4,562.94	18,634.35
Investments	266.45	98.34	146.83	0.00	24.71	175.67	279.67	6,521.85	7,513.52
TOTAL	**431.49**	**158.37**	**504.74**	**771.83**	**1,128.09**	**7,024.64**	**5,043.92**	**11,084.79**	**26,147.87**

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

(₹ crore)

	Particulars	As on 31/03/2014	As on 31/03/2013
1	Number of Accounts	2	-
2	Aggregate outstanding of accounts sold to SC/ RC	1.45	-
3	Aggregate consideration	1.16	-
4	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5	Aggregate gain/ (loss) over net book value	-	-

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

(₹ crore)

Particulars			As on 31/03/2014	As on 31/03/2013
1.	(a)	Number of accounts purchased during the period	1	8
	(b)	Aggregate Outstanding (₹ crore)	0.99	36.63
2.	(a)	Of the above number of accounts restructured during the period	-	-
	(b)	Aggregate Outstanding (₹ crore)	-	-

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

(₹ crore)

Particulars	As on 31/03/2014	As on 31/03/2013
Number of accounts sold during the period	-	1
Aggregate outstanding (₹ crore)	-	1.00
Aggregate consideration received (₹ crore)	-	0.35

21. Total value of outstanding Currency Swaps was USD 87.65 million against INR & EURO 69.39 million against USD (Previous year: USD 87.13 million against INR, EURO 72.58 million against USD respectively) equivalent to ₹1,132.09 crore (Previous year: ₹1,002.34 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was Nil (Previous year: NIL).

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

Long Position (as at 31/03/2014)

S. No.	Particulars	Series of Future	Exchange	Number of Contracts	Number of Units Involved (USD)
1	USD/INR	June 26, 2014	NSE	1,920	1,920,000.00
2	USD/INR	April 28, 2014	MCX-SX	723	723,000.00
3	USD/INR	May 28, 2014	MCX-SX	2812	2,812,000.00
4	USD/INR	June 26, 2014	MCX-SX	365	365,000.00

23. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.50 million (Previous Year: USD 0.016 million) and EUR 0.38 million (Previous Year: EUR 0.041 million), equivalent to ₹ 6.15 crore (Previous Year: ₹ 0.37 crore).

24. Details of securities sold and purchased under Repos and Reverse Repos Transactions:

(₹ crore)

	Minimum O/s during the period	Maximum O/s during the period	Daily Average O/s during the period	O/s as on Mar 31, 2014
Securities sold under Repo:				
1 Govt. Securities	Nil	Nil	Nil	Nil
2 Corporate Bonds	199.90	199.90	13.69	199.90
Securities purchased under reverse repo:				
1 Govt. Securities	Nil	Nil	Nil	Nil
2 Corporate Bonds	Nil	Nil	Nil	Nil

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

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

A. SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2012-13

1. Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on a historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India which encompasses applicable accounting standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act 1956, the applicable guidelines issued by the Reserve Bank of India (RBI), other statutory provisions and regulatory framework. The Company adopts the accrual concept in the preparation of accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

2. Revenue Recognition

(a) Interest and other dues are recognized on accrual basis except in the case of income on Non-Performing Assets (NPA) which is recognized, as and when received, as per the prudential norms prescribed by the RBI.

(b) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates and LC Commission are accounted for on realization basis.

(c) Dividends declared by the respective Companies till the close of the accounting period are accounted for as income, once the right to receive is established.

(d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/ or before 31/03/2001, income from leases (except in case of Non-Performing Assets) is recognized on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.

(e) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(f) Surplus on sale of investments is net of losses thereon.

3. Investments

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

(iii) 'Long term Investments' are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.
(iv) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

(c) Bonds in the nature of current investment are valued in accordance with the calculators provided on the FIMMDA platform for the purpose.

4. Derivatives

(a) Equity Index/ Stock Futures and Currency Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/ Stock Futures and Currency Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:
- The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
- The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the profit and loss account.
- Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

5. Foreign Exchange Transactions

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

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

6. Tangible Fixed Assets and Depreciation

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31/03/2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.

(b) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.

(c) Leasehold Land is amortized over the lease period.

(d) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.

(e) Leasehold Improvements are amortized over the lease period.

(f) Mobile phones are fully depreciated in the year of acquisition itself.

(g) Depreciation on all other assets is provided on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956 except in respect of Office Building and Plant & Machinery at Corporate Office which is provided on SLM. Assets having individual value of less than ₹ 5,000/- are charged to the Profit & Loss Account in the year of purchase.

7. Intangible assets and amortization

Intangible assets are recorded at the consideration paid for acquisition. Consideration 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.

Intangible assets include computer software having perpetual license and are amortized @40% per annum on Written Down Value (WDV).

8. Impairment of Assets

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

9. Provisions/ Write off against Loans and Other Credit Facilities

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

(b) For restructured/ rescheduled assets, provision is made in accordance with the guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

10. Grants received from Government of India Under Interest Differential Fund (IDF)

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

11. Borrowing Cost

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

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

12. Leases

Lease arrangements where the risks and rewards incidental to the ownership of an asset vest substantially with the lessor are recognized as operating leases. Lease rent under operating leases are recognized in the Profit & Loss Statement with reference to the lease terms.

13. Miscellaneous Expenditure

(a) Expenses on issue of Shares and Debentures are charged to Securities Premium Reserve in accordance with Section 78 of Companies Act, 1956.

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

14. Employee Benefits

(a) Monthly contributions to the Retirement Funds viz. Provident Fund and Pension Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators. The administration of Pension Fund in respect of existing employees opting for the same has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme. The existing pension optees, however, continue to be governed by the provisions of the scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to Accounts as and when due.

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

(c) Provision for leave encashment is being made on actuarial valuation basis.

(d) The Company has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The same is charged against revenue as and when incurred.

15. Employee Stock Option Plan

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

16. Taxation

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

17. Provisions and Contingencies

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

B. NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2012-13

1. Effect of changes in shareholding pattern:

Through exercise of option of conversion by the Government of India, the Optionally Convertible Debentures of ₹400 crore held by GOI and Loan of ₹523 crore provided by GOI were converted into 92.30 crore equity shares of the Company at par through necessary approvals by the Board of Directors and the shareholders, during the year. Further during the year, vesting of 12 lakh equity shares was done under the IFCI Employees Stock Option Scheme and subsequently, these shares were allotted to the IFCI Employees Stock Option Trust. With these conversions and vesting under ESOP, paid-up equity share capital stands increased from ₹737.84 crore to ₹1,662.04 crore. Consequent upon such increase, the Central Government alongwith Corporations owned or controlled by the Central Government hold more than 51% of the paid up share capital of the company. Accordingly, the provisions of Section 619B read with Section 619 of the Companies Act, 1956 with regard to audit of accounts have become applicable to the company.

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

2.1 Contingent Liabilities

(₹ Crore)

	As at	31/03/2013	31/03/2012
(i)	Guarantees issued in Indian Currency	-	26.96
(ii)	Bank Guarantees	34.87	8.87
(iii)	Performance Guarantees issued	0.02	0.66
(iv)	Claims not acknowledged as debts	179.67	156.10
(v)	Tax Matters – Income Tax Service tax In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.	 28.78 12.39	 27.07 4.84

2.2 Commitments

(₹ Crore)

	As at	31/03/2013	31/03/2012
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	0.62	1.32
(ii)	Undrawn Commitments (in line with RBI Circular dated December 26, 2011)	2,624.64	392.97

3. In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide notification dated February 8 2011, has exempted Public Financial Institutions as specified under section 4A of the Companies Act, 1956 from disclosing company-wise details of Investments subject to fulfillment of certain

conditions. The accounts for the year ended March 31, 2013 have been prepared in accordance therewith.

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

5. Trade payables include an amount of ₹ 69.02 crore received in terms of various agreements entered into with the promoter of the investee company for Share subscription/ Share buyback. These proceeds are in the nature of part payments towards specified internal rate of return and/ or share buyback. Due to inherent uncertainty in respect of the final gains/ losses in such transactions, if any, at the time of actual buyback, the proceeds have been treated as advance receipts in the accounts.

6. Expenditure in Foreign Currencies:

(₹ crore)

	Year ended 31/03/2013	Year ended 31/03/2012
Interest on borrowings	4.41	4.29
Other matters	0.01	0.19
	4.42	**4.48**

7. Earnings in Foreign Currency:

	Year ended 31/03/2013	Year ended 31/03/2012
Earnings in Foreign Currency	Nil	Nil

8. Auditors' Remuneration

(₹ crore)

	Year ended 31/03/2013	Year ended 31/03/2012
Fees	0.35	0.35
Out of pocket expenses	0.01	0.01
	0.36	**0.36**

9. Balances appearing under loans, sundry debtors and sundry creditors except pertaining to related parties, are subject to confirmation.

10. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. 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.

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

12. Defined Benefit Plans/ Long Term Compensated Absences – As per Actuarial Valuations as on March 31, 2013 and recognized in the financial statements in respect on Employee Benefit Schemes.

(₹ crore)

		For the year ended	31/03/2013		31/03/2012	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Un-funded	Funded	Un-funded
I	Components of Employer Expense					
	1	Current Service Cost	0.32	0.78	0.71	1.25
	2	Interest Cost	0.76	1.49	0.75	1.39
	3	Expected Return on Plan Asset	0.83	-	-	-
	4	Curtailment Cost/ (Credit)	-	-	-	-
	5	Settlement Cost/ (Credit)	-	-	-	-
	6	Past Service Cost	-	-	-	-
	7	Actuarial (gain)/ loss recognized	(1.06)	(3.27)	(1.35)	(0.25)
	8	Expense Recognized in Statement of Profit/ Loss	0.81	1.00	0.11	2.40
II	Actual Returns for the year		0.83	-	0.87	-
III	Net (Asset)/ Liability recognized in Balance Sheet					
	1	Present Value of Defined Benefit Obligation	8.10	14.31	9.46	18.69
	2	Fair Value on Plan Assets	9.26	-	9.50	-
	3	Status (Surplus/ Deficit)	1.16	14.31	0.04	18.69
	4	Unrecognised Past Service Cost	-	-	-	-
	5	Net (Asset)/ Liability recognized in Balance Sheet	1.16	14.31	0.04	18.69
IV	Change in Defined Benefit Obligations (DBO)					
	1	Present Value of Obligation at Beginning of year	9.47	18.69	9.37	17.42
	2	Current Service Cost	0.32	0.78	0.71	1.25
	3	Interest Cost	0.76	1.49	0.75	1.39
	4	Curtailment cost	-	-	-	-
	5	Settlement Cost	-	-	-	-
	6	Plan Amendments	-	-	-	-
	7	Acquisitions	-	-	-	-
	8	Actuarial (gain)/ loss on Obligations	(1.06)	(3.27)	(0.47)	(0.25)
	9	Benefits Paid	(1.40)	(3.38)	(0.90)	(1.13)
	10	Present Value of Obligation at end of Year	8.10	14.31	9.47	18.69
V	Change in Fair Value of Assets during the year					
	1	Fair Value of Plan Asset at Beginning of year	8.74*	-	9.38	-
	2	Acquisition Adjustment	-	-	-	-
	3	Expected Return on Plan Asset	0.83	-	0.88	-
	4	Actuarial (gain)/ loss on Plan Asset	-	-	-	-
	5	Contributions	1.09	-	0.14	-
	6	Benefits Paid	(1.40)	-	(0.90)	-

		For the year ended	31/03/2013		31/03/2012	
	7	Fair Value of Plan Asset at end of year	9.26	-	9.50	-
VI	Actuarial Assumptions					
	1	Mortality Table		LIC 1994-96		LIC 1994-96
	2	Early Retirement & Disablement		Age Related		Age Related
	3	Discount Rate	8.00%	8.00%	8.00%	8.00%
	4	Inflation Rate	5.00%	5.00%	8.50%	8.50%
	5	Return on Asset	8.96%		8.00%	
VII	Major Category of Plan Assets as a % of the Total Plan Assets					
	1	Government Securities	0.11%		8.00%	
	2	Special Deposit Scheme				
	3	High Quality Corporate Bonds				
	4	Insurance Companies	99.84%		91.98%	
	5	Cash & Cash Equivalents	0.05%		0.02%	

* excluding Government Securities, bank balances and interest thereon

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

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

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

Nature of Relationship	Name of the Related Party
Subsidiary	IFCI Financial Services Ltd. (I-Fin)
	IFCI Venture Capital Funds Ltd. (IVCF)
	IFCI Infrastructure Development Ltd. (IIDL)
	IFCI Factors Ltd. (IFL)
	MPCON Ltd.
	IFCI Commodity Ltd. (indirect control through IFIN)
	IFIN Credit Ltd. (indirect control through IFIN)
	Narayan Sriram Investment Pvt. Ltd. (indirect control through IFIN)
	IIDL Realtors Pvt. Ltd. (IRPL) (indirect control through IIDL)
Associates	Assets Care & Reconstruction Enterprise Ltd. (ACRE)
	Tourism Finance Corporation of India Ltd. (TFCI)
	HIMCON Ltd.
	NITCON Ltd.
	HARDICON Ltd.
	Stock Holding Corporation of India Ltd. (SHCIL)
Joint Ventures	IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCA)
Key Managerial Personnel	Mr. Atul Kumar Rai (CEO & MD)
	Mr. Sujit K. Mandal (Whole Time Director) - Relieved from services on 12/12/2012
Relative of Key Managerial Personnel	Mr. Siddharth Mandal (son of Whole Time Director) - Relieved from services on 28/04/2012

2. Transaction with the related party during the period:-

Subsidiaries:

IFCI Financial Services Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Infusion of Equity Cash	-	76.25
Rent & Maintenance received	2.25	0.98
Brokerage/ Professional fee paid	0.51	0.81
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	0.23	-
Interest received/ receivable on Loan	-	-0.40
Employees deputed/ posted by IFCI (No.)	-	1

IFCI Venture Capital Fund Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Dividend Received	5.95	5.95
Rent & Maintenance received	0.79	1.46
Professional fee received	0.05	0.05
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	0.30	0.38
Loans given - outstanding	-	7.50
Maximum amount outstanding (receivable)	7.50	19.50
Interest received/ receivable on Loan	0.08	0.22
Employees deputed/ posted by IFCI (No.)	1	2

IFCI Infrastructure Development Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Infusion of Equity – Cash	-	1.02
Buy-back of Equity	18.13	-
Rent & Maintenance received	1.43	1.46
Brokerage/ Professional fee paid	0.52	0.73
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	0.28	0.64
Loans given - outstanding	30.00	60.00
Maximum amount outstanding (receivable)	60.00	60.00
Bonds/ Debenture subscribed – outstanding	75.00	75.00

Interest received/ receivable on Loan	5.28	5.68
Interest received/ receivable on Bonds	7.27	7.91
Bonds issued by IFCI – outstanding	75.00	75.00
Interest paid/ payable by IFCI	7.26	7.91
Inter corporate deposits	36.00	-
Interest paid/ payable by IFCI	0.04	-
Employees deputed/ posted by IFCI (No.)	-	4
Employees deputed in IFCI (No.)	2	1

IFCI Factors Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Dividend Received	5.54	5.54
Rent & Maintenance received	3.28	3.06
Professional fee received	0.06	-
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	0.25	0.23
Loans given - outstanding #	275.00	365.00
Maximum amount outstanding (receivable)	365.00	365.00
Bonds/ Debenture subscribed – outstanding	25.00	-
Interest paid/ payable by IFCI	2.55	-
Interest received/ receivable on Loan	30.80	29.35
Employees deputed/ posted by IFCI (No.)	-	2

Loan outstanding includes ₹ 75.00 crore subordinate debt (Previous Year ₹ 75.00 crore).

IIDL Realtors Pvt. Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Rent & Maintenance paid	6.30	5.57
Security Deposit paid – outstanding	0.93	-

Associates

Assets Care & Reconstruction Enterprise Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Rent & Maintenance received by IFCI	0.87	-

Loan given – outstanding	68.72	71.22
Interest received/ receivable on Loan	8.46	7.54
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.15	0.15
Professional fee received	0.06	-
Employees deputed/ posted by IFCI (No.)	-	1

Tourism Finance Corporation of India Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Acquisition from market/ others	-	10.96
Rent & Maintenance received by IFCI	3.03	0.80
Dividend Received	4.12	3.96
Dividend Paid on Preference Shares	₹20,000	₹20,000
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.24	0.04
Employees deputed/ posted by IFCI (No.)	4	1

HIMCON

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Dividend Received	0.01	0.01
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.24	-
Employees deputed/ posted by IFCI (No.)	1	1

HARDICON

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Acquisition from market/ Others	-	0.25
Dividend Received	0.06	0.01
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.11	-
Employees deputed/ posted by IFCI (No.)	-	1

NITCON

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Dividend Received	0.01	0.01
Brokerage/ Professional fee paid	0.02	-

Stock Holding Corporation of India Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Dividend Received	4.64	5.36
Brokerage/ Professional fee paid	0.22	0.38

Joint Ventures

IFCI Sycamore Capital Advisors Pvt. Ltd.

Nature of Transaction	31/03/2013	31/03/2012
Employees deputed/ posted by IFCI (No.)	-	6
Rent & Maintenance received by IFCI	0.54	-

Key Management Personnel & Relatives of Key Management Personnel

Chief Executive Officer and Managing Director

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Dividend Payment	0.01	0.01
Interest on IFCI Bonds	0.03	0.02
Managerial Remuneration	1.84 *	1.16

* includes gratuity, leave salary etc. paid on completion of initial contract

Whole Time Director

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Managerial Remuneration	0.71	0.90
Salary of Relative of Key Management Personnel	0.01	0.12

15. Earnings per share:

For the Year/ Year ended			31.03.2013	31.03.2012
I.	Computation for Basic Earnings per Share			
	(a)	Profit Computation for Equity shareholders		
		Net profit as per Profit & Loss Account	450.87	663.62
		Less: Preference Dividend	(0.31)	(0.31)
		Net profit for Equity Shareholders	450.56	663.31
	(b)	Weighted Average Number of Equity Shares outstanding	1,08,74,24,726	73,78,37,331
II.	Computation for Diluted Earnings per Share			
	(a)	Profit Computation for Equity shareholders (including potential shareholders)		
		Net profit as per Profit & Loss Account	450.87	663.62
		Less: Preference dividend	(0.31)	(0.31)
		Add: Interest on Convertible Debentures (net of Tax)	0.00	31.61
		Net profit for equity shareholders (including potential shareholders)	450.56	694.92
	(b)	Weighted Average Number of Equity Shares outstanding	1,08,88,81,331	96,09,16,575
III.		Earnings Per Share (Weighted Average)		
		Basic (₹)	4.14	8.99
		Diluted (₹)	4.14	7.23

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

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

(₹ crore)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
Minimum Lease payments:		
d) Not later than one year	6.45	5.73
e) Later than one year but not later than five years	11.15	15.47
f) Later than five years	-	-
Rentals charged during the Period	6.64	6.55

17. The Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited incorporated in India in November 2011. The amounts invested at par were ₹ 0.01 crore Class A Equity Shares and ₹ 2.64 crore Fully Convertible Debentures. In compliance with Accounting Standard 27 on 'Financial reporting of Interests in Joint ventures' as notified by the Companies (Accounting Standards) Rules, 2006, required disclosure of interest in the Assets, Liabilities, Income, Expenditure and Contingent Liabilities is as under: -

(₹ crore)

Particulars	31/03/2013	31/03/2012
Assets	2.87	2.86
Liabilities	0.63	0.24
Income	0.16	0.00
Expenditure	0.55	0.03
Contingent Liabilities	Nil	Nil

18. Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2013, there were no events or changes in circumstances which indicate any impairment in the assets.

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

(₹ crore)

Particular	Opening Balance	Addition/ Transfer	Deduction/ Transfer	Closing Balance
Income Tax	459.21	63.56	-	522.77
Fringe Benefit Tax	6.34	-	-	6.34
Assets	2,552.01	314.23	594.31	2,271.93

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

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

(₹ crore)

Particulars	As on 31/03/2013		As on 31/03/2012	
	O/s	Overdue	O/s	Overdue
(a) Debentures:				
(i) Secured	Nil	Nil	NIL	Nil
(ii) Unsecured	818.19	Nil	1,218.19	Nil
(b) Deferred Credits	Nil	Nil	Nil	Nil
(c) Term Loans	6,245.17	Nil	8,685.84	Nil
(d) Inter Corporate loans & borrowing	66.85	Nil	932.02	Nil
(e) Commercial Paper	14.67	Nil	34.91	Nil
(f) Other Loans (incl. FC Loan)	528.61	Nil	540.19	Nil
(g) Funds placed with IFCI	60.03	Nil	58.29	Nil
(h) Bonds	10,234.73	Nil	9,924.38	Nil

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

(b) Break-up of Leased Assets and stock on hire and other assets counting towards Loan activities

(₹ crore)

Particulars		As on 31/03/2013	As on 31/03/2012
(i)	Lease assets including lease rentals		
	(a) Financial Lease	Nil	12.23
	(b) Operating Lease	Nil	Nil
(ii)	Stock on hire including hire charges under sundry debtors	Nil	Nil
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
(iii)	Other loans counting towards AFC activities	Nil	Nil
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

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

(₹ crore)

	Category	As on 31/03/2013	As on 31/03/2012
1.	Related Parties		
	(a) Subsidiaries	305.00	432.50
	(b) Companies in same group	Nil	Nil
	(c) Other Related Parties	68.72	71.22
2.	Other than Related Parties	13,906.21	16,439.29
	Total	14,279.93	16,943.01

Amount is net of provision against non-performing and standard restructured assets

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

(₹ crore)

	Category	As on 31/03/2013		As on 31/03/2012	
		Market/ Break-up/ Fair Value/ NAV	Book Value	Market/ Break-up/ Fair Value/ NAV	Book Value
1.	Related Parties				
	(a) Subsidiaries	1,203.55	1,089.93	1,228.81	1,114.62
	(b) Companies in same group	245.44	391.16	285.69	417.50
	(c) Joint Venture	2.64	2.65	2.64	2.65
2.	Other than Related Parties	6,623.42	7,776.14	5,932.69	6,895.99
	Total	8,075.05	9,259.88	7,449.83	8,430.76

(e) Other Information:

(₹ crore)

	Particulars	As on 31/03/2013	As on 31/03/2012
1.	Gross Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	3,660.93	2,607.66
2.	Net Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	1,453.65	327.15
3.	Assets acquired in satisfaction of debt	Nil	Nil

(f) Capital to Risk Assets Ratio (CRAR)

	Particulars			As on 31/03/2013	As on 31/03/2012
A.	Capital				
	(a)	Capital to Risk Assets Ratio (CRAR)		23.88%	21.26%
		(i)	Core CRAR	15.31%	12.82%
		(ii)	Supplementary CRAR	8.57%	8.44%
	(b)	Subordinated debt raised, outstanding as Tier II Capital (₹ crore)		1,322.97	1,233.30
	(c)	Risk-weighted assets (₹ crore):			

		(i)	On-Balance Sheet Items	21,861.87	23,412.37
		(ii)	Off-Balance Sheet Items	1,954.68	858.20

(g) Exposure to Real Estate Sector

(₹ crore)

Category			As on 31/03/2013	As on 31/03/2012
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)	Nil	Nil
	(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	481.04	665.13
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	Nil	Nil
		a) Residential		
		b) Commercial Real Estate		
b)	Indirect Exposure			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		Nil	Nil

(h) Maturity Pattern of assets and liabilities:

Particulars	1 day to 30 days	1 mths to 2 mths	2 mths to 3 mths	3 mths to 6 mths	6 mths to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
LIABILITIES									
Borrowing from Banks	28.33	113.90	357.08	854.43	1,521.29	3,366.80	803.03	2,337.05	9,381.91
Market borrowings	1.45	8.55	14.81	314.02	550.18	685.66	244.44	6,164.89	7,984.00
TOTAL	**29.78**	**122.45**	**371.89**	**1,168.45**	**2,071.47**	**4,052.46**	**1,047.47**	**8,501.94**	**17,365.91**
ASSETS									
Advances	329.18	249.24	156.24	1,707.79	1,467.24	4,358.07	2,419.46	3,591.80	14,279.02

Investments	329.68	0.00	195.38	428.40	514.86	235.97	494.73	6,442.40	8,641.42
TOTAL	**658.86**	**249.24**	**351.62**	**2,136.19**	**1,982.10**	**4,594.04**	**2,914.19**	**10,034.20**	**22,920.44**

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

(₹ crore)

	Particulars	As on 31/03/2013	As on 31/03/2012
1	Number of Accounts	-	3
2	Aggregate outstanding of accounts sold to SC/ RC	-	70.19
3	Aggregate consideration	-	27.05
4	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5	Aggregate gain/ (loss) over net book value	**-**	**-**

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

(₹ crore)

Particulars			As on 31/03/2013	As on 31/03/2012
1.	(a)	Number of accounts purchased during the period	8	26
	(b)	Aggregate Outstanding (₹ crore)	36.63	45.35
2.	(a)	Of the above number of accounts restructured during the period	-	-
	(b)	Aggregate Outstanding (₹ crore)	-	-

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

(₹ crore)

Particulars	As on 31/03/2013	As on 31/03/2012
Number of accounts sold during the period	1	4
Aggregate outstanding (₹ crore)	1.00	40.32
Aggregate consideration received (₹ crore)	0.35	34.66

21. Total value of outstanding Currency Swaps was USD 87.13 million against INR and EURO 72.58 million against USD (Previous year: USD 98.70 million against INR, EURO 0.60 million against INR and EURO 79.50 million against USD respectively) equivalent to ₹ 1,002.34 crore (Previous year: ₹ 1,069.40 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was NIL (Previous year: USD 0.15 million against INR equivalent to ₹ 0.77 crore respectively).

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

Long Position (as at 31/03/2013)

S. No.	Particulars	Series of Future	Exchange	Number of Contracts	Number of Units Involved (USD)
1	USD/INR	April 26, 2013	NSE	1,920	1,920,000.00
2	USD/INR	April 26, 2013	MCX-SX	3,900	3,900,000.00

23. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.016 million (Previous Year: USD 0.02 million) and EUR 0.041 million (Previous Year: EUR 0.03 million), equivalent to ₹0.37 crore (Previous Year: ₹ 0.28 crore)

24. Details of securities sold and purchased under Repos and Reverse Repos Transactions:

(₹ crore)

	Minimum O/s during the period	Maximum O/s during the period	Daily Average O/s during the period	O/s as on March 31, 2013
Securities sold under Repo:				
3 Govt. Securities	Nil	Nil	Nil	Nil
4 Corporate Bonds	Nil	Nil	Nil	Nil
Securities purchased under reverse repo:				
3 Govt. Securities	Nil	Nil	Nil	Nil
4 Corporate Bonds	Nil	Nil	Nil	Nil

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

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

A. SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2011-12

1. Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on a historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India which encompasses applicable accounting standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act 1956, the applicable guidelines issued by the Reserve Bank of India (RBI), other statutory provisions and regulatory framework. The Company adopts the accrual concept in the preparation of accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

2. Revenue Recognition

(a) Interest and other dues are recognized on accrual basis except in the case of income on Non-Performing Assets (NPA) which is recognized, as and when received, as per the prudential norms prescribed by the RBI.

(b) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates and LC Commission are accounted for on realization basis.

(c) Dividends declared by the respective Companies till the close of the accounting period are accounted for as income, once the right to receive is established.

(d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/ or before 31/03/2001, income from leases (except in case of Non-Performing Assets) is recognized on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.

(e) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(f) Surplus on sale of investments is net of losses thereon.

3. Investments

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

(i) ‘Long term Investments’ are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.

(ii) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

4. Derivatives

(a) Equity Index/ Stock Futures and Currency Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/ Stock Futures and Currency Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:

- The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
- The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the profit and loss account.
- Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

5. Foreign Exchange Transactions

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

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

6. Fixed Assets and Depreciation

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31/03/2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.

(b) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.

(c) Depreciation in respect of Office Building and Plant & Machinery at Corporate Office is provided on SLM and on all other assets on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets having individual value of less than ₹ 5,000/- are charged to the Profit & Loss Account in the year of purchase.

(d) Leasehold Land is amortized over the lease period.

(e) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.

(f) Leasehold Improvements are amortized over the lease period.

(g) Mobile phones are fully depreciated in the year of acquisition itself.

7. Impairment of Assets

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

8. Provisions/ Write off against Loans and Other Credit Facilities

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

(b) For restructured/ rescheduled assets, provision is made in accordance with the guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

9. Grants received from Government of India Under Interest Differential Fund (IDF)

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

10. Borrowing Cost

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

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

11. Miscellaneous Expenditure

(a) Expenses on issue of Shares and Debentures are charged to Securities Premium Reserve in accordance with Section 78 of Companies Act, 1956.

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

12. Employee Benefits

(a) Monthly contributions to the Retirement Funds viz. Provident Fund and Pension Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators. The administration of Pension Fund in respect of existing employees opting for the same has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme. The existing pension optees, however, continue to be governed by the provisions of the scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to Accounts as and when due.

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

(c) The Company has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The same is charged against revenue as and when incurred.

13. Employee Stock Option Plan

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

14. Taxation

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

15. Provisions and Contingencies

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

B. NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2011-12

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

1.1 Contingent Liabilities

(₹ Crore)

	As at	31/03/2012	31/03/2011
(i)	Guarantees issued in Indian Currency	26.96	26.96
(ii)	Bank Guarantees	8.87	8.87
(iii)	Performance Guarantees issued	0.66	0.60
(iv)	Claims not acknowledged as debts	156.10	92.35
(v)	Tax Matters – Income Tax Service tax In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.	 27.07 4.84	 27.07 4.54

1.2 Commitments

(₹ Crore)

	As at	31/03/2012	31/03/2011
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	1.32	3.78
(ii)	Undrawn Commitments (in line with RBI Circular dated December 26, 2011)	392.97	-

2. In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide notification dated February 8 2011, has exempted Public Financial Institutions as specified under section 4A of the Companies Act, 1956 from disclosing company-wise details of Investments subject to fulfillment of certain conditions. The accounts for the year ended March 31, 2012 have been prepared in accordance therewith.

3. The stakeholders of IFCI in Financial Year (FY) 2002-03 had approved the package for restructuring of debt/ liabilities, inter alia, providing for release of ₹5,220 crore (comprising ₹ 3,604 crore towards principal and ₹ 1,616 crore towards interest over future years on liabilities taken over/ to be serviced by Government of India) as Grant. Government of India (GOI) released ₹ 2,932.31 crore, comprising ₹523 crore as loan (FY 2002-03) and ₹ 2,409.31 crore (FY 2003-04 to FY 2006-07) as Grant. The amount of ₹ 2,409.31 crore received as Grant in FY 2003-04 to 2006-07 comprised of ₹ 1,606.31 crore towards principal and ₹ 803 crore towards interest. Out of ₹ 1,606.31 crore received towards principal, ₹ 1,359 crore (FY 2003-04) was accounted as extra-ordinary income and ₹ 247.31 crore (FY 2004-05 to FY 2006-07) as Restructuring Reserve in the Reserve & Surplus A/c and thereafter transferred to Profit & Loss A/c, as per the guidelines conveyed by RBI. The amount of ₹ 803 crore received towards interest was reduced from the cost of borrowings in respective years. No Grant has been received since April 1, 2007.

4. Classification of Long Term Loans

(₹ crore)

As at		31/03/2012	31/03/2011
(i)	Secured by Assets	8,929.96	8,843.54
(ii)	Guaranteed by Central/ State Govts.	1.79	1.77
(iii)	Against Promissory Notes and Usance Bills accepted/ Guaranteed by Banks	301.23	197.04
(iv)	Against pledge of shares	6,264.47	7,040.37
(v)	Unsecured	97.09	97.09
	Total	15,594.54	16,179.81

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

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

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

8. Expenditure in Foreign Currencies:

(₹ crore)

	Year ended 31/03/2012	Year ended 31/03/2011
Interest on borrowings	4.29	4.04
Other matters	0.19	0.80
	4.48	**4.84**

9. Earnings in Foreign Currency:

	Year ended 31/03/2012	Year ended 31/03/2011
Earnings in Foreign Currency	Nil	Nil

10. Auditors' Remuneration

(₹ crore)

	Year ended 31/03/2012	Year ended 31/03/2011
Fees (including Service Tax)	0.35	0.23

Out of pocket expenses	0.01	0.01
	0.36	**0.24**

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

12. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

ESOP A

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

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

ESOP B

	2011-12		2010-11	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning	-	-	-	-

of the year				
Granted during the year	26,23,681	23.40	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	26,23,681	23.40	-	-

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

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

(₹ crore)

		For the year ended	31/03/2012		31/03/2011	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Un-funded	Funded	Un-funded
I	Components of Employer Expense					
	1	Current Service Cost	0.71	1.25	0.30	0.33
	2	Interest Cost	0.75	1.39	0.64	1.01
	3	Expected Return on Plan Asset	-	-	-	-
	4	Curtailment Cost/ (Credit)	-	-	-	-
	5	Settlement Cost/ (Credit)	-	-	-	-
	6	Past Service Cost	-	-	-	-
	7	Actuarial (gain)/ loss recognized	(1.35)	(0.25)	1.07	3.46
	8	Expense Recognized in Statement of Profit/ Loss	0.11	2.40	1.32	4.80
II	Actual Returns for the year		0.87	-	0.70	-
III	Net (Asset)/ Liability recognized in Balance Sheet					
	1	Present Value of Defined Benefit Obligation	9.46	18.69	8.10	17.42
	2	Fair Value on Plan Assets	9.50	-	7.01	-
	3	Status (Surplus/ Deficit)	0.04	18.69	(1.09)	17.42
	4	Unrecognised Past Service Cost	-	-	-	-
	5	Net (Asset)/ Liability recognized in Balance Sheet	0.04	18.69	(1.09)	17.42
IV	Change in Defined Benefit Obligations (DBO)					
	1	Present Value of Obligation at Beginning of year	9.37	17.42	8.10	12.61
	2	Current Service Cost	0.71	1.25	0.30	0.33
	3	Interest Cost	0.75	1.39	0.64	1.01

		For the year ended	31/03/2012		31/03/2011	
	4	Curtailment cost	-	-	-	-
	5	Settlement Cost	-	-	-	-
	6	Plan Amendments	-	-	-	-
	7	Acquisitions	-	-	-	-
	8	Actuarial (gain)/ loss on Obligations	(0.47)	(0.25)	1.07	3.46
	9	Benefits Paid	(0.90)	(1.13)	(0.75)	
	10	Present Value of Obligation at end of Year	9.46	18.69	9.37	17.42
V	Change in Fair Value of Assets during the year					
	1	Fair Value of Plan Asset at Beginning of year	9.38	-	8.35	-
	2	Acquisition Adjustment	-	-	-	-
	3	Expected Return on Plan Asset	-	-	-	-
	4	Actuarial (gain)/ loss on Plan Asset	0.88	-	0.70	-
	5	Contributions	0.14	-	1.66	-
	6	Benefits Paid	(0.90)	-	(0.75)	-
	7	Fair Value of Plan Asset at end of year	9.50	-	9.38	-
VI	Actuarial Assumptions					
	1	Mortality Table		LIC 1994-96		LIC 1994-96
	2	Early Retirement & Disablement		Age Related		Age Related
	3	Discount Rate	8.00%	8.00%	8.00%	8.00%
	4	Inflation Rate	8.50%	8.50%	8.50%	8.50%
	5	Return on Asset	8.00%		8.00%	
VII	Major Category of Plan Assets as a % of the Total Plan Assets					
	1	Government Securities	8.01%		8.11%	
	2	Special Deposit Scheme				
	3	High Quality Corporate Bonds				
	4	Insurance Companies	91.99%		91.89%	
	5	Cash & Cash Equivalents				

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

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

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

Nature of Relationship	Name of the Related Party
Subsidiary	IFCI Financial Services Ltd. (I-Fin)
	IFCI Venture Capital Funds Ltd. (IVCF)
	IFCI Infrastructure Development Ltd. (IIDL)
	IFCI Factors Ltd. (IFL)
	MPCON Ltd.
	IFCI Commodity Ltd. (indirect control through IFIN)

	IFIN Credit Ltd. (indirect control through IFIN)
	Narayan Sriram Investment Pvt. Ltd. (indirect control through IFIN)
	IIDL Realtors Pvt. Ltd. (IRPL) (indirect control through IIDL)
Associates	Assets Care & Reconstruction Enterprise Ltd. (ACRE)
	Tourism Finance Corporation of India Ltd. (TFCI)
	HIMCON Ltd.
	NITCON Ltd.
	HARDICON Ltd.
	Stock Holding Corporation of India Ltd. (SHCIL) (w.e.f. August 30, 2011)
Joint Ventures	IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCA) (w.e.f. November 16, 2011)
Key Managerial Personnel	Mr. Atul Kumar Rai (CEO & MD)
	Mr. Sujit K. Mandal (Whole Time Director)
Relative of Key Managerial Personnel	Mr. Siddharth Mandal (son of Whole Time Director)

2. Transaction with the related party during the period:-

Subsidiaries:

(₹ crore)

Nature of Transaction (year ended 31.03.12) *	**I-Fin**	**IVCF**	**IIDL**	**IFL**	**MPCON**	**IRPL**
Infusion of Equity - Cash	76.25 (-)	- (-)	1.02 (118.00)	- (-)	- (-)	- (-)
Infusion of Equity – Other than Cash	- (-)	- (-)	- (36.68)	- (-)	- (-)	- (-)
Application money pending allotment	- (76.25)	- (-)	- (-)	- (-)	- (-)	- (-)
Dividend Received	- (-)	5.95 (-)	- (-)	5.54 (-)	- (-)	- (-)
Rent & Maintenance received	0.98 (0.97)	1.46 (1.40)	1.46 (1.45)	3.06 (1.76)	- (-)	- (-)
Rent & Maintenance paid	- (-)	- (-)	- (-)	- (-)	- (-)	5.57 (1.54)
Brokerage/ Professional fee paid	0.81 (1.30)	(-)	0.73 (-)	(-)	(-)	(-)
Professional fee received	- (-)	0.05 (0.05)	- (-)	- (-)	- (-)	- (-)
Fee for depository services	- (1.65)	- (-)	- (-)	- (-)	- (-)	- (-)
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	- (-)	0.38 (0.40)	0.64 (0.78)	0.23 (0.33)	- (-)	- (-)
Consideration for assets sold	- (-)	- (-)	- (36,68)	- (-)	- (-)	- (-)
Loans given/ bonds subscribed (outstanding) #	- (-)	7.50 (-)	60.00 (135.00)	365.00 (250.00)	- (-)	- (-)
Maximum amount outstanding (receivable) during the period	- (76.25)	19.50 (-)	60.00 (135.00)	365.00 (275.00)	- (-)	- (-)
Assignment of Debts by Subsidiaries	-	-	-	-	-	-

Nature of Transaction (year ended 31.03.12) *	I-Fin	IVCF	IIDL	IFL	MPCON	IRPL
	(-)	(-)	(-)	(45.99)	(-)	(-)
Interest received/ receivable on Loan/ Bonds	-0.40 (3.91)	0.22 (-)	13.59 (-)	29.35 (19.24)	- (-)	- (-)
Bonds issued by IFCI (outstanding)	- (-)	- (-)	75.00 (75.00)	- (-)	- (-)	- (-)
Maximum amount outstanding during the year	- (-)	- (-)	75.00 (75.00)	- (-)	(-)	- (-)
Deposit Received – (Outstanding)	- (-)	- (-)	- (10.00)	- (-)	- (-)	- (-)
Maximum amount outstanding during the period	- (-)	- (-)	10.00 (35.00)	- (-)	- (-)	- (-)
Interest paid/ payable by IFCI	- (-)	- (-)	7.91 (7.88)	- (-)	- (-)	- (-)
Investment by IFCI in Portfolio Management Scheme (during the year)	- (10.00)	- (-)	- (-)	- (-)	- (-)	- (-)
Employees deputed/ posted by IFCI as at 31.03.2012 (No.)	1 (-)	2 (2)	4 (4)	2 (4)	- -	- (-)
Employees deputed in IFCI as at 31.03.2012 (No.)	- (-)	- (-)	1 (1)	- (-)	- (-)	- (-)

* figures in brackets represents previous year figures.

\# In case of IFCI Factors Ltd. Loan outstanding includes ₹ 75.00 cr. subordinate debt (Previous Year ₹ 50 crore).

With Associates

(₹ crore)

Type of Transaction (year ended 31.03.2012)*	ACRE	TFCI	HIM-CON	HARD-ICON	NIT-CON	SHCIL
Acquisition from market/ Others	- (-)	10.96 (13.86)	- (-)	0.25 (-)	- (-)	- (-)
Debt assigned to IFCI	- (20.31)	- (-)	- (-)	- (-)	- (-)	- (-)
Debt/ NPA assigned by IFCI	- (7.00)	- (-)	- (-)	- (-)	- (-)	- (-)
Rent & Maintenance received by IFCI	- -	0.80 (0.01)	- (-)	- (-)	- (-)	- (-)
Loan (o/s)	71.22 (62.57)	- (-)	- (-)	- (-)	- (-)	- (-)
Interest received/ receivable on Loan	7.54 (1.02)	- (-)	- (-)	- (-)	- (-)	- (-)
Dividend Received	- (-)	3.96 (3.28)	0.01 (-)	0.01 (-)	0.01 (-)	5.36 (-)
Dividend Paid on Preference Shares	- (-)	20,000 (₹ 20,000)	- (-)	- (-)	- (-)	- (-)
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.15 (0.18)	- (-)	- (-)	- (-)	- (-)	- (-)
Professional fee paid	- (-)	- (-)	- (0.02)	- (0.04)	- (0.20)	0.38 (-)
Employees deputed/ posted by IFCI as at 31.03.2012 (No.)	1 (1)	1 (-)	1 (1)	1 (1)	- (1)	- (-)

* figures in brackets represents previous year figures.

With Joint Ventures

Type of Transaction	ISCA
Employees deputed/ posted by IFCI as at 31.03.2012 (No.)	6 (-)

With Key Management Personnel & Relatives of Key Management Personnel

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

* figures in brackets represents previous year figures.

18. Earnings per share:

For the Year/ period ended			31.03.2012	31.03.2011
I.		Computation for Basic Earnings per Share		
	(a)	Profit Computation for Equity shareholders		
		Net profit as per Profit & Loss Account	663.62	706.25
		Less: Preference Dividend	(0.31)	(0.31)
		Net profit for Equity Shareholders	663.31	705.94
	(b)	Weighted Average Number of Equity Shares outstanding during the year	73,78,37,331	73,78,37,331
II.		Computation for Diluted Earnings per Share		
	(a)	Profit Computation for Equity shareholders (including potential shareholders)		
		Net profit as per Profit & Loss Account	663.62	706.25
		Less: Preference dividend	(0.31)	(0.31)
		Add: Interest on Convertible Debentures (net of MAT)	31.65	31.65
		Net profit for equity shareholders (including potential shareholders)	694.96	737.59
	(b)	Weighted Average Number of Equity Shares outstanding during the year including Convertible Debentures held by GoI assuming conversion price as per SEBI Guidelines.	96,09,16,575	88,86,05,054
III.		Earnings Per Share (Weighted Average)		
		Basic (₹)	8.99	9.57
		Diluted (₹)	7.23	8.30

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

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

(₹ crore)

Particulars	31/03/2012	31/03/2011
Minimum Lease payments:		
a) Not later than one year	5.73	5.72
b) Later than one year but not later than five years	15.47	21.17
c) Later than five years	-	-
Rentals charged during the year	6.55	2.02

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

21. Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2012, there were no events or changes in circumstances which indicate any impairment in the assets.

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

(₹ crore)

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

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

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

(₹ crore)

Particulars	As on 31/03/2012		As on 31/03/2011	
	O/s	Overdue	O/s	Overdue
(a) Debentures:				

Particulars	As on 31/03/2012		As on 31/03/2011	
(i) Secured	Nil	Nil	NIL	Nil
(ii) Unsecured	1,218.19	Nil	1,218.19	Nil
(b) Deferred Credits	Nil	Nil	Nil	Nil
(c) Term Loans	8,685.84	Nil	8,166.67	Nil
(d) Inter Corporate loans & borrowing	961.20	Nil	134.89	Nil
(e) Commercial Paper	34.91	Nil	Nil	Nil
(f) Other Loans				
(i) Funds placed with IFCI	57.66	Nil	52.87	Nil
(ii) Bonds	9,924.38	Nil	9,165.10	Nil

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

(b) Break-up of Leased Assets and stock on hire and other assets counting towards Loan activities

(₹ crore)

Particulars		As on 31/03/2012	As on 31/03/2011
(i)	Lease assets including lease rentals		
	(a) Financial Lease	12.23	36.15
	(b) Operating Lease	Nil	Nil
(ii)	Stock on hire including hire charges under sundry debtors	Nil	Nil
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
(iii)	Other loans counting towards AFC activities	Nil	Nil
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

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

(₹ crore)

	Category	As on 31/03/2012	As on 31/03/2011
1.	Related Parties		
	(a) Subsidiaries	432.50	310.00
	(b) Companies in same group	Nil	Nil
	(c) Other Related Parties	71.22	62.57
2.	Other than Related Parties	16,514.26	15,720.01

	Category	As on 31/03/2012	As on 31/03/2011
	Total	17,017.98	16,092.58

Amount is net of provision and excludes Provision against Standard Assets

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

(₹ crore)

	Category	As on 31/03/2012		As on 31/03/2011	
		Market/ Break- up/ Fair Value/ NAV	Book Value	Market/ Break- up/ Fair Value/ NAV	Book Value
1.	Related Parties				
	(a) Subsidiaries	1,228.81	1,114.62	1,090.38	1,019.45
	(b) Companies in same group	285.69	417.51	91.88	82.70
	(c) Other Related Parties	0.00	0.00	0.24	0.03
2.	Other than Related Parties	9,524.78	10,026.66	6,989.76	7,544.62
	Total	11,039.28	11,558.79	8,172.26	8,646.80

(e) Other Information:

(₹ crore)

	Particulars	As on 31/03/2012	As on 31/03/2011
1.	Gross Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	2,607.66	2,643.63
2.	Net Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	327.15	156.35
3.	Assets acquired in satisfaction of debt	Nil	0.07

(f) Capital to Risk Assets Ratio (CRAR)

	Particulars			As on 31/03/2012	As on 31/03/2011
A.	Capital				
	(a)	Capital to Risk Assets Ratio (CRAR)		21.26%	16.43%
		(i)	Core CRAR	12.82%	12.46%
		(ii)	Supplementary CRAR	8.44%	3.97%
	(b)	Subordinated debt raised, outstanding as Tier II Capital (₹ crore)		1,233.30	Nil
	(c)	Risk-weighted assets (₹ crore):			
		(i)	On-Balance Sheet Items	23,412.37	21,185.28
		(ii)	Off-Balance Sheet Items	858.20	415.86

(g) Exposure to Real Estate Sector

(₹ crore)

Category			As on 31/03/2012	As on 31/03/2011
a)	Direct Exposure			
	(i)	Residential Mortgages- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Individual housing loans up to ₹15 lakh may be shown separately)	Nil	Nil
	(ii)	Commercial Real Estate- Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	665.13	564.78
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	Nil	Nil
		a) Residential		
		b) Commercial Real Estate		
(b)	Indirect Exposure			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		Nil	Nil

(h) Maturity Pattern of assets and liabilities:

Particulars	1 day to30 days	1 mths to 2 mths	2 mths to 3 mths	3 to 6 mths.	6 mths to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
LIABILITIES									
Borrowing from Banks	126.35	150.91	250.29	1,477.72	1,366.16	5,016.83	1,255.27	2,607.67	12,251.20
Market borrowings	16.59	25.44	2.95	33.62	159.20	1,198.46	441.30	6,189.94	8,067.50
TOTAL	**142.94**	**176.35**	**253.24**	**1,511.34**	**1,525.36**	**6,215.29**	**1,696.57**	**8,797.61**	**20,318.7**
ASSETS									

Advances	210.37	533.16	298.71	1,474.89	1,913.99	5,123.06	1,575.13	2,538.20	13,667.51
Investments	235.49	321.84	761.27	254.12	452.68	696.51	1,809.60	6,230.80	10,762.31
TOTAL	**445.86**	**855**	**1,059.98**	**1,729.01**	**2,366.67**	**5,819.57**	**3,384.73**	**8,769.00**	**24,429.82**

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

(₹ crore)

	Particulars	As on 31/03/2012	As on 31/03/2011
1	Number of Accounts	3	7
2	Aggregate outstanding of accounts sold to SC/ RC	70.19	145.53
3	Aggregate consideration	27.05	46.33
4	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5	Aggregate gain/ (loss) over net book value	**-**	**-**

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

(₹ crore)

Particulars			As on 31/03/2012	As on 31/03/2011
1.	(a)	Number of accounts purchased during the year	26	6
	(b)	Aggregate Outstanding (₹ crore)	45.35	99.86
2.	(a)	Of the above number of accounts restructured during the year	-	-
	(b)	Aggregate Outstanding (₹ crore)	-	-

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

(₹ crore)

Particulars	As on 31/03/2012	As on 31/03/2011
Number of accounts sold during the year	4	4
Aggregate outstanding (₹ crore)	40.32	27.04
Aggregate consideration received (₹ crore)	34.66	2.83

24. Total value of outstanding Currency Swaps was USD 98.70 million against INR, EURO 0.60 million against INR and EURO 79.50 million against USD (Previous year: USD 41.90 million against INR and EURO 69 million against USD respectively) equivalent to ₹ 1,069.40 crore (Previous year: ₹ 634.31 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was USD 0.15 million against INR equivalent to ₹ 0.77 crore (Previous year: USD 4.30 million against INR and EUR 5 million against USD equivalent to ₹19.29 crore and ₹ 31.84 crore respectively).

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

Long Position

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

Previous Year - Nil

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

27. Details of securities sold and purchased under Repos and Reverse Repos Transactions:

(₹ crore)

	Minimum O/s during the year	Maximum O/s during the year	Daily Average O/s during the year	O/s as on March 31, 2012
Securities sold under Repo:				
1 Govt. Securities	Nil	Nil	Nil	Nil
2 Corporate Bonds	Nil	Nil	Nil	Nil
Securities purchased under reverse repo:				
1 Govt. Securities	Nil	Nil	Nil	Nil
2 Corporate Bonds	Nil	28.50	1.64	Nil

Previous Year – Nil
Minimum, maximum & average outstanding is based on face value of securities.

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

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

A. SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2010-11

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2. REVENUE RECOGNITION

(a) Income on Non-Performing Assets (NPA) is recognized, as and when received.

(b) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates and LC Commission are accounted for on realization basis.

(c) Dividends declared by the respective companies till the close of the accounting period are accounted for as income, once the right to receive is established.

(d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/ or before 31/03/2001, income from leases (except in case of Non-Performing Assets) is recognized on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.

(e) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(f) Surplus on sale of investments is net of losses thereon.

3. INVESTMENTS

(a) Investments are classified under current and long term categories and valued in accordance with the Reserve Bank of India (RBI) Guidelines as applicable to Non-Banking Financial Companies (NBFCs) and Accounting Standard 13 on 'Accounting for Investments' issued by the Institute of Chartered Accountants of India (ICAI).

(v) 'Long term Investments' are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.

(vi) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net

asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

4. DERIVATIVES

(a) Equity Index/ Stock Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index Stock Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:
- The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
- The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the profit and loss account.
- Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

5. FOREIGN EXCHANGE TRANSACTIONS

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

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

6. FIXED ASSETS AND DEPRECIATION

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31/03/2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.

(b) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.

(c) Depreciation in respect of Office Building and Plant & Machinery at Corporate Office is provided on SLM and on all other assets on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets having individual value of less than Rs.5000/- are charged to the Profit & Loss Account in the year of purchase.

(d) Leasehold Land is amortized over the lease period.

(e) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.

(f) Mobile phones are fully depreciated in the year of acquisition itself.

(g) Art works capitalized under Furniture and Fixtures are not being depreciated.

7. IMPAIRMENT OF ASSETS

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

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

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

(b) For restructured/ rescheduled assets, provision is made in accordance with the guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

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

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

10. BORROWING COST

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

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

11. MISCELLANEOUS EXPENDITURE

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

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

12. EMPLOYEE BENEFITS

(a) Monthly contributions to the Retirement Funds viz. Provident Fund and Pension Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators. The administration of Pension Fund in respect of existing employees opting for the same has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme. The existing pension optees, however, continue to be governed by the provisions of the scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to Accounts as and when due.

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

(c) The Company has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The same is charged against revenue as and when incurred.

13. TAXATION

Tax Expense comprises of current & deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred Tax is recognized, subject to consideration of

prudence, on timing differences, being difference between taxable income and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent year(s). Deferred taxes are reviewed for their carrying values at each balance sheet date.

14. PROVISIONS AND CONTINGENCIES

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

B. NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2010-11

1. Contingent Liabilities not provided for in respect of:

(₹ Crore)

	As at	31/03/2011	31/03/2010
(i)	Guarantees issued in Indian Currency	26.96	50.00
(ii)	Bank Guarantees	8.87	6.87
(iii)	Performance Guarantees issued	0.60	0.67
(iv)	Claims not acknowledged as debts	92.35	50.14
(v)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	3.78	4.36
(vi)	Tax Matters – Income Tax Service tax In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.	 27.07 4.54	 314.64 3.08

2 In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide notification dated February 8 2011, has exempted Public Financial Institutions as specified under section 4A of the Companies Act, 1956 from disclosing company-wise details of Investments subject to fulfilment of certain conditions. The accounts for the year have been prepared in accordance therewith.

3 The stakeholders of IFCI in Financial Year (FY) 2002-03 had approved the package for restructuring of debt/ liabilities, inter alia, providing for release of ₹5,220 crore (comprising ₹3,604 crore towards principal and ₹1,616 crore towards interest over future years on liabilities taken over/ to be serviced by Government of India) as Grant. Government of India (GOI) released ₹2,932.31 crore, comprising ₹523 crore as loan (FY 2002-03) and ₹2,409.31 crore (FY 2003-04 to FY 2006-07) as Grant. The amount of ₹2,409.31 crore received as Grant in FY 2003-04 to 2006-07 comprised of ₹1,606.31 crore towards principal and ₹803 crore towards interest. Out of ₹1,606.31 crore received towards principal, ₹1,359 crore (FY 2003-04) was accounted as extra-ordinary income and ₹247.31 crore (FY 2004-05 to FY 2006-07) as Restructuring Reserve in the Reserve & Surplus A/c and thereafter transferred to Profit & Loss A/c, as per the guidelines conveyed by RBI. The amount of ₹803 crore received towards interest was reduced from the cost of borrowings in respective years. No Grant has been received since April 1, 2007.

4 The bonds guaranteed by GOI of ₹ 2,270.21 crore include bonds of ₹ 1,830.21 crore which have been rolled over for 10 years from the respective due dates in line with the minutes of meetings of stakeholders, held on November 26, and December 2, 2002 and communication to GOI.

5 Transfer of equivalent amount to Capital Redemption Reserve Account in respect of Preference Shares of ₹ 20 crore redeemed in the FY 2001-02, was complied with in FY 2007-08. However, the Company's application to the Regional Director, Northern Region for compounding is yet to be disposed off by the authorities.

(a) GOI has the option of converting the debentures, as shown at 'A' of Schedule III, wholly or partly into fully paid equity shares of IFCI Limited, at par, at any time during

the currency of debentures subject to compliance with provisions of SEBI guidelines, in respect of preferential allotment. IFCI also has the right to redeem the convertible debentures issued to GOI, fully or partly, at par, at any time after expiry of five years from the date of the issue with prior approval of RBI.

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

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

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

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

9. Expenditure in Foreign Currencies:

(₹ crore)

Year ended	31.03.2011	31.03.2010
- Interest on borrowings	4.04	5.56
- Other matters	0.80	0.71
	4.84	6.27

10. Earnings in Foreign Currency

(₹ crore)

Year ended	31.03.2011	31.03.2010
Earnings	0.00	0.00

11. Auditors' Remuneration

(₹ crore)

Year ended	31.03.2011	31.03.2010
a) Fees (including Service Tax)	0.23	0.22
b) Out of pocket expenses	0.01	0.01
	0.24	0.23

12. Managerial Remuneration:

(₹ crore)

Year ended	31.03.2011	31.03.2010

- Salary and allowances	1.41	1.16
- Contribution to retirement funds *	0.17	0.13
- Perquisites	0.10	0.07
	1.68	1.36

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

Computation of Net Profit and Managerial Remuneration:

(₹ crore)

For the year ended	31/03/11	31/03/10
Profit before Taxation	1,166.25	1,115.26
Add: Directors' Remuneration	1.68	1.36
Add: Wealth Tax	0.06	0.12
Add/ (Less): (Profit)/ Loss on sale fixed assets	(34.09)	3.92
Net Profit as per Section 198 of the Companies Act, 1956	1,133.90	1,120.66
Maximum permissible remuneration to CEO & MD/ WTD u/s 198 of the Companies Act, 1956 @ 10% of the profits computed as above	113.39	112.07
Payable for the year	1.68	1.36

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

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

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

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

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

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

(₹ crore)

		For the year ended	31/03/2011		31/03/2010	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Un-funded	Funded	Un-funded
I	Components of Employer Expense					
	1	Current Service Cost	0.30	0.33	0.31	0.84
	2	Interest Cost	0.64	1.01	0.50	0.60
	3	Expected Return on Plan Asset	0.70		0.58	
	4	Curtailment Cost/ (Credit)	0		0	
	5	Settlement Cost/ (Credit)	0		0	
	6	Past Service Cost	0		0	
	7	Actuarial (gain)/ loss recognized	1.07	3.46	1.12	3.66
	8	Expense Recognized in Statement of Profit/ Loss	1.32	4.80	1.36	
II	Actual Returns for the year		0.70		0.65	0.58
III	Net (Asset)/ Liability recognized in Balance Sheet					
	1	Present Value of Defined Benefit Obligation	8.10		8.10	
	2	Fair Value on Plan Assets	7.01		7.59	
	3	Status (Surplus/ Deficit)	(1.09)		(0.50)	
	4	Unrecognised Past Service Cost			0	
	5	Net (Asset)/ Liability recognized in Balance Sheet	(1.09)		(0.50)	
IV	Change in Defined Benefit Obligations (DBO)					
	1	Present Value of Obligation at Beginning of year	8.10	12.61	6.24	7.51
	2	Current Service Cost	0.30	0.33	0.31	0.84
	3	Interest Cost	0.64	1.01	0.50	0.60
	4	Curtailment cost	0		0	
	5	Settlement Cost	0		0	
	6	Plan Amendments	0		0	
	7	Acquisitions	0		0	
	8	Actuarial (gain)/ loss on Obligations	1.07	3.46	1.12	3.66
	9	Benefits Paid	1.66		0.08	
	10	Present Value of Obligation at end of Year	9.37	17.42	8.10	12.61
V	Change in Fair Value of Assets during the year					
	1	Fair Value of Plan Asset at Beginning of year	8.35		7.32	
	2	Acquisition Adjustment	0		0	
	3	Expected Return on Plan Asset	0.70		0.58	

		For the year ended	31/03/2011		31/03/2010	
	4	Actuarial (gain)/ loss on Plan Asset	0		0.00	
	5	Contributions	1.66		0.53	
	6	Benefits Paid	0.75		0.08	
	7	Fair Value of Plan Asset at end of year	9.38		8.35	
VI	Actuarial Assumptions					
	1	Mortality Table		LIC 1994-96		LIC 1994-96
	2	Early Retirement & Disablement		Age Related		Age Related
	3	Discount Rate	8.00%	8.00%	8.00%	8.00%
	4	Inflation Rate	8.50%	8.50%	7.00%	7.00%
	5	Return on Asset	8.00%		8.00%	
VII	Major Category of Plan Assets as a % of the Total Plan Assets					
	1	Government Securities	8.11%		9.10%	
	2	Special Deposit Scheme				
	3	High Quality Corporate Bonds				
	4	Insurance Companies	91.89%		90.90%	
	5	Cash & Cash Equivalents				

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

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

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

Nature of Relationship	Name of the Related Party
Subsidiary	IFCI Financial Services Ltd. (I-Fin)
	IFCI Venture Capital Funds Ltd. (IVCF)
	IFCI Infrastructure Development Ltd. (IIDL)
	IFCI Factors Ltd. (IFL)
	MPCON Ltd.
	IFIN Commodities Ltd. (indirect control through IFIN)
	IFIN Credit Ltd. (indirect control through IFIN)
	Narayan Sriram Investment Pvt. Ltd. (indirect control through IFIN)
	Ambitious Realtors Pvt. Ltd. (ARPL) (indirect control through IIDL)
Associates	Assets Care & Reconstruction Enterprise Ltd. (ACRE)
	Tourism Finance Corporation of India Ltd. (TFCI)
	HIMCON Ltd.
	NITCON Ltd.
	HARDICON Ltd.
Key Managerial Personnel	Mr. Atul Kumar Rai (CEO & MD)
	Mr. Sujit K. Mandal (Whole Time Director)

2. Transaction with the related party during the period:-

Subsidiaries:

(₹ crore)

Nature of Transaction (Year ended 31.03.11)*	**I-Fin**	**IVCF**	**IIDL**	**IFL**	**MPCON**	**ARPL**
Infusion of Equity - Cash	- (-)	- (50.00)	118.00 (50.00)	- (-)	- (0.45)	- (-)
Infusion of Equity – Other than Cash	- (-)	- (-)	36.68 (60.90)	- (-)	- (-)	- (-)
Application money pending allotment (through loan conversion)	76.25 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Rent & Maintenance received by IFCI	0.97 (1.03)	1.40 (1.40)	1.45 (1.19)	1.76 (1.45)	- (-)	1.54 (-)
Fee on renting of premises	- (-)	- (-)	- (0.26)	- (-)	- (-)	- (-)
Brokerage/ Professional fee paid	1.30 (0.55)	- (0.07)	- (0.10)	- (-)	- (0.02)	- (-)
Brokerage/ Professional fee received	- (-)	0.05 (-)	- (-)	- (-)	- (-)	- (-)
Fee for depository services	1.65 (2.29)	- (-)	- (-)	- (-)	- (-)	- (-)
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	- (-)	0.40 (0.16)	0.78 (0.54)	0.33 (0.22)	- (-)	- (-)
Consideration for assets sold by IFCI	- (-)	- (-)	36.68 (60.90)	- (-)	- (-)	- (-)
Loans given/ bonds subscribed (outstanding) #	- (55.00)	- (-)	135.00 (-)	250.00 (95.00)	- (-)	- (-)
Maximum amount outstanding (receivable) during the period	76.25 (55.00)	- (-)	60.00 (-)	275.00 (95.00)	- (-)	- (-)
Assignment of Debts by Subsidiaries	- (-)	- (-)	- (-)	45.99 (-)	- (-)	- (-)
Interest received/ receivable on Loan/ Bonds	6.81 (3.91)	- (-)	5.67 (-)	19.24 (6.55)	- (-)	- (-)
Bonds issued by IFCI (outstanding)	- (-)	- (-)	75.00 (-)	- (-)	- (-)	- (-)
Maximum amount outstanding during the period	- (-)	- (-)	75.00 (-)	- (-)	- (-)	- (-)
Deposit Received – (Outstanding)	- (-)	- (-)	10.00 (35.00)	- (-)	- (-)	0.93 (-)
Maximum amount outstanding during the period	- (-)	- (-)	35.00 (65.00)	- (-)	- (-)	- (-)
Interest paid/ payable by IFCI	- (-)	- (-)	7.88 (4.77)	- (-)	- (-)	- (-)
Investment by IFCI in Portfolio Management Scheme (during the year)	10.00 (20.00)	- (-)	- (-)	- (-)	- (-)	- (-)
Employees deputed/ posted by IFCI as at 31.03.2011 (No.)	- (-)	2 (2)	4 (3)	4 (4)	- -	- (-)
Employees deputed in IFCI as at 31.03.2011 (No.)	- (-)	- (-)	1 (1)	- (-)	- (-)	- (-)

* figures in brackets represents previous year figures.

\# In case of IFCI Factors Ltd. Loan outstanding includes ₹ 50.00 cr. subordinate debt (Previous Year ₹ Nil)

With Associates

(₹ crore)

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

* figures in brackets represents previous year figures.

With Key Management Personnel

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

* figures in brackets represents previous year figures.

21. (a) Provisions of Accounting Standard-19, issued by the ICAI - "Leases" are not applicable as the Company has not entered into leasing transaction on or after 1st April 2001.

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

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

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

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

(₹crore)

Particulars	Year ended 31.03.11	Year ended 31.03.10
Minimum Lease payments:		
a) Not later than one year	5.72	0.23
b) Later than one year but not later than five years	21.17	0.14
c) Later than five years	-	-

22. Earnings per share:

For the Year ended			31.03.2011	31.03.2010
I.		Computation for Basic Earnings per Share		
	(a)	Profit Computation for Equity shareholders		
		Net profit as per Profit & Loss Account	706.25	670.94
		Less: Preference Dividend	(0.31)	(0.31)
		Net profit for Equity Shareholders	705.94	670.63
	(b)	Weighted Average Number of Equity Shares outstanding during the year	73,78,37,331	73,87,79,978
II.		Computation for Diluted Earnings per Share		
	(a)	Profit Computation for Equity shareholders (including potential shareholders)		
		Net profit as per Profit & Loss Account	706.25	670.94
		Less: Preference dividend	(0.31)	(0.31)
		Add: Interest on Convertible Debentures (net of MAT)	31.65	32.81
		Net profit for equity shareholders (including potential shareholders)	737.59	703.44
	(b)	Weighted Average Number of Equity Shares outstanding during the year including Convertible Debentures held by LIC/ GoI assuming conversion price as per SEBI Guidelines.	88,86,05,054	1,23,89,14,001

III.		Earnings Per Share (Weighted Average)		
		Basic (Rs.)	9.57	9.08
		Diluted (Rs.)	8.30	5.68

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

(₹ crore)

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

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

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

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

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

(₹ crore)

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

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

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

(₹crore)

Particulars	As on 31/03/2011		As on 31/03/2010	
	O/s	Overdue	O/s	Overdue
(a) Debentures:				
(i) Secured	NIL	Nil	Nil	Nil
(ii) Unsecured	1,218.19	Nil	1,218.19	Nil
(b) Deferred Credits		Nil	Nil	Nil
(c) Term Loans	8,166.67	Nil	4,614.98	Nil
(d) Inter Corporate loans & borrowing	134.89	Nil	113.42	Nil
(e) Commercial Paper	Nil	Nil	Nil	Nil
(f) Other Loans	Nil	Nil	Nil	Nil
(i) Funds placed with IFCI	52.87	Nil	35.52	Nil
(ii) Bonds	9,165.10	Nil	7,045.88	Nil

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

(b) Break-up of Leased Assets and stock on hire and other assets counting towards Loan activities

(₹ crore)

Particulars		As on 31/03/2011	As on 31/03/2010
(i)	Lease assets including lease rentals		
	(a) Financial Lease	36.15	66.04
	(b) Operating Lease	Nil	Nil
(ii)	Stock on hire including hire charges under sundry debtors	Nil	
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
(iii)	Other loans counting towards AFC activities	Nil	
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

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

(₹ crore)

	Category	As on 31/03/2011	As on 31/03/2010
1.	Related Parties		
	(a) Subsidiaries	310.06	150.00
	(b) Companies in same group	62.57	2.75
	(c) Other Related Parties	Nil	Nil
2.	Other than Related Parties	15,719.95	10,920.83
	Total	16,092.58	11,073.58

Amount is net of provision and excludes Provision against Standard Assets

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

(₹ crore)

	Category	As on 31/03/2011		As on 31/03/2010	
		Market/ Break- up/ Fair Value/ NAV	Book Value	Market/ Break- up/ Fair Value/ NAV	Book Value
1.	Related Parties				
	(a) Subsidiaries	1,090.38	1,019.45	685.63	638.07
	(b) Companies in same group	91.88	82.70	9.90	7.45
	(c) Other Related Parties	0.24	0.03	74.10	61.42
2.	Other than Related Parties	6,989.76	7,544.62	5,085.56	5,883.18
	Total	8,172.26	8,646.80	5,855.19	6,590.12

(e) Other Information:

(₹ crore)

	Particulars	As on 31/03/2011	As on 31/03/2010
1.	Gross Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	2,643.63	3,809.53
2.	Net Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	156.35	55.55
3.	Assets acquired in satisfaction of debt	0.07	0.07

(f) Capital to risk assets ratio (CRAR)

	Particulars			As on 31/03/2011	As on 31/03/2010
A.	Capital				
	(a)	Capital to Risk Assets Ratio (CRAR)		16.4%	17.9%
		(i)	Core CRAR	12.4%	12.5%
		(ii)	Supplementary CRAR	4.0%	5.4%
	(b)	Subordinated debt raised, outstanding as Tier II Capital (Rs. crore)		Nil	Nil

	(c)	Risk-weighted assets (₹ crore):			
		(i)	On-Balance Sheet Items	21,186.56	16,876.16
		(ii)	Off-Balance Sheet Items	415.86	326.59

(g) Exposure to Real Estate Sector

(₹ crore)

Category			As on 31/03/2011	As on 31/03/2010
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 Rs.15 lakh may be shown separately)	Nil	Nil
	(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	564.78	241.46
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	Nil	Nil
		a) Residential		
		b) Commercial Real Estate		
(b)	Indirect Exposure			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		Nil	Nil

(h) Maturity Pattern of assets and liabilities:

Particulars	1 day to30 days	1 mths to 2 mths	2 mths to 3 mths	3 to 6 mths.	6 mths to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
LIABILITIES									
Borrowing from Banks	25.00	1.23	132.50	166.40	1,077.32	6,236.12	1,628.31	2,785.65	12,052.52
Market borrowings	17.25	38.97	58.56	54.46	177.19	1,198.92	668.11	4,369.08	6,852.54
TOTAL	**42.25**	**40.20**	**191.06**	**220.86**	**1,254.51**	**7,525.04**	**2,296.42**	**7.154.73**	**18,905.06**

ASSETS									
Advances	215.61	284.73	224.99	1,235.94	1,599.66	6,289.37	1,512.84	2,806.94	14,190.08
Investments	340.30	170.84	845.14	130.42	122.52	715.79	629.63	4,952.38	7,907.02
TOTAL	**555.91**	**455.57**	**1,070.13**	**1,366.36**	**1,722.18**	**7,005.16**	**2,142.47**	**7,759.32**	**22,097.10**

(i) Details of Loan Assets subjected to Restructuring

(₹ crore)

Particulars	As on 31/03/2011		As on 31/03/2010	
	CDR	Non-CDR	CDR	Non-CDR
Standard	-	113.84	673.74	406.38
Sub-Standard	-	-	449.60	-
Doubtful	-	10.30	7.86	-
Total	-	124.14	1,131.20	406.38

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

(₹ crore)

	Particulars	As on 31/03/2011	As on 31/03/2010
1	Number of Accounts	7	4
2	Aggregate outstanding of accounts sold to SC/ RC	145.53	18.22
3	Aggregate consideration	46.33	6.80
4	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5	Aggregate gain/ (loss) over net book value	-	-

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

(₹ crore)

Particulars			As on 31/03/2011	As on 31/03/2010
1.	(a)	Number of accounts purchased during the year	6	5
	(b)	Aggregate Outstanding (Rs. crore)	99.86	39.62
2.	(a)	Of the above number of accounts restructured during the year	-	-
	(b)	Aggregate Outstanding (Rs. crore)	-	-

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

(₹ crore)

Particulars	As on 31/03/2011	As on 31/03/2010
Number of accounts sold during the year	4	18
Aggregate outstanding (₹ crore)	27.04	302.24
Aggregate consideration received (₹ crore)	2.83	113.90

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

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

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

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

A. SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2009-10

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2. REVENUE RECOGNITION

(a) Income on Non-Performing Assets (NPA) is recognized, as and when received.

(b) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates and LC Commission are accounted for on realization basis.

(c) Dividends declared by the respective companies till the close of the accounting period are accounted for as income, once the right to receive is established.

(d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/ or before 31/03/2001, income from leases (except in case of Non-Performing Assets) is recognised on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.

(e) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(f) Surplus on sale of investments is net of losses thereon.

3. INVESTMENTS

(a) Investments are classified under current and long term categories and valued in accordance with the Reserve Bank of India (RBI) Guidelines as applicable to Non-Banking Financial Companies (NBFCs) and Accounting Standard 13 on 'Accounting for Investments' issued by the Institute of Chartered Accountants of India (ICAI).

(vii) 'Long term Investments' are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.

(viii) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net

asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

4. DERIVATIVES

(a) Equity Index/ Stock Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index Stock Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:
- The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
- The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the profit and loss account.
- Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

5. FOREIGN EXCHANGE TRANSACTIONS

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

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

6. FIXED ASSETS AND DEPRECIATION

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31/03/2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.

(b) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.

(c) Depreciation in respect of Office Building and Plant & Machinery at Corporate Office is provided on SLM and on all other assets on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets having individual value of less than Rs.5000/- are charged to the Profit & Loss Account in the year of purchase.

(d) Leasehold Land is amortized over the lease period.

(e) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.

(f) Mobile phones are fully depreciated in the year of acquisition itself.

(g) Art works capitalized under Furniture and Fixtures are not being depreciated.

7. IMPAIRMENT OF ASSETS

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

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

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions on standard assets are made as per the approval of the Board. Provisions are made on sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

(b) For restructured/ rescheduled assets, provision is made in accordance with the guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

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

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

10. BORROWING COST

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

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

11. MISCELLANEOUS EXPENDITURE

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

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

12. EMPLOYEE BENEFITS

(a) Monthly contributions to the Retirement Funds viz Provident Fund and Pension Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators. The administration of Pension Fund in respect of existing employees opting for the same has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme. The existing pension optees, however, continue to be governed by the provisions of the scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to Accounts as and when due.

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

(c) The Company has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The same is charged against revenue as and when incurred.

13. TAXATION

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

14. PROVISIONS AND CONTINGENCIES

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

B. NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2009-10

1. Contingent Liabilities not provided for in respect of:

(Rs. crore)

	As at	31.03.10	31.03.09
(i)	Guarantees issued in Indian Currency	50.00	186.65
(ii)	Bank Guarantees	6.87	0.00
(iii)	Performance Guarantees issued	0.67	0.62
(iv)	Claims not acknowledged as debts	50.14	50.35
(v)	Assets sold with recourse	0.00	2.88
(vi)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	4.36	0.00
(vi)	Tax Matters – Income Tax Service tax In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.	 314.64 3.08	 186.87 0.00

2 The Company has been granted exemption as on March 31, 2010 by the Government of India, Ministry of Corporate Affairs, under section 211(4) of the Companies Act, 1956, regarding the following requirements of Schedule VI of the Companies Act, 1956:

i) Company-wise details of investments where the market value in case of quoted investments and cost in case of unquoted investments in any particular company not exceeding Rs.2 crore each.

ii) Age-wise Classification of Sundry Debtors

The accounts have been prepared in accordance therewith.

3 The stakeholders of IFCI in Financial Year (FY) 2002-03 had approved the package for restructuring of debt/ liabilities, inter alia, providing for release of Rs.5,220 crore (comprising Rs.3,604 crore towards principal and Rs.1,616 crore towards interest over future years on liabilities taken over/ to be serviced by Government of India) as Grant. Government of India (GOI) released Rs.2,932.31 crore, comprising Rs.523 crore as loan (FY 2002-03) and Rs.2,409.31 crore (FY 2003-04 to FY 2006-07) as Grant. The amount of Rs.2,409.31 crore received as Grant in FY 2003-04 to 2006-07 comprised of Rs.1,606.31 crore towards principal and Rs.803 crore towards interest. Out of Rs.1,606.31 crore received towards principal, Rs.1,359 crore (FY 2003-04) was accounted as extra-ordinary income and Rs.247.31 crore (FY 2004-05 to FY 2006-07) as Restructuring Reserve in the Reserve & Surplus A/c and thereafter transferred to Profit & Loss A/c, as per the guidelines conveyed by RBI. The amount of Rs.803 crore received towards interest was reduced from the cost of borrowings in respective years. In view of GOI letter dated December 12, 2007, stating that it would assist IFCI Limited in case such a situation arises, no Grant has been received in the last three years.

4 The bonds guaranteed by GOI of Rs.2,338.84 crore include bonds of Rs.1,498.84 crore which have been rolled over for 10 years from the respective due dates in line with the minutes of meetings of stakeholders, held on November 26, and December 2, 2002. GOI has been requested to extend the guarantee for the rolled over period.

5(a) Transfer of equivalent amount to Capital Redemption Reserve Account in respect of Preference Shares of Rs.20 crore redeemed in the FY 2001-02, was complied with in FY 2007-08. However, the Company's application to the Regional Director, Northern Region for compounding is yet to be disposed off by the authorities.

5(b) During the current year, Preference shares of Rs.82.03 crore (Previous Year: Rs.82.03 crore) have been redeemed, as per restructured terms on 01.04.2009 and necessary amount has been transferred to the Capital Redemption Reserve Account from Profit and Loss Account.

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

6(b) During the financial year 2007-08, Zero Coupon Optionally Convertible Debentures (ZCOCDs) amounting to Rs.1,323.99 crore held by Public Sector Banks and Financial Institutions were converted into equity shares of the Company. LIC had, however, stated that they would convert only as much of their ZCOCDs into equity as would maintain their shareholding at 8.39% post conversion of ZCOCDs. Accordingly, the shareholders at the AGM held on September 12, 2008 had approved reduction of share capital for aligning the stake of LIC to 8.39% as requested by LIC. The order of the High Court of Delhi passed on February 26, 2009 for reduction of Equity Share Capital by Rs.24.57 crore and Securities Premium account by Rs.238.39 crore and minutes forming part of the petition were registered by Registrar of Companies on April 15, 2009 and have been duly effected in the books of accounts.

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

7. Borrowings from Banks & FIs shown at 'D(a)(ii)' of Schedule III include loans of Rs.300 crore (previous year: Rs.300 crore) against security of cash flow/ negative lien against certain identified loan assets.

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

9. Other Loans and Advances include Rs.0.25 crore (Previous year Rs.0.12 crore) due from Directors. Maximum balance during the year Rs.0.25 crore (Previous year Rs.0.12 crore).

(Rs. crore)

10. Expenditure in Foreign Currencies:

	31.03.10	31.03.09
- Interest on borrowings	5.56	6.88
- Other matters	0.71	0.76
	6.27	7.64

11. Earnings in Foreign Currencies

- Interest	0.00	0.00

12. Auditors' Remuneration

a) Fees (including Service Tax)	0.22	0.15
b) Out of pocket expenses	0.01	0.00
	0.23	0.15

13. Managerial Remuneration:

- Salary and allowances	1.16	0.70
- Contribution to retirement funds *		
- Perquisites	0.13	0.10
	0.07	0.00
	1.36	0.80

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

Computation of Net Profit and Managerial Remuneration:

(Rs. crore)

For the year ended	31/03/10	31/03/09
Profit before Taxation	1,115.26	1,010.23
Add: Directors' Remuneration	1.36	0.80
Add: Wealth Tax	0.12	0.04
Add/ (Less): (Profit)/ Loss on sale fixed assets	3.92	(38.40)
Net Profit as per Section 198 of the Companies Act, 1956	1,120.66	972.67
Maximum permissible remuneration to CEO & MD/ WTD u/s 198 of the Companies Act, 1956 @10% of the profits computed as above	112.07	97.27
Payable for the year	1.36	0.80

14. The Gross Block of Fixed Assets includes Rs.1,194.32 crore (previous year Rs.595.50 crore) on account of revaluation of Land & Buildings carried out during the year on the basis of replacement value as certified by Government Approved Valuer. The resulting increase of Rs.637.44 crore (Land – Rs.322.91 crore; Building – Rs.314.53 crore) has been credited to the Revaluation Reserve. The increase in value is in addition to earlier revaluation done in FY 2006-07. The additional charge of depreciation of Rs.9.42 crore (previous year Rs.9.75 crore) on revaluation carried out in earlier years has been charged to Profit & Loss Account and an equivalent amount withdrawn from Revaluation Reserve and credited to Profit and Loss Account.

15. During the year, the Company has changed the method of depreciation on Mobile Phones by providing 100% depreciation in the year of acquisition itself in place of providing depreciation on WDV method at the rates provided under Schedule XIV of Companies Act, 1956. Profit for the current year is lower by Rs.0.20 crore due to the change. The additions made in the preceding years have also been fully depreciated.

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

17. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

18. Details of investments purchased and sold/ redeemed during the year ended March 31, 2010 are enclosed as Annexure.

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

20. Defined Benefit Plans/ Long Term Compensated Absences – As per Actuarial Valuations as on March 31, 2010 and recognized in the financial statements in respect on Employee Benefit Schemes:

(Rs. crore)

			31/03/2010		31/03/2009	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Un-funded	Funded	Un-funded
I	Components of Employer Expense					
	1	Current Service Cost	0.31	0.84	0.30	
	2	Interest Cost	0.50	0.60	0.40	
	3	Expected Return on Plan Asset	0.58		0.40	
	4	Curtailment Cost/ (Credit)	0		0	
	5	Settlement Cost/ (Credit)	0		0	
	6	Past Service Cost	0		0	
	7	Actuarial (gain)/ loss recognized	1.12	3.66	0.66	3.60
	8	Expense Recognized in Statement of Profit/ Loss	1.36		0.96	
II	Actual Returns for the year ended March 31, 2010		0.58		0.65	
III	Net (Asset)/ Liability recognized in Balance Sheet as at March 31, 2010					
	1	Present Value of Defined Benefit Obligation	8.10		6.24	
	2	Fair Value on Plan Assets	7.59		6.57	
	3	Status (Surplus/ Deficit)	(0.50)		0.33	
	4	Unrecognised Past Service Cost	0		0	
	5	Net (Asset)/ Liability recognized in Balance Sheet	(0.50)		(0.33)	
IV	Change in Defined Benefit Obligations (DBO) during year ended March 31, 2010					
	1	Present Value of Obligation at	6.24	7.51	5.05	5.55

		Beginning of year				
	2	Current Service Cost	0.31	0.84	0.30	
	3	Interest Cost	0.50	0.60	0.40	
	4	Curtailment cost	0		0	
	5	Settlement Cost	0		0	
	6	Plan Amendments	0		0	
	7	Acquisitions	0		0	
	8	Actuarial (gain)/ loss on Obligations	1.12	3.66	0.91	
	9	Benefits Paid	0.08		0.43	
	10	Present Value of Obligation at end of Year	8.10	12.61	6.24	8.35
V	Change in Fair Value of Assets during the year ended March 31, 2010					
	1	Fair Value of Plan Asset at Beginning of year	6.57		5.05	
	2	Acquisition Adjustment	0		0	
	3	Expected Return on Plan Asset	0.58		0.40	
	4	Actuarial (gain)/ loss on Plan Asset	0.00		0.25	
	5	Contributions	0.53		1.29	
	6	Benefits Paid	0.08		0.43	
	7	Fair Value of Plan Asset at end of year	7.59		6.57	
VI	Actuarial Assumptions					
	1	Mortality Table		LIC 1994-96		LIC 1994-96
	2	Early Retirement & Disablement		Age Related		Age Related
	3	Discount Rate	8.00%	8.00%	8.00%	8.00%
	4	Inflation Rate	7.00%	7.00%	7.00%	5.00%
	5	Return on Asset	8.00%		8.00%	
VII	Major Category of Plan Assets as a % of the Total Plan Assets as at March 31, 2010					
	1	Government Securities	9.10%		15.61%	
	2	Special Deposit Scheme				
	3	High Quality Corporate Bonds				
	4	Insurance Companies	90.90%		84.39%	
	5	Cash & Cash Equivalents				

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

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

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

Nature of Relationship	Name of the Related Party
Subsidiary	IFCI Financial Services Ltd. (I-Fin)
	IFCI Venture Capital Funds Ltd. (IVCF)
	IFCI Infrastructure Development Ltd. (IIDL)

	IFCI Factors Ltd. (IFL)
	MPCON Limited
	IFCI Commodity Ltd. (indirect control through IFIN)
	IFIN Credit Ltd. (indirect control through IFIN)
Associates	Assets Care Enterprise Ltd. (ACE)
	Tourism Finance Corporation of India Ltd. (TFCI)
	HIMCON Limited
	NITCON Limited
	HARDICON Limited
Key Managerial Personnel	Mr. Atul Kumar Rai (CEO & MD)
	Mr. Sujit K. Mandal (Whole Time Director)

2. Transaction with the related party during the year:-

With Subsidiaries (Rs. crore)

Type of Transaction (Year ended 31.03.10)	I-Fin	IVCF	IIDL	IFL	MPCON
Infusion of Equity - Cash	- (-)	50.00 (50.00)	50.00 (120.00)	- (83.33)	0.45 (0.25)
Infusion of Equity – Other than Cash	- (-)	- (-)	60.90 (106.63)	- (-)	- (-)
Rent & Maintenance received by IFCI	1.03 (0.37)	1.40 (0.50)	1.19 (0.22)	1.45 (0.13)	- (-)
Fee on renting of premises	- (-)	- (-)	0.26 (-)	- (-)	- (-)
Brokerage/ Professional fee paid by IFCI	0.55 (0.16)	0.07 (-)	0.10 (0.07)	- (-)	0.02 (0.01)
Fee for depository services	2.29 (1.28)	- (-)	- (-)	- (-)	- (-)
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	- (-)	0.16 (0.09)	0.54 (0.24)	0.22 (0.15)	- (-)
Consideration for assets sold by IFCI	- (-)	- (-)	60.90 (106.63)	- (-)	- (-)
Loans given (outstanding)	55.00 (-)	- (-)	- (-)	95.00 (25.00)	- (-)
Maximum amount outstanding (receivable) during the year	55.00 (-)	- (11.49)	- (-)	95.00 (40.69)	- (-)
Interest received/ receivable on Loan to IFIN/	3.91	-	- (-)	6.55 (1.89)	- (-)

IFL	(-)	(1.08)			
Deposit with IFCI (outstanding)	- (-)	- (-)	35.00 (40.00)	- (-)	- (-)
Maximum amount outstanding (payable) during the year	- (-)	- (-)	65.00 (41.30)	- (-)	- (-)
Interest paid/ payable by IFCI	- (-)	- (-)	4.77 (1.30)	- (-)	- (-)
Investment in IFIN-PMS	20.00 (-)	- (-)	- (-)	- (-)	- (-)
Employees deputed/ posted by IFCI as at 31.03.10 (No.)	- (-)	2 (-)	3 (3)	4 (1)	- (-)
Employees deputed in IFCI as at 31.03.10 (No.)	- (-)	- (-)	1 (1)	- (-)	- (-)

With Associates (Rs. crore)

Type of Transaction (Year ended 31.03.10)	ACE	TFCI	HIM-CON	HARD-ICON	NIT-CON
Infusion of Equity	- (3.77)	- (-)	- (-)	- (-)	0.07 (0.04)
Acquisition from market	- (-)	3.59 (7.36)	- (-)	- (-)	- (-)
Dividend received by IFCI	- (-)	2.54 (-)	- (-)	- (-)	- (-)
Preference Dividend paid by IFCI	- (-)	Rs.20,000 (-)	- (-)	- (-)	- (-)
Rent & Maintenance received by IFCI	0.12 (0.18)	0.04 (0.57)	- (-)	- (-)	- (-)
Loan (o/s)	2.75 (-)	- (-)	- (-)	- (-)	- (-)
Interest received/ receivable on Loan to ACE	0.02 (-)	- (-)	- (-)	- (-)	- (-)
Salaries/ Other Estt. Exp. paid by IFCI for employees deputed by IFCI, recovered/ recoverable from them.	0.08 (0.19)	- (-)	- (-)	- (-)	- (-)
Professional Fee paid by IFCI	- (-)	- (-)	0.05 (0.07)	0.14 (0.05)	0.01 (0.03)
Employees deputed by IFCI as at 31.03.10 (No.)	- (1)	- (-)	- (-)	- (-)	- (-)
Employees posted by IFCI as at 31.03.10 (No.)	1 (1)	- (-)	- (-)	- (-)	- (-)
Employees deputed in IFCI as at 31.03.10 (No.)	- (-)	- (-)	- (-)	1 (-)	- (-)

With Key Managerial Personnel

Type of Transaction (Year ended 31.03.10)	CEO	WTD
Dividend	Rs.12,000 (-)	- (-)

23. Earnings per share

(Rs. crore)

		For the year ended	31.03.10	31.03.09
I.		Computation for Basic Earnings per Share		
	(a)	Profit Computation for Equity shareholders		
		Net profit as per Profit & Loss Account	670.94	657.15
		Less: Preference Dividend	(0.31)	(5.11)
		Net profit for Equity Shareholders	670.63	652.04
	(b)	Weighted Average Number of Equity Shares outstanding during the year	73,87,79,978	76,24,13,497
II.		Computation for Diluted Earnings per Share		
	(a)	Profit Computation for Equity shareholders (including potential shareholders)		
		Net profit as per Profit & Loss Account	670.94	657.15
		Less: Preference dividend	(0.31)	(5.11)
		Add: Interest on Convertible Debentures (net of MAT)	32.81	35.05
		Net profit for equity shareholders (including potential shareholders)	703.44	687.09

		For the year ended	31.03.10	31.03.09
	(b)	Weighted Average Number of Equity Shares outstanding during the year including Convertible Debentures held by LIC/ GoI assuming conversion price as per SEBI Guidelines.	1,23,89,14,001	1,50,16,94,913
III.		Earnings Per Share (Weighted Average, not annualised)		
		Basic (Rs.)	9.08	8.55
		Diluted (Rs.)	5.68	4.58

24(a) Provisions of Accounting Standard-19, issued by the ICAI - "Leases" are not applicable as the Company has not entered into leasing transaction on or after 1st April 2001.

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

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

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

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

(Rs. crore)

Particulars	31/03/2010	31/03/2009
Minimum Lease payments during FY 2009-10:		
g) Not later than one year	0.23	0.14
h) Later than one year but not later than five years	0.14	0.10
i) Later than five years	-	-

25. Current Tax represents Minimum Alternate Tax (MAT), provided in terms of Section 115JB of the Income Tax Act, 1961, as tax at normal rates is lower than MAT. In view of amendment to Section 115JB of Income Tax Act, 1961 vide Finance Act, 2009 w.r.e.f. 01/04/2001, additional provision of Rs.51.17 crore has been made for Financial Years 2006-07 and 2007-08. Further, MAT Credit Entitlement and income tax provision of Rs.129.17 crore has been reversed for Financial Years 2008-09 and 2009-10.

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

(Rs. crore)

As at	31.03.10	31.03.09
Unabsorbed Business Loss *	187.51	251.03
Unabsorbed Depreciation *	56.75	58.07
Provision against Loans/ Advances & other	1,196.77	1,463.14

Assets		
Timing difference in Depreciable Assets	(63.22)	(57.12)
Other Timing Differences	9.63	11.19
Deferred Tax Assets (Net)	1,387.44	1,726.31

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

For the current year, Deferred Tax charge of Rs.338.87 crore (Previous Year: Rs.311.41 crore) has been charged in the accounts.

27. Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2010, there were no events or changes in circumstances which indicate any impairment in the assets.

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

(Rs. crore)

	Opening Balance	Addition/ Transfer	Deduction/ Transfer	Closing Balance
Leave Encashment	8.35	4.26	-	12.61
Income Tax	382.33	97.58	129.17	350.74
Fringe Benefit Tax	6.13	0.21	-	6.34
Assets	4,275.69	112.54	829.61	3,558.62

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

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

(Rs. crore)

Particulars	As on 31/03/2010		As on 31/3/2009	
	O/s	Overdue	O/s	Overdue
(a) Debentures: Secured	Nil	Nil	Nil	Nil
Unsecured	1,218.19	Nil	955.22	Nil
(b) Deferred Credits	Nil	Nil	Nil	Nil
(c) Term Loans	4,614.98	Nil	991.23	Nil
(d) Inter Corporate loans & borrowing	113.42	Nil	109.47	Nil
(e) Commercial Paper	Nil	Nil	Nil	Nil
(f) Other Loans				
(i) Funds placed with IFCI	35.52	Nil	30.68	Nil
(ii) Bonds	7,045.88	Nil	6,955.89	Nil

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

(b) Break-up of Leased Assets and stock on hire and other assets counting towards Loan activities

(Rs. crore)

		31/03/2010	31/03/2009
(i)	Lease assets including lease rentals		
	(a) Financial Lease	66.04	103.29
	(b) Operating Lease	Nil	Nil
(ii)	Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
(iii)	Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

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

(Rs. crore)

	Category	31/03/2010	31/03/2009
1.	Related Parties		
	(a) Subsidiaries	150.00	25.55
	(b) Companies in same group	Nil	Nil
	(c) Other Related Parties	2.75	Nil
2.	Other than Related Parties	10,920.83	8,252.92
	Total	11,073.58	8,278.47

Amount is net of provision and excludes Provision against Standard Assets

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

(Rs. crore)

	Category	31/03/2010		31/03/2009	
		Market/ Break- up/ Fair Value/ NAV	Book Value	Market/ Break- up/ Fair Value/ NAV	Book Value
1.	Related Parties				
	(a) Subsidiaries	685.63	638.07	444.92	423.47
	(b) Companies in same group	Nil	Nil	Nil	Nil
	(c) Other Related Parties	84.00	68.87	42.85	65.21
2.	Other than Related Parties	5,085.56	5,883.18	4,177.57	4,550.25
	Total	5,855.19	6,590.12	4,665.34	5,038.93

(e) Other Information:

(Rs. crore)

	Particulars	31/03/2010	31/03/2009
1.	Gross Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	3,809.53	5,152.17

2.	Net Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	55.55	463.26
3.	Assets acquired in satisfaction of debt	0.07	0.07

(f) Capital to risk assets ratio (CRAR)

	As on			31/03/2010	31/03/2009
A.	Capital				
	(a)	Capital to Risk Assets Ratio (CRAR)		17.9%	19.7%
		(i)	Core CRAR	12.5%	14.5%
		(ii)	Supplementary CRAR	5.4%	5.2%
	(b)	Subordinated debt raised, outstanding as Tier II Capital (Rs. crore)		Nil	Nil
	(c)	Risk-weighted assets (Rs. crore):			
		(i)	On-Balance Sheet Items	16,876.16	11,729.62
		(ii)	Off-Balance Sheet Items	326.59	412.72

(g) Exposure to Real Estate Sector

(Rs. crore)

Category			31/03/2010	31/03/2009
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 Rs.15 lakh may be shown separately)	Nil	Nil
	(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	241.46	76.99
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	Nil	Nil
		a) Residential		
		b) Commercial Real Estate		
b)	Indirect Exposure			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		Nil	Nil

(h) Maturity Pattern of assets and liabilities

(Rs. crore)

	1 Day to 30/ 31 Days (1 Mth)	Over 1 Mth to 2 Mths	Over 2 Mths upto 3 Mths	Over 3 Mths to 6 Mths	Over 6 Mths to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities									
Borrowings from Banks	0.25	2.15	21.39	359.02	580.18	2,928.46	1,195.47	2,597.58	7,684.50
Market Borrowings	22.29	50.27	10.98	224.17	240.58	675.86	1,095.99	2,905.45	5,225.59
Total	22.54	52.42	32.37	583.19	820.76	3,604.32	2,291.46	5,503.03	12,910.09
Assets									
Advances	108.58	239.78	181.77	818.14	1,214.96	3,311.06	1,311.25	2,925.82	10,111.36
Investments	248.21	10.87	42.03	175.75	618.57	341.78	203.26	4,238.10	5,878.57
Total	356.79	250.65	223.8	993.89	1,833.53	3,652.84	1,514.51	7,163.92	15,989.93

(i) Details of Loan Assets subjected to Restructuring

(Rs. crore)

Particulars	31/03/2010		31/03/2009	
	CDR	Non-CDR	CDR	Non-CDR
Standard	673.74	406.38	39.10	48.63
Sub-Standard	449.60	-	-	37.77
Doubtful	7.86	-	-	-
Total	1,131.20	406.38	39.10	86.40

(j) Assets sold to Securitisation Company/ Reconstruction Company (SC/ RC):

(Rs. crore)

Particulars		31/03/2010	31/03/2009
1	Number of Accounts	4	7
2	Aggregate outstanding of accounts sold to SC/ RC	18.22	197.41
3	Aggregate consideration	6.80	105.09
4	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5	Aggregate gain/ (loss) over net book value	-	-

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

Particulars			31/03/2010	31/03/2009
1.	(a)	Number of accounts purchased during the year	5	3
	(b)	Aggregate Outstanding (Rs. crore)	39.62	19.85
2.	(a)	Of the above number of accounts restructured during the year	-	-
	(b)	Aggregate Outstanding (Rs. crore)	-	-

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

Particulars	31/03/2010	31/03/2009
Number of accounts sold during the year	18	5
Aggregate outstanding (Rs. crore)	302.24	35.75
Aggregate consideration received (Rs. crore)	113.90	6.18

30. Total value of outstanding Currency Swaps was USD 23.20 million against INR and EUR 45.80 million against USD (Previous year: USD 9.45 million against INR and EUR 40.80 million against USD respectively) equivalent to Rs.398.89 crore (Previous year: Rs.236.25 crore), whereas total value of outstanding Forex Deals other than Currency Swaps was USD 8.00 million against INR and EUR 19.40 million against USD equivalent to Rs.154.28 crore (Previous year: USD 10 million and EUR 20 million respectively).

31. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.70 million (Previous Year: USD 0.01 million) and EUR 0.16 million (Previous Year: EUR 0.02 million), equivalent to Rs.3.17 crore (Previous Year: Rs.0.16 crore).

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

Annexure - V

Summary Statement of Qualification/ Adverse remarks of the Auditors on the Financial Statements For the last 5 financial years

Remarks in the Audit Report Financial Statements - Standalone:

Financial Year	Report	Particulars of reservations, qualification or adverse remarks of the auditors
2009-10	Auditors' Report and Annexure thereto	Annexure to the Audit Report under Companies (Auditor's Report) Order, 2003 **Clause (xi):** According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, *except the differential interest in respect of certain bonds which are in the process of restructuring.*

Annexure - VI : Statement of Contingent Liabilities & Commitments

Unconsolidated *(Rs. In Crores)*

Particulars	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
Contingent Liability	140.90	255.73	224.50	160.39	425.40
Commitments	1,044.70	2,625.26	394.29	3.78	4.36

Annexure - VII : Statement of Accounting Ratios

Unconsolidated

Particulars	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
Earning Per Share-Basic (Rs.)	3.05	4.14	8.99	9.57	9.08
Earning Per Share-Diluted (Rs.)	3.05	4.14	7.23	8.30	5.68
Return on Net Worth (%)	8.76%	8.21%	15.35%	18.72%	21.29%
Net Asset Value per Equity Share (Rs.)	34.89	33.03	58.60	51.12	42.71
Weighted Avg. No. of Equity Shares used in calculating Basic EPS	1,662,037,235	1,087,401,715	737,837,331	737,837,331	738,779,978
Weighted Avg. No. of Equity Shares used in calculating Diluted EPS	1,662,705,271	1,089,352,574	960,916,575	888,605,054	1,238,914,001
Total No. of Equity Shares outstanding at the end of the year/period	1,662,037,235	1,662,037,235	737,837,331	737,837,331	737,837,331

Notes:

1. The ratios have been computed as below:

Earnings per Share=Net profit/(Loss) as reformatted, attributable to equity shareholders / Weighted average number of equity shares outstanding during the year (Reformatted).

Return on Net Worth (%)=Net Profit/(Loss) after tax, as reformatted/Net Worth as at the end of the year, as reformatted

Net Assets Value per Equity Share (Rs.)= Net Worth as at the end of the year, as reformatted/ Number of equity shares outstanding at the end of the year

2. Net Worth = Equity Share Capital (+) Reserve & Surplus (-) Revaluation Reserve
3. Earning per share calculations are in accordance with Accounting Standard - 20 "Earning Per Share".
4. Return on Net Worth is calculated on Annual basis.

Annexure - VIII - A : Unconsolidated

Statement of the list of Related Parties and Nature of Relationships

A. Key Managerial Personnel (with whom transactions have taken place during the Year)

S.No.	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	Mr. Malay Mukherjee (CEO & MD) – w.e.f 12/12/2013.	Mr. Atul Kumar Rai (CEO & MD)	Mr. Atul Kumar Rai (CEO & MD)	Mr. Atul Kumar Rai (CEO & MD)	Mr. Atul Kumar Rai (CEO & MD)
2	Mr. Achal Kumar Gupta (WTD designated as Deputy Managing Director)-w.e.f 12/12/2013.	Mr. Sujit K. Mandal (Whole Time Director) - Relieved from services on 12/12/2012	Mr. Sujit K. Mandal (Whole Time Director)	Mr. Sujit K. Mandal (Whole Time Director)	Mr. Sujit K. Mandal (Whole Time Director)
3	Mr. Santosh B. Nayar (CEO & MD) – from 15/07/2013 to 11/12/2013.	-	-	-	-
4	Mr. Anurag Jain (CEO & MD) from 01/06/2013 to 14/07/2013.	-	-	-	-
5	Mr. Atul Kumar Rai (CEO & MD) - Relieved from services on 31/05/2013.	-	-	-	-

B. Relatives of Key Managerial Personnel (with whom transactions have taken place during the Year)

S.No.	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	-	Mr. Siddharth Mandal (son of Whole Time Director) -Relieved from services on 28/04/2012	Mr. Siddharth Mandal (son of Whole Time Director)	Mr. Siddharth Mandal (son of Whole Time Director)	-

C. Subsidiaries

S.No.	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	IFCI Financial Services Ltd. (IFIN)	IFCI Financial Services Ltd. (IFIN)	IFCI Financial Services Ltd. (IFIN)	IFCI Financial Services Ltd. (IFIN)	IFCI Financial Services Ltd. (IFIN)
2	IFCI Venture Capital Funds Ltd. (IVCF)	IFCI Venture Capital Funds Ltd. (IVCF)	IFCI Venture Capital Funds Ltd. (IVCF)	IFCI Venture Capital Funds Ltd. (IVCF)	IFCI Venture Capital Funds Ltd. (IVCF)
3	IFCI Infrastructure Development Ltd. (IIDL)	IFCI Infrastructure Development Ltd. (IIDL)	IFCI Infrastructure Development Ltd. (IIDL)	IFCI Infrastructure Development Ltd. (IIDL)	IFCI Infrastructure Development Ltd. (IIDL)

4	IFCI Factors Ltd. (IFL)	IFCI Factors Ltd. (IFL)	IFCI Factors Ltd. (IFL)	IFCI Factors Ltd. (IFL)	IFCI Factors Ltd. (IFL)
5	MPCON Ltd.	MPCON Ltd.	MPCON Ltd.	MPCON Ltd.	MPCON Ltd.
6	IFIN Commodities Ltd. (indirect control through IFIN)	IFCI Commodities Ltd. (indirect control through IFIN)	IFCI Commodities Ltd. (indirect control through IFIN)	IFCI Commodities Ltd. (indirect control through IFIN)	IFCI Commodities Ltd. (indirect control through
7	IFIN Credit Ltd. (indirect control through IFIN)	IFIN Credit Ltd. (indirect control through IFIN)	IFIN Credit Ltd. (indirect control through IFIN)	IFIN Credit Ltd. (indirect control through IFIN)	IFIN Credit Ltd. (indirect control through IFIN)
8	IFIN Securities Finance Limited (indirect control through IFIN)	Narayan Sriram Investment Pvt. Ltd. (indirect control through IFIN)	Narayan Sriram Investment Pvt. Ltd. (indirect control through IFIN)	Narayan Sriram Investment Pvt. Ltd. (indirect control through IFIN)	-
9	IIDL Realtors Pvt. Ltd. (IRPL) (indirect control through IIDL)	IIDL Realtors Pvt. Ltd. (IRPL) (indirect control through IIDL)	IIDL Realtors Pvt. Ltd. (IRPL) (indirect control through IIDL)	Ambitious Realtors Pvt. Ltd. (ARPL) (indirect control through IIDL)	-
10	Stock Holding Corporation of India Ltd. (SHCIL) (w.e.f. 29/03/2014)	-	-	-	-
11	SHCIL Services Ltd. (indirect control through SHCIL)	-	-	-	-
12	SHCIL Projects Ltd. (indirect control through SHCIL)	-	-	-	-

D. Associates

S.No.	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	Assets Care & Reconstruction Enterprise Ltd.	Assets Care & Reconstruction Enterprise Ltd.	Assets Care & Reconstruction Enterprise Ltd.	Assets Care & Reconstruction Enterprise Ltd.	Assets Care Enterprise Ltd. (ACE)
2	Tourism Finance Corporation of India Ltd. (TFCI)	Tourism Finance Corporation of India Ltd. (TFCI)	Tourism Finance Corporation of India Ltd. (TFCI)	Tourism Finance Corporation of India Ltd. (TFCI)	Tourism Finance Corporation of India Ltd. (TFCI)
3	HIMCON Ltd.	HIMCON Ltd.	HIMCON Ltd.	HIMCON Ltd.	HIMCON Ltd.
4	NITCON Ltd.	NITCON Ltd.	NITCON Ltd.	NITCON Ltd.	NITCON Ltd.
5	HARDICON Ltd.	HARDICON Ltd.	HARDICON Ltd.	HARDICON Ltd.	HARDICON Ltd.
6	-	Stock Holding Corporation of India Ltd. (SHCIL)	Stock Holding Corporation of India Ltd. (SHCIL) (w.e.f. August 30, 2011)	-	-

E. Joint Ventures

S.No.	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCA)	IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCA)	IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCA) (w.e.f. November 16, 2011)	-	-

Annexure - VIII - B : Transactions with Related Parties Unconsolidated

A. Key Managerial Personnel

(Rs. In Crores)

S.No.	Particulars	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	Dividend Payment	-	0.01	0.01	-	-
2	Interest on IFCI Bonds	-	0.03	0.02	-	-
3	Managerial Remuneration	0.56	2.55	2.06	1.68	1.36

B. Relatives of Key Managerial Personnel

(Rs. In Crores)

S.No.	Particulars	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	Salary	-	0.01	0.12	0.04	-

C. Subsidiaries

(Rs. In Crores)

S.No.	Particulars	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	Infusion of Equity - Cash	-	-	77.27	118.00	100.45
2	Infusion of Equity – Other than Cash	-	-	-	36.68	60.90
3	Application money pending allotment	-	-	-	76.25	-
4	Buy-back of Equity	-	18.13	-	-	-
5	Dividend Received	20.38	11.49	11.49	-	-
6	Rent & Maintenance received	7.00	7.75	6.96	7.12	5.07
7	Fee on renting of premises	-	-	-	-	0.26
8	Rent & Maintenance paid	2.23	6.30	5.57	-	-
9	Brokerage/ Professional fee paid	0.45	0.51	1.54	1.30	0.74
10	Professional fee paid/ payable	0.22	0.52	-	-	-
11	Professional fee received	0.11	0.11	0.05	0.05	-
12	Fee for depository services	-	-	-	1.65	2.29
13	Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	0.61	0.78	1.25	1.51	0.92
14	Salaries/ Other Estt. Exp. paid by IFCI for employees deputed in IFCI, Paid/ payable to them	0.05	0.28	-	-	-
15	Consideration for assets sold	-	-	-	36.68	60.90
16	Loans given (outstanding)	200.00	305.00	432.50	385.00	150.00
17	Assignment of Debts by Subsidiaries	-	-	-	45.99	-
18	Interest received/ receivable on Loan/ Bonds	31.35	45.98	42.76	31.72	10.46
19	Bonds issued by IFCI (outstanding)	120.00	75.00	75.00	75.00	-
20	Bonds/ Debenture subscribed – outstanding	100.00	100.00	75.00	75.00	-
21	Inter corporate deposits	-	36.00	-	10.93	35.00
22	Security Deposit paid – outstanding	0.93	0.93	-	-	-
23	Interest paid/ payable by IFCI	10.67	7.30	7.91	7.88	4.77
24	Investment in PMS (during the year)	-	-	-	10.00	20.00

D. Associates

(Rs. In Crores)

S.No.	Particulars	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	Infusion of Equity	-	-	-	-	0.07
2	Acquisition from market/ Others	-	-	11.21	13.86	3.59
3	Bond issued by IFCI- Outstanding	50.00	-	-	-	-
4	Debt assigned to IFCI	-	-	-	20.31	-
5	Debt/ NPA assigned by IFCI	-	-	-	7.00	-
6	Rent & Maintenance received by IFCI	4.74	3.90	0.80	0.01	0.16
7	Loan (o/s)	42.05	68.72	71.22	62.57	2.75
8	Interest received/ receivable on Loan	6.72	8.46	7.54	1.02	0.02
9	Dividend Received	4.20	8.84	9.35	3.28	2.54
10	Salaries/ Other Estt. Exp. paid by IFCI for employees deputed in IFCI, Paid/ payable to them	0.06	-	-	-	-
11	Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.40	0.74	0.15	0.18	0.08
12	Professional fee Received	0.06	0.06	-	-	-
13	Professional fee paid	-	0.24	0.38	0.26	0.20

E. Joint Ventures

(Rs. In Crores)

S.No.	Particulars	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	Rent & Maintenance received by IFCI	0.07	0.54	-	-	-

Annexure - IX : Capitalization Statement as at March 31, 2014

(Rs. In Crores)

Particulars	Unconsolidated	
	Pre- Issue	Post- Issue
Debts		
Long Term Debts	17,342.11	19,342.11
Short Term Debts (incl. current maturities of long term debts)	3,427.63	3,427.63
Total Debts	**20,769.74**	**22,769.74**
Shareholder's Funds #		
Equity Share Capital	1,662.04	1,662.04
Reserves & Surplus	4,136.28	4,136.28
Total Shareholder's Funds	**5,798.32**	**5,798.32**
Long Term Debts/Equity	**2.99**	**3.34**
Debt/Equity	**3.58**	**3.93**

# Including shareholding of IFCI Employees Stock Option Trust (Rs. Crores)	1.72	1.72

Notes:

1. Short term debts represent debts which are due within twelve months from March 31, 2014.
2. Long term debts represent debts other than short term debts, as defined above.
3. The figures disclosed above are based on the Reformatted Summary statement of Assets and Liabilities of the company as at March 31, 2014.
4. Long term debts / Equity = Long term debts / Shareholders' funds.
5. The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of Rs. 2,000 crores from the Issue, keeping all other variables intact.

Annexure - X : Statement of Dividend

Particulars	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
On Equity Shares					
Fully Paid-up Share Capital (Nos.)	1,662,037,235 *	1,662,037,235 *	737,837,331	737,837,331	737,837,331
Face Value/Paid up Value (Rs.)	10.00	10.00	10.00	10.00	10.00
Equity Share Capital (Rs. In Crores)	1,662.04	1,662.04	737.84	737.84	737.84
Rate of Dividend (%)	10%	10%	10%	10%	10%
Dividend (Rs. In Crores)	166.20	166.20	73.78	73.78	73.78
Divident Distribution Tax (Rs. In Crores)	28.25	26.96	11.97	11.97	11.92
On Preference Shares					
Fully Paid-up Share Capital (Nos.)	263,843,100	263,843,100	263,843,100	263,843,100	263,843,100
Face Value/Paid up Value (Rs.)	10.00	10.00	10.00	10.00	10.00
Preference Share Capital (Rs. In Crores)	263.84	263.84	263.84	263.84	263.84
Rate of Dividend (%)	0.10%	0.10%	0.10%	0.10%	0.10%
Dividend (Rs. In Crores)	0.26	0.26	0.26	0.26	0.26
Divident Distribution Tax (Rs. In Crores)	0.05	0.05	0.05	0.05	0.05

* Including shares alloted to ESOP Trust 921,622 1,199,904

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Wazirpur,
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors, IFCI Limited, New Delhi

1. We, 'ASA & Associates LLP', Chartered Accountants ('ASA') and 'ANDROS & CO.', Chartered Accountants ('ANDROS') as joint auditors, have reviewed the 'Reformatted Consolidated Financial Statements' of **IFCI Limited** ('the Company') as at and for the years ended March 31, 2014, 2013, 2012, 2011 and 2010 annexed to this report, which is proposed to be included in the Draft Shelf Prospectus, Shelf Prospectus and Tranche Prospectus of the Company in connection with the proposed public issue of Secured Redeemable Non-Convertible Debentures ('NCDs') aggregating to Rs. 2,000 crores. These Reformatted Consolidated Financial Statements have been prepared by the Company in accordance with the requirement of Section 26 of the Companies Act, 2013 ("the Act"), Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules 2014 and Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations, 2008 ('the SEBI Regulations') issued by Securities and Exchange Board of India ('SEBI'), as amended from time to time in pursuance of Section 11A of the Securities and Exchange Board of India Act, 1992 ('the SEBI Act') and related clarifications and in terms of our engagement letter dated September 15, 2014.

   ASA and ANDROS are collectively referred to as the "Joint Auditors" and the references to the Joint Auditors as 'we', 'us' or 'our', in this report, shall be construed accordingly.

2. **Management's Responsibility for the reformatted statements**

   The preparation and presentation of the Reformatted Consolidated Financial Statements is the responsibility of the Company's management. The Reformatted Consolidated Financial Statements have been extracted from the audited financial statements of the Company after making such reclassifications and regroupings as considered appropriate by the management. The Reformatted Consolidated Financial Statements have been regrouped and reclassified (but not restated retrospectively for change in any accounting policy) for the years ended March 31, 2014, 2013, 2012, 2011 and 2010.

3. **Auditor's Responsibility**

   Our responsibility is to review and report on the annexed Reformatted Consolidated Financial Statements prepared by the Company and approved by the Board of Directors of the Company, in accordance with the Guidance Note on 'Reports in Company Prospectus (Revised)' issued by the Institute of Chartered Accountants of India ('ICAI'), based on the audit procedures performed by us in accordance with auditing standards applicable in India.

4. **Reformatted Consolidated Financial Statements as per audited financial statements**

We have reviewed the following statements:

a) the reformatted Consolidated statements of Assets and Liabilities as at March 31, 2014, 2013, 2012, 2011 and 2010 and the schedules forming part thereof (*Annexure I*);

b) the reformatted Consolidated statements of Profits and Losses for years ended March 31, 2014, 2013, 2012, 2011 and 2010 and the schedules forming part thereof (*Annexure II*); and

c) the reformatted Consolidated Cash Flow Statements for the years ended March 31, 2014, 2013, 2012, 2011 and 2010 (*Annexure III*),

The above (a), (b) and (c) together are referred to as "Reformatted Consolidated Financial Statements".

The reformatted Consolidated financial statements have been prepared by the management from the audited financial statements and from the books of accounts.

The details of auditors, audit reports and date of approval by Board of Directors and adoption by the Members of the Company for the previous 5 financial years is given hereunder-

Auditor Name	Year of Audit	Date of Auditor's Report	Date of Approval by Board	Date of Adoption by Members
Chokshi & Chokshi	FY 2009-10	April 30, 2010	April 30, 2010	September 17, 2010
	FY 2010-11	April 18, 2011	April 18, 2011	September 13, 2011
	FY 2011-12	April 17, 2012	April 17, 2012	July 18, 2012
Ray & Ray	FY 2012-13	May 20, 2013	May 20, 2013	November 13, 2013
Thakur Vaidyanath Aiyar& Co. and ANDROS & CO.	FY 2013-14	April 29, 2014	April 29, 2014	August 27, 2014

We have performed such tests and audit procedures, which in our opinion were necessary for the purpose of our review. These procedures mainly involved comparison of the attached reformatted Consolidated financial statements with the Company's audited Consolidated financial statements for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 and review of regrouping and reclassification as per the requirements of 'SEBI Regulations'.

Based on our review of these Reformatted Consolidated Financial Statements we state that:

i. The Reformatted Consolidated Financial Statements have been rounded off to 'Rupees in Crores' solely for convenience of readers;

ii. The Reformatted Consolidated Financial Statements have to be read in

conjunction with the relevant significant accounting policies and notes to financial statements as given in *Annexure IV*;

iii. The figures of earlier years have been regrouped (but not restated retrospectively for changes in accounting policy, if any),wherever necessary, to conform to the classification adopted for the Reformatted Consolidated Financial Statements;

iv. There are no extra-ordinary items that need to be disclosed separately in the Reformatted Consolidated Financial Statements; and

v. There are no qualifications in the auditor's report on the audited Consolidated financial statements for financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 that require adjustments to the figures in the Reformatted Consolidated Financial Statements, other than those disclosed under 'Summary of Qualifications and Adverse Remarks' given in *Annexure-V*.

5. **Other Consolidated Financial Information of the Company**

We have examined the following Other Consolidated Financial Information of the Company, proposed to be included in the Draft Prospectus as approved by the Board of Directors and annexed to this report:

a) Statement of contingent liabilities for reformatted financial statements as at and for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (*Annexure VI*)

b) Statement of accounting ratios for reformatted financial statements as at and for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (*Annexure VII*)

c) Statement of list of related parties, nature of relationships, transactions with them and outstanding balances for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (*Annexure VIII A&B*)

d) Capitalization statement as at March 31, 2014 (*Annexure IX*)

6. We have reviewed these Reformatted Consolidated Financial Statements prepared by the Company and approved by the Board of Directors of the Company in accordance with the Guidance Note on 'Reports in Company Prospectus (Revised)' issued by the Institute of Chartered Accountants of India, *except* that whether these reformatted financial statements have been adjusted for the changes in accounting policies retrospectively in the respective financial years to reflect the same accounting policies for all the reporting periods and for adjustments of amounts pertaining to previous years in the respective financial years to which they relates.

7. The audited financial statements of the company and its subsidiaries are not available for the financial year 2009-10 in the formats prescribed in Revised Schedule VI of the Companies Act, 1956. The Reformatted Consolidated Financial Statements for the year ended March 31, 2010 have been prepared after regroupings that in the managements' opinion are appropriate.

8. Based on our review of the Reformatted Consolidated Financial Statements and read with paragraph 7 above, we state that in our opinion, the Reformatted Consolidated Financial Statements and Other Consolidated Financial Information for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 have been prepared in accordance with Section 26 of the Companies Act, 2013 and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules 2014 and Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations, 2008, issued by Securities and Exchange Board of India, as amended from time to time in pursuance of Section 11A of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act") and related clarifications SEBI Regulations.

9. This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

10. This report is intended solely for your information and for inclusion in the Draft Prospectus in connection with the proposed issue of Secured Redeemable Non-Convertible Debentures and is not to be used, referred to or distributed for any other purpose without our prior written consent.

11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006

Parveen Kumar
Partner
Membership No. 088810

Place: New Delhi
Date: September 29, 2014

For **ANDROS & CO.**
Chartered Accountants
Firm Registration No: 008976N

Brij Bhushan Garg
Partner
Membership No. 084865

Place: New Delhi
Date: September 29, 2014

IFCI LTD.
ANNEXURE - I: CONSOLIDATED REFORMATTED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ crore)

		Note No.	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
I.	**EQUITY & LIABILITIES**						
(1)	Shareholders' Funds						
	(a) Share Capital	1	1,924.96	1,924.68	1,001.68	1,001.68	1,001.68
	(b) Reserves and Surplus	2	5,404.14	5,116.70	4,814.29	4,209.61	3,753.18
(2)	Minority Interest						
	- Share Capital		13.35	3.43	3.43	3.43	3.43
	- Reserves and Surplus		253.51	4.18	3.79	4.53	4.09
(3)	Non-current Liabilities						
	(a) Long-term Borrowings	3	17,585.43	14,429.68	17,652.37	17,411.24	11,468.74
	(b) Long-term Liabilities	4	111.05	80.62	69.60	41.58	36.47
	(c) Long-term Provisions	5	122.22	53.59	147.93	142.44	123.56
(4)	Current Liabilities						
	(a) Short-term Borrowings	6	620.08	710.07	1,074.46	440.22	222.36
	(b) Trade Payables	7	368.65	461.52	585.90	339.51	148.33
	(c) Other Current Liabilities	8	4,404.34	4,613.96	4,409.02	2,798.38	2,685.69
	(d) Short-term Provisions	9	205.11	210.16	97.87	95.22	86.42
	TOTAL		**31,012.85**	**27,608.59**	**29,860.34**	**26,487.84**	**19,533.95**
II.	**ASSETS**						
(1)	Non-current Assets						
	(a) Fixed Assets						
	(i) Tangible Assets	10	1,485.00	1,371.34	1,369.12	1,290.55	1,509.60
	(ii) Intangible Assets	11	3.58	1.93	2.45	3.24	0.87
	(iii) Capital work-in-progress		8.61	19.29	18.92	133.63	37.82
	(b) Goodwill on consolidation		445.80	99.92	99.45	83.34	53.25
	(c) Non-current Investments	12	4,583.01	5,400.48	5,598.99	4,116.24	3,425.41
	(d) Deferred Tax Assets (Net)	13	713.56	732.22	840.68	1,022.68	1,388.38
	(e) Long-term Loans & Advances						
	(i) Loans	14	16,590.47	10,634.77	12,179.20	12,111.45	7,635.91
	(ii) Others	15	284.47	227.15	276.53	394.90	406.90
	(f) Other non-current assets	16	6.36	7.29	11.51	4.30	3.88
(2)	Current Assets						
	(a) Current Investments	17	1,818.47	2,614.93	1,609.10	1,660.19	1,397.25
	(b) Inventories		233.32	293.01	361.42	224.08	165.39
	(c) Trade Receivables	18	984.79	1,411.00	1,375.75	915.95	484.77
	(d) Cash and Cash Equivalents	19	1,095.62	597.84	468.12	615.11	140.56
	(e) Short-term Loans and Advances						
	(i) Loans (Current Maturity of Long Term Loans)	20	2,394.16	3,880.59	4,855.41	3,501.55	2,715.80
	(ii) Others	21	45.64	112.41	558.87	211.58	17.56
	(f) Other Current Assets	22	319.99	204.42	234.82	199.05	150.60
	TOTAL		**31,012.85**	**27,608.59**	**29,860.34**	**26,487.84**	**19,533.95**

Accounting Policies and Notes of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJ BHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

IFCI LTD.
ANNEXURE - II: CONSOLIDATED REFORMATTED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ crore)

		Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
	CONTINUING OPERATIONS						
I.	Revenue from Operations	23	3,592.79	3,147.59	3,089.75	2,561.87	1,738.21
II.	Other Income	24	46.85	41.08	41.02	63.68	19.31
III.	**Total Revenue**		**3,639.64**	**3,188.67**	**3,130.77**	**2,625.55**	**1,757.52**
IV.	**Expenses**						
	Finance Cost	25	1,761.96	1,918.69	1,955.64	1,330.29	889.09
	Employee Benefits Expenses	26	173.40	90.13	94.55	87.94	72.14
	Depreciation and Amortization Expense (Net of transfer from Revaluation Reserve)		50.96	24.72	21.95	14.52	11.27
	Cost of Stock in trade		88.34	144.73	53.11	15.40	17.32
	Other Expenses	27	180.90	81.24	82.60	93.02	64.58
	Preliminary/ Preoperative/ Misc expenses written off		-	-	0.01	0.01	-
	Total Expenses		**2,255.56**	**2,259.51**	**2,207.86**	**1,541.18**	**1,054.41**
V.	**Profit before NPA Recovery, Provisions/ Write-off**		**1,384.08**	**929.16**	**922.91**	**1,084.37**	**703.11**
VI.	Less: Provision for Bad & Doubtful Assets and others (Net of Write-off)	28	622.48	192.01	(82.20)	(140.04)	(445.59)
VII.	**Profit before Tax**		**761.60**	**737.15**	**1,005.11**	**1,224.41**	**1,148.70**
VIII.	Tax Expense						
	- Current Tax		169.55	131.32	135.38	113.19	117.25
	- Deferred Tax (Net)		25.95	108.47	182.00	365.69	338.41
IX.	**Profit for the period**		**566.10**	**497.36**	**687.73**	**745.53**	**693.04**

Accounting Policies and Notes of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJ BHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

IFCI LTD.
ANNEXURE - III: CONSOLIDATED REFORMATTED SUMMARY OF CASH FLOW STATEMENT

(₹ crore)

	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITES					
Net Profit before Tax	761.60	737.15	1,005.11	1,224.41	1,148.70
Adjustments for:					
Depreciation	50.96	24.72	21.95	14.52	11.27
Provision/ write offs	622.48	192.01	(82.20)	(140.04)	(445.59)
Bond Issue Expenses charged to Share Premium	(6.46)	(17.59)	(25.94)	-	-
(Profit)/ Loss on Sale of Assets	(0.03)	0.04	(1.12)	(34.09)	3.92
Employee Stock Option Compensation Cost	0.44	0.91	0.45	0.00	0.00
Lease Equalisation	0.00	12.23	23.91	21.65	17.47
Preliminary/ Preoperative/ Misc expenses written off	-	-	0.01	0.01	-
Pre-acquisition profits	(54.19)	-	-	-	-
Operating Profit before Working Capital Changes & Operating Activities	1,374.80	949.47	942.17	1,086.45	735.77
Adjustments for Operating Activities:					
(Increase)/ decrease in Investments *(incl. Current Investments)*	1,409.91	(791.44)	(1,508.87)	(1,021.52)	(1,564.24)
(Increase)/ decrease in Loans & Advances (incl. current maturities of long-term loans & advances)	(4,978.73)	2,346.31	(1,271.74)	(5,069.64)	(2,473.75)
Increase/ (decrease) in Borrowings (incl. current maturities of long-term liabilities)	2,694.76	(3,409.95)	2,661.39	6,077.61	4,001.54
Operating Profit before Working Capital Changes	500.74	(905.61)	822.95	1,072.90	699.32
Adjustments for:					
(Increase)/ decrease in Current Assets	385.13	513.93	(998.57)	(708.89)	(185.48)
Increase/ (decrease) in Current Liabilities	162.53	(174.99)	105.37	419.72	(379.26)
Cash Flow before taxation	1,048.39	(566.67)	(70.25)	783.73	134.58
Income Tax (paid)/ refund - Net	(173.98)	(84.61)	(5.85)	(125.06)	(116.45)
Net cash flow from Operating Activities	**874.42**	**(651.28)**	**(76.10)**	**658.67**	**18.13**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of/ Advance for Fixed Assets (including Leased	(177.24)	(57.41)	(29.38)	(137.70)	(65.28)
Sale proceed of Fixed Assets	1.60	0.14	1.86	40.16	3.23
Net cash flow from Investing Activities	**(175.64)**	**(57.27)**	**(27.52)**	**(97.54)**	**(62.05)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Redemption of Preference Shares	-	-	-	-	(82.04)
Issue of Equity Shares by way of conversion of OCDs held	-	923.00	-	-	-
Issue of Equity Shares on exercise of employee stock	0.28	1.20	-	-	(24.57)
Share Premium (net of expenses)	0.23	1.04	43.79	-	(214.65)
CSR Fund (net of expenses)	0.02	(0.08)	0.02	0.06	-
Staff Welfare Fund	-	-	-	(0.27)	-
Benevolent Reserve Fund	-	0.25	-	-	-
Dividend paid	(201.53)	(87.14)	(87.18)	(86.37)	(70.06)
Net cash flow from Financing Activities	**(201.00)**	**838.27**	**(43.37)**	**(86.58)**	**(391.32)**

Net Increase/ (Decrease) in Cash and Cash Equivalent Flow (A+B+C)	**497.78**	**129.72**	**(146.99)**	**474.55**	**(435.24)**
Opening Cash and Cash Equivalent	597.84	468.12	615.11	140.56	575.80
Closing Cash and Cash Equivalent	1,095.62	597.84	468.12	615.11	140.56
Increase/ (Decrease) in Cash and Cash Equivalent	**497.78**	**129.72**	**(146.99)**	**474.55**	**(435.24)**

Accounting Policies and Notes of the respective financial year form an integral part of financial statements

For and on behalf of Board

(S. V. Ranganath)
Chairman of the Board

(Malay Mukherjee)
Chief Executive Officer &
Managing Director

(Sudhir Garg)
Executive Director

(S P Arora)
Executive Director

(B N Nayak)
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

In terms of our Report of even date

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 008976N

(PARVEEN KUMAR)
Partner
M. No. 088810

(BRIJ BHUSHAN GARG)
Partner
M. No. 084865

Place: New Delhi
Date: September 29, 2014

1 SHARE CAPITAL

1.1 Share capital authorised, issued, subscribed and paid up:

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
AUTHORISED					
Equity Shares of ₹10/- each	2,000.00	2,000.00	1,500.00	1,500.00	1,500.00
Cumulative Redeemable Preference Shares of ₹10/- each	1,000.00	1,000.00	1,500.00	1,500.00	1,500.00
	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
ISSUED					
Equity Shares of ₹10/- each	1,729.28	1,729.28	805.08	805.08	805.08
Cumulative Redeemable Preference Shares of ₹10/- each	263.84	263.84	263.84	263.84	263.84
	1,993.12	1,993.12	1,068.92	1,068.92	1,068.92
SUBSCRIBED					
Equity Shares of ₹10/- each	1,663.35	1,663.35	739.15	739.15	739.15
Cumulative Redeemable Preference Shares of ₹10/- each	263.84	263.84	263.84	263.84	263.84
	1,927.19	1,927.19	1,002.99	1,002.99	1,002.99
PAID UP					
(A) EQUITY					
Equity Shares of ₹10/- each	1,662.04	1,662.04	737.84	737.84	737.84
Less: Loan given to ESOP Trust recoverable (outstanding) (shares alloted to Trust)	(0.92)	(1.20)	-	-	-
TOTAL - EQUITY	**1,661.12**	**1,660.84**	**737.84**	**737.84**	**737.84**
(B) PREFERENCE					
0.10% Cumulative Redeemable Preference Shares of ₹ 10/- each					
Redeemable at par on 31.03.2021	2.00	2.00	2.00	2.00	2.00
Redeemable at par on 03.03.2021	8.00	8.00	8.00	8.00	8.00
Redeemable at par on 02.03.2021	30.00	30.00	30.00	30.00	30.00
Redeemable at par on 01.03.2021	10.00	10.00	10.00	10.00	10.00
Redeemable at par on 31.10.2020	2.00	2.00	2.00	2.00	2.00
Redeemable at par on 31.03.2019	30.00	30.00	30.00	30.00	30.00
Redeemable at par on 17.09.2018	50.00	50.00	50.00	50.00	50.00
Redeemable at par on 15.09.2018	93.00	93.00	93.00	93.00	93.00
Redeemable at par on 02.08.2017	38.84	38.84	38.84	38.84	38.84
TOTAL - PREFERENCE	**263.84**	**263.84**	**263.84**	**263.84**	**263.84**
TOTAL SHARE CAPITAL	**1,924.96**	**1,924.68**	**1,001.68**	**1,001.68**	**1,001.68**

1.2 Reconciliation of the number of equity shares and share capital:

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Number of shares				
Issued Capital					
Outstanding at beginning of the period	1,728,084,785	805,084,785	805,084,785	805,084,785	805,084,785
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	-	923,000,000	-	-	-
Outstanding at the end of the period	1,728,084,785	1,728,084,785	805,084,785	805,084,785	805,084,785
Subscribed Capital					
Outstanding at beginning of the period	1,662,154,031	739,154,031	739,154,031	739,154,031	739,154,031
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	-	923,000,000	-	-	-
Outstanding at the end of the period	1,662,154,031	1,662,154,031	739,154,031	739,154,031	739,154,031
Paid up Capital					
Outstanding at beginning of the period	1,660,837,331	737,837,331	737,837,331	737,837,331	737,837,331
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	-	923,000,000	-	-	-
Add: Shares issued to employees on exercise of employee stock options	278,282	-	-	-	-
Outstanding at the end of the period	1,661,115,613	1,660,837,331	737,837,331	737,837,331	737,837,331

1.3 Shareholders holding more than 5% of equity shares as at the end of the year:

Name of the shareholder	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Number of shares				
Government of India	923,000,000	923,000,000	-	-	-
Life Insurance Corporation of India	-	-	61,934,044	61,934,044	61,934,044

Name of the shareholder	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Percentage Shareholding				
Government of India	55.53	55.53	-	-	-
Life Insurance Corporation of India	-	-	8.39	8.39	8.39

1.4 Employee Stock Option Scheme

IFCI Limited

ESOP A (Weighted Average Exercise Price (₹17.55))

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Number of options				
Outstanding at the beginning of the period	3,801,999	4,554,700	-	-	-
Add: Granted during the period	-	-	4,573,312	-	-
Less: Cancelled during the period	141,558	752,701	18,612	-	-
Less: Exercised during the period	233,522	-	-	-	-
Less: Expired during the period	-	-	-	-	-
Outstanding at the end of the period *	3,426,919	3,801,999	4,554,700	-	-
** incl. shares allotted to Employee Stock Option Trust*	*748,810*	*982,332*	-	-	-

ESOP B (Weighted Average Exercise Price (₹23.40))

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Number of options				
Outstanding at the beginning of the period	2,024,776	2,623,681	-	-	-
Add: Granted during the period	-	-	2,623,681	-	-
Less: Cancelled during the period	148,841	598,905		-	-
Less: Exercised during the period	44,760	-	-	-	-
Less: Expired during the period	-	-	-	-	-
Outstanding at the end of the period *	1,831,175	2,024,776	2,623,681	-	-
** incl. shares allotted to Employee Stock Option Trust*	*172,812*	*217,572*	-	-	-

IFCI Factors Limited

ESOP A (Weighted Average Exercise Price (₹16.35))

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Number of options				
Outstanding at the beginning of the period	2,200,760	2,485,457	-	-	-
Add: Granted during the period	-	-	3,187,710	-	-
Less: Cancelled during the period	-	284,697	702,253	-	-
Less: Exercised during the period	-	-	-	-	-
Less: Expired during the period	-	-	-	-	-
Outstanding at the end of the period	2,200,760	2,200,760	2,485,457	-	-

ESOP B (Weighted Average Exercise Price (₹16.35))

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
	Number of options				
Outstanding at the beginning of the period	771,506	1,162,008	-	-	-
Add: Granted during the period	-	-	1,162,008	-	-
Less: Cancelled during the period	-	390,502		-	-
Less: Exercised during the period	-	-	-	-	-
Less: Expired during the period	-	-	-	-	-
Outstanding at the end of the period	771,506	771,506	1,162,008	-	-

2 RESERVES AND SURPLUS

(₹ crore)

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) **Capital Reserve** *(foot-note 1)*					
Opening Balance	0.89	0.89	0.89	0.86	0.86
Additions	-	-	-	0.03	-
Closing Balance	0.89	0.89	0.89	0.89	0.86
(B) **Amalgamation Reserve**					
Opening Balance	1.10	1.10	0.12	-	-
Additions	-	-	0.98	0.12	-
Closing Balance	1.10	1.10	1.10	0.12	-
(C) **Capital Redemption Reserve** *(foot-note 2)*					
Opening Balance	211.27	193.14	193.14	193.08	111.05
Additions	-	18.13	-	0.06	82.03
Closing Balance	211.27	211.27	193.14	193.14	193.08
(D) **Capital Reserve on consolidation**					
Opening Balance	9.87	9.87	4.20	1.66	-
Additions	-	-	5.67	2.54	1.66
Closing Balance	9.87	9.87	9.87	4.20	1.66
(E) **Securities Premium Reserve**					
Opening Balance	1042.95	1,058.93	1,041.08	1,032.80	1,247.46
Additions	5.27	1.61	43.79	8.28	23.74
Deductions/ Transfers	(6.46)	(17.59)	(25.94)	-	(238.39)
Closing Balance	1,041.76	1,042.95	1,058.93	1,041.08	1,032.81
Less: Loan given to ESOP Trust recoverable (outstanding) (shares alloted to Trust)	(0.80)	(1.03)	-	-	-
	1,040.96	1,041.92	1,058.93	1,041.08	1,032.81
(F) **Debenture Redemption Reserve**					
Opening Balance	-	5.00	5.00	5.00	5.00
Transfer to General Reserve	-	(5.00)	-	-	-
Closing Balance	-	-	5.00	5.00	5.00
(G) **Revaluation Reserve**					
Opening Balance	939.25	958.28	978.00	1,194.32	567.18
Additions	-	-	-	-	637.44
Deduction on account of Depreciation	(19.03)	(19.03)	(19.72)	(216.32)	(10.30)
Deduction on account of transfer/ sale/ disposal	(0.05)				
Closing Balance	920.17	939.25	958.28	978.00	1,194.32
(H) **Share Options Outstanding A/c**					
Employee Stock Options Outstanding	1.57	1.65	2.66	-	-
Less: Deferred Employee Compensation Outstanding	(0.34)	(0.86)	(2.21)	-	-
	1.23	0.79	0.45	-	-
(I) **Corporate Social Responsibility**					
Opening Balance	10.00	10.08	10.06	-	-
Additions	0.82	0.80	0.81	10.82	-
Deductions	(0.80)	(0.88)	(0.79)	(0.76)	-
Closing Balance	10.02	10.00	10.08	10.06	-

(J) **Grant received from GOI under KfW Loans**	184.48	184.48	184.48	184.48	184.48
(K) **Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961** *(foot-note 4)*					
- for the period upto 31.03.97	1.74	1.74	1.74	1.74	1.74
- after 01.04.97					
Opening Balance	50.00	35.00	20.00	10.00	-
Additions	15.00	15.00	15.00	10.00	10.00
Closing Balance	65.00	50.00	35.00	20.00	10.00
(L) **Reserve u/s 45IC of RBI Act** *(foot-note 5)*					
Opening Balance	700.59	592.65	454.90	309.63	173.32
Additions	105.70	107.94	137.75	145.27	136.31
Closing Balance	806.29	700.59	592.65	454.90	309.63
(M) **Benevolent Reserve**					
Opening Balance	-	4.11	4.11	4.11	4.11
Additions	-	0.25	-	-	-
Transfer to General Reserve	-	(4.36)	-	-	-
Closing Balance	-	-	4.11	4.11	4.11
(N) **General Reserve**					
Opening Balance	140.90	131.54	131.54	131.29	66.29
Additions	137.00	-	-	0.25	65.00
Transfer from Benevolent Reserve	-	4.36	-	-	-
Transfer from Debenture Redemption Reserve	-	5.00	-	-	-
Closing Balance	277.90	140.90	131.54	131.54	131.29
(M) **Surplus**					
Opening Balance	1,870.28	1,673.49	1,199.77	694.40	333.87
Add: Profit for the year	566.10	497.36	687.75	745.59	737.90
Accumulate profits of the subsidiaries acquired during the year	343.74	-	-	-	-
Share of the profits in Associates	13.19	35.03	28.68	11.38	-
Less: Reduction in accumulated profits of the associates on becoming subsidiary	(17.55)	-	-	-	-
Less: Appropriations					
Reserve u/s 45IC of RBI Act	(105.70)	(107.94)	(137.75)	(145.27)	(136.31)
Amalgamation Reserve	-	-	(0.98)	-	-
Capital Redemption Reserve	-	(18.13)	-	-	(82.03)
General Reserve	(4.83)	-	-	-	(65.00)
Special Reserve u/s 36(1)(viii)	(15.00)	(15.00)	(15.00)	(10.00)	(10.00)
Staff Welfare Fund	-	-	-	(0.27)	-
Corporate Social Responsibility Fund	-	-	-	(10.00)	-
Proposed Dividend - Equity @ ₹ 1 per share	(166.20)	(166.20)	(73.78)	(73.78)	(71.81)
Tax on Proposed Distributed Profits - Equity	(28.25)	(26.96)	(11.97)	(11.97)	(11.92)
Dividend - Preference @ ₹ 0.01 per share	(0.26)	(0.26)	(0.26)	(0.26)	(0.26)
Tax on Distributed Profits - Preference	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
Dividend to minorities by subsidiaries	(2.83)	(0.08)	(0.13)	-	-
Tax on dividend by Subsidiaries	(3.94)	(0.98)	(2.79)	-	-
Closing Balance	2,448.70	1,870.28	1,673.49	1,199.77	694.39
TOTAL	**5,979.62**	**5,163.08**	**4,860.75**	**4,229.03**	**3,763.37**
Less: Minority Interest	253.51	4.18	3.80	4.53	4.09
Less: Share of pre-acquisition reserves in Subsidiary Companies	321.96	42.20	42.66	14.89	6.10
	575.47	**46.38**	**46.46**	**19.42**	**10.19**
TOTAL RESERVES AND SURPLUS	**5,404.14**	**5,116.70**	**4,814.29**	**4,209.61**	**3,753.18**

Foot-notes to Note no. 2

1 Capital Reserve represents proceeds of forfeited shares.

2 Capital Redemption Reserve represents amount transferred from surplus in profit and loss statement towards redemption of preference shares without fresh issue of capital, as required under section 80 of the Companies Act, 1956.

3 Grant received from Government of India under KfW Loans is of a capital nature and to be utilized for specified purposes for promotional activities of Industrial Development.

4 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.

5 In terms of Section 45IC of RBI Act, 1934, every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared.

3 LONG-TERM BORROWINGS
3.1 RUPEE - UNSECURED

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) **Optionally Convertible Debentures**					
(i) 9.75% Govt. of India - Redeemable on 30.10.2021	-	-	400.00	400.00	400.00
Sub - Total 'A' *(refer foot note 1)*	-	-	400.00	400.00	400.00
(B) **Non-Convertible Debentures (NCDs)**					
(i) 6.00% LIC - Redeemable on 28.12.2021	200.00	200.00	200.00	200.00	200.00
(ii) 6.00% SBI - Redeemable on 25.01.2022	200.00	200.00	200.00	200.00	200.00
(iii) 0.00% LIC - Redeemable on 01.04.2022	418.19	418.19	418.19	418.19	418.19
Sub - Total 'B'	818.19	818.19	818.19	818.19	818.19
(C) **Bonds**					
i) Guaranteed by Government of India and redeemable at par *(refer foot note 2)*	-	1,643.27	1,838.77	2,162.10	1,938.84
ii) Privately Placed Bonds *(refer foot note 2)*	6,479.60	4,959.06	5,049.84	5,505.94	4,047.94
iii) Privately Placed Zero Coupon Bonds *	141.70	129.11	117.64	107.12	-
iv) Infrastructure Bonds #	1,097.79	1,029.36	964.40	370.75	-
v) Subordinate - Tier II Bonds @	1,333.68	1,322.97	1,233.30	-	-
vi) Application Money	-	4.00	-	-	-
Sub-Total 'C'	9,052.77	9,087.77	9,203.95	8,145.91	5,986.78
(D) **Other Long Term Borrowings**					
a) Government of India under restructuring	-	-	523.00	523.00	523.00
b) Banks ##	6,691.87	3,706.99	5,826.00	6,794.18	3,046.67
c) Financial Institutions *(repayable on 01/04/2022)*	100.00	100.00	100.00	100.00	100.00
d) Government of India under KfW Loans	3.07	4.24	4.89	5.47	6.04
e) Others	-	7.72	8.64	26.37	85.57
Sub-Total 'D'	6,794.94	3,818.95	6,462.53	7,449.02	3,761.28
TOTAL (RUPEE - UNSECURED)	**16,665.90**	**13,724.91**	**16,884.67**	**16,813.12**	**10,966.25**

* Net of unamortised discount	895.05	907.64	919.11	929.63	-
# Including cumulative interest on Infrastructure bonds	155.20	86.77	21.76	-	-
@ Including cumulative interest on Subordinate Bonds	20.38	9.67	-	-	-
** Put/ Call Option applicable on Bonds	2237.78	2,943.70	2,721.41	1,096.55	756.85
## Put/ Call Option applicable on Bank Borrowings	1180.00	315.00	465.00	1,433.33	-

Foot-notes to Note no. 3

1 GOI had the option of converting the debentures, wholly or partly into fully paid equity shares of IFCI Limited, at par, at any time during the currency of debentures subject to compliance with provisions of SEBI guidelines, in respect of preferential allotment. GOI exercised the conversion option during the previous year and the Company has accordingly allotted 40 crore equity shares of ₹10 each of IFCI Limited at par in favour of GOI in October, 2012.

2 Privately placed Bonds of ₹6,479.60 crore shown at 3.1(B)(ii) above includes ₹1,643.27 crore 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 rolled over erstwhile government guaranteed bonds are clustered under Privately Place Bonds as on March 31, 2014 above.

3 Loan from GOI was to be issued in the form of 0.1% Optionally Convertible Debentures redeemable on 28.03.2023 had a right of recompense on par with other stakeholders. During the previous year, OCDs of ₹523 crore were issued in favour of GOI as approved in the EGM of Company held on December 5, 2012. GOI having exercised the option of conversion during the previous year, the Company has allotted 52.30 crore equity shares of ₹10 each of IFCI Ltd at par in favour of GOI in December, 2012.

3.2 RUPEE - SECURED

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Term Loan					
Banks (*refer foot note 1*)	58.92	63.31	151.47	93.63	-
Bonds (*refer foot note 2)*	25.10	137.40	100.00	-	-
Tax Free Bonds (*refer foot note 3*)	265.00	-	-	-	-
TOTAL (RUPEE - SECURED)	**349.02**	**200.71**	**251.47**	**93.63**	**-**

Foot-notes:

1 Loan from Banks of are secured by hypothecation of Book debts of IFCI Venture Capital Funds Ltd and IFCI Factors Ltd. on pari passu basis.

2 Bonds are secured by pari-passu charge on the receivables of IFCI Venture Capital Fund Ltd., to the extent of 125% of the outstanding bonds at any point of time during the currency of the bonds.

3 Tax Free Bonds of ₹ 265 crore outstanding as on March 31, 2014 secured against receivables of IFCI ltd.

3.3 FOREIGN CURRENCIES - UNSECURED

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) **KfW Line** - Guaranteed by Government of India	570.51	504.06	516.23	504.49	502.49
TOTAL (FOREIGN CURRENCIES)	**570.51**	**504.06**	**516.23**	**504.49**	**502.49**
TOTAL LONG-TERM BORROWINGS	**17,585.43**	**14,429.68**	**17,652.37**	**17,411.24**	**11,468.74**

4 LONG-TERM LIABILITIES

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Funds placed with the Corporation					
a) Jute Development Fund (placed by Govt. of India)	4.58	4.32	4.14	3.95	3.87
b) Employees' Provident Fund	46.70	39.53	38.50	33.47	27.58
c) Staff Welfare Fund	2.90	3.46	3.63	4.16	4.20
(B) Interest accrued but not due on bonds & borrowings	19.48	17.83	16.44	-	-
(C) Other Liabilities (security deposits)	37.39	15.48	6.89	-	0.82
TOTAL	**111.05**	**80.62**	**69.60**	**41.58**	**36.47**

5 LONG-TERM PROVISIONS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Provision for standard and securitised assets	78.67	41.14	129.42	123.58	109.88
(B) Employee Benefits	19.10	12.45	18.51	18.86	13.68
(C) Claims & Expenses	24.45	-	-	-	-
TOTAL	**122.22**	**53.59**	**147.93**	**142.44**	**123.56**

6 SHORT-TERM BORROWINGS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Secured					
(A) Loan from banks repayable on demand *(refer footnote 1)*	185.00	249.00	61.50	244.00	-
(B) Loans *(refer footnote 1)*					
- from banks	-	135.00	155.00	121.00	-
- from others	10.00	77.96	33.82	-	0.80
(C) Bonds *(refer footnote 2)*	-	25.00	-	-	-
(D) Collaterised Borrowings Lending Operations (CBLO)	84.76	-	299.54	-	-
(E) Cash Credit - From Banks *(refer footnote 4)*	70.11	148.43	284.70	75.22	-
(F) Corporate Bond Repo *(refer footnote 5)*	199.90	-	-	-	-
Unsecured	-				
(A) Bank Overdraft	41.33	0.01	49.99	-	221.56
(B) Loans	28.98	-	-	-	-
(C) Commercial Paper	-	74.67	189.91	-	-
TOTAL	**620.08**	**710.07**	**1,074.46**	**440.22**	**222.36**

Foot-notes

1 Secured by way of pari-passu charge on receivables of IFCI Factors Ltd. by way of hypothecation.
2 Secured by way of charge on the receivables of IFCI Venture Capital Ltd.
3 Secured against Treasury Bills/ Govt. Securities held by IFCI ltd.
4 Secured by way of charge on the receivables/pledge of bank fixed deposits/ pari-passu charge on receivables by way of hypothecation of the respective subsidiary company.
5 Secured against Corporate Bonds.

7 TRADE PAYABLES

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Sundry Creditors					
(i) Total outstanding dues to Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	135.32	222.52	283.30	166.70	65.38
(B) Contractual Laibility against Sundry Debtors Collection	233.34	239.00	302.60	172.81	82.95
TOTAL	**368.65**	**461.52**	**585.90**	**339.51**	**148.33**

8 OTHER CURRENT LIABILITIES

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Current maturities of Long-term debt					
(i) Rupee	3,299.67	3,705.76	3,540.24	1,783.84	1,862.37
(ii) Foreign Currencies	29.21	24.55	23.96	22.36	31.69
Sub - Total 'A'	**3,328.88**	**3,730.31**	**3,564.20**	**1,806.20**	**1,894.06**
(B) Others					
(i) Interest accrued but not due on bonds and borrowings *(refer note 4(B))*	458.91	428.98	431.65	477.38	405.56
(ii) Income received in Advance	32.28	93.29	59.93	5.68	2.24
(iii) Unclaimed Dividend *	10.41	7.96	3.71	3.79	
(iv) Unpaid Matured Debentures	1.25	2.67	2.62	4.56	92.24
(v) Interest accrued on Unpaid Matured Debentures	-	-	-	0.69	2.91
(vi) Other Liabilities (trade deposits and other payables)	572.61	350.75	346.91	500.08	288.68
Sub - Total 'B'	**1,075.46**	**883.65**	**844.82**	**992.18**	**791.63**
TOTAL	**4,404.34**	**4,613.96**	**4,409.02**	**2,798.38**	**2,685.69**

* will be credited to Investor Education and Protection Fund if not claimed within seven years from the date of issue of dividend

CURRENT MATURITIES OF LONG-TERM DEBT
RUPEE - UNSECURED

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) **Bonds**					
i) Guaranteed by Government of India and redeemable at par	-	195.50	297.41	108.11	400.00
ii) Privately Placed Bonds	648.01	955.76	348.31	313.08	624.10
Sub-Total 'A'	648.01	1,151.26	645.72	421.19	1,024.10

(B) **Other Long Term Borrowings**					
a) Banks	2,548.47	2,438.18	2,759.84	1,294.56	758.33
b) Government of India under KfW Loans	20.06	18.89	18.24	17.66	17.09
c) Others	7.72	-	28.65	49.20	62.85
Sub-Total 'B'	2,576.25	2,457.07	2,806.73	1,361.42	838.27
(C) Funds placed with the Corporation - Employees' Provident Fund	-	2.72	1.94	1.23	-
(D) Other Liabilities (security deposits)	1.01	4.30	-	-	-
TOTAL (RUPEE - UNSECURED)	**3,225.27**	**3,615.35**	**3,454.39**	**1,783.84**	**1,862.37**

RUPEE - SECURED

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Term Loan					
- From Banks	74.40	49.11	85.85	-	-
- Others	-	5.30	-	-	-
TOTAL (RUPEE - SECURED)	**74.40**	**54.41**	**85.85**	**-**	**-**

FOREIGN CURRENCIES - UNSECURED

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
KfW Line - Guaranteed by Government of India	29.21	24.55	23.96	22.36	31.69
TOTAL (FOREIGN CURRENCIES)	**29.21**	**24.55**	**23.96**	**22.36**	**31.69**

9 SHORT-TERM PROVISIONS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Provision for standard and securitised assets	4.97	-	-	-	-
(B) Employee Benefits	3.53	3.87	1.32	0.55	0.34
(C) Claims & Expenses	1.65	11.33	8.98	8.90	0.00
(D) Proposed Dividend	166.20	166.20	73.80	73.80	73.78
(E) Corporate Dividend Tax	28.76	28.76	13.77	11.97	12.30
TOTAL	**205.11**	**210.16**	**97.87**	**95.22**	**86.42**

10 FIXED ASSETS - TANGIBLE ASSETS

(₹ crore)

Gross Block	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Owned Assets					
Freehold Land	132.39	132.39	132.39	131.37	166.32
Leasehold Land	330.49	327.12	298.97	298.97	460.45
Buildings	1119.51	1,005.74	986.32	890.12	876.14
Leasehold Improvements	5.32	3.29	3.29	-	-
Plant & Machinery	86.43	32.96	29.61	10.75	6.29
Furniture & Fixtures	59.19	37.47	33.43	15.62	15.89
Vehicles	5.69	4.04	3.99	3.67	3.25
Office Equipments	111.35	18.97	19.15	17.13	22.58
Electrical Installations and Equipments	26.37	25.86	24.74	24.49	20.46
Leased Assets					
Plant & Machinery	197.92	197.92	197.92	217.32	251.00
TOTAL	**2,074.66**	**1,785.76**	**1,729.81**	**1,609.44**	**1,822.38**

Accumulated Depreciation	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Owned Assets					
Freehold Land	-	-	-	-	-
Leasehold Land	39.65	30.45	25.20	20.25	15.31
Buildings	178.77	132.47	108.46	87.58	71.44
Leasehold Improvements	4.01	1.32	0.66	-	-
Plant & Machinery	32.06	10.83	6.74	4.66	3.73
Furniture & Fixtures	31.49	14.69	10.23	5.87	7.11
Vehicles	4.02	2.35	1.99	1.78	1.24
Office Equipments	89.75	14.26	13.07	11.51	14.04
Electrical Installations and Equipments	12.80	10.95	8.65	6.07	6.70
Leased Assets					
Plant & Machinery	197.92	197.92	185.69	181.17	193.21
TOTAL	**590.47**	**415.24**	**360.69**	**318.89**	**312.78**

Net Block	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Owned Assets					
Freehold Land	132.39	132.39	132.39	131.37	166.32
Leasehold Land	290.84	296.67	273.77	278.72	445.14

Buildings	940.75	873.27	877.86	802.54	804.70
Leasehold Improvements	1.31	1.97	2.63	-	-
Plant & Machinery	54.37	22.13	22.87	6.09	2.56
Furniture & Fixtures	27.70	22.78	23.20	9.75	8.78
Vehicles	1.67	1.69	2.00	1.89	2.01
Office Equipments	21.60	4.71	6.08	5.62	8.54
Electrical Installations and Equipments	13.57	14.91	16.09	18.42	13.76
Leased Assets					
Plant & Machinery	-	-	12.23	36.15	57.79
TOTAL	**1,484.19**	**1,370.52**	**1,369.12**	**1,290.55**	**1,509.60**

11 FIXED ASSETS - INTANGIBLE ASSETS

(₹ crore)

Gross Block	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Computer Software	36.29	6.85	6.35	5.71	1.31
Non-compete Fee	0.99	0.99	0.99	0.99	-
Membership Card	0.32	0.32	0.32	0.32	-
TOTAL	**37.60**	**8.16**	**7.66**	**7.02**	**1.31**

Accumulated Depreciation	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Computer Software	32.71	4.92	3.90	2.90	0.44
Non-compete Fee	0.99	0.99	0.99	0.67	-
Membership Card	0.32	0.32	0.32	0.21	-
TOTAL	**34.02**	**6.23**	**5.21**	**3.78**	**0.44**

Net Block	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Computer Software	3.58	1.93	2.45	2.81	0.87
Non-compete Fee	-	-	-	0.32	-
Membership Card	-	-	-	0.11	-
TOTAL	**3.58**	**1.93**	**2.45**	**3.24**	**0.87**

12 NON-CURRENT INVESTMENTS (NON-TRADE)

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
A. QUOTED					
1. Equity Shares					
a) Associates	199.98	188.07	165.16	129.90	105.37
b) Assistance under financing	391.51	838.40	872.55	632.60	676.12
c) Others	931.63	1,010.92	784.75	371.30	177.70
	1,523.12	**2,037.39**	**1,822.46**	**1,133.80**	**959.19**
2. Bonds	135.83	230.37	230.45	230.53	230.79
3. Government Securities	48.87	-	-	-	-
3. Warrants	-	0.03	-	-	-
4. Units	0.01	0.51	0.51	0.51	0.51
B. UNQUOTED					
1. Equity Shares					
a) Associates	19.51	333.01	320.89	13.37	10.12
b) Joint Venture	0.01	0.01	0.01	-	-
c) Assistance under financing	2,280.01	2,100.09	2,493.99	1,716.69	1,081.19
d) Others	85.21	77.77	76.27	307.09	486.02
	2,384.74	**2,510.88**	**2,891.16**	**2,037.15**	**1,577.33**
2. Preference shares	365.40	381.21	386.61	489.93	480.30
3. Debentures/ Bonds					
a) Joint Venture	2.64	2.64	2.64	-	-
	2.64	**2.64**	**2.64**	**-**	**-**
4. Security Receipts	51.96	64.07	70.43	96.78	133.92
5. Bonds	19.62	-	-	-	-
6. Warrants	-	-	0.06	0.06	-
7. Government Securities	400.00	400.00	400.01	400.01	400.01
8. Units	337.43	340.84	363.61	234.92	98.35
TOTAL	**5,269.62**	**5,967.94**	**6,167.94**	**4,623.69**	**3,880.40**
Less: Provision for Diminution in value	686.61	567.46	568.95	507.45	454.99
TOTAL	**4,583.01**	**5,400.48**	**5,598.99**	**4,116.24**	**3,425.41**

13 DEFERRED TAX ASSET (NET)

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Unabsorbed Business Loss *	-	-	-	30.57	187.51
(B) Unabsorbed Depreciation *	-	-	-	55.43	56.75
(A) Provision against Loans/ Advances & other Assets	780.20	754.05	845.91	954.92	1,198.01
(B) Timing difference in Depreciable Assets	(82.29)	(36.06)	(39.39)	(49.16)	(63.79)
(C) Other Timing Differences	15.65	14.23	34.16	30.92	9.90
TOTAL	**713.56**	**732.22**	**840.68**	**1,022.68**	**1,388.38**

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

14 LONG-TERM LOANS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Loans to Assisted Concerns	15,008.15	9,292.91	11,281.28	12,615.55	9,841.03
(B) Debentures	2,919.62	2,940.46	2,693.10	1,708.00	791.79
(C) Loan to Associates	15.38	42.05	71.22	62.00	2.75
(D) Lease Rental Receivable	2.40	2.38	7.79	8.28	8.25
(E) Other Institutions	-	-	-	0.06	0.06
	17,945.55	12,277.80	14,053.39	14,393.89	10,643.88
(i) Considered good					
- Secured	*16,493.37*	*10,537.67*	*12,082.10*	*12,014.35*	*7,538.81*
- Unsecured	*97.10*	*97.10*	*97.10*	*97.10*	*97.10*
(ii) Considered doubtful	*1,355.08*	*1,643.03*	*1,874.19*	*2,282.44*	*3,007.97*
	17,945.55	12,277.80	14,053.39	14,393.89	10,643.88
Less: Allowance for bad and doubtful assets					
- Loans	1,265.59	1,485.85	1,673.00	2,014.02	2,783.25
- Debentures	89.49	157.18	201.19	268.42	224.72
	1,355.08	*1,643.03*	*1,874.19*	*2,282.44*	*3,007.97*
TOTAL	**16,590.47**	**10,634.77**	**12,179.20**	**12,111.45**	**7,635.91**

15 LONG-TERM LOANS & ADVANCES - OTHERS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Capital Advances	5.92	0.46	5.76	3.84	16.19
(B) Security Deposits	54.10	9.32	1.42	1.36	12.93
(C) Advance Tax paid (net of provisions)	69.39	54.46	62.87	192.40	180.81
(D) MAT Credit Entitlement	131.89	148.67	186.97	186.97	186.97
(E) Other Deposits/ Loan					
- Considered good	5.00	-	-	-	-
(F) Other Loans and advances					
(a) Loans to Staff (Secured - considered good)	12.95	13.34	13.40	10.33	9.12
(b) Others (Unsecured)					
- Considered good	5.26	0.90	6.11	-	0.88
- Considered doubtful	0.37	-	-	-	-
Less: Allowance for bad and doubtful debts	(0.42)	-	-	-	-
TOTAL	**284.47**	**227.15**	**276.53**	**394.90**	**406.90**

16 OTHER NON-CURRENT ASSETS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Accrued Income	4.55	4.57	4.53	4.23	3.81
(B) Assets aquired in settlement of dues and held for sale	-	-	-	0.07	0.07
(C) Unamortised Share Issue Expenses/ premilinery exp.	1.81	2.72	6.98	-	-
TOTAL	**6.36**	**7.29**	**11.51**	**4.30**	**3.88**

17 CURRENT INVESTMENTS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
A. QUOTED					
1. Equity Shares	7.39	5.94	42.56	6.28	42.21
2. Government Securities	0.65	-	-	-	66.94
3. Treasury Bills	47.92	-	302.81	-	-
4. Units of Mutual Funds	20.00	-	-	22.90	126.50
	75.96	**5.94**	**345.37**	**29.18**	**235.65**
B. UNQUOTED					
1. Bonds	1,269.06	1,255.17	48.00	50.85	216.98
2. Commercial Paper	-	-	140.11	205.26	138.79
3. Certificate of Deposit	492.04	1,186.15	947.72	1,227.44	761.12
	1,761.10	**2,441.32**	**1,135.83**	**1,483.55**	**1,116.89**
C. APPLICATION MONEY					
1. Equity shares					
i) Subsidiaries	0.02	0.02	0.02	0.02	0.02
ii) Associates	-	-	26.34	-	
ii) Others	12.92	205.30	114.59	159.16	57.26
2. Preference shares	15.57	15.57	17.11	15.61	15.61
3. Units	-	-	2.50	-	-
	28.51	**220.89**	**160.56**	**174.79**	**72.89**
TOTAL	**1,865.57**	**2,668.15**	**1,641.76**	**1,687.52**	**1,425.43**
Less: Provision	47.10	53.22	32.66	27.33	28.18
TOTAL	**1,818.47**	**2,614.93**	**1,609.10**	**1,660.19**	**1,397.25**

18 TRADE RECEIVABLES

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Secured					
- More than 6 months	3.96	3.18	-	-	-
- Others	84.11	15.48	163.12	54.28	20.25
(B) Unsecured					
- More than 6 months	240.95	51.25	51.74	57.07	10.18
- Others	737.69	1,364.87	1,182.72	807.72	457.12
	1,066.70	1,434.78	1,397.58	919.07	487.55
Less: Allowance for bad and doubtful debts	(81.91)	(23.78)	(21.83)	(3.12)	(2.78)
TOTAL	**984.79**	**1,411.00**	**1,375.75**	**915.95**	**484.77**
Out of the above,					
(i) Considered good	984.79	1,411.00	1,375.75	915.95	484.77
(ii) Considered doubtful	81.91	23.78	21.83	3.12	2.78
	1,066.70	1,434.78	1,397.58	919.07	487.55

19 CASH & CASH EQUIVALENTS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Balances with Banks					
- Bank balance	538.13	25.66	39.99	63.42	53.99
- Unclaimed dividend Account	10.37	7.96	3.71	3.79	-
- Balances with Banks held as margin money/ security against guarantees	165.98	36.01	22.95	8.87	0.49
- Bank Deposits *	355.29	527.67	373.14	512.44	83.83
(B) Cheques on hand & under collection and remittances in transit	17.12	0.48	28.30	26.53	2.22
(C) Cash in hand (including postage stamps)	8.72	0.06	0.03	0.06	0.03
TOTAL	**1,095.62**	**597.84**	**468.12**	**615.11**	**140.56**
* includes deposits with more than 12 months remaining maturity	132.13	6.37	12.41	11.03	-

20 CURRENT MATURITIES OF LONG-TERM LOANS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Loans to Assisted Concerns	1,870.46	3,538.77	4,335.09	3,475.64	2,572.82
(B) Debentures	528.80	316.28	520.32	25.91	142.98
(C) Loan to Associates	26.67	26.67	-	-	-
	2,425.93	3,881.72	4,855.41	3,501.55	2,715.80

(i) Considered good					
- Secured	*2,425.93*	*3,881.72*	*4,855.41*	*3,501.55*	*2,715.80*
- Unsecured	-	-	-	-	-
(ii) Considered doubtful	-	-	-	-	-
	2,425.93	3,881.72	4,855.41	3,501.55	2,715.80
Less: Allowance for bad and doubtful assets					
- Loans	31.77	1.13	-	-	-
TOTAL	**2,394.16**	**3,880.59**	**4,855.41**	**3,501.55**	**2,715.80**

21 SHORT-TERM LOANS & ADVANCES - OTHERS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Security Deposits	0.98	-	-	-	-
(B) Advance Tax paid	3.48	(2.79)	-	-	(0.28)
(C) Other Deposits/ Loan					
- Considered good	-	-	500.00	-	-
- Considered doubtful	12.12	12.12	-	-	-
Less: Allowance for bad and doubtful debts	(12.12)	(12.12)	-	-	-
(D) Other Loans and advances					
(a) Loans to Staff (Secured - considered good)	1.57	0.22	3.36	5.97	1.70
(b) Others (Unsecured)	-	-	-	-	1.07
- Considered good	39.61	114.98	55.51	205.61	15.07
- Considered doubtful	1.00	1.48	1.00	1.00	1.00
Less: Allowance for bad and doubtful debts	(1.00)	(1.48)	(1.00)	(1.00)	(1.00)
TOTAL	**45.64**	**112.41**	**558.87**	**211.58**	**17.56**

22 OTHER CURRENT ASSETS

(₹ crore)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(A) Accrued Income					
(i) Interest and commitment charges on Loans	83.04	64.59	105.45	84.69	53.83
(ii) Interest on Debentures	95.33	45.77	37.45	27.70	7.60
(iii) Interest on Investments	43.34	32.51	36.43	25.32	22.64
(iv) Other Income	26.96	32.76	16.68	29.34	27.62
(B) Sundry Deposits	7.57	6.63	7.29	16.37	37.25
(C) Forward Deal Outstanding	-	-	19.99	13.40	-
(D) Due from Gratuity Fund	-	1.16	0.00	-	-
(E) Pre-paid Expenses	5.02	2.18	2.37	2.21	1.64
(F) Advance receivable in cash or in kind	58.74	17.59	8.45	-	-
(G) Unamortised Share Issue Expenses/ premilinery exp.	-	1.23	0.71	0.02	0.02
TOTAL	**319.99**	**204.42**	**234.82**	**199.05**	**150.60**

23 REVENUE FROM OPERATIONS

(₹ crore)

Particulars			Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Interest Income						
	(i)	Loans	1,733.93	1,867.35	2,041.66	1,745.04	1,052.30
	(ii)	Debentures	441.81	359.77	253.71	115.42	35.71
	(iii)	Income from deployment of liquid funds	265.54	224.23	206.35	65.75	69.21
	(iv)	Interest on Bonds/ Government Securities/ other contratual obligation	174.45	96.52	77.76	80.34	92.68
	(v)	Lease Rentals etc.	1.52	10.14	27.09	27.58	8.62
	(vi)	Lease Equalisation Account	-	(12.23)	(23.91)	(21.65)	(17.47)
	SUB-TOTAL (A)		2,617.25	2,545.78	2,582.66	2,012.48	1,241.05
(B)	Other Financial Services						
	(i)	Income from Acquired Non-performing	18.11	41.28	37.20	10.27	1.66
	(i)	Dividend (Gross)					
		- non-current	52.45	36.84	46.96	32.92	63.91
		- current	1.21	0.14	0.45	0.74	0.03
	(ii)	Profit on sale of Shares/ Debentures (Net)					
		- Assistance under financing - non-current	320.99	210.45	106.59	303.12	304.67
		- Investments - non-current	50.17	29.31	24.57	33.54	31.37
		- Investments - current	0.28	2.68	1.20	22.89	22.24
	(iii)	Business Services Fees and Commission (including guarantee	324.65	72.67	99.49	79.63	51.78
	(iv)	Exchange Fluctuation Gains/ (Loss)	(2.03)	(1.43)	(2.22)	(1.22)	1.38
	(v)	Provision/ Liability no longer required written back	34.69	25.59	124.02	48.16	-
	SUB-TOTAL (B)		800.52	417.53	438.26	530.05	477.03
(C)	Sale proceeds of stock in trade		175.02	184.28	68.83	19.34	20.13
	TOTAL (A+B)		3,592.79	3,147.59	3,089.75	2,561.87	1,738.21

24 OTHER INCOME

(₹ crore)

Particulars		Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Interest on staff advances	0.71	0.91	0.98	2.57	0.58
(B)	Profit on sale of fixed assets (Net)	0.03	(0.04)	1.12	34.09	(3.92)
(C)	Rental Income	33.33	20.84	21.75	22.95	18.55
(D)	Dividend from Associates	4.19	8.84	-	-	-
(E)	Miscellaneous Income	8.59	10.53	17.17	4.07	4.10
	TOTAL	46.85	41.08	41.02	63.68	19.31

25 FINANCE COST

(₹ crore)

	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Interest on Rupee Bonds and Borrowings *	1,703.43	1,871.75	1,919.84	1,299.60	867.28
(B)	Interest on Foreign Currency Borrowings	43.87	36.14	22.57	10.72	15.02
(C)	Interest on Bank Overdraft	2.96	2.48	0.68	0.95	1.01
(D)	Other Interest (Jute Development Fund, Provident Fund & Corporate Social	4.75	4.52	4.10	6.02	2.08
(E)	Commitment Charges, Brokerage, Commission and other costs	6.95	3.80	8.45	13.00	3.70
	TOTAL	**1,761.96**	**1,918.69**	**1,955.64**	**1,330.29**	**889.09**

* Financial Year 2013-14 'includes interest of ₹1.28 crore pertaining to previous years

26 EMPLOYEE BENEFIT EXPENSES

(₹ crore)

	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Salaries and Allowances	135.11	63.06	71.82	65.05	46.46
(B)	Contribution to Retirement Funds	28.07	21.98	17.99	19.16	22.27
(C)	Staff Welfare Expenses	9.77	4.18	4.29	3.73	3.41
(D)	Employee Compensation Expenses (ESOP)	0.44	0.91	0.45	-	-
	TOTAL	**173.40**	**90.13**	**94.55**	**87.94**	**72.14**

27 OTHER EXPENSES

(₹ crore)

	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Rent	11.83	2.03	2.74	2.06	1.21
(B)	Rates and Taxes	7.71	6.03	3.40	3.28	2.98
(C)	Insurance	2.35	0.68	0.57	0.55	0.19
(D)	Repairs and Maintenance					
	- Buildings	11.21	12.51	9.44	17.82	14.91
	- IT	13.95	1.60	1.20		0.11
	- Others	4.08	1.55	1.48	1.30	0.97
(E)	Electricity & Water Charges	14.99	7.26	5.78	3.76	4.03
(F)	Security	2.02	2.03	2.55	-	1.80
(G)	Payment to Auditors	1.10	0.45	0.44	0.32	0.30
(H)	Directors' Fee & Expenses	1.01	0.95	0.43	0.08	0.30
(I)	Publications, Advertisement & Business Development *(refer foot-note 1)*	2.24	5.02	7.37	9.73	8.05

(J)	Consultation and Law Charges *(refer foot-note 1)*	13.30	9.41	12.68	14.09	8.52
(K)	Commission	12.81	2.65	2.46	0.82	0.13
(L)	Travelling & Conveyance	4.68	3.54	5.45	5.67	4.05
(M)	Training & Development	18.80	6.70	10.77	4.03	3.28
(N)	Postage & Telephone	11.25	2.52	2.78	2.42	2.44
(O)	Printing & Stationery	5.18	1.15	2.24	-	2.73
(P)	Listing/ Filing/ Custody Fee	6.15	1.54	1.16	-	0.97
(Q)	Other Miscellaneous Expenses *(refer foot-note 2)*	36.25	13.62	9.66	27.09	7.61
	TOTAL	**180.90**	**81.24**	**82.60**	**93.02**	**64.58**

Foot-notes to Note no. 27

1 Expenditure of Financial Year 2012-13 is net of expenditure booked during the previous years, reversed and debited to loan account as the same is recoverable from assisted concerns (Publications & Advertisement - ₹0.51 crore; Consultation and Law Charges - ₹0.94 crore)

2 Financial Year 2013-14 includes ₹0.99 crore paid to an architect for redevelopment of a property, held under CWIP, now written-

28 PROVISION FOR BAD & DOUBTFUL ASSETS AND OTHERS (NET OF WRITE OFF)

(₹ crore)

	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
(A)	Loans & Advances					
	- Provision Reversal on recovery from NPAs	(31.40)	(152.21)	(177.51)	(186.23)	(457.12)
	- Write-off	676.98	462.77	240.08	519.94	284.76
	Less transfer from provision held for bad & doubtful debts	(651.20)	(447.44)	(236.39)	(513.81)	(284.61)
	- Provision for assets	512.85	282.11	57.71	18.97	2.25
	- Provision u/s 36(1)(viia)(c) of Income Tax Act, 1956	1.47	4.29	(32.86)	21.81	15.00
(B)	Investments					
	- Provision Reversal	(13.87)	(4.94)	67.07	0.12	-
	- Write-off	0.03	0.13	-	-	-
	- Provision made	106.81	25.95	(0.30)	(0.84)	0.07
	- Provision - mark to market	19.02	(0.41)	-	-	(5.98)
(C)	Debtors					
	- Write-off	0.18	7.64	-	-	0.04
	- Provision made	1.61	2.00	-	-	-
(D)	Other Loans & Advances	-	12.12	-	-	-
	TOTAL	**622.48**	**192.01**	**(82.20)**	**(140.04)**	**(445.59)**

Annexure – IV :

A. SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2013-14

1. The consolidated financial statements have been prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" notified under Rule 3 of the Companies (Accounting Standards) Rules, 2006.

1.1 Principles of consolidation

The consolidated financial statements relate to IFCI Ltd. ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions resulting in unrealized profit or losses.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- The excess of cost to the Company of its investment in a subsidiary company over the Company's portion of the equity of the subsidiary at the date on which investment in subsidiary is made is recognized in the financial statements as goodwill.

1.2 The subsidiaries considered in the preparation of these consolidated financial statements are given in the notes on accounts (no. 1(a)).

2. Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on a going concern basis, on historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India which encompasses applicable accounting standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act, 1956 and Companies Act, 2013, the applicable guidelines issued by the Reserve Bank of India (RBI), other statutory provisions and regulatory framework. The Company adopts the accrual concept in the preparation of accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates and assumptions

3. Revenue Recognition

(a) Interest and other dues and Income from factoring services are recognized on accrual basis except in the case of income on Non-Performing Assets (NPA) and commission income on IPO and FPO where income is accounted on realisation basis as per the prudential norms prescribed by the RBI.

(b) Interest earned on fixed income bearing securities is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.

(c) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates, LC Commission and Insurance Commission from Agency business are accounted for on cash basis.

(d) Income from Merchant Banking/ Loan Syndication Fees, Depository Services and Dividends are accounted for as income, once the right to receive is established.

(e) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees.

(f) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(g) Interim returns by promoter/ promoter group companies at a pre-agreed rate of return, as per buy-back agreements, on certain equity investments are taken to income on receipt basis.

(h) Surplus/ gains on sale of investments is net of losses thereon.

(i) Broking Income is recognised on the trade date of the transaction upon confirmation of the transactions by the Exchanges.

(j) Commission from selling of Mutual Funds, Fee income from Portfolio Management and advisory services and fees for project advisory and execution services is accounted for on accrual basis.

(k) Units generated from windmills are sold to the Tamil Nadu Electricity Board (TNEB) at agreed rates and the income is included in the value of power generated from windmills.

(l) Processing fee received in respect of loans is accounted for in the year in which the loan is disbursed.

(m) Revenue from real estate development of constructed properties is recognised based on the "percentage of completion method". Sale consideration as per the legally enforceable Agreements to Sell entered into is recognised as revenue based on the percentage of actual project costs incurred to total estimated project cost, subject to following:

(i) Actual cost incurred is not less than 30 percent of the total estimated project cost.
(ii) No significant uncertainty exists regarding receipt of consideration from the customers
(iii) In case of overdue, on actual realisation basis.
(iv) All significant risks and rewards are transferred to the customer.

Project cost includes cost of land, estimated cost of construction and development of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates recognised in the period such changes are determined.

(n) Revenue from hospitality services is recognised on accrual basis.

(i) Selling price is determined on the basis of published rack rate less discount offered to customers
(ii) Income in foreign exchange: The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills, is credited and accounted for at the rate/ rates prevalent on the date of receipt of payment. The gains/ losses arising out of the fluctuation in the exchange rates are accounted for on realization.

(o) Revenue from external project services is recognised based on the Cost plus method. A fixed mark up percentage is added to the cost incurred towards construction and the total is recognised as revenue. The stage of completion is determined on the basis of work completion certificate obtained from the engineer/ architect.

(p) Revenue from sale of property held as stock-in-trade is recognised upon transfer of possession or execution of sale deed, whichever is earlier.

(q) Income & Expenses on Project Consultancy, Entrepreneurship Development Trainings etc. under the Grants-In Aid (G.I.A)/ similar other programmes awarded by the Central/ State Govt. Department/ Other Agencies are accounted were accounted for as per approved accounting policy of the company in accordance with AS-9 "Revenue Recognition" of ICAI.

(r) Custodial fees are accrued monthly on the basis of daily/weekly average holdings in custody or the net asset value of holdings/assets under management in the electronic segment.

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.

Annual maintenance charges received from beneficiary account holders/clearing members for depository services are amortised on time proportion basis over the period of contract.

Charges collected on cheques dishonored/ bounced are recognised on actual basis.

Income from digitisation and software services is recognised on percentage completion method. Income from software products is recognised on either delivery or installation of product.

4. 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.

5. Investments

(a) Investments are classified under two categories i.e. current and long term and are valued in accordance with the RBI Guidelines as applicable to Non-Banking Financial Companies (NBFCs).

(i) ‘Long term Investments’ are carried at acquisition cost. The RBI Guidelines prescribe Accounting Standard 13 on ‘Accounting for Investments’ for valuation of long-term investments. Accordingly, provision is made for diminution other than temporary on an individual basis. However, long term investment in equity shares with firm buy- back commitment are assessed for diminution other than temporary only when there is a default in buy-back commitment by the promoter/ promoter group and provision is made accordingly on individual basis.

(ii) ‘Current Investments’ are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.

(iii) In case of IFCI Venture Capital Funds Ltd., short term investments are valued on the aggregate value of each category of investment.

(b) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(c) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

(d) Bonds in the nature of current investment are valued in accordance with the calculators provided on the FIMMDA platform for the purpose.

6. Derivatives

(a) Equity Index/ Stock Futures /Commodity/ Currency Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/ Stock Futures and Currency Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:
- The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the statement of profit and loss.
- The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the statement of profit and loss.
- Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock Futures/ Commodity/ Currency Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures/ Commodity/ Currency Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

7. Foreign Exchange Transactions

(a) The expenses and income in foreign exchange transactions are accounted for at the rates prevailing on the date of transactions/ at the forward rate, if booked, for such transaction. Gains/ losses arising out of fluctuation in exchange rates on settlement other than those relating to fixed assets are recognised in the Statement of Profit & Loss.

(b) Assets and liabilities held in foreign currencies and accrued income and expenditure in foreign currencies are translated into Indian Rupees at the rates advised by Foreign Exchange Dealers Association of India (FEDAI) prevailing towards the close of the accounting period. Gains/ losses, if any, on valuation of various assets and liabilities are taken to Statement of Profit & Loss. Premium/ discount on hedging transactions is spread over the period to which it relates.

(c) Foreign currency balances pertaining to Hospitality Business have been converted at the closing TT buying rate at the year end.

8. Tangible Fixed Assets and Depreciation

(a) Fixed Assets are carried at historical cost (including capitalized interest) less accumulated depreciation and impairment loss, if any.

(b) Cost includes purchase price and all other directly attributable costs of bringing the assets to the working condition for intended use. Costs of self constructed fixed assets (including work-in-progress) comprise those costs that relate directly to the specific asset and those, which are attributable to the construction activity in general and can be allocated to the specific asset. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the statement of profit and loss.

(c) Depreciation on assets given on lease is provided on Straight Line Method (SLM) over the useful life of the asset as prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.

(d) Leasehold Land is amortized over the lease period.

(e) Depreciation on increase in the value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset. An equal amount is withdrawn from the revaluation reserve and adjusted against the depreciation on revalued value of assets.

(f) Leasehold Improvements are amortized over the remaining lease period.

(g) Mobile phones are fully depreciated in the year of acquisition itself.

(h) In the case of IFCI Factors Ltd and SHCIL Services Ltd., and SHCIL Projects only for its plant and machinery, depreciation has been provided on the basis of straight line method, as per Schedule XIV of the Companies Act, 1956.

(i) Depreciation on all other assets is provided on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956 except in respect of Office Building and Plant & Machinery at Corporate Office which is provided on SLM.

(j) Depreciation is calculated on a pro-rata basis, including the month of addition and excluding the month of sale/ disposal. Assets having individual value of less than ₹ 5,000/- are charged to the Statement of Profit & Loss in the year of purchase.

(k) In case of SHCIL, computer software which forms an integral part of the related hardware is capitalised along with the hardware as fixed asset. Following assets are depreciated over estimated useful life as under:

Computer Hardware	4 years
Computer Software	3 years
Vehicles	3 years

(l) In case of SHCIL Services, depreciation on motor cars has been changed from 9.50% to 33.33% from 01.04.2013. Further, the following depreciation rates have been used for fixed assets:

Particulars	Rate
Furniture & Fixtures	6.33%
Office equipment	4.75%
Plant & Machinery	4.75%
Motor Car	33.33%
Computer Hardware	33.33%
Computer Software	33.33%

9. Intangible assets and amortization

(a) In case of IFCI Financial Services Ltd., intangible assets are recognised if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the Statement of Profit & Loss.

(b) Intangible assets are recorded at the consideration paid for acquisition. Consideration 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.

Intangible assets include computer software having perpetual license and are amortized @40% per annum on Written Down Value (WDV) method under Schedule XIV of the Companies Act, 1956. However, in the case of intangible assets consisting of Computer software with indefinite period utility/ user rights and having a useful life lasting with that of the equipment have been capitalized with the cost of computer. Software carrying an identifiable utility of at least five years is amortized on a straight line basis over a period of five years from the date put into use. Software with limited edition/ period utility i.e. requiring annual revision is charged to the Statement of Profit and Loss in the year of purchase

(c) The consideration paid as non-compete fees is identified as an Intangible Asset and has been amortized as per terms of the agreement on straight line basis.

(d) In case of SHCIL, computer software which are not an integral part of computer hardware and from which future economic benefits are expected are treated as intangible assets and are

amortised over their estimated useful life , namely three years. Costs related to development, upgradation and maintenance of software are charged to revenue.

(e) In case of SHCIL projects, software both bought out and internally developed is amortised on straight line method at lower of the estimated useful life or ten years.

10. Impairment of Assets

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

11. Provisions/ Write off against Loans and Other Credit Facilities

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines as applicable to Non-Banking Financial Companies. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary. IFCI factors is making provisions for standard assets @ 0.50%.

(b) For restructured/ rescheduled assets, provision is made in accordance with the amended guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

12. Grants received from Government of India Under Interest Differential Fund (IDF)

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

13. Borrowing Cost

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

A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are charged to revenue.

14. Leases

Lease arrangements where the risks and rewards incidental to the ownership of an asset vest substantially with the lessor are recognized as operating leases. Lease rent under operating leases are recognized in the Profit & Loss Statement with reference to the lease terms.

In case of SHCIL and IFCI Factors, payments made under operating leases are charged to Statement of Profit & Loss on a straight line basis over the period of lease.

In case of SHCIL Projects, where lease rentals are so structured that the rental is higher in the later years, lease rentals have been recognized as an expense in the statement of Profit and Loss n straight line basis over the term of the lease. The difference between the equated rent and the rent as per the agreement is transferred to Provision of Lease Equalization Account to be adjusted over the period of the lease.

In case of SHCIL Services, leasehold improvements are amortized on straight line basis over the period of lease i.e. 3 years.

15. Miscellaneous Expenditure

(a) Expenses on issue of Shares and Debentures/ Bonds are charged to Securities Premium Reserve in accordance with Section 78 of Companies Act, 1956.

(b) In the case of IFCI Infrastructure Development Ltd., pre-operative/ preliminary expenditure incurred by the company is written off over a period of 5 years.

16. Employee Benefits

(a) Monthly contributions to the Provident Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators.

(b) Prior to 01/04/2008, 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 for employees existing on 01/04/2008 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.

(c) IFCI, IVCF and IFIN have a defined benefit employees scheme in the form of Gratuity. The Trustees of the scheme have entrusted the administration of related fund to LIC. Expense for the year is determined on the basis of actuarial valuation of the Company's year-end obligation in this regard and the value of year end assets of the scheme. Contribution is deposited with LIC based on intimation received by the Company.
In case of IFIN, the liability towards Gratuity is determined using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of Employee benefit entitlement. The gratuity Scheme is operated through Group Gratuity Scheme of LIC. Gratuity liabilities are provided based on Actuarial Valuation certified by LIC. Actuarial gains and losses are charged to Statement of Profit & Loss.

(d) Provision for leave encashment/ long term compensated absences is being made on actuarial valuation basis.
In case of IFIN and IFIN Commodities, employees are entitled to 24 days of earned leave per year and any leave standing to the credit of the employee at the end of the calendar year is paid as leave salary in the next calendar year. The expenses on account thus arising are recognised in the Statement of Profit & Loss.

(e) IFCI has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The amount is charged to the Staff Welfare Fund as and when incurred.

(f) In case of IFIN, all short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees

17. Employee Stock Option Plan

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

18. Taxation

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

Deferred tax charge or credit and the corresponding deferred tax liability /assets are recognized applying the tax rates and laws that have been enacted or substantively enacted by the balance sheet. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize such assets.

19. Provisions and Contingencies

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

B. NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2013-14

1.(a) The consolidated financial statements comprise the individual financial statements of IFCI Ltd. and its following subsidiaries as on 31.03.2014 and for the year ended on that date: -

Name of the Subsidiary	Proportion of Ownership Interest (%)
IFCI Financial Services Limited (IFIN)	94.78
IFCI Venture Capital Funds Limited (IVCF)	98.59
IFCI Infrastructure Development Limited (IIDL)	100.00
IFCI Factors Limited (IFL)	99.74
MPCON	79.72
Stockholding Corporation of India Ltd. (SHCIL)	52.66

IFIN Commodities Limited - Wholly owned subsidiary of IFIN
IFIN Credit Limited - Wholly owned subsidiary of IFIN,
IFIN Securities Finance Limited - Wholly owned subsidiary of IFIN
IIDL Realtors Pvt. Limited - Wholly owned subsidiary of IIDL.
SHCIL Services Limited - subsidiary of SHCIL
SHCIL Projects Limited - Wholly owned subsidiary of SHCIL
All the subsidiaries are incorporated in India.

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

Name of the Associate	Proportion of Ownership Interest (%)
Tourism Finance Corporation of India Ltd.	42.50
Assets Care & Reconstruction Enterprise Ltd.	37.91
HARDICON Ltd.	45.50
Himachal Consultancy Organisation	49.00
North India Technical Consultancy Organisation Ltd.	48.75

Particulars of investments as on March 31, 2014 is as under:

(₹ crore)

Name of the Associate	TFCI	ACRE	HARDICON	HIMCON	NITCON
Original Cost of Investments	86.21	7.25	0.28	0.07	0.13
Accumulated share in profit at the beginning of the year	92.29	7.86	1.00	0.71	0.56
Acquired during the year	0.00	0.00	0.00	0.00	0.00
Share of profit for the year	11.91	0.77	(0.01)	0.24	0.27
Capital Reserve	9.57	0.00	0.10	0.00	0.20
Carrying cost of investments	199.98	15.88	1.37	1.02	1.16

1.(c) Un-audited accounts of Associates have been compiled to include all their components and the management takes complete responsibility for the correctness and appropriateness of these accounts.

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

2. **Contingent Liabilities and Commitments (to the extent not provided for)**

2.1 Contingent Liabilities

(₹ Crore)

	As at	31/03/2014	31/03/2013
(i)	Bank Guarantees	106.13	42.35
(ii)	Performance Guarantees issued	0.02	0.02
(iii)	Export obligations under EPCG Licenses	31.25	38.07
(iv)	Claims not acknowledged as debts	20.81	184.60
(v)	Tax Matters – Income Tax Service Tax In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.	 30.13 15.24	 29.05 13.21
(vi)	Bank guarantees aggregating to ₹20 crore (Previous Year – ₹24.75 crore) to the Stock/ Commodity Exchanges as on 31/03/2013 for meeting margin requirements Fixed deposits aggregating of ₹20.48 crore (Previous Year – ₹19.62 crore) pledged with banks for obtaining the above bank guarantees. Counter guarantee given by IFCI and IFCI Financial Services Ltd. to a bank for issue of bank guarantee to IFIN and its subsidiary company, IFIN Commodities Ltd. respectively ₹35 crore (Previous Year – ₹35 crore).		

2.2 Commitments

(₹ Crore)

	As at	31/03/2014	31/03/2013
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	10.99	0.68
(ii)	Estimated amount of contract (including lease contract) remaining to be executed on revenue account*	85.88*	108.46
(iii)	Undrawn Commitments (in line with RBI Circular dated December 26, 2011)	1,044.69	2,624.64

* It includes ₹7 crore for compounding plus additional costs & ₹3 crore for purchase of additional FAR subject to approval from Ghaziabad development Authority on 21st Milestone Project, Ghaziabad. Pending approval from GDA, no adjustment is made in books of accounts.

3. In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide notification dated February 08 2011, has exempted Public Financial Institutions as specified under section 4A of the Companies Act, 1956 from disclosing company-wise details of Investments subject to fulfillment of certain conditions, which have been fulfilled. The accounts for the year ended March 31, 2014 have been prepared in accordance therewith.

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

(₹ crore)

	IFIN		IVCF		IIDL		IFL		MPCON		SHCIL	
Year ended March 31	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Capital (incl. appl. money)	41.53	41.53	60.37	60.37	477.1	477.1	79.36	79.36	1	1	21.05	21.05
Reserves	29.9	36.68	114.19	100.87	58.36	27.67	44.42	80.83	3.8	3.15	504.47	468.48
Total Assets	99.63	103.39	484.25	505.8	677.23	736.04	988.67	1,407.51	13.97	9.44	926.71	852.95
Total Liabilities	28.2	25.18	309.69	344.56	141.77	231.27	864.89	1,247.32	9.17	5.29	401.19	363.42
Investments	40.42	40.66	86.59	94.2	133.97	118.47	4.44	-	0.08	0.08	209.62	135.89
Turnover (incl. Prior Period Income)	19.12	24.13	75.94	78.85	189.87	195.87	142.15	176.6	23.23	12.02	272.1	290.24
Profit before Taxation	-6.28	0.96	30.78	31.16	67.58	13.88	-49.23	28.23	0.90	0.67	65.69	68.5
Provision for Taxation	0.49	-	10.39	10.45	22.94	5.32	-13.69	9	0.28	0.2	17.39	18.42
Profit after Taxation	-6.77	0.96	20.39	20.71	44.64	8.56	-35.54	19.23	0.62	0.47	48.3	50.08
Proposed Dividend (incl. CDT)		-		-		-		-		-		

5. 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, has issued a notice of demand against the Company under Section 138 of the Negotiable Instrument Act, 1881. The Company has disputed the claim of the Bank. The Bank's application to the Debt Recovery Tribunal for recovery of the amount alongwith compound interest from August 01, 2001 at the rate of 19% p.a. with quarterly rests till realization from the Company had been dismissed. The bank and client had filed appeals in the Debt Recovery Appellate Tribunal (DRAT) against the dismissal, which were allowed. DRAT vide order dated September 23, 2011 held the Corporation and the client jointly and severally liable. The Corporation filed a Revision Application in High Court on November 30, 2011 which has been admitted, however, no stay on DRAT order was granted. Hence, SHCIL had filed a Special Leave Petition in the Supreme Court for stay of the High Court Order, the Order of the DRAT and the recovery certificate by Presiding officer and notice of demand by recovery officer of DRAT. The Supreme Court vide its order dated April 23, 2012 has requested the High Court to dispose off the revision application within a period of four months. In the meanwhile the Corporation has deposited ₹30.00 crore with the Registry of High Court as per the directions of the Supreme Court.

6. Arch Pharmalabs Ltd. was sanctioned a Domestic Sales Bill Factoring Facility of ₹10.00 crore and Domestic Purchase Bill Factoring Facility of ₹6.00 crore within the overall prepayment limit of ₹15.00 crore by the Committee of Directors in May, 2011. The said facilities have been restructured under the Corporate Debt Restructuring ("CDR"), the cut-off date being April 01, 2013. The total amount outstanding in the books of the Company as on April 01, 2013 was ₹15.21 crore. As per the terms of the CDR, an amount of ₹13.29 crore has been converted to Working Capital Term Loan (WCTL) which is to be secured by first pari passu charge on the current assets and second pari passu charge on the fixed assets of the Company.
An amount of ₹1.92 crore has been treated as Debenture Application Money towards Optionally Convertible Debentures (OCDs). The OCDs will be allotted post creation of security. Security creation and issuance of debentures is pending due to a court order which restricts the company from further encumbering its assets and change in the shareholding structure. The security creation will be complied with once the orders are vacated.

7. In terms of RBI circular No. DNBS.PD.CC. No. 256/03.10.042/ 2011-12 dated March 02, 2012, IFCI Factors Ltd. has identified and reported to Reserve Bank of India four fraud accounts amounting to ₹23.05 crore during the current year (Previous year – Nil).

8. The Company had obtained valuation of certain long term unquoted investments by an independent valuer and the report of the said expert has been considered for the purpose of assessment of the value of said long term unquoted investments.

9. Hitherto, the interim return received, till the date of actual buy back, in certain cases of equity investment was being considered as "Amount received against unquoted investments". Due to this policy an amount of ₹69.02 crore was accumulated upto 31/03/2013 and was shown under Trade Payables. These equity investments were made at pre-agreed rate of return and with firm buy back commitments from the promoter(s)/ promoter group company(ies). During the year, the company changed this policy to recognise the interim return, so received as income on receipt basis and amount of ₹104.49 crore has been shown as income.

   This amount of ₹104.49 crore includes ₹69.02 crore pertaining to previous years' accumulation as stated above. This change in the accounting policy has resulted over statement of profit of the Company by ₹104.49 crore and understatement of Trade Payables by an equivalent amount.

10. During the year, IFCI Factors has been classified as "NBFC-Factor" with Reserve Bank of India, with effect from December 27, 2013. As per the Non-Banking Financial Company-Factors (Reserve Bank) Directions, 2012 read with the Factoring Regulation Act 2011, the Company is required to ensure that its financial assets in the factoring business constitute at least 75% of its total assets and its income derived from factoring business shall not be less than 75% of its gross income. As on March 31, 2014 the factoring assets of the Company stood at 72.10% of its total assets net of "Contractual Liabilities against Collection of Trade Receivables" and income derived from factoring business during the year 2013-14 excluding the "Factoring Bad Debts Recovered" was 71.19% of the gross income.

11. MPCON has continued to act as Nodal Agency for the implementation of Counseling, Retraining & Redeployment (CRR) Scheme of Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India, New Delhi for the Voluntarily Retired optees of Central Public Sector Enterprises (CPSEs). The Government of India has sanctioned grant amounting to ₹1.98 crore in 2013-14 (Previous year ₹2.04 crore).

12. In the case of IFCI Infrastructure Development Ltd. (IIDL): -
    (a) Inventory includes one property acquired during the financial year 2008-09 for ₹15.59 crore which has been notified for acquisition. Govt. of Haryana has issued a notice for acquisition of land under Land Acquisition Act for development against which company has filed a writ petition in the hon'ble high court of the Chandigarh. The High courts has dismissed the writ petition and refer the case to the officer committee and directed the company not to develop the said property till further order from officer committee and to maintain status quo. Pending final outcome from the Committee, no adjustment has been made in the books.
    (b) Inventory include one property against which the Regional Provident Fund Commissioner-II has ordered for the recovery of those defaulted by the earlier company ie Haryana Sheet Glass Ltd, A writ petition has been filed by the company before high court of Punjab and Haryana at Chandigarh against the said order. The Regional Provident Fund Commissioner-II is directed by the High Court not to affect any cohesive process for the recovery of dues against IIDL. Pending final outcome of the case no adjustment has been made in the books.
    (c) Inventories includes three properties acquired from IFCI Ltd. for consideration other than cash amounting to ₹46.68 crore where the process of execution and registration of title deeds as per applicable state laws is yet to be completed, although the possession of the properties has been taken over.

13. Balances appearing under loans, sundry debtors and sundry creditors are subject to confirmation.

14. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2014. 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.

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

16. **Disclosure as per AS-7: Construction Contracts:**

IIDL is constructing a campus for MDI, Gurgaon at Jangipur, Murshidabad DIstt, West Bengal. The financials relating to the contract are as under:

CONTRACT	(₹ crore)
Contract revenue recognized during the year	9.99
Contract expenses recognized during the year	9.20
Recognized Profits	0.80
Total Contract Costs (approx.)	90.91
Amount recoverable from MDI	4.38

- Cost-plus contract method has been used to determine the contract revenue recognized in the period.
- The stage of completion has been determined on the basis of work completion certificate obtained from the engineer/ architect.

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

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

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

Nature of Relationship	Name of the Related Party
Associates	Assets Care & Reconstruction Enterprise Ltd. (ACRE)
	Tourism Finance Corporation of India Ltd. (TFCI)
	HIMCON Ltd.
	NITCON Ltd.
	HARDICON Ltd.
Joint Ventures	IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCAPL)

2. Transaction with the related party during the period:-

Associates

Assets Care & Reconstruction Enterprise Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Rent & Maintenance received by IFCI	1.10	0.87
Loan given – outstanding	42.05	68.72
Interest received/ receivable on Loan	6.72	8.46
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	-	0.15
Professional fee received	0.06	0.06

Tourism Finance Corporation of India Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Bonds issued by IFCI – outstanding	50.00	-
Rent & Maintenance received by IFCI	3.64	3.03
Dividend Received	4.12	4.12

Dividend Paid on Preference Shares	₹20,000	₹20,000
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.19	0.24
Salaries/ Other Estt. Exp. paid by IFCI for employees deputed in IFCI, Paid/ payable to them	0.06	-
Employees deputed/ posted by IFCI (No.)	-	4

HIMCON

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Dividend Received	0.04	0.01
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.07	0.24
Employees deputed/ posted by IFCI (No.)	-	1

HARDICON

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Dividend Received	0.01	0.06
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.14	0.11
Employees deputed/ posted by IFCI (No.)	1	-

NITCON

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Dividend Received	0.03	0.01
Brokerage/ Professional fee paid	-	0.02

Joint Ventures

IFCI Sycamore Capital Advisors Pvt. Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2014	Year ended 31/03/2013
Rent & Maintenance received by IFCI	0.07	0.54

19. Earnings per share:

For the Year/ Year ended			31.03.2014	31.03.2013
I.	Computation for Basic Earnings per Share			
	(a)	Profit Computation for Equity shareholders		
		Net profit as per Statement of Profit & Loss	566.10	497.36
		Less: Preference Dividend	(0.31)	(0.31)
		Net profit for Equity Shareholders	565.79	497.05
	(b)	Weighted Average Number of Equity Shares outstanding	1,66,20,37,235	1,08,74,24,726
II.	Computation for Diluted Earnings per Share			
	(a)	Profit Computation for Equity shareholders (including potential shareholders)		
		Net profit as per Statement of Profit & Loss	566.10	497.36
		Less: Preference dividend	(0.31)	(0.31)
		Add: Interest on Convertible Debentures (net of Tax)	-	-
		Net profit for equity shareholders (including potential shareholders)	565.79	497.05
	(b)	Weighted Average Number of Equity Shares outstanding	1,66,27,05,271	1,08,88,81,331
III.		Earnings Per Share (Weighted Average)		
		Basic (₹)	3.40	4.57
		Diluted (₹)	3.40	4.56

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

(a) The Company has entered into lease agreement at four centers and lease rent in respect of above is charged to Statement of Profit & Loss.

(b) SHCIL Services Ltd. has entered into Operating Lease Agreement for office premises in Mahape, Navi Mumbai and in UTI Building, Fort, Mumbai whereby SHCIL has granted to the company, the liberty to use and occupy the Demised Premises as an office space for a period of two years and two months w.e.f. April 1 2013 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises. The period of the agreement

has expired on March 1, 2014 and the company is in the process of renewing the said agreement.

(c) Office premises of IFCI Factors is on operating lease with tenor upto 12 months and renewable on such terms and conditions as may be mutually agreed with the company and the Lessor.

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

(₹crore)

Particulars	Year ended 31/03/2014	Year ended 31/03/2013
Minimum Lease payments:		
a) Not later than one year	0.16	6.45
b) Later than one year but not later than five years	0.04	11.15
c) Later than five years	-	-
Rentals charged during the Period	2.57	6.64

21. The Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited (ISCAPL) incorporated in India in November 2011. The amounts invested at par were ₹ 0.01 crore Class A Equity Shares and ₹ 2.64 crore Fully Convertible Debentures. ISCAPL's Board has approved the winding up of the company and the financials of ISCAPL for the year ended 31/03/2014 are under finalization. A firm of Chartered Accountants has certified that ISCAPL have adequate liquidity in the form of fixed deposits to honour the investment and accordingly, the Debentures are carried at cost.

22. Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2013, there were no events or changes in circumstances which indicate any impairment in the assets.

23. Total value of outstanding Currency Swaps was USD 87.65 million against INR & EURO 69.39 million against USD (Previous year: USD 87.13 million against INR, EURO 72.58 million against USD respectively) equivalent to ₹1,132.09 crore (Previous year: ₹1,002.34 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was Nil (Previous year: NIL).

24. In case of IFCI Factors Ltd., detail of Bonds (Face Value of 1,000,000 each, redeemable at par)

(₹ crore)

No. of Bonds	Rate of Interest	Date of Redemption	Put/Call Option	As at 31.03.2014	As at 31.03.2013
1000	10.24%	May 17, 2023	No	100.00	-
411	10.20%	April 23,2023	Yes (April 23,2020)	41.10	-
170	10.25%	March 28, 2023	Yes (March 28, 2020)	17.00	17.00
214	10.15%	April 23, 2018	Yes (April 23, 2016)	21.40	-
187	10.15%	March 28, 2018	Yes (March 28, 2016)	18.70	18.70
18	10.25%	March 28, 2018	No	1.80	1.80

25. Open interest in the Currency Futures as at Balance Sheet:
Long Position (as at 31/03/2014)

S. No.	Particulars	Series of Future	Exchange	Number of Contracts	Number of Units Involved (USD)
1	USD/INR	June 26, 2014	NSE	1,920	1,920,000.00
2	USD/INR	April 28, 2014	MCX-SX	723	723,000.00
3	USD/INR	May 28, 2014	MCX-SX	2812	2,812,000.00
4	USD/INR	June 26, 2014	MCX-SX	365	365,000.00

26.1 Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.50 million (Previous Year: USD 0.016 million) and EUR 0.38 million (Previous Year: EUR 0.041 million), equivalent to ₹ 6.15 crore (Previous Year: ₹ 0.37 crore).

26.2 In case of IFCI Factors Ltd., foreign exchange exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	As at March 31,2014	As at March 31, 2013
Cash & Bank Balances		-
EURO	50.43	138.43
USD	500.00	-
GBP	-	179.92
Sundry Creditor		
Euro	856.52	2,889.17
USD	20,442.12	8466.52
GBP	198.16	

27. Details of securities sold and purchased under Repos and Reverse Repos Transactions:

(₹ crore)

	Minimum O/s during the period	Maximum O/s during the period	Daily Average O/s during the period	O/s as on Mar 31, 2014
Securities sold under Repo:				
1 Govt. Securities	Nil	Nil	Nil	Nil
2 Corporate Bonds	199.90	199.90	13.69	199.90
Securities purchased under reverse repo:				
1 Govt. Securities	Nil	Nil	Nil	Nil
2 Corporate Bonds	Nil	Nil	Nil	Nil

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

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

A. SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2012-13

1. Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on a historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India which encompasses applicable accounting standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act 1956, the applicable guidelines issued by the Reserve Bank of India (RBI), other statutory provisions and regulatory framework. The Company adopts the accrual concept in the preparation of accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

2. Revenue Recognition

(a) Interest and other dues and Income from factoring services are recognized on accrual basis except in the case of income on Non-Performing Assets (NPA) which is recognized, as and when received, as per the prudential norms prescribed by the RBI.

(b) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates, LC Commission and Insurance Commission from Agency business are accounted for on realization basis.

(c) Income from Merchant Banking/ Loan Syndication Fees, Depository Services and Dividends are accounted for as income, once the right to receive is established.

(d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/ or before 31/03/2001, income from leases (except in case of Non-Performing Assets) is recognized on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.

(e) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(f) Surplus on sale of investments is net of losses thereon.

(g) Broking Income is recognised on the basis of settlement date of transactions.

(h) Commission from selling of Mutual Funds, Fee income from Portfolio Management and advisory services and fees for project advisory and execution services is accounted for on accrual basis.

(i) Units generated from windmills are sold to the Tamil Nadu Electricity Board (TNEB) at agreed rates and the income is included in the value of power generated from windmills.

(j) Processing fee received in respect of loans is accounted for in the year in which the loan is disbursed.

(k) Revenue from real estate development of constructed properties is recognised based on the "percentage of completion method". Sale consideration as per the legally enforceable Agreements to Sell entered into is recognised as revenue based on the percentage of actual project costs incurred to total estimated project cost, subject to following:

(i) Actual cost incurred is not less than 30 percent of the total estimated project cost.
(ii) No significant uncertainty exists regarding receipt of consideration from the customers
(iii) In case of overdue, on actual realisation basis.
(iv) All significant risks and rewards are transferred to the customer.

Project cost includes cost of land, estimated cost of construction and development of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates recognised in the period such changes are determined.

(l) Revenue from hospitality services is recognised on accrual basis.

(i) Selling price is determined on the basis of published rack rate less discount offered to customers

(ii) Income in foreign exchange: The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills, is credited and accounted for at the rate/ rates prevalent on the date of receipt of payment. The gains/ losses arising out of the fluctuation in the exchange rates are accounted for on realization.

(m) Revenue from external project services is recognised based on the Cost plus method. A fixed mark up percentage is added to the cost incurred towards construction and the total is recognised as revenue. The stage of completion is determined on the basis of work completion certificate obtained from the engineer/ architect.

(n) Revenue from sale of property held as stock-in-trade is recognised upon transfer of possession or execution is sale deed, whichever is earlier.

(o) 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 for on pro-rata basis.

3. 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 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.

4. Investments

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

(i) 'Long term Investments' are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.

(ii) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

(c) Bonds in the nature of current investment are valued in accordance with the calculators provided on the FIMMDA platform for the purpose.

(d) In the case of IFCI Financial Services Ltd, current investments are considered as stock in trade and are valued at lower of cost or net realizable value.

5. Derivatives

(a) Equity Index/ Stock/ Commodity/ Currency Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/ Stock Futures and Currency Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:
- The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
- The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the profit and loss account.
- Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock/ Commodity/ Currency Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock/ Commodity/ Currency Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

6. Foreign Exchange Transactions

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

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

(c) Foreign currency balances pertaining to Hospitality Business have been converted at the closing TT buying rate at the year end.

7. Tangible Fixed Assets and Depreciation

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31/03/2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.

(b) Cost includes purchase price and all other attributable costs of bringing the assets to the working condition for intended use. Costs of self constructed fixed assets (including work-in-progress) comprise those costs that relate directly to the specific asset and those, which are attributable to the construction activity in general and can be allocated to the specific asset.

(c) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.

(d) Leasehold Land is amortized over the lease period.

(e) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.

(f) Leasehold Improvements are amortized over the lease period.

(g) Mobile phones are fully depreciated in the year of acquisition itself.

(h) In the case of IFCI Factors Ltd., depreciation has been provided on the basis of straight line method as per Schedule XIV to the Companies Act, 1956.

(i) Depreciation on all other assets is provided on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956 except in respect of Office Building and Plant & Machinery at Corporate Office of IFCI Ltd. which is provided on SLM. Assets having individual value of less than ₹ 5,000/- are charged to the Profit & Loss Account in the year of purchase.

8. Intangible assets and amortization

(a) Intangible assets are recorded at the consideration paid for acquisition. Consideration 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.

Intangible assets include computer software having perpetual license and are amortized @40% per annum on Written Down Value (WDV). However, in the case of intangible assets consisting of Computer software with longer period utility/ user rights and having a useful life lasting with that of the equipment have been capitalized with the cost of computer. Software carrying an identifiable utility of at least five years is amortized on a straight line basis over a period of five years from the date put into use. Software with limited edition/ period utility i.e. requiring annual revision is charged to Profit and Loss Account in the year of purchase

(b) The consideration paid as non-compete fees is identified as an Intangible Asset and has been amortized as per terms of the agreement on straight line basis.

9. Impairment of Assets

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

10. Provisions/ Write off against Loans and Other Credit Facilities

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

(b) For restructured/ rescheduled assets, provision is made in accordance with the guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

11. Grants received from Government of India Under Interest Differential Fund (IDF)

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

12. Borrowing Cost

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

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

13. Leases

Lease arrangements where the risks and rewards incidental to the ownership of an asset vest substantially with the lessor are recognized as operating leases. Lease rent under operating leases are recognized in the Profit & Loss Statement with reference to the lease terms.

14. Miscellaneous Expenditure

(a) Expenses on issue of Shares and Debentures are charged to Securities Premium Reserve in accordance with Section 78 of Companies Act, 1956.

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

(c) In the case of IFCI Infrastructure Development Ltd., pre-operative/ preliminary expenditure incurred by the company is written off over a period of 5 years.

15. Employee Benefits

(a) Monthly contributions to the Retirement Funds viz. Provident Fund and Pension Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators. The administration of Pension Fund in respect of existing employees opting for the same has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme. The existing pension optees, however, continue to be governed by the provisions of the scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to Accounts as and when due.

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

(c) Provision for leave encashment is being made on actuarial valuation basis.

(d) IFCI has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The same is charged against revenue as and when incurred.

16. Employee Stock Option Plan

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

17. Taxation

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

18. Provisions and Contingencies

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

B. NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2012-13

1.(a) The consolidated financial statements comprise the individual financial statements of IFCI Ltd. and its following subsidiaries as on 31.03.2013 and for the year ended on that date: -

Name of the Subsidiary	Proportion of Ownership Interest (%)
IFCI Financial Services Limited (IFIN)	94.78
IFCI Venture Capital Funds Limited (IVCF)	98.59
IFCI Infrastructure Development Limited (IIDL)	100.00
IFCI Factors Limited (IFL)	99.74
MPCON	79.72

IFIN Commodities Limited - Wholly owned subsidiary of IFIN
IFIN Credit Limited - Wholly owned subsidiary of IFIN,
Narayan Sriram Investments Private Limited - Wholly owned subsidiary of IFIN.
IIDL Realtors Pvt. Ltd. - Wholly owned subsidiary of IIDL.
All the subsidiaries are incorporated in India.

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

Name of the Associate	Proportion of Ownership Interest (%)
Tourism Finance Corporation of India Ltd.	42.50
Assets Care & Reconstruction Enterprise Ltd.	37.91
Stock Holding Corporation of India Ltd.	33.91
HARDICON Ltd.	45.50
Himachal Consultancy Organisation	49.00
North India Technical Consultancy Organistion Ltd.	48.75

Particulars of investments as on March 31, 2013 is as under:

Name of the Associate	TFCI	SHCIL	ACRE	HARD I-CON	HIM-CON	NIT-CON
Original Cost of Investments	86.21	297.22	7.25	0.28	0.07	0.13
Accumulated share in profit at the beginning of the year	69.38	7.19	6.88	0.51	0.56	0.42
Acquired during the year	0.00	0.00	0.00	0.00	0.00	0.00
Share of profit for the year	22.91	10.36	0.98	0.49	0.15	0.14
Capital Reserve	9.57		0.00	0.10	0.00	0.20
Carrying cost of investments	188.07	314.77	15.11	1.38	0.78	0.89

1.(c) Un-audited accounts of Associates have been compiled to include all their components and the management takes complete responsibility for the correctness and appropriateness of these accounts.

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

2. Effect of changes in shareholding pattern:

Through exercise of option of conversion by the Government of India, the Optionally Convertible Debentures of ₹400 crore held by GOI and Loan of ₹523 crore provided by GOI were converted into 92.30 crore equity shares of the Company at par through necessary approvals by the Board of Directors and the shareholders, during the year. Further during the year, vesting of 12 lakh equity shares was done under the IFCI Employees Stock Option Scheme and subsequently, these shares were allotted to the IFCI Employees Stock Option Trust. With these conversions and vesting under ESOP, paid-up equity share capital stands increased from ₹737.84 crore to ₹1,662.04 crore. Consequent upon such increase, the Central Government alongwith Corporations owned or controlled by the Central Government hold more than 51% of the paid up share capital of the company. Accordingly, the provisions of Section 619B read with Section 619 of the Companies Act, 1956 with regard to audit of accounts have become applicable to the company.

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

3.1 Contingent Liabilities

(₹ Crore)

	As at	31/03/2013	31/03/2012
(i)	Guarantees issued in Indian Currency	-	26.96
(ii)	Bank Guarantees	42.35	14.63
(iii)	Performance Guarantees issued	0.02	0.57
(iv)	Export obligations under EPCG Licenses (IIDL)	38.07	38.23
(v)	Claims not acknowledged as debts	184.60	162.46
(vi)	Tax Matters – Income Tax Service Tax In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.	 29.05 13.21	 27.33 5.66
(vii)	Bank guarantees aggregating to ₹24.75 crore (Previous Year – ₹29.16 crore) to the Stock/ Commodity Exchanges as on 31/03/2013 for meeting margin requirements. Fixed deposits aggregating of ₹19.62 crore (Previous Year – ₹16.34 crore) pledged with banks for obtaining the above bank guarantees. Counter guarantee given by IFCI Financial Services Ltd. to a bank for issue of bank guarantee to the subsidiary company, IFIN Commodities Ltd.- ₹5 crore (Previous Year – ₹5 crore).		

3.2 Commitments

(₹ Crore)

	As at	31/03/2013	31/03/2012
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	109.14	104.43
(ii)	Undrawn Commitments (in line with RBI Circular dated December 26, 2011)	2,624.64	392.97

4. In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide notification dated February 8 2011, has exempted Public Financial Institutions as specified under section 4A of the Companies Act, 1956 from disclosing company-wise details of Investments subject to fulfillment of certain conditions. The accounts for the year ended March 31, 2013 have been prepared in accordance therewith.

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

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

(₹ crore)

	IFIN		IVCF		IIDL		IFL		MPCON	
Year ended March 31	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Capital (incl. appl. money)	41.53	41.53	60.37	60.37	477.10	495.23	79.36	79.36	1.00	1.00
Reserves	36.68	35.73	100.87	87.17	27.67	19.11	80.83	67.41	3.15	2.68
Total Assets	103.39	108.07	505.80	464.52	736.04	727.02	1,407.51	1,523.18	9.44	8.68
Total Liabilities	25.18	30.81	344.56	316.98	231.27	212.68	1,247.32	1,376.41	5.29	5.00
Investments	40.66	45.46	94.20	89.52	118.47	125.55	-	-	0.08	0.09
Turnover (incl. Prior Period Income)	24.13	25.45	78.85	50.99	195.87	85.40	176.60	161.86	12.02	8.94
Profit before Taxation	0.96	(20.25)	31.16	27.53	13.88	11.70	28.23	37.50	0.67	0.55
Provision for Taxation	-	(0.07)	10.45	(8.53)	5.32	1.42	9.00	12.37	0.20	0.17
Profit after Taxation	0.96	(20.32)	20.71	19.00	8.56	10.28	19.23	25.13	0.47	0.38
Proposed Dividend (incl. CDT)	-	-	-	-	-	-	-	6.46	-	-

7. IFCI Financial Services Ltd. has changed its leave policy during the financial year 2010-11. As per the revised policy, an employee is entitled to 24 days of earned

leave per year and any leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary in January. As such leave encashment liability for the period upto December 31, 2012 if fulfilled. Provision for the period from January 1, 2013 to March 31, 2013 is provided for in the books for an amount of ₹ 0.08 crore.

8. Factored Debts purchased are included under Current Assets as 'Trade Receivables'. The unpaid balance of the price of the debts factored and due to the clients on collection is included under 'Other Current Liabilities' as 'Contractual Liability against Collection of Trade Receivables'.

9. MPCON has continued to act as Nodal Agency for the implementation of Counseling, Retraining & Redeployment (CRR) Scheme of Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India, New Delhi for the Voluntarily Retired optees of Central Public Sector Enterprises (CPSEs). The Government of India has sanctioned grant amounting to ₹2.04 crore in 2012-13 (previous year ₹2.60 crore).

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

(a) Fixed Assets include the cost (₹2.41 crore) of Residential flat at Greater Kailash-I, New Delhi purchased in open tender conducted by IFCI Ltd. who acquired the assets under Securitisation Act (SARFA & ESI). The process of execution and registration of title deeds as per applicable state laws is yet to be completed, although possession has been handed over on the basis of Sale Letter issued by IFCI Ltd.

(b) Inventory includes one property acquired during the financial year 2008-09 for ₹15.59 crore which has been notified for acquisition. Govt. of Haryana has issued a notice for acquisition of land under Land Acquisition Act for development against which company has filed a writ petition in the Hon'ble High Court of the Chandigarh. The court has directed the company not to develop the said property till further order and to maintain status quo. Pending final outcome from the Court, no adjustment has been made in the books.

(c) Certain properties acquired by the company during auction under SARFAESI Act or for a consideration other than cash are accounted for in the books of the company on the basis of sales certificate or sale confirmation letter issued by the seller, pending vetting from legal angle.

(d) Inventories include three properties acquired from IFCI Ltd. for consideration other than cash amounting to ₹ 46.68 crore where the process of execution and registration of title deeds as per applicable state laws is yet to be completed, although the possession of the properties has been taken over.

11. Trade payables include an amount of ₹ 69.02 crore received in terms of various agreements entered into with the promoter of the investee company for Share subscription/ Share buyback. These proceeds are in the nature of part payments towards specified internal rate of return and/ or share buyback. Due to inherent uncertainty in respect of the final gains/ losses in such transactions, if any, at the time of actual buyback, the proceeds have been treated as advance receipts in the accounts.

12. Balances appearing under loans, sundry debtors and sundry creditors are subject to confirmation.

13. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. 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.

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

15. IIDL is constructing a campus for MDI, Gurgaon at Jangipur, Murshidabad Dist. West Bengal. Disclosures required in terms of Accounting Standard-7 issued by ICAI – 'Construction Contracts' are as under: -

CONTRACT	Amount (₹ Crore)
Contract revenue recognized during the year	41.79
Contract expenses recognized during the year	37.31
Recognized Profits	4.48
Total Contract Costs (approx.)	90.91
Unbilled Contracts cost	4.50
Advances Received	11.00

- Cost-plus contract method has been used to determine the contract revenue recognized in the period.
- The stage of completion has been determined on the basis of work completion certificate obtained from the engineer/ architect
- Contract Work in Progress as on the reporting date is ₹ 4.50 crore (Unbilled contract cost).

16. Defined Benefit Plans/ Long Term Compensated Absences – As per Actuarial Valuations as on March 31, 2013 and recognized in the financial statements in respect on Employee Benefit Schemes.

(₹ crore)

		For the year ended	31/03/2013		31/03/2012	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Un-funded	Funded	Un-funded
I	Components of Employer Expense					
	1	Current Service Cost	0.55	0.92	0.92	1.39
	2	Interest Cost	0.80	1.51	0.78	1.43
	3	Expected Return on Plan Asset	0.86	-	-	-
	4	Curtailment Cost/ (Credit)	-	-	-	-
	5	Settlement Cost/ (Credit)	-	-	-	-
	6	Past Service Cost	-	-	-	-
	7	Actuarial (gain)/ loss recognized	(1.15)	(3.12)	(1.41)	(0.24)
	8	Expense Recognized in Statement of Profit/ Loss	0.94	1.32	0.29	2.59
II	Actual Returns for the year		0.83	-	0.87	-
III	Net (Asset)/ Liability recognized in Balance Sheet					
	1	Present Value of Defined Benefit Obligation	8.62	14.69	10.00	19.32
	2	Fair Value on Plan Assets	9.60	-	9.82	-
	3	Status (Surplus/ Deficit)	1.32	14.69	0.18	(19.32)
	4	Unrecognised Past Service Cost	-	-	-	-
	5	Net (Asset)/ Liability recognized in Balance Sheet	1.34	14.69	0.18	19.32
IV	Change in Defined Benefit Obligations					

		For the year ended	31/03/2013		31/03/2012	
	(DBO)					
	1	Present Value of Obligation at Beginning of year	9.88	19.30	9.73	17.97
	2	Current Service Cost	0.55	0.95	0.92	1.39
	3	Interest Cost	0.80	1.54	0.78	1.43
	4	Curtailment cost	-	-	-	-
	5	Settlement Cost	-	-	-	-
	6	Plan Amendments	-	-	-	-
	7	Acquisitions	-	-	-	-
	8	Actuarial (gain)/ loss on Obligations	(1.15)	(3.07)	(0.51)	(0.24)
	9	Benefits Paid	(1.44)	(3.58)	(0.92)	(1.23)
	10	Present Value of Obligation at end of Year	8.62	15.16	10.00	19.32
V	Change in Fair Value of Assets during the year					
	1	Fair Value of Plan Asset at Beginning of year	9.01	-	9.60	-
	2	Acquisition Adjustment	-	-	-	-
	3	Expected Return on Plan Asset	-	-	-	-
	4	Actuarial (gain)/ loss on Plan Asset	0.86	-	0.88	-
	5	Contributions	1.22	-	0.20	-
	6	Benefits Paid	(1.44)	-	(0.86)	-
	7	Fair Value of Plan Asset at end of year	9.48	-	9.82	-
VI	Actuarial Assumptions					
	1	Mortality Table		LIC 1994-96		LIC 1994-96
	2	Early Retirement & Disablement		Age Related		Age Related
	3	Discount Rate	8.00%	8.00%	8.00%	8.00%
	4	Inflation Rate	5.00%	5.00%	8.50%	8.50%
	5	Return on Asset	8.96%		8.00%	

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

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

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

Nature of Relationship	Name of the Related Party
Associates	Assets Care & Reconstruction Enterprise Ltd. (ACRE)
	Tourism Finance Corporation of India Ltd. (TFCI)
	HIMCON Ltd.
	NITCON Ltd.
	HARDICON Ltd.
	Stock Holding Corporation of India Ltd. (SHCIL)
Joint Ventures	IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCA)

2. Transaction with the related party during the period:-

Associates

Assets Care & Reconstruction Enterprise Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Rent & Maintenance received by IFCI	0.87	-
Loan given – outstanding	68.72	71.22
Interest received/ receivable on Loan	8.46	7.54
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.15	0.15
Professional fee received	0.06	-
Employees deputed/ posted by IFCI (No.)	-	1

Tourism Finance Corporation of India Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Acquisition from market/ others	-	10.96
Rent & Maintenance received by IFCI	3.03	0.80
Dividend Received	4.12	3.96
Dividend Paid on Preference Shares	₹20,000	₹20,000
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.24	0.04
Employees deputed/ posted by IFCI (No.)	4	1

HIMCON

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Dividend Received	0.01	0.01
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.24	-

Employees deputed/ posted by IFCI (No.)	1	1

HARDICON

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Acquisition from market/ Others	-	0.25
Dividend Received	0.06	0.01
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.11	-
Employees deputed/ posted by IFCI (No.)	-	1

NITCON

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Dividend Received	0.01	0.01
Brokerage/ Professional fee paid	0.02	-

Stock Holding Corporation of India Ltd.

(₹ crore)

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Dividend Received	4.64	5.36
Brokerage/ Professional fee paid	0.22	0.38

Joint Ventures

IFCI Sycamore Capital Advisors Pvt. Ltd.

Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
Employees deputed/ posted by IFCI (No.)	-	6
Rent & Maintenance received by IFCI	0.54	-

Key Management Personnel & Relatives of Key Management Personnel

Company Name	Name of Key Managerial Personnel	Designation	Nature of Transaction	Year ended 31/03/2013	Year ended 31/03/2012
IFCI Limited	Mr. Atul Kumar Rai	CEO & MD	Dividend Payment	0.01	0.01
			Interest on IFCI Bonds	0.03	0.02
			Managerial Remuneration	1.84 *	1.16
	Mr. Sujit K. Mandal	Whole Time Director - Relieved on 12/12/2012	Managerial Remuneration	0.71	0.90
	Mr. Siddharth Mandal	Son of Whole Time Director - Relieved on 28/04/2012	Salary	0.01	0.12
IFCI Financial Services Limited	Mr. Sujit K. Mandal	Executive Chairman	Managerial Remuneration	0.35	0.85
	Mr. P. N. Swaminathan	Whole Time Director & Chief Operating Officer	Managerial Remuneration	-	-
IFCI Factors Limited	Mr. Rakesh Kapoor	Managing Director	Managerial Remuneration	0.71	0.55
Narayan Sriram Investments Pvt. Ltd.	Mr. P. N. Swaminathan	Whole Time Director	Managerial Remuneration	0.22	-

* includes gratuity, leave salary etc. paid on completion of initial contract

19. Earnings per share:

For the Year/ Year ended			31.03.2013	31.03.2012
I.	Computation for Basic Earnings per Share			
	(a)	Profit Computation for Equity shareholders		
		Net profit as per Profit & Loss Account	497.36	686.28
		Less: Preference Dividend	(0.31)	(0.31)
		Net profit for Equity Shareholders	497.05	685.97
	(b)	Weighted Average Number of Equity Shares outstanding	1,08,74,24,726	737,837,331

II.	Computation for Diluted Earnings per Share			
	(a)	Profit Computation for Equity shareholders (including potential shareholders)		
		Net profit as per Profit & Loss Account	497.36	686.28
		Less: Preference dividend	(0.31)	(0.31)
		Add: Interest on Convertible Debentures (net of Tax)	0.00	31.20
		Net profit for equity shareholders (including potential shareholders)	497.05	717.17
	(b)	Weighted Average Number of Equity Shares outstanding	1,08,88,81,331	960,916,575
III.		Earnings Per Share (Weighted Average)		
		Basic (₹)	4.57	9.30
		Diluted (₹)	4.56	7.46

20. In terms of Accounting Standard 19 on 'Leases' issued by ICAI,
    (a) The Company has entered into lease agreement at four centers and lease rent in respect of above is charged to Profit & Loss Account.
    (b) The year wise break up of future minimum lease payments in respect of leased premises are as under:

(₹ crore)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
Minimum Lease payments:		
a) Not later than one year	6.45	5.73
b) Later than one year but not later than five years	11.15	15.47
c) Later than five years	-	-
Rentals charged during the Period	6.64	6.55

21. The Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited incorporated in India in November 2011. The amounts invested at par were ₹ 0.01 crore Class A Equity Shares and ₹ 2.64 crore Fully Convertible Debentures. In compliance with Accounting Standard 27 on 'Financial reporting of Interests in Joint ventures' as notified by the Companies (Accounting Standards) Rules, 2006, required disclosure of interest in the Assets, Liabilities, Income, Expenditure and Contingent Liabilities is as under: -

(₹ crore)

Particulars	31/03/2013 (Audited)	31/03/2012 (Audited)
Assets	2.87	2.86
Liabilities	0.63	0.24
Income	0.16	0.00
Expenditure	0.55	0.03
Contingent Liabilities	Nil	Nil

22. Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2013, there were no events or changes in circumstances which indicate any impairment in the assets.

23. Total value of outstanding Currency Swaps was USD 87.13 million against INR and EURO 72.58 million against USD (Previous year: USD 98.70 million against INR, EURO 0.60 million against INR and EURO 79.50 million against USD respectively) equivalent to ₹ 1,002.34 crore (Previous year: ₹ 1,069.40 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was NIL (Previous year: USD 0.15 million against INR equivalent to ₹ 0.77 crore respectively).

24. In case of IFCI Factors Ltd., detail of Bonds (Face Value of 1,000,000 each, redeemable at par)

(₹ crore)

No. of Bonds	Rate of Interest	Date of Redemption	Put/Call Option	As at 31.03.2013	As at 31.03.2012
187	10.15%	March 28, 2018	Yes	18.70	-
18	10.25%	March 28, 2018	No	1.80	-
170	10.25%	March 28, 2023	Yes	17.00	-

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

Long Position (as at 31/03/2013)

S. No.	Particulars	Series of Future	Exchange	Number of Contracts	Number of Units Involved (USD)
1	USD/INR	April 26, 2013	NSE	1,920	1,920,000.00
2	USD/INR	April 26, 2013	MCX-SX	3,900	3,900,000.00

26. Foreign Currency/ Exchange Exposure

26.1 In case of IFCI Ltd., foreign currency exposure that is not hedged by derivative instrument or otherwise is USD 0.016 million (Previous Year: USD 0.02 million) and EUR 0.041 million (Previous Year: EUR 0.03 million), equivalent to ₹0.37 crore (Previous Year: ₹ 0.28 crore)

26.2 In case of IFCI Factors Ltd., foreign exchange exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	As at March 31, 2013	As at March 31, 2012
Cash & Bank Balances	-	
EURO	138.43	129.46
USD	-	109.38
GBP	179.92	-

Sundry Creditor	-	
Euro	2,889.17	2887.62
USD	7,834.35	895.87

27. Details of securities sold and purchased under Repos and Reverse Repos Transactions:

(₹ crore)

	Minimum O/s during the period	Maximum O/s during the period	Daily Average O/s during the period	O/s as on March 31, 2013
Securities sold under Repo:				
3 Govt. Securities	Nil	Nil	Nil	Nil
4 Corporate Bonds	Nil	Nil	Nil	Nil
Securities purchased under reverse repo:				
3 Govt. Securities	Nil	Nil	Nil	Nil
4 Corporate Bonds	Nil	Nil	Nil	Nil

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

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

A. SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2011-12

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2. REVENUE RECOGNITION

(a) Interest and other dues are recognized on accrual basis except in the case of income on Non-Performing Assets (NPA) which is recognized, as and when received, as per the prudential norms prescribed by the RBI.

(b) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates and LC Commission are accounted for on realization basis.

(c) Dividends declared by the respective companies till the close of the accounting period are accounted for as income, once the right to receive is established.

(d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/ or before 31/03/2001, income from leases (except in case of Non-Performing Assets) is recognized on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.

(e) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(f) Surplus on sale of investments is net of losses thereon.

(g) Broking Income is recognised on the basis of settlement date of transactions.

(h) Interest earned on fixed income bearing securities is accounted for on accrual basis.

(i) Income from Merchant Banking/ Loan Syndication Fees is recognized when the right to receive the income is established.

(j) Depository Services incomes are recognised on the basis of agreements entered into with clients and when the right to receive the income is established.

(k) Insurance Commission from Agency business is booked upon actual receipt of commission from the principal agent.

(l) Commission from selling of Mutual Funds & Bonds is accounted for on accrual basis.

(m) Fee income from Portfolio Management and advisory services is recognized on accrual basis.

(n) Units generated from windmills are sold to the Tamil Nadu Electricity Board (TNEB) at agreed rates and the income is included in the value of power generated from windmills.

(o) Income by way of fees for project advisory and execution services is recorded on the accrual basis as per services rendered pursuant to the specific agreements.

(p) Revenue from real estate development of constructed properties is recognised based on the "percentage of completion method". Sale consideration as per the legally enforceable Agreements to Sell entered into is recognised as revenue based on the percentage of actual project costs incurred to total estimated project cost, subject to following :

(i) Actual cost incurred is not less than 30 percent of the total estimated project cost.

(ii) No significant uncertainty exists regarding receipt of consideration from the customers

(iii) In case of overdue, on actual realisation basis.

(iv) All significant risks and rewards are transferred to the customer.

Project cost includes cost of land, estimated cost of construction and development of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates recognised in the period such changes are determined.

(q) Revenue from hospitality services is recognised on accrual basis. Selling price is determined on the basis of published rack rate less discount offered to customers.

(r) Revenue from external project services is recognised based on the Cost plus method. A fixed mark up percentage is added to the cost incurred towards construction and the total is recognised as revenue. The stage of completion is determined on the basis of work completion certificate obtained from the engineer/ architect.

(s) Income & Expenses on Project Consultancy, Entrepreneurship Development Trainings etc. under the Grants-In Aid (G.I.A)/ similar other programmes awarded by the Central/ State Govt. Department/ Other Agencies are accounted for on pro-rata basis.

(t) Income from factoring services is accounted on accrual basis except in the case of non-performing assets where income is accounted on realization.

3. STOCK - IN – TRADE

(a) Stock in trade (Securities) is valued at lower of cost and quoted value, computed category wise. Cost is ascertained on FIFO basis. Provision is made for diminution arising there from.

(b) Inventory comprises of lands (with or without removable structure) 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.

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

4. INVESTMENTS

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

(iii) 'Long term Investments' are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.

(iv) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

5. DERIVATIVES

(a) Equity Index/ Stock/ Commodity/ Currency Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/ Stock/ Commodity/ Currency Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:

- The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
- The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the profit and loss account.
- Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock/ Commodity/ Currency Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock/ Commodity/ Currency Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

6. FOREIGN EXCHANGE TRANSACTIONS

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

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

7. FIXED ASSETS AND DEPRECIATION

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31/03/2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.

(b) Cost includes purchase price and all other attributable costs of bringing the assets to the working condition for intended use. Costs of self constructed fixed assets (including work-in-progress) comprise those costs that relate directly to the specific asset and those, which are attributable to the construction activity in general and can be allocated to the specific asset.

(c) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.

(d) Depreciation in respect of Office Building and Plant & Machinery at Corporate Office is provided on SLM and on all other assets on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets having individual value of less than ₹5,000/- are charged to the Profit & Loss Account in the year of purchase.

(e) Leasehold Land is amortized over the lease period.

(f) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.

(g) Leasehold Improvements are amortized over the lease period.

(h) Mobile phones are fully depreciated in the year of acquisition itself.

(i) In the case of IFCI Financial Services Ltd., intangible assets are recognized if they are separately identifiable and the company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account. The computer software which is identified as intangible assets and has been amortized at the rate of 40% following WDV method.

(j) The consideration paid for non-compete fees is identified as intangible assets and has been amortized as per terms of the non-compete agreement at straight line basis.

(k) In the case of IFCI Factors Ltd., depreciation has been provided on the basis of straight line method as per Schedule XIV to the Companies Act, 1956.

(l) In the case of IFCI Infrastructure Development Ltd. & IFCI Factors Ltd., intangible assets consisting of Computer software with indefinite period utility/ user rights and having a useful life lasting with that of the equipment have been capitalized with the cost of computer. Software carrying an identifiable utility of at least five years is amortized on a straight line basis over a period of five years from the date put into use. Software with limited edition/ period utility i.e. requiring annual revision is charged to Profit and Loss Account in the year of purchase.

(m) In the case of IFCI Factors Ltd., assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit & Loss Account on straight line basis over the lease term.

(n) Factored Debts purchased are included under Current Assets as Sundry Debtors. The unpaid balance of the price of the debts factored and due to the clients on collection is included under the Current Liabilities as “Contractual Liability against Sundry Debtors Collection”.

8. IMPAIRMENT OF ASSETS

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

9. PROVISIONS/ WRITE OFF AGAINST LOANS AND OTHER CREDIT FACILITIES

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions on standard assets are made as per the approval of the Board. Provisions are made on sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

(b) For restructured/ rescheduled assets, provision is made in accordance with the guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

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

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

11. BORROWING COST

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

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

12. MISCELLANEOUS EXPENDITURE

(a) Expenses on issue of Shares and Debentures are charged to Securities Premium Reserve in accordance with Section 78 of Companies Act, 1956.

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

13. EMPLOYEE BENEFITS

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

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

(c) The Company has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The same is charged against revenue as and when incurred.

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

(e) IFCI Financial Services Ltd. has changed its leave policy during the financial year 2010-11. As per the revised policy, an employee is entitled to 24 days of earned leave per year and any leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary in January. As such leave encashment liability for the period upto 31st December 2011 if fulfilled. Provision for the period from 01st January 2012 to 31st March 2012 is provided for in the books for an amount of Rs. 0.08 crore.

14. EMPLOYEE STOCK OPTION PLAN

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

15. TAXATION

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

16. PROVISIONS AND CONTINGENCIES

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

B. NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2011-12

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

Name of the Subsidiary	Proportion of Ownership Interest (%)
IFCI Financial Services Limited (IFIN)	94.78
IFCI Venture Capital Funds Limited (IVCF)	98.59
IFCI Infrastructure Development Limited (IIDL)	100.00
IFCI Factors Limited (IFL)	99.74
MPCON	79.72

IFIN Commodities Limited - Wholly owned subsidiary of IFIN
IFIN Credit Limited - Wholly owned subsidiary of IFIN,
Narayan Sriram Investments Private Limited – Wholly owned subsidiary of IFIN.
IIDL Realtors Pvt. Ltd.- Wholly owned subsidiary of IIDL.
All the subsidiaries are incorporated in India.

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

Name of the Associate	Proportion of Ownership Interest (%)
Tourism Finance Corporation of India Ltd.	42.50
Assets Care & Reconstruction Enterprise Ltd.	37.91
Stock Holding Corporation of India Ltd.	33.91
HARDICON Ltd.	45.50
Himachal Consultancy Organisation	49.00
North India Technical Consultancy Organistion Ltd.	48.75

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

Name of the Associate	**TFCI**	**SHCIL**	**ACRE**	**HARD I-CON**	**HIM-CON**	**NIT-CON**
Original Cost of Investments	75.25	4.46	7.25	0.03	0.07	0.13
Accumulated share in profit at the beginning of the year	50.65	Nil	4.51	0.34	0.54	0.22
Acquired during the year	10.96	292.76	0.00	0.25	0.00	0.00
Share of profit for the year	18.73	7.19	2.37	0.17	0.02	0.20
Capital Reserve	9.57		0.00	0.10	0.00	0.20
Carrying cost of investments	**165.16**	**304.41**	**14.13**	**0.89**	**0.63**	**0.75**

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

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

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

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

2. **Contingent Liabilities and Commitments (to the extent not provided for)**

(a) Contingent Liabilities

(₹ Crore)

	As at	31.03.12	31.03.11
(i)	Guarantees issued in Indian Currency	26.96	26.96
(ii)	Bank Guarantees	14.63	15.41
(iii)	Performance Guarantees issued	0.57	0.60
(iii)	Export obligations under EPCG Licenses	38.23	38.26
(iv)	Claims not acknowledged as debts	162.46	92.37
(vii)	Tax Matters:		
	Income Tax	27.33	27.35
	Service tax	5.66	5.36
	In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.		
(viii)	Bank guarantees aggregating to ₹ 29.16 crore (Previous Year – ₹29 crore) to the Stock/ Commodity Exchanges as on 31/03/2012 for meeting margin requirements. Fixed deposits aggregating of ₹ 16.34 crore (Previous Year – ₹14.50 crore) pledged with banks for obtaining the above bank guarantees Counter guarantee given by IFCI Financial Services Ltd. to a bank for issue of bank guarantee to the subsidiary company, IFCI Commodity Ltd.- ₹ 5 crore (Previous Year – ₹ 5 crore).		

(b) **Commitments**

(₹ Crore)

	As at	31/03/2012	31/03/2011
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	104.43	44.02
(ii)	Undrawn Commitments	392.97	-

3. In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide notification dated February 8 2011, has exempted Public Financial Institutions as specified under section 4A of the Companies Act, 1956 from disclosing company-wise details of Investments subject to fulfillment of certain conditions. The accounts for the year ended March 31, 2012 have been prepared in accordance therewith.

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

(₹ crore)

	IFIN		IVCF		IIDL		IFL		MPCON	
Year ended 31st March of	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Capital (incl. appl. money)	41.53	85.32	60.37	60.37	495.23	494.21	79.36	79.36	1.00	1.00
Reserves	35.73	12.26	87.17	75.19	19.11	9.61	67.41	43.20	2.68	2.31
Total Assets	108.07	148.78	464.52	185.67	727.02	666.38	1,523.18	1073.77	8.68	6.99
Total Liabilities	30.81	-	316.98	48.50	212.68	137.00	1,376.41	75.77	5.00	-
Investments	45.46	21.13	89.52	59.90	125.55	75.00	-	18.00	-	0.09
Turnover (incl. Prior Period Income)	25.45	33.13	50.99	30.63	85.40	30.67	161.86	80.11	8.94	8.58
Profit before Taxation	(20.25)	0.26	27.53	18.95	11.70	7.65	37.50	30.28	0.55	0.69
Provision for Taxation	(0.07)	(0.02)	(8.53)	5.81	1.42	2.55	12.37	10.18	0.17	0.24
Profit after Taxation	(20.32)	0.28	19.00	13,14	10.28	5.10	25.13	20.10	0.38	0.45
Proposed Dividend (incl. CDT)	-	-	-	-	-	-	6.46	6.46	-	-

5. The stakeholders of IFCI in Financial Year (FY) 2002-03 had approved the package for restructuring of debt/ liabilities, inter alia, providing for release of ₹5,220 crore (comprising ₹ 3,604 crore towards principal and ₹ 1,616 crore towards interest over future years on liabilities taken over/ to be serviced by Government of India) as Grant. Government of India (GOI) released ₹ 2,932.31 crore, comprising ₹523 crore as loan (FY 2002-03) and ₹ 2,409.31 crore (FY 2003-04 to FY 2006-07) as Grant. The amount of ₹ 2,409.31 crore received as Grant in FY 2003-04 to 2006-07 comprised of ₹ 1,606.31 crore towards principal and ₹ 803 crore towards interest. Out of ₹ 1,606.31 crore received towards principal, ₹ 1,359 crore (FY 2003-04) was accounted as extra-ordinary income and ₹ 247.31 crore (FY 2004-05 to FY 2006-07) as Restructuring Reserve in the Reserve & Surplus A/c and thereafter transferred to Profit & Loss A/c, as per the guidelines conveyed by RBI. The amount of ₹ 803 crore received towards interest was reduced from the cost of borrowings in respective years. No Grant has been received since April 1, 2007.

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

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

8. MPCON has continued to act as Nodal Agency for the implementation of Counseling, Retraining & Redeployment (CRR) Scheme of Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India, New Delhi for the Voluntarily Retired optees of Central Public Sector Enterprises (CPSEs). The Government of India has sanctioned grant amounting to ₹ 2.60 crore in 2011-12 (previous year ₹1.34 crore).

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

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

a) Fixed Assets include the cost (₹2.41 crore) of Residential flat at Greater Kailash-I, New Delhi purchased in open tender conducted by IFCI Ltd. who acquired the assets under Securitisation Act (SARFA&ESI). The process of execution and registration of title deeds as per applicable state laws is yet to be completed, although possession has been handed over on the basis of Sale Letter issued by IFCI Ltd.

b) Capital Work-in–Progress includes costs incurred on Construction of Service Apartments at Mayur Vihar, New Delhi. Costs include considerations paid to the contractors on the basis of continuing/ completed stage of construction as per work assessment/ evaluation, sums paid to Architects and other professionals and all other costs incurred which are directly attributable to the project.

c) Inventory includes one property acquired during the financial year 2008-09 for Rs.15.59 crore which has been notified for acquisition. Govt. of Haryana has issued a notice for acquisition of land under Land Acquisition Act for development against which company has filed a writ petition in the hon'ble high court of the Chandigarh. The court has directed the company not to develop the said property till further order and to maintain status quo. Pending final outcome from the Court, no adjustment has been made in the books.

d) Certain properties acquired by the company during auction under SARFAESI Act or for a consideration other than cash are accounted for in the books of the company on the basis of sales certificate or sale confirmation letter issued by the seller, pending vetting from legal angle.

11. IIDL is constructing a campus for MDI, Gurgaon at Jangipur, Murshidabad Dist. West Bengal. The financials relating to the contract are as under:

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

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

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

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

12. IFIN Ltd. has reclassified all long term investments in shares and securities as current investments. As required by Accounting Standard 13, the transfer is made at the lower of cost or the carrying amount. As a consequence to this re-classification, the company has valued the above investments at lower of cost or market value, which has resulted in diminution of the value of the said stock by Rs. 3,41,95,867/-.

13. IFCI Financial Services Ltd. has paid remuneration of ₹ 85,41,021 to the Ex - Managing Director which is in accordance with the approval of the shareholders. Out of the same, amount paid in excess of the limits specified in Schedule XIII to the Companies Act, 1956 is ₹ 28,70,793. The company has filed necessary application to the central government for wavier of the excess remuneration paid, which is awaited.

(₹ crore)

	31.03.12	31.03.11
14. a) Expenditure in Foreign Currencies:		
- Interest on borrowings	4.29	4.04
- Other matters	0.84	1.34
	5.13	5.38

14. b) Earnings in Foreign Currencies		
Interest	0.42	0.00
Others	0.03	0.12
	0.45	0.12

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

(₹ crore)

		For the year ended	31/03/2012		31/03/2011	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	Components of Employer Expense					
	1	Current Service Cost	0.92	1.39	0.62	0.42
	2	Interest Cost	0.78	1.43	0.64	1.05
	3	Expected Return on Plan Asset	-	-		-
	4	Curtailment Cost/ (Credit)	-	-	-	-
	5	Settlement Cost/ (Credit)	-	-	-	-
	6	Past Service Cost	-	-	-	-
	7	Actuarial (gain)/ loss recognized	(1.41)	(0.24)	0.38	3.63
	8	Expense Recognized in Statement of Profit/ Loss	0.29	2.59	1.64	5.10
II	Actual Returns for the year		0.87	-	0.70	-
III	Net (Asset)/ Liability recognized in Balance Sheet					
	1	Present Value of Defined Benefit Obligation	10.00	19.32	9.74	17.97
	2	Fair Value on Plan Assets	9.82	-	9.61	-
	3	Status Surplus/ (Deficit)	0.18	(19.32)	(0.13)	17.97
	4	Unrecognised Past Service Cost	-	-	-	-
	5	Net (Asset)/ Liability recognized in Balance Sheet	0.18	19.32	0.13	17.97
IV	Change in Defined Benefit Obligations (DBO)					
	1	Present Value of Obligation at Beginning of year	9.73	17.97	8.16	13.01
	2	Current Service Cost	0.92	1.39	0.62	0.42
	3	Interest Cost	0.78	1.43	0.64	1.05

		For the year ended	31/03/2012		31/03/2011	
	4	Curtailment cost	-	-	-	-
	5	Settlement Cost	-	-	-	-
	6	Plan Amendments	-	-	-	-
	7	Acquisitions	-	-	-	-
	8	Actuarial (gain)/ loss on Obligations	(0.51)	(0.24)	1.08	3.64
	9	Benefits Paid	(0.92)	(1.23)	(0.76)	(0.15)
	10	Present Value of Obligation at end of Year	10.00	19.32	9.74	17.97
V	Change in Fair Value of Assets during the year					
	1	Fair Value of Plan Asset at Beginning of year	9.60	-	8.35	-
	2	Acquisition Adjustment	-	-	-	-
	3	Expected Return on Plan Asset	-	-	-	-
	4	Actuarial (gain)/ loss on Plan Asset	0.88	-	0.12	-
	5	Contributions	0.20	-	1.88	-
	6	Benefits Paid	(0.86)	-	(0.75)	-
	7	Fair Value of Plan Asset at end of year	9.82	-	9.60	-
VI	Actuarial Assumptions					
	1	Mortality Table		LIC 1994-96		LIC 1994-96
	2	Early Retirement & Disablement		Age Related		Age Related
	3	Discount Rate	8.00%	8.00%	8.00%	8.00%
	4	Inflation Rate	8.50%	8.50%	8.50%	8.50%
	5	Return on Asset	8.00%		8.00%	

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

17. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

ESOP A

	2011-12		2010-11	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-

Granted during the year	45,73,312	17.55	-	-
Cancelled during the year	18,612	17.55	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	45,54,700	17.55	-	-

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

ESOP B

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

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

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

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

3. Name of the related party and nature of relationship-

Nature of Relationship	Name of the Related Party
Associates	Assets Care & Reconstruction Enterprise Ltd. (ACRE)
	Tourism Finance Corporation of India Ltd. (TFCI)
	HIMCON Limited

	Stock Holding Corporation of India Ltd. (SHCIL) (w.e.f. August 30, 2011)
	NITCON Limited
	HARDICON Limited
Joint Ventures	IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCA) (w.e.f. November 16, 2011)
Key Managerial Personnel	Mr. Atul Kumar Rai (CEO & MD)
	Mr. Sujit K. Mandal (Whole Time Director)
Relative of Key Managerial Personnel	Mr. Siddharth Mandal

4. Transaction with the related party during the year:-

Type of Transaction (year ended 31.03.2012)*	ACRE	TFCI	HIM-CON	HARD-ICON	NIT-CON	SHCIL
Acquisition from market/ Others	- (-)	10.96 (13.86)	- (-)	0.25 (-)	- (-)	- (-)
Debt assigned to IFCI	- (20.31)	- (-)	- (-)	- (-)	- (-)	- (-)
Debt/ NPA assigned by IFCI	- (7.00)	- (-)	- (-)	- (-)	- (-)	- (-)
Rent & Maintenance received by IFCI	- -	0.80 (0.01)	- (-)	- (-)	- (-)	- (-)
Loan (o/s)	71.22 (62.57)	- (-)	- (-)	- (-)	- (-)	- (-)
Interest received/ receivable on Loan	7.54 (1.02)	- (-)	- (-)	- (-)	- (-)	- (-)
Dividend Received	- (-)	3.96 (3.28)	0.01 (-)	0.01 (-)	0.01 (-)	5.36 (-)
Dividend Paid on Preference Shares	- (-)	20,000 (₹ 20,000)	- (-)	- (-)	- (-)	- (-)
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.15 (0.18)	- (-)	- (-)	- (-)	- (-)	- (-)
Professional fee paid	- (-)	- (-)	- (0.02)	- (0.04)	- (0.20)	0.38 (-)
Employees deputed/ posted by IFCI as at 31.03.2012 (No.)	1 (1)	1 (-)	1 (1)	1 (1)	- (1)	- (-)

* figures in brackets represents previous year figures.

With Key Management Personnel & Relatives of Key Management Personnel

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

* figures in brackets represents previous year figures.

22. Earnings per share

(₹ crore)

		For the year ended	31.03.12	31.03.11
I.		Computation for Basic Earnings per Share		
	(a)	Profit Computation for Equity shareholders		
		Net profit as per Profit & Loss Account	686.28	745.53
		Less: Preference Dividend	(0.31)	(0.31)
		Net profit for Equity Shareholders	685.97	745.22
	(b)	Weighted Average Number of Equity Shares outstanding during the year	737,837,331	737,837,331
II.		Computation for Diluted Earnings per Share		
	(a)	Profit Computation for Equity shareholders (including potential shareholders)		
		Net profit as per Profit & Loss Account	686.28	745.53
		Less: Preference dividend	(0.31)	(0.31)
		Add: Interest on Convertible Debentures (net of MAT)	31.20	31.65
		Net profit for equity shareholders (including potential shareholders)	717.17	776.87
	(b)	Weighted Average Number of Equity Shares outstanding during the year including Convertible Debentures held by LIC/ GoI assuming conversion price as per SEBI Guidelines.	960,916,575	888,605,054
III.		Earnings Per Share (Weighted Average, not annualised)		

		For the year ended	31.03.12	31.03.11
		Basic (₹)	9.30	10.10
		Diluted (₹)	7.46	8.74

23.(a) Provisions of Accounting Standard-19, issued by the ICAI - "Leases" are not applicable as the Company has not entered into leasing transaction on or after 1st April 2001.

(b) The Company has entered into lease agreement at four centers and lease rent in respect of above is charged to Profit & Loss Account.

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

(₹ crore)

Particulars	31.03.12	31.03.11
Minimum Lease payments:		
d) Not later than one year	5.73	5.72
e) Later than one year but not later than five years	15.47	21.17
f) Later than five years	-	-

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

(₹ crore)

As at	**31/03/12**	**31/03/11**
Unabsorbed Business Loss	-	30.57
Unabsorbed Depreciation	-	55.43
Provision against Loans/ Advances & other Assets	845.91	955.02
Timing difference in Depreciable Assets	(39.39)	(49.16)
Other Timing Differences	34.26	30.92
Deferred Tax Assets (Net)	**840.78**	**1,022.78**

25. Fixed Assets possessed by the Company are treated as 'Corporate Assets’ and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2012, there were no events or changes in circumstances which indicate any impairment in the assets.

26. Total value of outstanding Currency Swaps was USD 98.70 million against INR, EURO 0.60 million against INR and EURO 79.50 million against USD (Previous year: USD 41.90 million against INR and EURO 69 million against USD respectively) equivalent to ₹ 1,069.40 crore (Previous year: ₹ 634.31 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was USD 0.15 million against INR equivalent to ₹ 0.77 crore (Previous year: USD 4.30 million against INR and EUR 5 million against USD equivalent to ₹19.29 crore and ₹ 31.84 crore respectively).

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

Long Position

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

Previous Year - Nil

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

29. Details of securities sold and purchased under Repos and Reverse Repos Transactions:

(₹ crore)

	Minimum O/s during the year	Maximum O/s during the year	Daily Average O/s during the year	O/s as on March 31, 2012
Securities sold under Repo:				
1.Govt. Securities	Nil	Nil	Nil	Nil
2.Corporate Bonds	Nil	Nil	Nil	Nil
Securities purchased under reverse repo:				
1.Govt. Securities	Nil	Nil	Nil	Nil
2.Corporate Bonds	Nil	28.50	1.64	Nil

(a) Previous Year – Nil

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

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

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

A. SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2010-11

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2. REVENUE RECOGNITION

(a) Income on Non-Performing Assets (NPA) is recognized, as and when received.

(b) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates and LC Commission are accounted for on realization basis.

(c) Dividends declared by the respective companies till the close of the accounting period are accounted for as income, once the right to receive is established.

(d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/ or before 31/03/2001, income from leases (except in case of Non-Performing Assets) is recognized on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.

(e) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(f) Surplus on sale of investments is net of losses thereon.

(g) Broking Income is recognised on the basis of settlement date of transactions.

(h) Interest earned on fixed income bearing securities is accounted for on accrual basis.

(i) Income from Merchant Banking/ Loan Syndication Fees is recognized when the right to receive the income is established.

(j) Depository Services incomes are recognised on the basis of agreements entered into with clients and when the right to receive the income is established.

(k) Insurance Commission from Agency business is booked upon actual receipt of commission from the principal agent.

(l) Commission from selling of Mutual Funds is accounted for on accrual basis.

(m) Fee income from Portfolio Management and advisory services is recognized on accrual basis.

(n) Units generated from windmills are sold to the Tamil Nadu Electricity Board (TNEB) at agreed rates and the income is included in the value of power generated from windmills.

(o) Income by way of fees for project advisory and execution services is recorded on the accrual basis as per services rendered pursuant to the specific agreements.

(p) Revenue from real estate development of constructed properties is recognised based on the "percentage of completion method". Sale consideration as per the legally enforceable Agreements to Sell entered into is recognised as revenue based on the percentage of actual project costs incurred to total estimated project cost, subject to following :

(v) Actual cost incurred is not less than 30 percent of the total estimated project cost.

(vi) No significant uncertainty exists regarding receipt of consideration from the customers

(vii) In case of overdue, on actual realisation basis.

(viii) All significant risks and rewards are transferred to the customer.

Project cost includes cost of land, estimated cost of construction and development of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates recognised in the period such changes are determined.

(q) 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 for on pro-rata basis.

(r) Income from factoring services is accounted on accrual basis except in the case of non-performing assets where income is accounted on realization.

3. STOCK - IN – TRADE

(a) Stock in trade (Securities) is valued at lower of cost and quoted value, computed category wise. Cost is ascertained on FIFO basis. Provision is made for diminution arising there from.

(b) Inventory comprises of lands (with or without removable structure) 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.

4. INVESTMENTS

(a) Investments are classified under current and long term categories and valued in accordance with the Reserve Bank of India (RBI) Guidelines as applicable to Non-Banking Financial Companies (NBFCs) and Accounting Standard 13 on 'Accounting for Investments' issued by the Institute of Chartered Accountants of India (ICAI).

(v) 'Long term Investments' are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.

(vi) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net

asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

5. DERIVATIVES

(a) Equity Index/ Stock/ Commodity Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/ Stock/ Commodity Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:

- The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
- The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the profit and loss account.
- Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock/ Commodity Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock/ Commodity Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

6. FOREIGN EXCHANGE TRANSACTIONS

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

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

7. FIXED ASSETS AND DEPRECIATION

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31/03/2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.

(b) Cost includes purchase price and all other attributable costs of bringing the assets to the working condition for intended use. Costs of self constructed fixed assets (including work-in-progress) comprise those costs that relate directly to the specific asset and those, which are attributable to the construction activity in general and can be allocated to the specific asset.

(c) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.

(d) Depreciation in respect of Office Building and Plant & Machinery at Corporate Office is provided on SLM and on all other assets on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets having individual value of less than ₹5,000/- are charged to the Profit & Loss Account in the year of purchase.

(e) Leasehold Land is amortized over the lease period.

(f) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.

(g) Mobile phones are fully depreciated in the year of acquisition itself.

(h) Art works capitalized under Furniture and Fixtures are not being depreciated.

(i) In the case of IFCI Financial Services Ltd., intangible assets are recognized if they are separately identifiable and the company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account. The computer software which is identified as intangible assets and has been amortized at the rate of 40% following WDV method.
The consideration paid for non-compete fees is identified as intangible assets and has been amortized as per terms of the non-compete agreement at straight line basis.

(j) In the case of IFCI Factors Ltd., depreciation has been provided on the basis of straight line method as per Schedule XIV to the Companies Act, 1956.

(k) In the case of IFCI Infrastructure Development Ltd. & IFCI Factors Ltd., intangible assets consisting of Computer software with indefinite period utility/ user rights and having a useful life lasting with that of the equipment have been capitalized with the cost of computer. Software carrying an identifiable utility of at least five years is amortized on a straight line basis over a period of five years from the date put into use. Software with limited edition/ period utility i.e. requiring annual revision is charged to Profit and Loss Account in the year of purchase.

(l) In the case of IFCI Factors Ltd., assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit & Loss Account on straight line basis over the lease term.

(m) Factored Debts purchased are included under Current Assets as Sundry Debtors. The unpaid balance of the price of the debts factored and due to the clients on collection is included under the Current Liabilities as “Contractual Liability against Sundry Debtors Collection”.

8. IMPAIRMENT OF ASSETS

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset’s net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm’s length transaction between knowledgeable, willing parties, less the costs of disposal. If at the balance sheet date there is an indication that a previously

assessed impairment loss no longer exits, then such loss is reversed and the asset is restated to the extent of the carrying value of the asset that would have been determined (net of amortization/ depreciation), had no impairment loss been recognized.

9. PROVISIONS/ WRITE OFF AGAINST LOANS AND OTHER CREDIT FACILITIES

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions on standard assets are made as per the approval of the Board. Provisions are made on sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

(b) For restructured/ rescheduled assets, provision is made in accordance with the guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

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

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

11. BORROWING COST

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

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

12. MISCELLANEOUS EXPENDITURE

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

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

13. EMPLOYEE BENEFITS

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

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

(c) The Company has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The same is charged against revenue as and when incurred.

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

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

14. TAXATION

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

15. PROVISIONS AND CONTINGENCIES

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

B. NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2010-11

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

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

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

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

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

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

	TFCI *	ACRE	HARDI -CON	HIM-CON	NIT-CON
Original Cost of Investments	61.39	7.33	0.03	0.07	0.13
Accumulated share in profit at the beginning of the year	42.52	1.48	0.21	0.52	0.15
Acquired during the year	13.86	0.00	0.00	0.00	0.00
Share of profit for the year	8.13	3.03	0.13	0.02	0.07
Goodwill/ Capital Reserve	4.00	0.00	0.00	0.00	0.20
Carrying cost of investments	129.90	11.84	0.37	0.61	0.55

* The nine months financial results of TFCI as submitted to Stock exchange being the most recent available have been considered for the purpose of consolidation as un-audited/ audited results for the 12 months ended 31/03/2011 are not available.

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

3. Contingent Liabilities not provided for in respect of:

(₹ crore)

	As at	31.03.11	31.03.10
(i)	Guarantees issued in Indian Currency	26.96	50.00
(ii)	Bank Guarantees	15.41	8.31
(iii)	Performance Guarantees issued	0.60	0.67

(iv)	Claims not acknowledged as debts	92.37	50.32
(v)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	44.02	46.00
(vii)	Tax Matters – Income Tax Service tax In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.	 27.35 5.36	 314.97 3.90
(viii)	Bank guarantees aggregating to ₹29 crore (Previous Year – ₹22 crore) to the Stock/ Commodity Exchanges as on 31/03/2011 for meeting margin requirements. Fixed deposits aggregating of ₹14.50 crore (Previous Year – ₹11 crore) pledged with banks for obtaining the above bank guarantees. Counter guarantee given by IFCI Financial Services Ltd. to a bank for issue of bank guarantee to the subsidiary company, IFCI Commodity Ltd.- ₹5 crore (Previous Year – ₹2 crore).		

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

(₹ crore)

	IFIN		IVCF		IIDL		IFL		MPCON	
Year ended 31st March of	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Capital (incl. appl. money)	85.32	9.07	60.37	60.37	494.21	339.53	79.36	79.36	1.00	1.00
Reserves	12.26	11.97	75.19	62.05	9.61	4.51	43.20	29.66	2.31	1.86
Total Assets	148.78	106.46	185.67	123.22	666.38	347.02	1073.77	388.48	6.99	10.71
Total Liabilities	-	68.20	48.50	0.08	137.00	2.97	75.77	106.80	-	7.45
Investments	21.13	5.25	59.90	75.31	75.00	-	18.00	-	0.09	0.09
Turnover (incl. Prior Period Income)	33.13	26.11	30.63	11.89	30.67	27.67	80.11	31.64	8.58	7.22
Profit before Taxation	0.26	3.27	18.95	7.20	7.65	6.03	30.28	16.20	0.69	0.46
Provision for Taxation	(0.02)	1.15	5.81	2.26	2.55	2.03	10.18	5.61	0.24	0.20
Profit after Taxation	0.28	2.12	13,14	4.94	5.10	4.00	20.10	10.59	0.45	0.26
Proposed Dividend (incl. CDT)	-	-	-	-		-	-	-	-	0.02

5. The stakeholders of IFCI in Financial Year (FY) 2002-03 had approved the package for restructuring of debt/ liabilities, inter alia, providing for release of ₹5,220 crore (comprising ₹3,604 crore towards principal and ₹1,616 crore towards interest over future years on liabilities taken over/ to be serviced by Government of India) as Grant. Government of India (GOI) released ₹2,932.31 crore, comprising ₹523 crore as loan (FY 2002-03) and ₹2,409.31 crore (FY 2003-04 to FY 2006-07) as Grant. The amount of ₹2,409.31 crore received as Grant in FY 2003-04 to 2006-07 comprised of

₹1,606.31 crore towards principal and ₹803 crore towards interest. Out of ₹1,606.31 crore received towards principal, ₹1,359 crore (FY 2003-04) was accounted as extra-ordinary income and ₹247.31 crore (FY 2004-05 to FY 2006-07) as Restructuring Reserve in the Reserve & Surplus A/c and thereafter transferred to Profit & Loss A/c, as per the guidelines conveyed by RBI. The amount of ₹803 crore received towards interest was reduced from the cost of borrowings in respective years. No Grant has been received since April 1, 2007.

6. The bonds guaranteed by GOI of ₹ 2,270.21 crore include bonds of ₹ 1,830.21 crore which have been rolled over for 10 years from the respective due dates in line with the minutes of meetings of stakeholders, held on November 26, and December 2, 2002 and communication to GOI.

7. Transfer of equivalent amount to Capital Redemption Reserve Account in respect of Preference Shares of ₹ 20 crore redeemed in the FY 2001-02, was complied with in FY 2007-08. However, the Company's application to the Regional Director, Northern Region for compounding is yet to be disposed off by the authorities.

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

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

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

10. MPCON has continued to act as Nodal Agency for the implementation of Counseling, Retraining & Redeployment (CRR) Scheme of Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India, New Delhi for the Voluntarily Retired optees of Central Public Sector Enterprises (CPSEs). The Government of India has sanctioned grant amounting to ₹ 1.34 crore in 2010-11 (previous year ₹0.99 crore).

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

12. In the case of IFCI Infrastructure Development Ltd.: -
    a) Fixed Assets include the cost (₹2.41 crore) of Residential flat at Greater Kailash-I, New Delhi purchased in open tender conducted by IFCI Ltd. who acquired the assets under Securitisation Act (SARFA&ESI). The process of execution and registration of title deeds as per applicable state laws is yet to be completed, although possession has been handed over on the basis of Sale Letter issued by IFCI Ltd.
    b) Inventories include four properties acquired from IFCI Ltd. for consideration other than cash amounting to ₹ 53.22 crore (Previous Year ₹ 27.83 crore in respect of five properties) where the process of execution and registration of title deeds as per applicable state laws is yet to be completed, although the possession of the properties has been taken over.
    c) Capital Work-in–Progress includes costs incurred on Construction of Service Apartments at Mayur Vihar, New Delhi. Costs include considerations paid to the contractors on the basis of continuing/ completed stage of construction as per work assessment/ evaluation, sums paid to Architects and other

professionals and all other costs incurred which are directly attributable to the project.

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

(₹ crore)

14. Expenditure in Foreign Currencies:

	31.03.11	31.03.10
- Interest on borrowings	4.04	5.56
- Other matters	1.34	1.76
	5.38	7.32

15. Earnings in Foreign Currencies

- Interest	0.00	0.00
- Others	0.12	0.03
	0.12	0.03

16. Auditors' Remuneration

a) Fees (including Service Tax)	0.31	0.26
b) Out of pocket expenses	0.01	0.01
	0.32	0.27

17. Managerial Remuneration:

- Salary and allowances	3.90	3.23
- Contribution to retirement funds *		
- Perquisites	0.28	0.25
	0.14	0.12
	4.32	3.60

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

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

(₹ crore)

For the year ended	31/03/11	31/03/10
Profit before Taxation and Exceptional Items	1,166.25	1,115.26
Add: Directors' Remuneration	1.68	1.36
Add: Wealth Tax	0.06	0.12

Add/ (Less): (Profit)/ Loss on sale fixed assets	(34.09)	3.92
Net Profit as per Sec. 198 of the Companies Act, 1956	1,133.90	1,120.66
Maximum permissible remuneration to CEO & MD/ WTD u/s 198 of the Companies Act, 1956 @10% of the profits computed as above	113.39	112.07
Payable for the year	1.68	1.36

18. Quantitative details of Stock in trade:

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

19. Quantitative Information in respect of Inventories

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
	Nos.	Amount (₹ cr.)	Nos.	Amount (₹ cr.)
Land & Building				
Opening Stock	15	160.54	11	143.52
Add: Purchases	2	77.49	5	24.71
Less: Sales	0	0.00	1	7.59
Balance at year end	17	223.22	15	160.63
Machinery & Equipment				
Opening Stock	1	1.44	1	0.50
Add: Purchases	2	0.00	2	10.58
Less: Sales	2	0.59	2	9.73
Balance at year end	1	0.85	1	1.35

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

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

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

22. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2011. This information as

required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

23. Details of investments purchased and sold/ redeemed during the year ended March 31, 2011 and details of investment where the value (category-wise) exceeds 2% of the total value in each category or ₹ 1 crore, whichever is lower as at March 31, 2011 are enclosed as Annexures with IFCI's standalone Balance Sheet.

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

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

(₹ crore)

			31/03/2011		31/03/2010	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Un-funded	Funded	Un-funded
I	Components of Employer Expense					
	1	Current Service Cost	0.55	0.39	0.42	0.90
	2	Interest Cost	0.64	1.02	0.51	0.63
	3	Expected Return on Plan Asset	0	0	0.58	
	4	Curtailment Cost/ (Credit)	0.7	0	0	
	5	Settlement Cost/ (Credit)	0	0	0	
	6	Past Service Cost	0	0	0	
	7	Actuarial (gain)/ loss recognized	0.08	0.02	1.11	3.73
	8	Expense Recognized in Statement of Profit/ Loss	1.40	3.55	1.47	0.16
II	Actual Returns for the year		0.70	0.02	0.65	0.58
III	Net (Asset)/ Liability recognized in Balance Sheet					
	1	Present Value of Defined Benefit Obligation	8.31	0.12	8.22	
	2	Fair Value on Plan Assets	7.01	0	7.59	
	3	Status (Surplus/ Deficit)	(0.78)	0	(0.43)	
	4	Unrecognised Past Service Cost	0	0	0	
	5	Net (Asset)/ Liability recognized in Balance Sheet	(0.57)	0.12	(0.38)	
IV	Change in Defined Benefit Obligations (DBO) during year					
	1	Present Value of Obligation at Beginning of year	8.30	13.01	6.33	7.86
	2	Current Service Cost	0.55	0.42	0.42	0.90
	3	Interest Cost	0.64	1.05	0.51	0.63
	4	Curtailment cost	0	0	0	
	5	Settlement Cost	0	0	0	
	6	Plan Amendments	0	0	0	
	7	Acquisitions	0	0	0	
	8	Actuarial (gain)/ loss on Obligations	1.15	3.63	1.11	3.73
	9	Benefits Paid	1.65	(0.15)	0.08	0.11
	10	Present Value of Obligation at end of Year	9.89	17.97	8.30	13.01
V	Change in Fair Value of Assets during the year					
	1	Fair Value of Plan Asset at Beginning of year	8.35	0	7.32	
	2	Acquisition Adjustment	0	0	0	
	3	Expected Return on Plan Asset	0.70	0	0.58	

	4	Actuarial (gain)/ loss on Plan Asset	0	0	0.00	
	5	Contributions	1.66	0	0.53	
	6	Benefits Paid	0.75	0	0.08	
	7	Fair Value of Plan Asset at end of year	9.32	(0.12)	8.35	
VI	Actuarial Assumptions					
	1	Mortality Table		LIC 1994-96		LIC 1994-96
	2	Early Retirement & Disablement		Age Related		Age Related
	3	Discount Rate	8.00%	8.00%	8.00%	8.00%
	4	Inflation Rate	8.50%	8.50%	7.00%	7.00%
	5	Return on Asset	8.00%		8.00%	
VII	Major Category of Plan Assets as a % of the Total Plan Assets					
	1	Government Securities	8.11%		9.10%	
	2	Special Deposit Scheme				
	3	High Quality Corporate Bonds				
	4	Insurance Companies	91.89%		90.90%	
	5	Cash & Cash Equivalents				

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

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

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

Nature of Relationship	Name of the Related Party
Associates	Assets Care & Reconstruction Enterprise Ltd. (ACRE)
	Tourism Finance Corporation of India Ltd. (TFCI)
	HIMCON Limited
	NITCON Limited
	HARDICON Limited
Key Managerial Personnel	Mr. Atul Kumar Rai (CEO & MD)
	Mr. Sujit K. Mandal (Whole Time Director)

2. Transaction with the related party during the year:-

With Associates

(₹ crore)

Type of Transaction (Year ended 31.03.2011)*	ACRE	TFCI	HIM-CON	HARD-ICON	NIT-CON
Infusion of Equity	- (-)	- (-)	- (-)	- (-)	- (0.07)
Acquisition from market	- (-)	13.86 (3.59)	- (-)	- (-)	- (-)
Debt assigned to IFCI	20.31 (-)	- (-)	- (-)	- (-)	- (-)
Debt/ NPA assigned by IFCI	7.00	-	-	-	-

Type of Transaction (Year ended 31.03.2011)*	ACRE	TFCI	HIM-CON	HARD-ICON	NIT-CON
	(-)	(-)	(-)	(-)	(-)
Rent & Maintenance received by IFCI	- (0.12)	0.01 (0.04)	- (-)	- (-)	- (-)
Loan (o/s)	62.57 (2.75)	- (-)	- (-)	- (-)	- (-)
Interest received/ receivable on Loan	1.02 (0.02)	- (-)	- (-)	- (-)	- (-)
Dividend Received	- (-)	3.28 (2.54)	- (-)	- (-)	- (-)
Dividend Paid on Preference Shares	- (-)	₹ 20,000 (₹ 20,000)	- (-)	- (-)	- (-)
Salaries/ Other Estt. Exp. paid by IFCI for employees deputed by IFCI, recovered/ recoverable from them.	0.18 (0.08)	- (-)	- (-)	- (-)	- (-)
Professional fee paid	- (-)	- (-)	0.02 (0.05)	0.04 (0.14)	0.20 (0.01)
Employees deputed/ posted by IFCI as at 31.03.2011 (No.)	1 (1)	- -	1 -	1 -	1 -
Employees deputed in IFCI as at 31.03.2011 (No.)	- -	- -	- -	- (1)	- -

* figures in brackets represents previous year figures.

With Key Management Personnel

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

* figures in brackets represents previous year figures.

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

29. Earnings per share

(₹ crore)

		For the year ended	31.03.11	31.03.10
I.		Computation for Basic Earnings per Share		
	(a)	Profit Computation for Equity shareholders		

		For the year ended	31.03.11	31.03.10
		Net profit as per Profit & Loss Account	745.53	693.04
		Less: Preference Dividend	(0.31)	(0.31)
		Net profit for Equity Shareholders	745.22	692.73
	(b)	Weighted Average Number of Equity Shares outstanding during the year	737,837,331	738,779,978
II.		Computation for Diluted Earnings per Share		
	(a)	Profit Computation for Equity shareholders (including potential shareholders)		
		Net profit as per Profit & Loss Account	745.53	693.04
		Less: Preference dividend	(0.31)	(0.31)
		Add: Interest on Convertible Debentures (net of MAT)	31.65	32.81
		Net profit for equity shareholders (including potential shareholders)	776.87	725.54
	(b)	Weighted Average Number of Equity Shares outstanding during the year including Convertible Debentures held by LIC/ GoI assuming conversion price as per SEBI Guidelines.	888,605,054	123,89,14,001
III.		Earnings Per Share (Weighted Average, not annualised)		
		Basic (₹)	10.10	9.38
		Diluted (₹)	8.74	5.86

30.(a) Provisions of Accounting Standard-19, issued by the ICAI - "Leases" are not applicable as the Company has not entered into leasing transaction on or after 1st April 2001.

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

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

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

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

(₹ crore)

Particulars	31.03.11	31.03.10
Minimum Lease payments:		
a) Not later than one year	5.72	0.26
b) Later than one year but not later than five years	21.17	0.37
c) Later than five years	-	-

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

(₹ crore)

As at	31.03.11	31.03.10
Unabsorbed Business Loss *	30.57	187.51
Unabsorbed Depreciation *	55.43	56.75
Provision against Loans/ Advances & other Assets	954.92	1,196.77
Timing difference in Depreciable Assets	(49.16)	(63.75)
Other Timing Differences	30.92	11.18
Deferred Tax Assets (Net)	1,022.68	1,388.47#

* as evidenced from the income tax return filed by the Company
# incl. ₹0.08 crore on a/c of amalgamation of IFIN with C.R. Finance & Securities Pvt. Ltd.

For the current year, Deferred Tax charge of ₹365.69 crore (Previous Year: ₹338.41 crore) has been charged in the accounts.

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

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

(₹ crore)

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

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

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

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

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

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

A. SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2009-10

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2. REVENUE RECOGNITION

(a) Income on Non-Performing Assets (NPA) is recognized, as and when received.

(b) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates and LC Commission are accounted for on realization basis.

(c) Dividends declared by the respective companies till the close of the accounting period are accounted for as income, once the right to receive is established.

(d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/ or before 31/03/2001, income from leases (except in case of Non-Performing Assets) is recognised on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.

(e) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(f) Surplus on sale of investments is net of losses thereon.

(g) Broking Income is recognised on the basis of settlement date of transactions.

(h) Interest earned on fixed income bearing securities is accounted for on accrual basis.

(i) Income from Merchant Banking/ Loan Syndication Fees is recognized when the right to receive the income is established.

(j) Depository Services incomes are recognised on the basis of agreements entered into with clients and when the right to receive the income is established.

(k) Insurance Commission from Agency business is booked upon actual receipt of commission from the principal agent.

(l) IFCI Financial Services has changed its accounting policy for accounting of commission from selling of Mutual Funds from cash basis to accrual basis during the year. This has resulted in a higher profit of Rs.0.70 crore.

(m) Fee income from Portfolio Management and advisory services is recognized on accrual basis.

(n) Income by way of fees for project advisory and execution services is recorded on the accrual basis as per services rendered pursuant to the specific agreements.

(o) Revenue on sale of properties and other assets is recognized on handing over of possession or execution of Sale Deed/ Sale Letter, whichever is earlier.

(p) 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 for on pro-rata basis.

(q) Income from factoring services is accounted on accrual basis except in the case of non-performing assets where income is accounted on realization.

3. STOCK - IN – TRADE

(a) Stock in trade (Securities) is valued at lower of cost and quoted value, computed category wise. Cost is ascertained on FIFO basis. Provision is made for diminution arising there from.

(b) Inventory comprises of lands (with or without removable structure) 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.

4. INVESTMENTS

(a) Investments are classified under current and long term categories and valued in accordance with the Reserve Bank of India (RBI) Guidelines as applicable to Non-Banking Financial Companies (NBFCs) and Accounting Standard 13 on 'Accounting for Investments' issued by the Institute of Chartered Accountants of India (ICAI).

(i) 'Long term Investments' are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.

(ii) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

5. DERIVATIVES

(a) Equity Index/ Stock/ Commodity Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/ Stock/ Commodity Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:

- The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
- The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the profit and loss account.
- Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock/ Commodity Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock/ Commodity Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

6. FOREIGN EXCHANGE TRANSACTIONS

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

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

7. FIXED ASSETS AND DEPRECIATION

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31/03/2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.

(b) Cost includes purchase price and all other attributable costs of bringing the assets to the working condition for intended use. Costs of self constructed fixed assets (including work-in-progress) comprise those costs that relate directly to the specific asset and those, which are attributable to the construction activity in general and can be allocated to the specific asset.

(c) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.

(d) Depreciation in respect of Office Building and Plant & Machinery at Corporate Office is provided on SLM and on all other assets on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets having individual value of less than Rs.5,000/- are charged to the Profit & Loss Account in the year of purchase.

(e) Leasehold Land is amortized over the lease period.

(f) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.

(g) Mobile phones are fully depreciated in the year of acquisition itself.

(h) Art works capitalized under Furniture and Fixtures are not being depreciated.

(i) In the case of IFCI Financial Services Ltd., intangible assets are recognized if they are separately identifiable and the company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account. The computer software which is identified as intangible assets and has been amortized at the rate of 40% following WDV method.

The consideration paid for non-compete fees is identified as intangible assets and has been amortized as per terms of the non-compete agreement at straight line basis.

(j) In the case of IFCI Infrastructure Development Ltd., depreciation on fixed assets is provided on written down value method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 or based on the management's estimates of the useful life of the asset, whichever is higher.

(k) In the case of IFCI Factors Ltd., depreciation has been provided on the basis of straight line method as per Schedule XIV to the Companies Act, 1956.

(l) In the case of IFCI Infrastructure Development Ltd., intangible assets consisting of Computer software with indefinite period utility/ user rights and having a useful life lasting with that of the equipment have been capitalized with the cost of computer. Software carrying an identifiable utility of at least five years is amortized on a straight line basis over a period of five years from the date put into use. Software with limited edition/ period utility i.e. requiring annual revision is charged to Profit and Loss Account in the year of purchase.

(m) In the case of IFCI Factors Ltd., leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term, are classified as operating leases. Operating payments are recognized as an expense in the Profit and Loss account on a straight line basis over the lease term.

(n) Factored Debts purchased are included under Current Assets as Sundry Debtors. The unpaid balance of the price of the debts factored and due to the clients on collection is included under the Current Liabilities as contractual obligation.

8. IMPAIRMENT OF ASSETS

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

9. PROVISIONS/ WRITE OFF AGAINST LOANS AND OTHER CREDIT FACILITIES

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions on standard assets are made as per the approval of the Board. Provisions are made on sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

(b) For restructured/ rescheduled assets, provision is made in accordance with the guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

(e) Factored debts are classified into performing and non-performing assets in terms of guidelines laid down by the Reserve Bank of India. Provision for factored debts is made in accordance with the guidelines laid down by Reserve Bank of India.

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

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

11. BORROWING COST

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

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

12. MISCELLANEOUS EXPENDITURE

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

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

13. EMPLOYEE BENEFITS

(a) Monthly contributions to the Retirement Funds viz Provident Fund and Pension Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators. The administration of Pension Fund in respect of existing employees opting for the same has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme. The existing pension optees, however, continue to be governed by the provisions of the scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to Accounts as and when due.

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

(c) The Company has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The same is charged against revenue as and when incurred.

(d) Leave Encashment liability is provided for on the basis of actuarial valuation in accordance with Accounting Standard (AS-15).

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

(f) IFCI Financial Services Ltd. has changed its leave policy during the year. As per the revised policy, an employee is entitled to 19 days of earned leave per year and any leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary in January. Consequent to the change in the policy, the liability to the extent of Rs.0.10 crore on account of the accumulated leave of the employees has been discharged in full by the Company during the year.

(g) Gratuity and Leave Encashment liability in case of MPCON is calculated on accrual basis for all the Employees as on 31/03/2010.

14. TAXATION

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

15. PROVISIONS AND CONTINGENCIES

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where

it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

B. NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2009-10

1.(a) The consolidated financial statements comprise the individual financial statements of IFCI Ltd. and its following subsidiaries as on 31.03.2010 and for the year ended on that date: -

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

IFCI Commodity Limited - Wholly owned subsidiary of IFIN
IFIN Credit Limited - Wholly owned subsidiary of IFIN, formed during the year
All the subsidiaries are incorporated in India.

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

Name of the Associate	Proportion of Ownership Interest (%)
Tourism Finance Corporation of India Ltd.	33.08
Assets Care Enterprise Ltd.	37.91
HARDICON Ltd.	26.00
Himachal Consultancy Organisation	49.00
North India Technical Consultancy Organistion Ltd.	48.75

Particulars of investments as on March 31, 2010 is as under:

	TFCI	ACE	HARDI -CON	HIM-CON	NIT-CON
Original Cost of Investments	57.80	7.23	0.03	0.07	0.06
Accumulated share in profit at the beginning of the year	31.82	1.14	0.11	0.32	0.13
Acquired during the year	3.59	-	-	-	0.07
Share of profit for the year	10.71	0.34	0.10	0.20	0.02
Adjustment of goodwill for the year	1.46	-	-	-	0.20
Carrying cost of investments	105.37	8.81	0.24	0.59	0.48

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

2. Contingent Liabilities not provided for in respect of:

(Rs. crore)

	As at	31.03.10	31.03.09
(i)	Guarantees issued -		
	Foreign Currency	0.00	0.00
	Indian Currency	50.00	186.65
(ii)	Bank Guarantees	8.31	0.00
(iii)	Performance Guarantees issued	0.67	0.62

(iv)	Claims not acknowledged as debts	50.32	50.37
(v)	Assets sold with recourse	0.00	2.88
(vi)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	46.00	46.37
(vii)	Tax Matters – Income Tax Service tax In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.	 314.97 3.90	 187.18 0.00
(viii)	Bank guarantees aggregating to Rs.22 crore (Previous Year – Rs.1.25 crore) to the Stock/ Commodity Exchanges as on 31/03/2010 for meeting margin requirements. Fixed deposits aggregating of Rs.11 crore (Previous Year – Rs.0.63 crore) pledged with banks for obtaining the above bank guarantees. Counter guarantee given by IFCI Financial Services Ltd. to a bank for issue of bank guarantee to the subsidiary Company, IFCI Commodity Ltd.- Rs.2 crore (Previous Year – NIL).		

3. The Company has been granted exemption as on March 31, 2010 by the Government of India, Ministry of Corporate Affairs, under section 211(4) of the Companies Act, 1956, regarding the following requirements of Schedule VI of the Companies Act, 1956:
   i) Company-wise details of investments where the market value in case of quoted investments and cost in case of unquoted investments in any particular company not exceeding Rs.2 crore each.
   ii) Age-wise Classification of Sundry Debtors

   The accounts have been prepared in accordance therewith.

4. The Company has been granted exemption as on 31st March 2010 by the Ministry of Finance, Department of Corporate Affairs, under section 212(8) of the Companies Act, 1956, regarding attachment of the Balance sheet of Subsidiaries. Requisite details requiring disclosure in terms of the exemption are given as under:

(Rs. crore)

	IFIN		IVCF		IIDL		IFL		MPCON	
Year ended 31st March of	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Capital	9.07	9.07	60.37	34.11	339.53	228.63	79.36	79.36	1.00	0.53
Reserves	11.97	9.85	62.05	33.37	4.51	0.50	29.66	18.96	1.86	1.63
Total Assets	106.46	20.68	123.22	85.33	347.02	230.54	388.48	148.74	10.71	10.25
Total Liabilities	68.20	1.75	0.08	17.85	2.97	1.41	106.80	50.42	7.45	8.12
Investments	5.25	2.17	75.31	10.6	-	-	-	-	0.09	.09

				6						
Turnover (incl. Prior Period Income)	26.11	5.55	11.89	7.94	27.67	4.16	31.64	10.52	7.22	7.09
Profit before Taxation	3.27	0.63	7.20	3.39	6.03	0.76	16.20	4.24	0.46	0.80
Provision for Taxation	1.15	0.41	2.26	0.86	2.03	0.27	5.61	1.46	0.20	0.27
Profit after Taxation	2.12	0.22	4.94	2.53	4.00	0.49	10.59	2.78	0.26	0.53
Proposed Dividend (incl. CDT)	-	-	-	-		-	-	-	0.02	0.02

5. The stakeholders of IFCI in Financial Year (FY) 2002-03 had approved the package for restructuring of debt/ liabilities, inter alia, providing for release of Rs.5,220 crore (comprising Rs.3,604 crore towards principal and Rs.1,616 crore towards interest over future years on liabilities taken over/ to be serviced by Government of India) as Grant. Government of India (GOI) released Rs.2,932.31 crore, comprising Rs.523 crore as loan (FY 2002-03) and Rs.2,409.31 crore (FY 2003-04 to FY 2006-07) as Grant. The amount of Rs.2,409.31 crore received as Grant in FY 2003-04 to 2006-07 comprised of Rs.1,606.31 crore towards principal and Rs.803 crore towards interest. Out of Rs.1,606.31 crore received towards principal, Rs.1,359 crore (FY 2003-04) was accounted as extra-ordinary income and Rs.247.31 crore (FY 2004-05 to FY 2006-07) as Restructuring Reserve in the Reserve & Surplus A/c and thereafter transferred to Profit & Loss A/c, as per the guidelines conveyed by RBI. The amount of Rs.803 crore received towards interest was reduced from the cost of borrowings in respective years. In view of GOI letter dated December 12, 2007, stating that it would assist IFCI Limited in case such a situation arises, no Grant has been received in the last three years.

6. The bonds guaranteed by GOI of Rs.2,338.84 crore include bonds of Rs.1,498.84 crore which have been rolled over for 10 years from the respective due dates in line with the minutes of meetings of stakeholders, held on November 26, and December 2, 2002. GOI has been requested to extend the guarantee for the rolled over period.

7.(a) Transfer of equivalent amount to Capital Redemption Reserve Account in respect of Preference Shares of Rs.20 crore redeemed in the FY 2001-02, was complied with in FY 2007-08. However, the Company's application to the Regional Director, Northern Region for compounding is yet to be disposed off by the authorities.

7.(b) During the current year, Preference shares of Rs.82.03 crore (Previous Year: Rs.82.03 crore) have been redeemed, as per restructured terms on 01.04.2009 and necessary amount has been transferred to the Capital Redemption Reserve Account from Profit and Loss Account.

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

8.(b) During the financial year 2007-08, Zero Coupon Optionally Convertible Debentures (ZCOCDs) amounting to Rs.1,323.99 crore held by Public Sector Banks and Financial

Institutions were converted into equity shares of the Company. LIC had, however, stated that they would convert only as much of their ZCOCDs into equity as would maintain their shareholding at 8.39% post conversion of ZCOCDs. Accordingly, the shareholders at the AGM held on September 12, 2008 had approved reduction of share capital for aligning the stake of LIC to 8.39% as requested by LIC. The order of the High Court of Delhi passed on February 26, 2009 for reduction of Equity Share Capital by Rs.24.57 crore and Securities Premium account by Rs.238.39 crore and minutes forming part of the petition were registered by Registrar of Companies on April 15, 2009 and have been duly effected in the books of accounts.

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

9. Borrowings from Banks & FIs shown at 'D(a)(ii)' of Schedule III include loans of Rs.300 crore (previous year: Rs.300 crore) against security of cash flow/ negative lien against certain identified loan assets.

10. MPCON has continued to act as Nodal Agency for the implementation of Counseling, Retraining & Redeployment (CRR) Scheme of Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India, New Delhi for the Voluntarily Retired optees of Central Public Sector Enterprises (CPSEs). The Government of India has sanctioned grant for 1104 No. of VR Optees amounting to Rs.0.99 crore in 2009-10.

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

12. In the case of IFCI Infrastructure Development Ltd.: -
    a) Fixed Assets include the cost (Rs.2.41 crore) of Residential flat at Greater Kailash-I, New Delhi purchased in open tender conducted by IFCI Ltd. who acquired the assets under Securitisation Act (SARFA&ESI). The process of execution and registration of title deeds as per applicable state laws is yet to be completed, although possession has been handed over on the basis of Sale Letter issued by IFCI Ltd.
    b) Inventories include five properties purchased in open tender for an aggregate consideration of Rs.27.83 crore of which the process of execution and registration of title deeds as per applicable state laws is yet to be completed, although the possession of the properties has since been taken over on the basis of sale letters.
    c) Capital Work-in–Progress includes costs incurred on Construction of Service Apartments at Mayur Vihar, New Delhi. Costs include considerations paid to the contractors on the basis of continuing/ completed stage of construction as per work assessment/ evaluation, sums paid to Architects and other professionals in connection with the project and all other costs incurred as are directly attributable to the Service Apartments project.

13. Other Loans and Advances include Rs.0.25 crore (Previous year Rs.0.12 crore) due from Directors. Maximum balance during the year Rs.0.25 crore (Previous year Rs.0.12 crore).

(Rs. crore)

14. Expenditure in Foreign Currencies:

	31.03.10	31.03.09
- Interest on borrowings	5.56	6.88
- Other matters	1.76	1.00
	7.32	7.88

15. Earnings in Foreign Currencies

- Interest	0.00	0.00
- Others	0.03	0.31
	0.03	0.00

16. Auditors' Remuneration

a) Fees (including Service Tax)	0.26	0.18
b) Out of pocket expenses	0.01	0.00
	0.27	0.18

17. Managerial Remuneration:

- Salary and allowances	3.23	2.95
- Contribution to retirement funds *		
- Perquisites	0.25	0.26
	0.12	0.10
	3.60	3.31

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

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

(Rs. crore)

For the year ended	31/03/10	31/03/09
Profit before Taxation and Exceptional Items	1,115.26	1,010.23
Add: Directors' Remuneration	1.36	0.80

Add: Wealth Tax	0.12	0.04
Add/ (Less): (Profit)/ Loss on sale fixed assets	3.92	(38.40)
Net Profit as per Section 198 of the Companies Act, 1956	1,120.66	972.67
Maximum permissible remuneration to CEO & MD/ WTD u/s 198 of the Companies Act, 1956 @10% of the profits computed as above	112.07	97.27
Payable for the year	1.36	0.80

18. Quantitative details of Stock in trade:

Particulars	Year ended 31.03.2010		Year ended 31.03.2009	
	Nos.	Amount (Rs. crore)	Nos.	Amount (Rs. crore)
Opening Stock	1,84,286	1.54	3,15,189	0.17
Add: Purchases	37,89,180	142.45	1,93,099	4.15
Less: Sales	38,38,778	141.55	3,24,003	2.85
Balance at year end	1,34,688	3.47	1,84,286	1.54

19. Quantitative Information in respect of Inventories

Particulars	Year ended 31.03.2010		Year ended 31.03.2009	
	Nos.	Amount (Rs. crore)	Nos.	Amount (Rs. crore)
Land & Building				
Opening Stock	11	143.52	-	-
Add: Purchases	5	24.71	11	143.52
Less: Sales	1	7.59	-	-
Balance at year end	15	160.63	11	143.52
Machinery & Equipment				
Opening Stock	1	0.50	-	-
Add: Purchases	2	10.58	1	0.50
Less: Sales	2	9.73	-	-
Balance at year end	1	1.35	1	0.50

Note:

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

20. The Gross Block of Fixed Assets includes Rs.1,194.32 crore (previous year Rs.595.50 crore) on account of revaluation of Land & Buildings carried out during the year on the basis of replacement value as certified by Government Approved Valuer. The

resulting increase of Rs.637.44 crore (Land – Rs.322.91 crore; Building – Rs.314.53 crore) has been credited to the Revaluation Reserve. The increase in value is in addition to earlier revaluation done in FY 2006-07. The additional charge of depreciation of Rs.9.42 crore (previous year Rs.9.75 crore) on revaluation carried out in earlier years has been withdrawn from Revaluation Reserve and credited to Profit and Loss Account.

21. During the year, the Company has changed the method of depreciation on Mobile Phones by providing 100% depreciation in the year of acquisition itself in place of providing depreciation on WDV method at the rates provided under Schedule XIV of Companies Act, 1956. Profit for the current year is lower by Rs.0.20 crore due to the change. The additions made in the preceding years have also been fully depreciated.

22. In the case of IFCI Venture Capital Fund Ltd., an amount of Rs.0.23 crore has been capitalized under various fixed assets, consequent upon renovation of owned premises for conversion to residential use based on certification of architect, notwithstanding excess claim made by the contractor and disputed by the company.

23. In case of MPCON, Provident Fund and other statutory dues of one person, which is subjudiced have been separately kept in FDR earmarked for the purpose. Apart from this, necessary provision for other statutory dues outstanding against the Company, have already been made.

24. Balances appearing under loans and advances, sundry debtors and sundry creditors are subject to confirmation. In the opinion of the management the same are good and recoverable.

25. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

26. Details of investments purchased and sold/ redeemed during the year ended March 31, 2010 are enclosed as Annexure with IFCI's standalone Balance Sheet.

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

28. Defined Benefit Plans/ Long Term Compensated Absences – As per Actuarial Valuations as on March 31, 2010 and recognized in the financial statements in respect on Employee Benefit Schemes:

(Rs. crore)

			31/03/2010		31/03/2009	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Un-funded	Funded	Un-funded
I	Components of Employer Expense					
	1	Current Service Cost	0.42	0.90	0.33	
	2	Interest Cost	0.51	0.63	0.46	
	3	Expected Return on Plan Asset	0.58		0.47	

	4	Curtailment Cost/ (Credit)	0		0	
	5	Settlement Cost/ (Credit)	0		0	
	6	Past Service Cost	0		0	
	7	Actuarial (gain)/ loss recognized	1.11	3.73	0.63	
	8	Expense Recognized in Statement of Profit/ Loss	1.47	0.16	0.95	3.69
II	Actual Returns for the year ended March 31, 2010		0.58		0.65	
III	Net (Asset)/ Liability recognized in Balance Sheet as at March 31, 2010					
	1	Present Value of Defined Benefit Obligation	8.22		7.06	
	2	Fair Value on Plan Assets	7.59		7.39	
	3	Status (Surplus/ Deficit)	(0.43)		(0.35)	
	4	Unrecognised Past Service Cost	0		0	
	5	Net (Asset)/ Liability recognized in Balance Sheet	(0.38)		(0.19)	
IV	Change in Defined Benefit Obligations (DBO) during year ended March 31, 2010					
	1	Present Value of Obligation at Beginning of year	6.33	7.86	5.82	5.99
	2	Current Service Cost	0.42	0.90	0.33	
	3	Interest Cost	0.51	0.63	0.46	
	4	Curtailment cost	0		0	
	5	Settlement Cost	0		0	
	6	Plan Amendments	0		0	
	7	Acquisitions	0		0	
	8	Actuarial (gain)/ loss on Obligations	1.11	3.73	0.88	
	9	Benefits Paid	0.08	0.11	0.41	
	10	Present Value of Obligation at end of Year	8.30	13.01	7.06	8.71
V	Change in Fair Value of Assets during the year ended March 31, 2010					
	1	Fair Value of Plan Asset at Beginning of year	6.57		5.73	
	2	Acquisition Adjustment	0		0	
	3	Expected Return on Plan Asset	0.58		0.47	
	4	Actuarial (gain)/ loss on Plan Asset	0.00		0.25	

	5	Contributions	0.53		1.36	
	6	Benefits Paid	0.08		0.42	
	7	Fair Value of Plan Asset at end of year	7.59		7.41	
VI	Actuarial Assumptions					
	1	Mortality Table		LIC 1994-96		LIC 1994-96
	2	Early Retirement & Disablement		Age Related		Age Related
	3	Discount Rate	8.00%	8.00%	8.00%	8.00%
	4	Inflation Rate	7.00%	7.00%	7.00%	5.00%
	5	Return on Asset	8.00%		8.00%	
VII	Major Category of Plan Assets as a % of the Total Plan Assets as at March 31, 2010					
	1	Government Securities	9.10%		15.61%	
	2	Special Deposit Scheme				
	3	High Quality Corporate Bonds				
	4	Insurance Companies	90.90%		84.39%	
	5	Cash & Cash Equivalents				

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

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

3. Name of the related party and nature of relationship-

Nature of Relationship	Name of the Related Party
Associates	Assets Care Enterprise Ltd. (ACE)
	Tourism Finance Corporation of India Ltd. (TFCI)
	HIMCON Limited
	NITCON Limited
	HARDICON Limited
Key Managerial Personnel	Mr. Atul Kumar Rai (CEO & MD)
	Mr. Sujit K. Mandal (Whole Time Director)

4. Transaction with the related party during the year:-

With Associates (Rs. crore)

Type of Transaction (Year ended 31.03.10)	ACE	TFCI	HIM-CON	HARD-ICON	NIT-CON
Infusion of Equity	- (3.77)	- (-)	- (-)	- (-)	0.07 (0.04)
Acquisition from market	- (-)	3.59 (7.36)	- (-)	- (-)	- (-)
Dividend received by IFCI	- (-)	2.54 (-)	- (-)	- (-)	- (-)
Preference Dividend paid by IFCI	- (-)	Rs.20,000 (-)	- (-)	- (-)	- (-)
Rent & Maintenance received by IFCI	0.12 (0.18	0.04 (0.57)	- (-)	- (-)	- (-)

	)				
Loan (o/s)	2.75 (-)	- (-)	- (-)	- (-)	- (-)
Interest received/ receivable on Loan to ACE	0.02 (-)	- (-)	- (-)	- (-)	- (-)
Salaries/ Other Estt. Exp. paid by IFCI for employees deputed by IFCI, recovered/ recoverable from them.	0.08 (0.19)	- (-)	- (-)	- (-)	- (-)
Professional Fee paid by IFCI	- (-)	- (-)	0.05 (0.07)	0.14 (0.05)	0.01 (0.03)
Employees deputed by IFCI as at 31.03.10 (No.)	- (1)	- (-)	- (-)	- (-)	- (-)
Employees posted by IFCI as at 31.03.10 (No.)	1 (1)	- (-)	- (-)	- (-)	- (-)
Employees deputed in IFCI as at 31.03.10 (No.)	- (-)	- (-)	- (-)	1 (-)	- (-)

With Key Managerial Personnel

Type of Transaction (Year ended 31.03.10)	CEO	WTD
Dividend	Rs.12,000 (-)	- (-)

31. In respect of the remuneration paid by IFCI Financial Services Ltd. to one of the key managerial personnel, necessary application to the Ministry of Corporate Affairs, New Delhi has been made in compliance to the requirements of the relevant provisions of the Companies Act, 1956 and the approval is awaited. Pending this approval, the amount of Rs.0.28 crore paid to the said key personnel is being held by him in trust.

32. IFCI Financial Services Ltd. has paid a sum of Rs.0.35 crore as Consultant fees for which the Company, in the absence of necessary approval, has made necessary application under Sec 621A of the Companies Act, 1956.

33. Earnings per share

(Rs. crore)

		For the year ended	31.03.10	31.03.09
I.		Computation for Basic Earnings per Share		
	(a)	Profit Computation for Equity shareholders		
		Net profit as per Profit & Loss Account	693.04	662.84
		Less: Preference Dividend	(0.31)	(5.11)
		Net profit for Equity Shareholders	692.73	657.73
	(b)	Weighted Average Number of Equity Shares outstanding during the year	76,24,13,497	76,24,13,497

		For the year ended	31.03.10	31.03.09
II.		Computation for Diluted Earnings per Share		
	(a)	Profit Computation for Equity shareholders (including potential shareholders)		
		Net profit as per Profit & Loss Account	693.04	662.84
		Less: Preference dividend	(0.31)	(5.11)
		Add: Interest on Convertible Debentures (net of MAT)	32.81	35.05
		Net profit for equity shareholders (including potential shareholders)	725.54	692.78
	(b)	Weighted Average Number of Equity Shares outstanding during the year including Convertible Debentures held by LIC/ GoI assuming conversion price as per SEBI Guidelines.	1,23,89,14,001	1,50,19,64,913
III.		Earnings Per Share (Weighted Average, not annualised)		
		Basic (Rs.)	9.38	8.63
		Diluted (Rs.)	5.86	4.61

34.(a) Provisions of Accounting Standard-19, issued by the ICAI - "Leases" are not applicable as the Company has not entered into leasing transaction on or after 1st April 2001.

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

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

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

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

(Rs. crore)

Particulars	31/03/2010	31/03/2009
Minimum Lease payments during FY 2009-10:		
a) Not later than one year	0.23	0.14
b) Later than one year but not later than five years	0.14	0.10
c) Later than five years	-	-

35. Current Tax represents Minimum Alternate Tax (MAT), provided in terms of Section 115JB of the Income Tax Act, 1961, as tax at normal rates is lower than MAT. In view of amendment to Section 115JB of Income Tax Act, 1961 vide Finance Act, 2009 w.r.e.f. 01/04/2001, additional provision of Rs.51.17 crore has been made for

Financial Years 2006-07 and 2007-08. Further, MAT Credit Entitlement and income tax provision of Rs.129.17 crore has been reversed for Financial Years 2008-09 and 2009-10.

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

(Rs. crore)

As at	31.03.10	31.03.09
Unabsorbed Business Loss *	187.51	251.03
Unabsorbed Depreciation *	56.75	58.07
Provision against Loans/ Advances & other Assets	1,196.77	1,463.14
Timing difference in Depreciable Assets	(63.75)	(57.34)
Other Timing Differences	11.18	11.97
Deferred Tax Assets (Net)	1,388.47#	1,726.87#

* as evidenced from the income tax return filed by the Company
# incl. Rs.0.08 crore on a/c of amalgamation of IFIN with C.R. Finance & Securities Pvt. Ltd.

For the current year, Deferred Tax charge of Rs.338.41 crore (Previous Year: Rs.310.55 crore) has been charged in the accounts.

37. Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2010, there were no events or changes in circumstances which indicate any impairment in the assets.

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

(Rs. crore)

	Opening Balance	Addition/ Transfer	Deduction/ Transfer	Closing Balance
Leave Encashment	8.35	4.26	-	12.61
Income Tax	382.33	97.58	129.17	350.74
Fringe Benefit Tax	6.13	0.21	-	6.34
Assets	4,275.69	112.54	829.61	3,558.62

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

40. Total value of outstanding Currency Swaps was USD 28.70 million against INR and EUR 45.80 million against USD (Previous year: USD 9.45 million against INR and EUR 40.80 million against USD respectively) equivalent to Rs.423.82 crore (Previous year: Rs.236.25 crore), whereas total value of outstanding Forex Deals other than Currency Swaps was USD 8.00 million against INR and EUR 19.40 million against USD equivalent to Rs.154.28 crore (Previous year: USD 10 million and EUR 20 million respectively).

41. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.70 million (Previous Year: USD 0.01 million) and EUR 0.16 million (Previous Year: EUR 0.02 million), equivalent to Rs.3.17 crore (Previous Year: Rs.0.16 crore).

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

Annexure - V

Summary Statement of Qualification/ Adverse remarks of the Auditors on the Financial Statements For the last 5 financial years

Remarks in the Audit Report Financial Statements – Consolidated:

Financial Year	Report	Particulars of reservations, qualification or adverse remarks of the auditors
2011-12	Independent Auditors Report	***5. Basis of qualified opinion:*** ***a. attention is invited to the note no. 37 to the financial statements regarding payment of remuneration in excess of maximum limit specified in schedule XIII to the Companies Act, 1956 to the Ex – Managing Director the extent of Rs. 0.28 crore. The company has fled the necessary application for the waiver of the excess remuneration which is awaited.*** ***b. Loan of Rs. 0.42 crore given to a relative of the Managing Director without prior approval of the Central Government given in earlier years. The loan amount was written off from the books of accounts during the year.*** ***6. Opinion*** Based on our audit as aforesaid, we report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the IFCI Group, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies and notes thereon subject to the para 5 above give a true and fair view in conformity with the accounting principles generally accepted in India.
2010-11	Auditors' Report	***5.*** Based on our audit as aforesaid, we report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the

Financial Year	Report	Particulars of reservations, qualification or adverse remarks of the auditors
		IFCI Group, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies in Schedule XX and notes appearing thereon *except that loan of Rs 0.42 Crores given to a relative of the Managing Director, included in Schedule XI, without prior approval of the Central Government,* give a true and fair view in conformity with the accounting principles generally accepted in India.

Annexure - VI : Statement of Contingent Liabilities & Commitments

Consolidated *(Rs. In Crores)*

Particulars	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Contingent Liability	203.58	307.30	275.84	205.31	428.17
Commitments	1,141.56	2,733.78	497.40	44.02	46.00

Annexure - VII : Statement of Accounting Ratios

Consolidated

Particulars	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Earning Per Share-Basic (Rs.)	3.40	4.57	9.32	10.10	9.38
Earning Per Share-Diluted (Rs.)	3.40	4.56	7.48	8.74	5.86
Return on Net Worth (%)	9.21%	8.52%	14.97%	18.78%	21.02%
Net Asset Value per Equity Share (Rs.)	36.98	35.14	62.26	53.80	44.68
Weighted Avg. No. of Equity Shares used in calculating Basic EPS	1,66,20,37,235	1,08,74,01,715	73,78,37,331	73,78,37,331	73,87,79,978
Weighted Avg. No. of Equity Shares used in calculating Diluted EPS	1,66,27,05,271	1,08,93,52,574	96,09,16,575	88,86,05,054	1,23,89,14,001
Total No. of Equity Shares outstanding at the end of the year/period	1,66,20,37,235	1,66,20,37,235	73,78,37,331	73,78,37,331	73,78,37,331

Notes:

1. The ratios have been computed as below:

Earnings per Share=Net profit/(Loss) as reformatted, attributable to equity shareholders / Weighted average number of equity shares outstanding during the year (Reformatted).

Return on Net Worth (%)=Net Profit/(Loss) after tax, as reformatted/Net Worth as at the end of the year, as reformatted

Net Assets Value per Equity Share (Rs.)= Net Worth as at the end of the year, as reformatted/ Number of equity shares outstanding at the end of the year

2. Net Worth = Equity Share Capital (+) Reserve & Surplus (-) Revaluation Reserve
3. Earning per share calculations are in accordance with Accounting Standard - 20 "Earning Per Share".
4. Return on Net Worth is calculated on Annual basis.

Annexure - VIII - A : Consolidated

Statement of the list of Related Parties and Nature of Relationships

A. Associates

S.No.	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	Assets Care & Reconstruction Enterprise Ltd.	Assets Care & Reconstruction Enterprise Ltd.	Assets Care & Reconstruction Enterprise Ltd.	Assets Care & Reconstruction Enterprise Ltd.	Assets Care Enterprise Ltd. (ACE)
2	Tourism Finance Corporation of India Ltd. (TFCI)	Tourism Finance Corporation of India Ltd. (TFCI)	Tourism Finance Corporation of India Ltd. (TFCI)	Tourism Finance Corporation of India Ltd. (TFCI)	Tourism Finance Corporation of India Ltd. (TFCI)
3	HIMCON Ltd.	HIMCON Ltd.	HIMCON Ltd.	HIMCON Ltd.	HIMCON Ltd.
4	NITCON Ltd.	NITCON Ltd.	NITCON Ltd.	NITCON Ltd.	NITCON Ltd.
5	HARDICON Ltd.	HARDICON Ltd.	HARDICON Ltd.	HARDICON Ltd.	HARDICON Ltd.
6	-	Stock Holding Corporation of India Ltd. (SHCIL)	Stock Holding Corporation of India Ltd. (SHCIL) (w.e.f. August 30, 2011)	-	-

B. Joint Ventures

S.No.	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCA)	IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCA)	IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCA) (w.e.f. November 16, 2011)	-	-

Annexure - VIII - B : Transactions with Related Parties **Consolidated**

A. Associates

(Rs. In Crores)

S.No.	Particulars	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	Infusion of Equity	-	-	-	-	0.07
2	Acquisition from market/ Others	-	-	11.21	13.86	3.59
3	Bond issued by IFCI- Outstanding	50.00	-	-	-	-
4	Debt assigned to IFCI	-	-	-	20.31	-
5	Debt/ NPA assigned by IFCI	-	-	-	7.00	-
6	Rent & Maintenance received by IFCI	4.74	3.90	0.80	0.01	0.16
7	Loan (o/s)	42.05	68.72	71.22	62.57	2.75
8	Interest received/ receivable on Loan	6.72	8.46	7.54	1.02	0.02
9	Dividend Received	4.20	8.84	9.35	3.28	2.54
10	Salaries/ Other Estt. Exp. paid by IFCI for employees deputed in IFCI, Paid/ payable to them	0.06	-	-	-	-
11	Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.40	0.74	0.15	0.18	0.08
12	Professional fee Received	0.06	0.06	-	-	-
13	Professional fee paid	-	0.24	0.38	0.26	0.20

B. Joint Ventures

(Rs. In Crores)

S.No.	Particulars	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
1	Rent & Maintenance received by IFCI	0.07	0.54	-	-	-

Annexure - IX : Capitalization Statement as at March 31, 2014

(Rs. In Crores)

Particulars	Consolidated	
	Pre- Issue	Post- Issue
Debts		
Long Term Debts	17,585.43	19,585.43
Short Term Debts (incl. current maturities of long term debts)	3,948.96	3,948.96
Total Debts	**21,534.39**	**23,534.39**
Shareholder's Funds #		
Equity Share Capital	1,662.04	1,662.04
Reserves & Surplus	4,484.77	4,484.77
Total Shareholder's Funds	**6,146.81**	**6,146.81**
Long Term Debts/Equity	**2.86**	**3.19**
Debt/Equity	**3.50**	**3.83**
# Including shareholding of IFCI Employees Stock Option Trust (Rs. Crores)	1.72	1.72

Notes:

1. Short term debts represent debts which are due within twelve months from March 31, 2014.
2. Long term debts represent debts other than short term debts, as defined above.
3. The figures disclosed above are based on the Reformatted Summary statement of Assets and Liabilities of the company as at March 31, 2014.
4. Long term debts / Equity = Long term debts / Shareholders' funds.
5. The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of Rs. 2,000 crores from the Issue, keeping all other variables intact.

ANNEXURE B:

CREDIT RATING

Ref.: D/RAT/2014-15/I-57/6

September 26, 2014

Mr. B N Nayak
Chief Financial Officer
IFCI Limited
IFCI Tower,
61, Nehru Place,
New Delhi- 110019

Dear Sir,

Re: ICRA Rating for Rs. 250 crore Bonds/NCD Programme (with green shoe option; total amount not to exceed Rs 2,000 crore) of IFCI Limited

Please refer to your Rating Requisition dated September 24, 2014 and the subsequent Rating Agreement of September 25, 2014 for carrying out the rating of the aforesaid Bonds/NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a "**[ICRA]A**" (pronounced ICRA A) rating with a '**Stable**" outlook to the captioned Bonds/NCD Programme†.

In any of your publicity material or other document wherever you are using the above rating, it should be stated as '**[ICRA]A (Stable)**'. We would appreciate if you can sign on the duplicate copy of this letter and send it to us within 7 days from the date of this letter as a token of your acceptance and use of the assigned rating. The rationale for assigning the above rating will be sent to you on receipt of your confirmation about the use of the rating, as above. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to suspend, withdraw or revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

Puneet

† For complete rating definition please refer to ICRA Website www.icra.in or any of the ICRA Rating Publications

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds to be issued by you. If the Borrowing Programme rated, as above, is not issued by you within a period of 3 months from the date of this letter communicating the rating, the same would stand withdrawn unless revalidated before the expiry of 3 months.

You are required to forthwith inform us about any default or delay in repayment of interest and/or principal amount of the instrument rated, as above, or any other debt instruments / borrowings. You are also required to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/debts of the company with any lender (s) / investor (s).

You are required to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

With kind regards,

Yours sincerely,
for ICRA Limited

Sabyasachi Majumdar
Senior Vice President

Puneet Maheshwari
Assistant Vice President

Ref.: D/RAT/2014-15/I-57/5

September 26, 2014

Mr. B N Nayak
Chief Financial Officer
IFCI Limited
IFCI Tower,
61, Nehru Place,
New Delhi- 110019

Dear Sir,

Re: ICRA Credit Rating for long-term bank lines, long term bond programmes and commercial paper programme of IFCI Limited

Please refer to your letter dated August 13, 2014 requesting a review of rating outstanding for long-term bank lines, long term bond programmes and commercial paper programme of IFCI Limited. The Rating Committee of ICRA, after due consideration, has retained the **[ICRA]A** rating with **Stable** outlook for the captioned bank lines and bonds programmes and **[ICRA]A1** rating for commercial paper programme of your company.

The other terms and conditions for credit rating of the aforementioned bank lines, bonds programme and commercial paper programme shall remain the same as communicated by our letter ref no. D/RAT/2014-15/I57/1, D/RAT/2014-15/I57/2 and D/RAT/2014-15/I57/3 dated June 3, 2014.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

With kind regards,
For ICRA Limited

Sabyasachi Majumdar
Senior Vice President

Building No. 8, 2nd Floor
Tower A, DLF Cyber City
Phase II, Gurgaon - 122002

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IFCI Limited

Rating of [ICRA]A (Stable) assigned to Bonds/NCD Programme of IFCI Limited

	Amount (Rs crore)	Rating Action September 2014
Bonds/NCD Programme (with green shoe option; total amount not to exceed Rs 2,000 crore)	Rs. 250 crore	[ICRA]A (Stable) Assigned

ICRA has assigned [ICRA]A (pronounced ICRA A) rating with stable outlook to the Rs 250 crore (with green shoe option; total amount not to exceed Rs 2,000 crore) Bonds/NCD Programme of IFCI Limited. ICRA also has rating of [ICRA]A (pronounced ICRA A) with stable outlook outstanding for IFCI's bank borrowings of Rs 5,000 crore and bonds programme of Rs 8,000 crore (outstanding Rs 6,277.38 crore) and short-term rating of [ICRA]A1 (pronounced ICRA A one) outstanding for Rs 500 crore Commercial Paper Programme of IFCI†.

IFCI's ratings are supported by its Government of India (GoI) ownership (GOI held 55.5% equity stake in IFCI as on June 30, 2014), several initiatives taken by new senior management team at IFCI to strengthen its recoveries from vulnerable accounts as well as to augment its credit and risk management policies to improve the quality of incremental originations, its diversified borrowings, adequate capitalisation profile and comfortable liquidity profile. IFCI's regulatory capital adequacy and gearing, respectively, is comfortable at 21.3% and 3.7 times as on March 31, 2014 which along with unrealised gains on some strategic investments provide cushion for debt holders and future growth. Further, large liquid investments and long tenure borrowings vis-a-vis loans result in a favourable liquidity profile for the company. The rating is constraint due to IFCI's weak asset quality profile which is reflected in its higher net NPAs (10.8% as on June 2014) and standard restructured advances (6.7% as on March 2014). In addition to net NPAs & standard restructured advances, IFCI has exposure to some vulnerable accounts which could impact its asset quality profile further. Nevertheless, management is making efforts to sell/divest some of its non-core assets which could provide cushion to create higher credit provision/write off of NPAs and along with management's intention to sell few of NPA to Asset Reconstruction Companies (ARCs) and better credit profile of incremental originations could reduce pressure on asset quality profile going forward. Nevertheless, recent decision of the Supreme Court to cancel coal block allocations and deferment of decision on gas price by 45 days to till November 15, 2015 could increase the pressure on IFCI's asset quality profile. In light of sizeable net NPAs, IFCI credit provisioning is expected to remain at elevated levels (1.8% of average total assets or ATA during FY2014) and would remain a drag on its profitability; control on fresh slippages, recovery from NPAs would have a critical bearing on IFCI's Net NPAs as % of Net worth, which were at 36% as on June 30, 2014 . In addition, IFCI has sizeable exposure to illiquid equity & equity like instruments, the company's ability to liquidate these in a timely & profitable manner would have bearing on its capitalisation profile; although incrementally the company does not intend to take fresh exposure in the form of equity & equity like instruments and has been making efforts to liquidate these which is reducing the proportion of these instruments in IFCI's total asset base.

Subsequent to sharp decline in disbursements during FY2013 following change in ownership, changes in senior management team, weak operating environment & management's focus on recovery and consolidation of balance sheet, IFCI's disbursements picked up in FY 2014. During FY14 IFCI disbursed loans of Rs 8,683 crore as against Rs 1,504 crore during FY13 (Rs 5,960 crore during FY12). IFCI's total assets increased by 13% during FY2014 following a de-growth of 8% during FY2013. During Q1, FY2015, its disbursements were Rs 1,703 crore. As regard incremental business, IFCI is focusing on corporate loans primarily with tangible security in the form of property/ plant & machinery; fresh exposure to equity or equity like instruments (convertibles) and also loan against shares curtailed significantly. Proportion of loan against shares book in total credit portfolio reduced from 1/3rd of loan book to less than 20% of portfolio as on March 2014. Overall, the profile of incremental disbursements is relatively less risky vs earlier originations and is expected to be positive for IFCI's asset quality profile over medium-long term. Nevertheless, vulnerability of IFCI's new originations is expected to be higher than banks & leading Financial Institutions due to its higher lending yields & concentrated nature of credit book. As for asset quality, while IFCI's gross NPAs declined from Rs 3,661 crore as on March 2013 to Rs 3,281 crore as on June 2014 primarily led by write-offs, its net NPAs increased from Rs 1,454 crore as on March 2013 to Rs 2,142 crore as on June 2014.

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† *For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications*

Subsequent to conversion of Optionally Convertible Debentures (OCD) held by GOI into equity, IFCI's net worth increased from Rs 4,314 crore as on March 2012 to Rs 5,480 crore as on March 2013 and was Rs 5,880 crore as on June 2014. IFCI's reported capitalisation profile is comfortable as reflected in CRAR of 21.3% and gearing of 3.7 times as on March 2014. However, its economic capitalisation profile impacted negatively to some extent by large amount of investments in illiquid equity & equity like instruments. As on March 2014 IFCI had liquid equity investments of Rs 1,404 crore (24% of its net worth) and illiquid equity investment book (excluding subsidiaries & other group companies) of Rs 2,344 crore (40% of its net worth). Incrementally IFCI does not intend to invest in equity or equity like instruments hence the proportion of equity & equity like instruments in total book is expected to decline going forward.

As regard resources profile, incrementally IFCI is raising funds mostly from banks at base rate plus spread of around 25 bps while share of low cost capital market borrowings in incremental funding has been low. During FY2014, IFCI was also allowed by GOI to raise tax-free bonds however the quantum of same (IFCI mobilised Rs 310 crore in FY2014) in relation to its total borrowings was not large. However, in current financial year, the GoI has not allowed any institution (including IFCI) to raise tax-free bonds. IFCI's ability to raise funds at competitive cost would be critical for its competitiveness. IFCI's liquidity profile remains comfortable, on the back of long dated borrowings and sizeable liquid investments, as reflected in no negative cumulative mismatches in any of the buckets as on March 2014.

IFCI's profit after tax (PAT) increased by 13% during FY2014 to Rs 508 crore as against Rs 451 crore during FY2013. During Q1, FY2015 IFCI reported PAT of Rs 94 crore vs. Rs 55 crore in Q1, FY2014. IFCI's profitability profile remains moderate as reflected in PAT/ATA of 1.9% and return on net worth of 9.0% during FY14 impacted negatively by sizeable credit provisioning (1.8% of ATA) and negative impact of high NPAs on lending yields. IFCI's profitability profile during FY2014 is supported by adequate level of NIMs (around 2.8%) & non-interest income (0.5% of ATA), profit on sale of investments (1.4%) and low operating expenses (0.4%). PAT/ATA and return on net worth, respectively, dipped to 1.3% and 6.5% during Q1, FY2015. Going forward, IFCI's profitability would largely depend on its ability to liquidate investments at reasonable profits and raise funds at competitive cost while credit provisioning is expected to remain at elevated levels given large amount of unprovided NPAs (net NPAs of 11.4% as on March 2014). IFCI's net NPAs as on March 2014 were 1.8 times of its FY2014 operating profits.

About the Company

The Government of India established The Industrial Finance Corporation of India (IFCI) on July 1, 1948, as a Development Financial Institution to cater to the long-term finance needs of the industrial sector. IFCI was provided access to low-cost funds through the central bank's Statutory Liquidity Ratio or SLR, which in turn enabled it to provide loans and advances to corporate borrowers at concessional rates. The constitution of IFCI was changed in 1993 from a statutory corporation to a company under the Indian Companies Act, 1956. Subsequently, the name of the company was also changed to "IFCI Limited" with effect from October 1999. In early 2000s, IFCI witnessed deterioration in asset quality, resulting in high credit losses, which wiped off the entire net worth of the company. In 2002-03, Government of India, in consultation with the other stakeholders, worked out a financial rescue package for IFCI that included restructuring of its liabilities. IFCI's net worth turned positive in FY 07 and it resumed its lending operations in January 2008. IFCI was categorised as Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) by the Reserve Bank of India in FY 08. During FY2013, GoI converted OCD of Rs 923 into equity and as a result GoI owns 55.5% equity stake in IFCI as on June 30, 2014.

During the year ended March 31, 2014, IFCI reported a profit after tax (PAT) of Rs. 508 crore on an asset base of Rs.28,071 crore as against PAT of Rs. 451 crore on an asset base of Rs.24,945 crore in the previous year. IFCI's capital adequacy was 21.3% as on March 31, 2014. IFCI's Gross & Net NPAs were 17.3% and 11.4% respectively as on March 2014. During Q1, FY2015 IFCI reported PAT of Rs 94 crore vs. Rs 55 crore in Q1, FY2014.

September 2014

For further details please contact:

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BWR/BNG/RL/2014-15/0211

September 26, 2014

Brickwork Ratings

CIN: U67190KA2007PTC043591

Mr. B. N. Nayak
Chief Financial Officer
IFCI Limited
IFCI Tower
61 Nehru Place
New Delhi - 110019

Dear Sir,

Sub: Rating of Proposed Bonds issue of ₹2000 Crores (Rupees Two Thousand Crores Only) of IFCI Ltd

Thank you for giving us an opportunity to undertake Rating of the proposed Bonds issue of IFCI Ltd. Based on the information and clarifications provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that IFCI Ltd's Proposed Bonds issue **amounting to ₹2000 Crores** has been assigned a rating of **BWR AA-** [Pronounced as BWR Double A Minus] (Outlook: Stable). Instruments with this rating are considered to have **High degree of safety** regarding timely servicing of financial obligations.

The Rating is valid for one year from the date of assignment subject to the terms and conditions that were agreed in your mandate dated September 16, 2014 and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended below. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance of the above Rating on or before September 30, 2014. Kindly note that unless acceptance is received by us by the said date, the rating is not valid and should not be used for any purpose whatsoever.

Best Regards,

MSR Manjunatha
Director – Ratings

Brickwork Ratings India Pvt Ltd.

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Brickwork Ratings
for Informed Investment Decisions

Draft Rating Rational

Brickwork Ratings assigns BWR AA- rating for the Proposed Long Term Debt Issue aggregating ₹ 2000 Crore and reaffirms the rating for other outstanding long term debt issues of IFCI Ltd.

Brickwork Ratings (BWR) has assigned the rating of BWR AA- (Pronounced BWR Double A minus) (Outlook: Stable) for the proposed long term debt issue of Rs. 2000 Cr and reaffirmed ratings for the outstanding long term debt issues of IFCI Limited. Brief particulars of the issues are as under:

Instruments	Amount (₹ Crs)	Assigned / Reaffirmed	Rating History
Long Term Debt	2000	Assigned BWR AA- (BWR Double A Minus) (Outlook: Stable)	NA
Long Term Debt	700	Reaffirmed	BWR AA- (BWR Double A Minus) (Outlook: Stable) March 2014
Long Term Debt	3,000	Reaffirmed	BWR AA- (BWR Double A Minus) (Outlook: Stable) March 2014
Long Term Debt	10,000	Reaffirmed	BWR AA- (BWR Double A Minus) (Outlook: Stable) March 2014

Instruments with BWR AA- rating are considered to have **high degree** of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The rating, inter alia, factors IFCI's registration as Non-Banking Finance Company (NBFC ND-SI) as per Reserve Bank of India Act 1949 and a notified Public Financial Institution under section 4 A of the Companies Act, 1956, ownership of Government of India with majority stake, comfortable capitalization levels, significant improvement in sanctions and disbursements, initiatives being taken by the management to improve overall performance and leverage on lending to areas of its core competence.

The rating is, however, constrained by current position of core sectors including infrastructure, such as Power Generation, Steel, Oil & Gas, Hotels, etc., which are stressed and put pressure on maintaining asset quality. Weakening provision coverage ratio is another area of concern.

BWR has essentially relied upon the results up to June 2014, projected financials, publicly available information and information and clarifications provided by the Company.

Background:

Government established Industrial Finance Corporation of India (IFCI) on July 1, 1948 as the first Development Financial Institution in the country to cater to the long term finance needs of the industrial sector. IFCI was changed in 1993 from a statutory corporation to a company under the Indian Companies Act, 1956. Subsequently, the name of the company was also changed to 'IFCI Ltd' with effect from October 1999. It has been categorised as Systematically Important Non Deposit Taking NBFC by RBI in FY08. IFCI saw some financial setback in early 2000 after which a financial rescue package was worked out by Government of India and IFCI resumed lending in 2008.

Company went through the organizational restructuring in recent past when they had a couple of human resource related issues. As per the company, these issues are resolved to a large extent. In addition, during FY14, Government of India's debt in IFCI was converted into equity which lead to majority sovereign ownership in IFCI with 55.53% stake. After few changes at top management in last two years period, Shri Malay Mukherjee, previously ED, Central Bank of India became the CEO & MD of IFCI on December 12, 2013. Simultaneously, Shri Achal Kumar Gupta, ex-MD of State Bank of Patiala and Shri Sudhir Garg, ex-CGM of State Bank of Hyderabad have also been taken as DMD and ED of IFCI respectively. In addition some experienced bankers at the level of GM/DGM have been recruited as GM/DGM of IFCI to strengthen the existing qualified manpower.

Sri S V Ranganath, IAS (Retd) former Chief Secretary of Govt of Karnataka is the Chairman of the Board.

Financial Profile:

IFCI is essentially involved in project financing but also provides other financial, leasing, and merchant banking services. IFCI had consciously reduced loan growth in view of the difficult operating environment during FY13. However growth resumed in FY14, with Loan sanctions increasing from Rs. 2192 Cr in FY13 to Rs. 9717 Cr in FY14, while disbursements improved from Rs. 1504 Cr in FY13 to Rs. 8683 Cr in FY14. Total business assets of the company stood at Rs. 19255.35 Cr as on March 31, 2014. Of this exposure to Power Generation, Real Estate and Diversified Infrastructure was 16.99%, 12.69% and 9.15% respectively.

The level of Gross Non-Performing Assets continued to be high, though has come down in FY14 as compared to that of FY13 with Gross NPA percentage declining from 22.20% in FY13 to

17.30% in FY14. However, Net NPA increased from 10.20% in FY13 to 11.40% in FY14. As on June 2014, Gross NPA stood at 15.63% and Net NPA at 10.81 %. Consequently, provision coverage ratio has slipped from 48.65% in FY13 to 41.04% in FY14 and further to 30.84% at the end of Q1FY15.

At an absolute level, GNPA declined from Rs. 3661 Cr as on March 31, 2013 to Rs. 3451 Cr as on March 31, 2014 and NNPA increased from Rs. 1454 Cr as on March 31, 2013 to Rs. 2123 Cr as on March 31, 2014.

IFCI maintains strong capital levels with Total Capital Adequacy Ratio of 21.30% and Tier I Capital Ratio of 13.90% as on March 31, 2014. CRAR has, however, declined to 20.80% and Tier I Capital Ratio to 13.80% as of June 2014.

Rating Outlook:

Government of India has become the majority stakeholder of IFCI Ltd after conversion of its debt into equity and the company also has well experienced top management. However, the asset quality of the company has been under pressure with high exposure to stressed sectors such as Power, Infrastructure and Real Estate. With the new government in place at the Centre, there is an expectation of positive movement in these sectors, but in the short term, there could be some challenges. In addition, the company has a huge portfolio of loan against shares; however, conscious efforts of management to reduce exposure to this category is a comforting factor. Loan against shares declined to below 20% as on March 31, 2014 from 40% as on March 31, 2013. The growth in asset base could provide relief in some financial indicators.

Therefore, IFCI's ability to improve asset quality indicators, including Gross and Net NPA ratios, provision coverage and focus on improving overall profitability would remain key rating monitorables.

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ANNEXURE C:

CONSENT FROM THE DEBENTURE TRUSTEE

AXIS TRUSTEE

ATSL/CO/14-15/2401/35 **September 23, 2014**

IFCI Limited
IFCI Tower
61 Nehru Place
New Delhi-110019

Kind Attn: Ms Barkha Chhabra

PROPOSED PUBLIC ISSUE OF SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES (HEREINAFTER REFERRED TO AS "NCDs") AGGREGATING UPTO Rs. 2,000 ("SHELF LIMIT") CRORE BY IFCI LIMITED (HEREINAFTER REFERRED TO AS "COMPANY") IN ONE OR MORE TRANCHES (HEREINAFTER REFERRED TO AS "ISSUE"), SUBJECT TO THE SHELF LIMIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET OUT IN SEPARATE TRANCHE PROSPECTUS FOR EACH SUCH TRANCHE ISSUE WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS OF THE ISSUE.

We, **Axis Trustee Services Limited**, do hereby give our consent to act as the Debenture Trustee to the Issue in accordance Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended with respect to the Issue and to our name and details being inserted as "Debenture Trustee to the Issue/ Trustee to the Issue" in the draft shelf prospectus (hereinafter referred to as **"Draft Shelf Prospectus")** to be filed with BSE Limited and/or National Stock Exchange of India Limited (hereinafter referred to as **"Relevant Stock Exchanges")** and to be forwarded to Securities and Exchange Board of India (hereinafter referred to as **"SEBI")** for record purposes, the shelf prospectus (hereinafter referred to as "**Shelf Prospectus)** and the tranche prospectus(es) (hereinafter referred to as "**Tranche Prospectus**") in relation to each Tranche which the Company intends to file with the SEBI, the Registrar of Companies, National Capital Territory of Delhi and Haryana (hereinafter referred to as "**RoC**") and Relevant Stock Exchanges, in respect of the Issue and all related advertisements, and subsequent communications sent to the holders of NCDs pursuant to the Issue.

We hereby authorize you to deliver this letter of consent to the Relevant Stock Exchanges, SEBI, RoC and/ or any other statutory/regulatory authority, as may be required under applicable law.

The following details with respect to us may be disclosed:

Name :	Axis Trustee Services Limited
Address	Axis House, 2nd Floor, Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai – 400 025
Tel:	022-24255215/16
Fax:	022-24254200
E-mail:	debenturetrustee@axistrustee.com
Investor Grievance e-mail:	complaints@debenturetrustee.com
Website:	www.axistrustee.com
Contact Person:	Mr. D J Bora
SEBI Registration Number:	IND000000494

We certify that we have not been prohibited/ debarred by SEBI to act as an intermediary in capital market issues. We further confirm that no enquiry/investigation is being conducted by SEBI on us.

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter, the brief details of which are as follows:

AXIS TRUSTEE SERVICES LTD.

AXIS TRUSTEE

Registration Number	IND000000494
Date of expiry of registration	Permanent Registration
Renewal of registration / if applied for renewal, date of application	NA
Period up to which registration/ renewal fees has been paid	NA (Permanent Registration)
Any communication from SEBI, prohibiting us from acting as an intermediary in capital market issues	NA
Any enquiry/investigation being conducted by SEBI	NA

Copy of our SEBI registration certificate is attached hereto as **Annexure A**.

We also agree to keep strictly confidential, until such time the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the proposed Issue of the Company.

We shall immediately intimate the Company and the other Lead Managers to the Issue in writing of any changes, additions or deletions in respect of the aforestated details pertaining to us till the date when the NCDs offered, issued and allotted pursuant to the Issue, are listed and admitted for trading on the Relevant Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and commencement of trading of the NCDs offered, issued and allotted pursuant to the Issue on the Relevant Stock Exchanges.

Axis Trustee Services Limited (ATSL) consenting to act as Debenture Trustees is purely its business decision and not an indication on the Issuer Company's standing or on the Debenture Issue. By consenting to act as Debenture Trustees, ATSL does not make nor deems to have made any representation on the Issuer Company, its Operations, the details and projections about the Issuer Company or the Debentures under Offer made in the Prospectus / Information Memorandum / Offer Document. Applicants / Investors are advised to read carefully the Prospectus / Information Memorandum / Offer Document and make their own enquiry, carry out due diligence and analysis about the Issuer Company, its performance and profitability and details in the Prospectus / Information Memorandum / Offer Document before taking their investment decision. ATSL shall not be responsible for the investment decision and its consequence.

Yours faithfully,
For Name of the Debenture Trustee to the Issue

AXIS TRUSTEE SERVICES LTD.

Naveen K

Authorised Signatory
Name: Naveen Kumar
Designation: Sr. Manager

Encl: SEBI Registration Certificate [Annexure A]

CC:

SBI Capital Markets Limited 202, Maker Tower E, Cuffe Parade Mumbai 400 005	**Edelweiss Financial Services Limited** 14th Floor Edelweiss House, Off CST Road Kalina, Mumbai-400098
RR Investors Capital Services Private Ltd 47, M.M Road, Rani Jhansi Marg, Jhandewalan, New Delhi - 110055	**Dhir & Dhir Associates** D-55, Defence Colony, New Delhi – 100 024

ANNEXURE D:

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

(The Companies Act, 1956) (Company

Limited by Shares)

Special Adhesive Stamp Rs. 40/- 26/3/93

ARTICLES OF ASSOCIATION OF

IFCI LIMITED

The Regulations contained in Table A in the first Schedule to the Companies Act, 1956 shall not apply to the Company, but the regulations for the management of the Company and for the observance by the Members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, or as prescribed by the Companies Act; 1956, be such as are contained in these Articles.

INTERPRETATION

(i) In these Articles, unless there is something in the subject or context inconsistent therewith.	Interpretation Clause
'The Company" means "IFCI Limited"	'The Company"
'The Act" or 'The said Act" means "The Companies Act, 1956" And include any statutory modification or re-enactment thereof for the time being in force in India.	'The Act" or The Said Act"
"Board" or "Board of Directors" means "The Directors" for the time being of the Company, or as the case may be a meeting of the Board of Directors of the Company duly called and constituted or, as the case may be, Directors assembled at Board Meeting or acting by circular under the Articles.	"Board", "Directors" and "Board of Directors"
"Development Bank" means the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964.	"Development Bank"
"IFCI" means Industrial Finance Corporation of India, established under the Industrial Finance Corporation Act, 1948.	'IFCI'
"Members" means the duly registered holders, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association.	'The Members"
"Month" means calendar month.	"Month" 'The Office"
'The Office" means the Registered Office, for the time being of the Company.	

'These presents" means these Articles of Association as originally framed or as altered from time to time.	'These presents"
'The Seal" means the Common Seal of the Company.	'The Seal" "Proxy"
"Proxy" means an instrument whereby any person is authorised to vote for a member at a general meeting on a poll.	
"The Register" means the Register of Members to be kept pursuant to Section 150 of the Act.	'The Register" "Reserve
"Reserve Bank" means the Reserve Bank of India established under the Reserve Bank of India Act, 1934.	Bank" "Scheduled Bank"
"Scheduled Bank" means a Bank, for the time being, included in the second schedule to the Reserve Bank of India Act, 1934.	"Secretary"
"Secretary" means and includes any person appointed in accordance with the provisions of the Companies (Secretary's Qualifications) Rules, 1975 and other rules for the time being in force or designated to act as Secretary.	"Ordinary Resolution" "Special Resolution"
"Ordinary Resolution" and "Special Resolution" shall have the, meaning assigned thereto respectively by Section 189 of the Act.	"Writing"
"Writing" shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form.	
Words imparting the singular number only shall include the plural number and vice-versa.	Singular Number
Words imparting the masculine gender only shall include the feminine gender and vice-versa.	Gender
Words imparting persons shall include corporations, companies, firms, co-operatives, trusts and individuals.	Persons
(ii) Subject as aforesaid, any words or expressions defined in the Act, shall, except where the subject or context forbids, bear the same meaning in these Articles.	Expressions in the Act to bear the same meaning in Articles
(iii) The marginal notes hereto shall not affect the construction hereof.	Marginal notes
(iv) Copies of the Memorandum and Articles of Association of the Company and every agreement and every resolution referred to in Section 192 of the Act shall be furnished by the Directors to every Member at his request and within 7 days thereof on payment of such sum as may be prescribed by the Act for each copy.	

CAPITAL SHARES

The authorised Share Capital of the Company is ^30,00,00,00,000 (Rupees Three Thousand Crores Only) divided into 200,00,00,000 (Two Hundred Crores) equity shares of ^10/- (Rupees Ten Only) each and 100,00,00,000	Capital

Has been inserted by amendment on 5th December, 2012.

(One Hundred Crores) preference shares of ^107- (Rupee Ten Only) each.

*3A The Company shall have the power to issue shares with differential right as to dividend, voting or otherwise to the extent permissible under the provisions of Companies Act, 1956 or any Rules framed thereunder.

Issue of the shares with differential rights

4. The Company shall cause to be kept a Register of Members, an Index of Members, a Register and Index of Debenture holders in accordance with Section 150, 151 and 152 of the Act.

Register of Members and Debenture holders

5. The Register of Members, the Index of Members, the Register and Index of Debenture holders, copies of all Annual Returns, prepared under Section 159 of the Act, together with the copies of Certificates and documents required to be annexed thereto under Section 161 of the Act shall, except when the Register of Members or Debenture holders is closed under the provisions of the Act or these presents, be open to inspection of any Member or Debenture holder gratis and to inspection of any other person on payment of such sums as may be prescribed by the Act for each inspection. Any such member or person may take extracts therefrom on payment of such sum as may be prescribed by the Directors.

Inspection of Register of Members,
Debenture holders etc.

6. The Company shall send to any Member, Debenture holder or other person, on request, a copy of the Register of Members, the Index of Members, the Register and Index of Debenture holders or any part thereof required to be kept under the Act, on payment of such sums as may be prescribed by the Act. The copy shall be sent within a period of 10 days, exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.

Company to send extract of registers etc.

7. The Directors shall observe the restrictions as to allotment contained in Section 69, 70 and 73 of the Act.

Restriction on allotment

8. Subject to the provisions of the Act and these presents, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 78 of the Act) at a discount and at such times as they may from time to time think fit and proper.

Shares at the disposal of the Directors

Provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.

9. Subject to the provisions of the Act and these presents, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery supplied or for services

Directors may allot shares as fully paid up or partly paid up

** Has been inserted by amendment on 10th September, 2001.*

rendered to the company and any shares which may be so allotted may be issued as fully paid up or partly paid up and if so issued shall be deemed to be fully paid up shares or partly paid up shares.

Unclassified Shares

10. Any unclassified shares (whether forming part of the original capital or any increased capital of the Company) may, subject to the provisions of the Act and these presents, be issued either with the sanction of the Company in General Meeting or by the Directors and upon such terms and conditions and with such rights and privileges annexed thereto as by the General meeting sanctioning the issue of such shares be directed, and if no such directions be given, and in all other cases, as the Directors shall determine, and a particular, such shares may be issued with a preferential or qualified right to dividend and in distribution of the assets of the Company and any preference shares may be issued subject to the provisions of Section 80 of the Act, provided however that:

(1) no shares shall be issued pursuant to this Article without the sanction of the Company in General Meeting unless they shall, subject to the provisions of Section 81 of the Act, be offered to the persons who are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those equity shares and

(2) no unclassified shares shall, without the sanction of the Company in General Meeting, be issued as preference shares if the aggregate nominal amount of issued preference share would thereby exceed the aggregate nominal amount of the issued equity shares of the Company.

Acceptance of Shares

11. Any application signed by, or on behalf of, an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these presents; and every person who thus or otherwise accept any shares and whose name is on the Register shall for the purpose of these presents be a Member.

Deposits and calls etc. to be a debt payable immediately

12. The money, (if any), which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to, and recoverable by, the Company from the allottee thereof, and shall be paid by him accordingly.

Instalments on Shares

13. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person, who for the time being and from time to time, shall be the registered holder of the share or his legal representative.

14. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all such shares falling under the same class. For the purpose of this Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

Calls on shares of the same class to be on uniform basis

15. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not {except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognize any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

Company not bound to recognise any interest in shares other than that of the registered holders

16. Except to the extend permitted by Section 77 of the Act, no part of the funds of the Company shall be employed in the purchase of or lent on the security of the shares of the Company.

Company's funds may not be applied in purchase of or lent on shares of the Company

**16A.The Company may from time to time by special Resolution, Buy-back its Equity Shares to the extent permissible under the provisions of Section 77 A of the Companies Act, 1956 or any Rules framed thereunder.

Buy-back its Equity $ hares

17. Every member or his heirs, executors or Administrators shall pay to the Company the portion of the capital represented by his share or shares, which may, for the time being remain unpaid thereon, in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, require or fix for the payment thereof.

Liability of Members

18. Except as ordered by a Court of competent jurisdiction or as provided by the Act, no notice of any trust, expressed or implied or constructive, shall be entered on the Register of Members or of Debenture holders of the Company.

Trusts not recognised

UNDERWRITING COMMISSION

19. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture stock or any other security of the Company or for procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture stock or any other security of the Company but so that if the commission in respect of shares shall be paid or payable out of the capital the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed the rates prescribed by the Act. The commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.

Commission for placing shares

CERTIFICATES

*20. The certificates of title to shares shall be issued under the Seal of the Company and shall bear the signatures of two Directors or

Certificates how to be issued

** Has been substituted by amendment on 14th September, 1994. ** Has been inserted by amendment on 10th September, 2001.*

persons acting on behalf of the Directors under a duly registered Power of Attorney and the Secretary or some other person appointed by the Board for the purpose. The certificates of such shares shall be delivered within 2 months after the allotment or within 1 month after the application for the registration of the transfer of such shares as the case may be unless the conditions of issue of the shares otherwise provide. Provided always that notwithstanding anything contained in these Articles the certificate of title to shares may be executed and issued in accordance with such other provisions of the Act or Rules made thereunder, as may be in force for the time being and from time to time.

Member's right to certificate

*21. Every Member shall be entitled without payment to one certificate or more certificates in marketable lots for all the shares of each class or denomination registered in his name or, if the Directors so approve (upon paying such fee or fees or at the discretion of the Directors without payment of fees as the Directors may from time to time determine) to several certificates each for one or more shares of each class. Every certificate of shares shall specify the number of shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Directors shall prescribe or approve. Where a Member has transferred a part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.

Notwithstanding anything contained herein above, the Board may, in its absolute discretion, refuse applications for the subdivision or consolidation of share certificates, debenture or bond certificates into denomination of less than the marketable lot except when such division or consolidation is required to be made to comply with a statutory provision or on order of a competent Court of Law.

As to issue certificate in place of one defaced or destroyed

22. (1) A certificate may be renewed or a duplicate of a certificate may be issued if such certificate (a) is proved to have been lost or destroyed or (b) having been defaced or mutilated or torn, is surrendered to the Company or (c) has no further space on the back thereof for endorsement of transfer.

(2) The manner of issue or renewal of a certificate or issue of a duplicate thereof, the form of a certificate (original or renewed) or of a duplicate thereof, the particulars to be entered in the Register of Members or in the Register of renewed or duplicate certificates, the form of such Registers, the fee on payment of which, the terms and conditions on which a certificate may be renewed or a duplicate thereof may be issued, shall be such as prescribed by the Companies (Issue of Share Certificates) Rules, 1960 or any other Rules in substitution or modification thereof.

CALLS

Calls

23. The Directors may, from time to time, make such calls as they think fit upon the Members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions

** Has been substituted by amendment on 14th September, 1994.*

of allotment thereof made payable at fixed times, and each Member shall pay the amount of every call so made on him to the person and at the times and places appointed by the Directors. A call may be made payable by instalments.

Call to date form resolution

24. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be made payable by Members on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

Notice to call

*25. Not less than 30 days notice of every call shall be given specifying the time of payment, provided that before the time for payment of such call the Directors may by notice in writing to the Members revoke the same.

Directors may extend time

26. The Directors may, from time to time and at their discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members who, from residence at a distance or other cause, the Directors may deem entitled to such extension, but no Member shall be entitled to such extension save as a matter of grace and favour.

Liability of Joint-holders

27. The joint-holders of share shall be jointly and severally liable to pay all calls in respect thereof.

Amount payable at fixed time or by instalments as call

28. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalments shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

When interest on call or instalment payable

29. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof the holders for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due shall pay interest on the same at such rate as the Directors shall fix, from time to time, from the day appointed for the payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.

Partial payment not to be preclude forfeiture

30. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares not any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as herein provided.

Payment in anticipation of calls may carry interest

*31 The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the moneys so paid in advance or so much thereof

** Has been substituted by amendment on 14th September, 1994.*

as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the Member paying such sum in advance and the Directors agree upon, and the Directors may at any time repay the amount so advanced upon giving to such Member one month's notice in writing. Money paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the company.

FORFEITURE, SURRENDER AND LIEN

Members not entitled to privileges of membership until all calls are paid

32. No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by them, whether alone or jointly with any person, together with interest and expenses, if any.

If call or instalment not paid, notice must be given

33. If any Member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such Member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been paid or incurred by the Company by reason of such non-payment.

Form of notice

34. The notice shall name a day not being less than 14 days from the date of the notice and the place or places on and at which such call or instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed the share in respect of which the call was made or instalment is payable will be liable to be forfeited.

In default of payment, shares to be forfeited

35. If the requisitions of any such notice as aforesaid are not complied with, any of the shares in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses or the money due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture subject to provisions of the Act.

Entry of forfeiture on Register of Members

36. When any share shall have been so forfeited an entry of the forfeiture with the date thereof shall be made in Register of Members.

Forfeited shares to be property of the Company and may be sold etc.

37. Any shares so forfeited shall be deemed to be property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Directors shall think fit.

38. The Directors may at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

Power to annul forfeiture

39. Any Member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest, expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture with interest thereon from the time of forfeiture until payment at such rate as may be prescribed by the Directors and the Directors may enforce the payment of the whole or a portion thereof if they think fit but, shall not be under any obligation to do so.

Shareholder still liable to pay money owing at time of forfeiture and interest

*40 The company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien only for all moneys called or payable at a fixed time in respect of such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares (wholly or in part) to be exempt from the provisions of this clause.

Company's lien on shares

41. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until notice in writing of the intention to sell shall have been served on such Member or person (if any entitled) by transmission to the shares and default shall have been made by him in payment of the sum presently payable for 7 days after such notice.

As to enforcing lien by sale

42. The net proceeds of any such sale after payment of the cost of such sale shall be applied in or towards the satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable and the residue (if any) paid to the Members or the person (if any) entitled by transmission to the shares so sold.

Application of proceeds of sale

43. A certificate in writing under the hands of any Director, Manager or the Secretary of the Company that the call in respect of a share was made and that the forfeiture of the share was made by a resolution of the Directors to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such shares.

Certificate of forfeiture

44. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other dispositions thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share and

Title of purchaser and allotee of forfeited shares

** Has been substituted by amendment on 14th September, 1994.*

the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Application of forfeiture Provision

The provisions of the Articles #s to the forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share become payable at a fixed time, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

Transfer not to be registered except on production of instrument of transfer

The Company shall not register a transfer of shares in, or debentures of the Company, unless, in accordance with the provisions of Section 108 of the Act, a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures;

Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is provided to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnify as the Board may think fit;

Provided further that nothing in this Article shall prejudice any power of the Company to register a share holder or debenture holder any person to whom right to any shares in, or debentures of the Company has been transmitted by operation of law.

Transfer by Legal Representative

A transfer of shares or other interest in the Company of a deceased member thereof made by legal representative shall, although the legal representative is not himself a Member, be as valid as if he had been a Member at the time of the execution of the instrument of transfer.

{a) An application for the registration of a transfer of any share or shares may be made either by the transferor or by the transferee.

Application for transfer

(b) Where the application is made by the transferor and relates to partly paid up shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee gives no objection to the transfer within two weeks from the receipt of notice.

(c) For the purpose of sub-Article (b), notice to the transferee shall not be deemed to have been duly given unless it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

Company's power to refuse transfer

Nothing in these presents shall prejudice the powers of the Company to refuse to register the transfer of any shares.

50. The Board may, in its absolute discretion refuse application for the sub-division of share certificates, debenture or bond certificates into denominations of less than the marketable lot except when such sub-division is required to be made to comply with a statutory provision or an order of a competent Court of Law.

Company's power to refuse Sub-division

51. The instrument of transfer of any shares shall be in writing in the prescribed form and in accordance with Section 108 of the Act.

Form of transfer

52. The transferor shall be deemed to remain the holder of any shares until the name of transferee is entered into the Register of Members in respect thereof.

Transferor liable untill the transferee entered on Register

53. *(a) Notwithstanding anything contained in Article 46, 47 and 48 and subject to the provisions of Section 111 A of the Act and subject to the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules and Regulations made thereunder and other applicable laws, the Directors may at their absolute and uncontrolled discretion decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in respect of the shares upon which the Company has a lien on whilst any moneys in respect of shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed transferee is already a member. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on account whatsoever.

Directors may refuse to register transfer

(b) Nothing in Section 108, 109 and 110 of the Act shall prejudice to refuse to register transfer or transmission by operation of law of the rights to, or interest of a member in any shares, debentures or other securities of the Company.

(c) Without prejudice to the foregoing provisions and without limiting in any manner the generality of the above provisions the Board of Directors of the Company may, at their absolute and uncontrolled discretion, refuse to register the transfer of any shares or other securities of the Company, being shares or securities issued by the Company, in favour of any transferee whether individual, firm, group, constituent of a group, body corporate or bodies corporate under the same management or otherwise and whether in his or its own name or in the name of any other person if the total nominal value of shares or other securities intended to be so transferred, exceeds, or together with the total nominal value of any shares or other securities already held in the Company by such individual, firm, group, constituent of a group, body corporate or bodies corporate under the same management or otherwise will exceed 1% of the paid up equity share capital of the Company or if the Board of Directors is satisfied that as a result of the proposed

transfer of any shares or securities or block of shares or securities of the Company a change in composition of the Board of Directors or change in the controlling interest of the Company is likely to take place and that such change would be prejudicial to the interest of the Company or to the public interest. For the purpose of this Article, the Board of Directors of the Company shall be entitled, inter-alia, to rely upon this Article, to form its own opinion as to whether such registration of transfer of any of its shares or other securities exceeding 1% of the paid up equity share capital of the Company should be refused or not.

(d) Notwithstanding anything to the contrary, the restrictive provisions contained in the preceding sub-clause (c) shall not apply to the transfer of any shares or other securities made to and representing the own investment of any of the following:

i) Public Financial Institutions within the meaning of Section 4A of the Act;

ii) Public Sector Banks;

iii) Multilateral Agencies, Foreign Banks and Lending Institutions;

iv) Public Sector Mutual Funds being Mutual Funds sponsored, promoted or managed by a Public Financial Institution or a Public Sector Bank.

*54. If the Company refuses to register the transfer of any shares it shall within 1 month from the date on which the instrument of transfer is delivered to the Company send to the transferee and the transferor notice of the refusal.

Notice of the refusal to transferee and transferor

55. No transfer shall be made to a person who is a minor or of unsound mind. However subject to the provisions of the Act, the Directors may, at their absolute discretion, approve a minor becoming a Member of the Company on such terms as the Directors may stipulate.

No transfer to minor etc.

56. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All the instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with Company after such period as they may determine.

Custody of transfer instrument

57. The Directors shall have power, on giving 7 days' notice by advertisement as required by Section 154 of the Act, to close the transfer books of the Company for such period or periods of time not exceeding in the whole 45 days in each year but not exceeding 30 days at a time as to them may deem fit.

Closure of transfer books

58. The executors or administrators of a deceased Member or a holder of a Succession Certificate or other legal representation in respect of shares of a deceased Member where he was a sole or only surviving holder shall be the only person whom the

Title to shares of deceased holders

** Has been substituted by amendment on 14th September, 1994.*

Company will be bound to recognise as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognise such executors or administrators or holders unless such executors or administrators shall have first obtained Probate or Letters of Administration or such holder is the holder of a Succession Certificate or other legal representation as the case may be from a duly constituted Court in India.

Provided that, in any case where the Directors in their absolute discretion think fit, the Directors may dispense with production of Probate or Letters of Administration or Succession Certificate or other legal representation and under the next Article, register the name of any person who claims to be absolutely entitled to the share standing in the name of deceased Member as a Member.

Registration of person entitled to shares otherwise than by transfer (Transmission Clause)

59. Any person becoming entitled to any shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means, other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he substains the character in respect of which he proposes to act under this Article or of his title as the Directors shall require, either be registered as a member in respect of such shares or may, subject to the regulations as to transfer in these presents contained, transfer, such shares to some other persons. This Article is in these presents referred to as "the Transmission Clause".

Refusal to register nominee

60. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer for registration.

Board may require evidence of transmission

61. Every Transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

Fee on transfer or transmission

*62 No fee shall be charged for issue of new share/debenture certificates in replacement of those which are old, decrepit, worn out or where the cages on reverse for recording transfers have been fully utilized. Share/debenture certificates shall be issued in marketable lots and where share/debenture certificates are issued for sub-division/consolidation into marketable lots shall be done free of charge. No fee shall be charged for transfer of shares/debentures or for effecting transmission or for registering any letters of probate, Letters of administration and, similar other documents.

The Company not liable for disregard of a notice prohibiting registration of transfer

63. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer

** Has been substituted by amendment on 14th September, 1994.*

of shares made or purporting to be made by the apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice or persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

Transfer of Debentures

64. The provisions of these Articles shall mutatis mutandis; apply to the transfer of or the transmission by law of the right to Debentures, Bonds and other securities of the Company.

Dematerialsation of Securities

*64A (1) For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository

'SEBI' means the Securities & Exchange Board of India; 'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and 'Security' means such security as may be specified by SEBI from time to time.

(2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in-a dematerialised form pursuant to the Depositories Act, 1996.

(3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

(4) All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act

** Has been inserted by amendment on 30th September, 1998.*

shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owners.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

(7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

(10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be Register and Index of Members and Security holders for the purposes of these Articles.

CONVERSION OF SHARES INTO STOCK

Conversion of shares into stock

65. The Directors, with the sanction of a resolution of the Company in General Meeting may convert any paid up shares into stock and and may convert any stock into paid-up shares of any reconversion denomination. When any shares have been converted into stock, the several holders of such stock may henceforth transfer their respective interests therein or any part of such interest, in the same manner and subject to the same regulations as and subject to which fully paid up shares in the Company's Capital

may be transferred or as near thereto as circumstances will admit.

66. The stock shall confer on the holders thereof respectively the same privileges and advantages as regards participation in profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock is converted, but so that none of such privileges or advantages, except the participation in profits of the Company or in assets of the Company on a winding up, shall be conferred by any such shares aliquot part of stock as would not it existing in shares, have conferred such privileges or advantages. Such conversion shall not affect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid all the provisions herein contained shall, so far as circumstances shall admit, apply to stock as well as to shares.

Right of stock holders

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

67. The company may, from time to time, in General Meeting increase its share capital by the creation of new shares of such amount as it thinks expedient.

68. The new shares (except such of them as shall be unclassified shares subject to the provision of Article 10) shall, subject to the provision of the Act and these presents, be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall direct and if no direction be given, as the Directors shall determine and in particular such shares may be issued with a preferential or qualified rights to dividends and in distribution of assets of the Company and any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

Increase of capital

On what conditions new shares may be issued

69. The new shares (resulting from and increase of capital as aforesaid) may, subject to the provisions of the Act and these presents, be issued or disposed of by the Company in General Meeting or by the Directors under their powers in accordance with the provisions of Articles 8, 9, 10, 11 and the following provisions:

- (A) (i) Such new shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, the capital paid up on those shares at that date;

  (ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of the offer, within which the offer, if not accepted, will be deemed to have been declined;

  (iii) The offer aforesaid shall be deemed to include a right

Further issue of capital

exercisable by the persons concerned to renounce the shares offered to him or any of them in favour of any other persons and the notice referred to in sub clause (ii) shall contain a statement of this right;

(iv) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose them off in such manner as they think most beneficial to the Company.

(B) Nothing in clause (ii) of Sub-Article (A) shall be deemed;

(i) to extend the time within which the offer should be accepted; or

(ii) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

Shares under control of General Meeting

70. In addition to and without derogating from the powers for the purpose conferred on the Directors under Article 8 of the Company in General Meeting may in accordance with the provisions of Section 81 of the Act may determine that any shares (whether forming part of the original capital of the Company or not) shall be offered to such person (whether Members or holders of Debentures of the Company or not) in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine.

Same as original capital

71. Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmissions, forfeiture, lien, surrender, voting and otherwise.

Provisions in case of redeemable preference shares

72. On the issue of redeemable preference shares under the provisions of Article 10 and 68 the following provisions shall take effect:

(a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;

(b) No such shares shall be redeemed unless they are fully paid up;

(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's shares premium account, before the shares are redeemed;

(d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund to be called "The Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of a Company shall except as provided under Section 80 of the Act or by these presents apply as if the Capital Redemption Reserve Account were paid up share capital of the Company;

(e) Subject to the provisions of Section 80 of the Act and this Article the redemption of Preference Shares under these presents shall be effected in accordance with the terms and conditions of their issue and failing that in such manner as the Directors may think fit.

Reduction of Capital

73. The company may from time to time by Special Resolution reduce its share capital {including the Capital Redemption Reserve Account if any) in any way authorised by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may and if and so far as necessary alter its Memorandum of Association by reducing the amount of its share capital and of its shares accordingly.

Division and Subdivision

74. The Company may in General Meeting by Ordinary Resolution alter the conditions of its Memorandum as under:

(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

(b) Sub-divide shares or any of them into shares of smaller amount than originally fixed by the Memorandum of Association subject nevertheless to the provisions of the Act in that behalf. Subject to these presents the resolution by which any shares are sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of such shares may be given any preference or advantage or otherwise over the others or any other such shares.

(c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of the shares so cancelled.

MODIFICATION OF CLASS RIGHTS

Power to modify rights of different classes of shareholders and rights of dissentient shareholders

75. (a) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class.

(b) This Article is not to derogate from any power the

Company would have had if. this Article were omitted and the right of the dissentient share holders being holder of not less in the aggregate than 10 (ten) percent of the issued shares of that class to apply to the Court to have the variations or modifications cancelled as provided in Section 107 of the Act.

JOINT HOLDERS OF SHARES

76. Where two or more persons are registered as the holders of any Joint holders of shares share the person first named in the Register shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in these Articles.

*(a) The Company shall be entitled to decline to register more than 3 persons as the joint holders of any share.

(b) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such shares.

(c) On the death of any such joint holders the survivor or survivors shall be only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing here in contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

(d) Any one of such joint holders may give effectual receipts of any dividends or other moneys payable in respect of such shares.

(e) Only person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive document (which expression shall be deemed to include all documents mentioned in Article 193) from the Company and any notice given to or document served on such person shall be deemed service on all the joint holders.

(f) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint holders be present at

. any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares, Several executors or

** Has been substituted by amendment on 14th September, 1994.*

administrators of a deceased Member in whose (decreased Member's) sole name any share stands shall for the purpose of this clause be deemed joint holders.

BORROWING POWERS

77. Subject to the provisions of Sections 58A, 292 and 293 of the Act and regulations made thereunder, the Board of Directors may, from time to time, by a resolution passed at a Meeting of the Board, accept deposits, or borrow moneys from Members, either in advance of calls or otherwise, or accept deposits from public and may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respect as they think fit and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture stock, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Conditions on which money may be borrowed

78. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Bonds, Debentures etc. to be subject to control of Directors

79. Debentures, Debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Securities may be assigned free from equities

*80. Any bonds, debentures, debenture, stock or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing allotment of shares, attending General Meetings of the Company, appointment of Directors and otherwise.

Issue at discount etc. or with special privilege

Provided that Debentures/Bonds, Debenture Stock, Bonds or other securities with the right to conversion into or allotment of shares, or the option or right to call for allotment of shares, shall not be issued except with the consent of the Company in General Meeting.

81. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors may authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the Members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.

Mortgage of uncalled capital

82. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the

Indemnity may be given

** Has been substituted by amendment on 14th September, 1994.*

whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Register of Charges may be kept

83. The Directors shall cause a proper register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act in regard to registration of mortgages and chages and in regard to inspection to be given to creditors or Members of the Register of Charges and Copies of instruments creating charges. Such sum as may be prescribed by the Act shall be payable by any person other than a creditor or Member of the Company for each inspection of the Register of Charges.

MEETINGS

Annual General Meeting

84. (a) (i) The Company shall, in addition to any other meetings, hold a general meeting which shall be styled its "Annual General Meeting" at the intervals and in accordance with the provisions specified below:

*(ii) The first Annual General Meeting of the Company shall be held within eighteen months from the date of incorporation of the Company. The Annual General Meeting of the Company, subsequent to the First Annual General Meeting shall be held by the Company within six months after the expiry of the financial year in which the First Annual General Meeting was held: and thereafter an Annual General Meeting shall be held in each year by the company within six months after the expiry of each financial year or such extended period as may be allowed by the Registrar of Companies pursuant to the provisions of Section 166 read with Section 210 of the Companies Act, 1956.

(iii) Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next;

(b) Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held either at the Registered Office of the Company or at some other place within the Union Territory of Delhi and the notice calling the meeting shall specify it as the Annual General Meeting.

85. All General Meetings other than Annual General Meetings shall be called Extra-Ordinary General Meetings.

Extra-Ordinary General Meeting

Calling of Extra-Ordinary General Meeting

86. (a) The Board of Directors may, whenever they think fit, and shall on the requisition of such number of Members of the Company as is hereinafter specified, forthwith proceed to call an Extra-Ordinary General Meeting of the Company and in case of such requisition the following provisions shall apply;

** Has been amended vide amendment on 10th September, 2001.*

The requisition shall set out the matters for the consideration, of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

The requisition may consist of several documents in like form, each signed by one or more requisitionists;

The number of Members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at the date carries the right of voting in regard to that matter;

Where two or more distinct matters are specified in the requisition, the provisions of Sub-Article (d) shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that Sub-Article is fulfilled;

If the Board does not, within 21 days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than 45 days from the date of the deposit of the requisition, the meeting may be called by such of the requisitonists as represent either majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in Sub-Article (d) whichever is less. However, for the purpose of this Sub-Article the Directors shall, in the case of a meeting at which a resolution is to be proposed as a Special Resolution give, such notice thereof as is required by the Act;

A meeting called under Sub-Article (f) by the requisitionist or any of them:

(i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but

(ii) shall not he held after the expiry of 3 months from the date of the deposit of the requisition; Provided that nothing contained in this Sub-Clause (ii) shall be deemed to prevent a meeting duly commenced before the expiry of the period of 3 months aforesaid, from adjourning to some day after the expiry of that period;

Where two or more persons hold any share or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some only of them shall, for the purposes of this Article have the same force and effect as if it had been signed by all of them;

Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to call a meeting shall be

reimbursed to the requistionists by the Company; and any sum so reimbursed shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Notice of Meeting

87. (a) **A** General Meeting of the Company may be called by giving not less than 21 days notice in writing;

(b) **A** General Meeting may be called after giving shorter notice than that specified in Sub-Article (a) if consent is accorded thereto:

(i) in the case of an Annual General Meeting by all the Members entitled to vote thereat, and

(ii) in the case of any other meeting by Members of the Company holding not less than 95 percent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting.

Provided that where any Members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purpose of this Sub-Article in respect of the former resolution or resolutions and not in respect of the later.

Contents and manner of service of notice and persons on whom it is to be served

88. (a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting, and shall contain a statement of the business to be transacted thereat;

(b) Notice of every meeting of the Company shall be given:

(i) to every Member of the Company, in any manner authorised by Section 53 of the Act;

(ii) to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and

(c) The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

Business at the Annual General Meeting

89. (a) In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to:

(i) the consideration of Accounts, Balance-Sheet and reports of the Board of Directors and Auditors;

(ii) the declaration of a dividend;

(iii) the appointment of Directors in the place of those retiring and

(iv) the appointment of, and the fixing of remuneration of the Auditors; and

(b) in the case of any other meeting all business shall be deemed special;

(c) where any items of business to be transacted at the meeting are deemed to be special as aforesaid, they shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein, of every Director, and the Manager, if any.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to or affects any other Company, the extent of share holding interest in that other Company of every Director, and the Manager, if any, of the Company shall also be set out in the statement if the extent of such share holding interest is not less than twenty percent of the paid up capital of that other Company.

(d) where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

90. (1) A resolution shall be an Ordinary Resolution when at a Ordinary and Special General Meeting of which the notice required under the Act Resolution has been duly given, the votes cast (whether on a show of hands, or on a poll, as the case may be), in favour of the resolution (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person or, where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by Members so entitled and voting.

(2) A resolution shall be Special Resolution when:

(a) the intention to propose the resolution as a Special Resolution has been duly specified in the notice calling the General Meeting or other intimation given to the Members of the resolution;

(b) the notice required under the Act has been duly given of the General Meeting; and

(c) the votes cast in favour of the resolution (whether on a show of hands, or on a poll, as the case may be), by Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, are not less than 3 times the number of the votes, if any, cast against the resolution by Members so entitled and voting.

91. (1) Where, by any provisions contained in the Act or in these presents, Special Notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than 14 days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.

Resolutions requiring Special Notice

(2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the Resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents, not less than seven days before the meeting.

PROCEEDINGS AT GENERAL MEETING

92. Five Members personally present shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum be present at the commencement of the business.

Quorum at General Meeting

93. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.

Business confined to election of Chairman whilst Chair vacant

94. The Chairman of the Directors shall be entitled to take the Chair at every General Meeting. If there be no Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the Directors present may choose one of their numbers to act as Chairman of the meeting and, in default of their doing so, the Members present shall choose one of the Directors to take the chair, and if no Directors present be willing to take the chair, the Members present shall choose one of their numbers to be the Chairman to the Meeting.

Chairman of General Meeting

95. If, within half an hour after the time appointed for the holding of a General Meeting, a quorum be not present, the meeting if convened on the requisition of shareholders shall be dissolved and, in any other case, shall stand adjourned the same day in the next week, at the same time and place or to such other day and at such other time, and place as the Directors may determine. If at such adjourned meeting also, a quorum be not present within half an hour from the time appointed for. holding the meeting, the Members present shall be a quorum and may transact the business for which the meeting was called.

Proceedings when quorum not present

96. The Chairman, with the consent of the meeting, may adjourn any meeting from the time to time and from place to place; but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. No notice of an adjourned meeting shall be necessary to be given unless the meeting is adjourned for more than 30 days.

Adjourned Meeting

97. At any General Meeting a Resolution put to vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded in the manner hereinafter mentioned, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number of proportion of the votes recorded in favour of or against such resolution.

What is to be evidence of the passing of resolution where poll not demanded

98. (a) Before or on the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any Members or Members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up, whichever is less.

Demand for poll

(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

99. (a) If a poll is demanded on the election of a Chairman or on a question of adjournment, it shall be taken forthwith and without adjournment.

(b) A poll demanded on any other question shall be taken at such time not being later than 48 hours from the time when the demand was made, as the Chairman may direct.

Time of taking poll

100. On a poll taken at a meeting of the Company, a Member entitled to more than one vote, or his proxy or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Rights of member to use his votes differently

101. (a) Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him;

(b) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of the scrutineer arising from such removal or from any other cause;

(c) Of the two scrutineers appointed under this Article, one shall always be a Member (not being an officer or employee of the Company) present at the meeting provided that such a member is available and willing to be appointed.

Scrutineers at poll

102. (a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken;

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Manner of taking poll and result thereof

103. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the. meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a Member.

Motion how decided in case of equality of votes

104. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Demand for poll not to prevent transaction of other business

105. The Company shall cause minutes of all proceedings of General Meetings to be entered in books kept for that purpose. The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat. All appointments of officers made at any of the Meeting shall be included in the minutes of the Meetings. Any such minutes, if purporting to be signed by the Chairman of the Meeting at which the proceedings took place or in the event of the death or inability of that Chairman, by a Director duly authorized by the Board for the purpose, shall be evidence of the proceedings.

Minutes of General Meeting

106. The books containing minutes of proceedings of General Meetings of the Company shall be kept at the Registered Office of the Company and shall be open to the inspection of any Members without charge, between 11 a.m. and 1 p.m. on all working days.

Inspection of Minute Book

107. Any Member shall be entitled to be furnished within 7 days after he had made a request in that behalf to the Company with a copy of any minutes referred to above at such charge as may be prescribed by the Act.

Copies of Minutes

VOTES OF MEMBERS

108. (1) Upon a show of hands, every Member entitled to vote and present in person or by attorney or proxy shall have one vote.

(2) Upon a poll, every Member, who being an individual is present in person or by attorney or by proxy or being a Corporation/Institution/Organisation/Societies is present by a representative or proxy, shall have a voting right in proportion to his share of the paid up equity capital of the Company.

Votes

Provided that in the event of the Company issuing Preference shares, the holders of such Preference Shares shall have no right to vote either in person or by proxy at any General Meeting by virtue or in respect of their holdings of Preference Shares, unless the preferential dividend due on such Preference Shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than 2 years preceding the date of commencement of the Meeting or unless a resolution is proposed directly affecting the rights or privileges attached to such Preference Shares;

For the purpose of this Article:

(a) Any resolution for winding-up of the Company or for the

repayment or reduction of its share capital shall be deemed directly to affect the rights attached to Preference Shares.

(b) Dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company on such shares for such period or not:

(i) On the last day specified for the payment of such dividend for such period, in the Articles or other instrument executed by the Company in that behalf;

OR

(ii) In case no day is so specified, on the day immediately following such period.

Voting by Corporation

109. Any Member, who is a Corporation/Institution/Company/ Organisation/Society, present by a representative duly authorized by a resolution of the Directors or other governing body of such Corporation in accordance with the provisions of Section 187 of the Act, may vote on a show of hands as if it was a member of the Company. The production at the Meeting of a copy of such resolution duly signed by one Director of such Corporation or by Members of its governing body and certified by him as being a true copy of the Resolution shall, on production at the Meeting, be accepted by the Company as sufficient evidence of the validity of his appointment.

No member to vote unless calls are paid up

110. Subject to the provisions of the Act, no Member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney or as a proxy or attorney for any other Member or be reckoned in a quorum whilst any call or other sum shall be overdue and payable to the Company in respect of any of the shares of such Member for more than one month.

Votes may be given by legal heir in case of Transmission

111. Any person entitled under the Transmission Clause (Article 59 hereof) to transfer any shares may vote at General Meetings in respect thereof as if he was the registered holder of such shares provided that atleast 48 hours before the time of holding the Meeting or adjourned Meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Qualification of proxy

112. (a) Any Member of the Company entitled to attend and vote at a Meeting of the Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.

(b) In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member.

Votes may be given by proxy or attorney

113. Votes may be given either personally or by attorney or by proxy or in case of a Corporation / Institution / Company / Organisation / Society also by a representative duly authorised as aforesaid.

114. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney or if such appointer is a Company or Corporation under its common seal or under the hand of a person duly authorized by such Company or Corporation in that behalf, or under the hand of its attorney who may be the appointer.

Execution of instrument of proxy

115. No person shall act as proxy unless the instrument of his appointment and the power of attorney or other authority if any under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office atleast 48 hours before the time for holding the meeting at which the person named in the instrument of proxy proposes to vote and in default the instrument appointing the proxy shall not be treated as valid. No attorney shall be entitled to vote unless the Power of Attorney or other instrument appointing him as attorney or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than 48 hours before the time of the meeting at which the attorney proposes to vote or is deposited at the office not less than 48 hours before the time of such meeting as aforesaid. Notwithstanding that a Power of Attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the Member or the Attorney at least 7 days before the date of a Meeting require him to produce the original Power of Attorney or authority and unless the same is thereupon deposited with the Company not less than 48 hours before the time fixed for the meeting the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit. Every Member entitled to vote at a meeting of the Company or on any resolution to be moved thereat shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the Company provided that not less than 3 days notice in writing of the intention so to inspect is given to the Company.

Deposit of instrument of appointment and inspection

116. If any such instrument of appointment be confined to the object of appointing a proxy or substitute for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company, and if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

Custody of the instrument

117. Every instrument of proxy whether for a specified meeting or otherwise shall be in writing or if such appointer is a Corporation, under its Common Seal or the hand of an Officer or an attorney duly authorized by it and shall as nearly as circumstances will admit be in the form specified in Schedule IX of the Act.

Instrument appointing proxy

118. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney

Validity of votes given by proxy notwithstanding death of Members, etc.

under which such proxy was signed or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death revocation or transfer shall have been received at the office before the meeting.

119. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

Time for objections to vote

120. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Chairman of any meeting to be the judge of validity of any vote

121. Any Member whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class.

Equal rights of Members

DIRECTORS

122. The number of Directors shall not be less than 3 or more than 15 excluding the Government Directors and Debenture Director, if any.

Number of Directors

123. The persons hereinafter named shall be the first Directors of the Company.

First Directors

1. SHRI PUTHUCODE SUBRAMANIA GOPALAKRISHNAN
2. DR. PANGAL JAYENDRA NAYAK
3. SHRI SERAJULHAQ KHAN
4. SHRI BHOGILAL DALSUKHBHAI SHAH
5. SHRI RASHID JILANI
6. SHRI SHAMRAO SAKHARAM KADAM
7. SHRI SAKTI PADA BANERJEE
8. SHRI HARISH CHANDRA SHARMA

124. (i) So long as any amount remain outstanding against loans, guarantee or any other facility, directly or indirectly provided by the Government of India, the Government may appoint a Director or Directors not more than two, on the Board of Directors of the Company (here-in-after referred to as Government Director) and such Director shall be at the pleasure of the Government of India and shall not be counted for the purpose of total number of retirement of Directors and shall not be removed or otherwise by the Board. Subject to the above, the Government Director shall have the same rights and privileges and be subject to same obligations as any other Director of the Company.

Government Director

*(ii) Subject to the provision of the Act, as long as Government of India continue to hold not less than 51% of the paid up equity share capital of the Company, Government of India

Nomination of Directors

** Has been inserted by amendment on 13th November, 2013.*

shall be entitled to nominate up to one-third of the total number of existing Directors of the Company (excluding Government Director(s) under Sub-Article (i) of Article 124) and shall be entitled to remove any or all of the Directors so nominated by it from their office and to nominate any other person(s) thereto from time to time.

Debenture Director

Any trust deed covering the issue of debentures of the Company may provide for the appointment of a Director (in these presents referred to as "the Debenture Director") for and on behalf of the debenture holders for such period as is therein provided not exceeding the period for which the debentures or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise for appointment of a Debenture Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid but he shall be counted in determining the number of retiring directors.

Alternate Director

125. (a) Subject to Section 313 of the Act, the Board of Directors may appoint an Alternate Director to act for a Director (hereinafter in this Article called "the original Director") at his suggestion or otherwise, during his absence for a period of not less than 3 months from the State / Union Territory in which meetings of the Board are ordinarily held;

(b) An Alternate Director appointed under Sub-Article (a) shall not hold office as such for a period longer than permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State/Union Territory in which meetings of the Board are ordinarily held;

(c) If the term of office of the original Director is determined before he so returns to the State/Union Territory aforesaid any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original, and not to the Alternate Director.

Qualification of Director

126. No Director shall be required to hold any share or qualification shares of the Company.

Remuneration of Director

127. The fees payable to a Director for attending a meeting of the Board or Committee thereof shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed by the Act or the Central Government. No Director, who is a Government servant, shall be entitled to receive any remuneration under this Article or under any other provisions of these presents except as authorized by the Government.

Directors not bonafide residents of the place where a meeting is held, may receive extra compensation

128. Subject to the Provisions of Article 127, in the case of a Government servant, the Directors may allow and pay to any Director, who is not a bonafide resident of the place where a

The existing Sub-Article (ii) of Article 124 has been re-numbered as Sub-Article (Hi) of Article 124 by amendment on 13th November, 2013.

meeting is held and who shall come to such place for the purpose of attending a meeting, such sum as the Directors may consider fair compensation for traveling, hotel and other expenses in addition to his remuneration as above, specified, and the Directors may from time to time, fix the remuneration to be paid to any member or members of their body, or a committee appointed by the Directors in terms of these presents and may pay the same.

Special remuneration to Director going out

129. Subject to the provisions of Article 127, in the case of a Government servant, if any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going out or residing at a particular place or otherwise for any of the purposes of the Company, the Company may remunerate such. Director either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Director may fill up vacancy; duration of office of Directors appointed to vacancy

130. The Directors shall have power at any time and from time to time to appoint, subject to the provisions of these presents, any person as a Director either to fill a casual vacancy or as an additional Director to the Board but so that the total number shall not any time exceed the maximum number fixed as above; but any Director so appointed as an additional Director shall hold office only upto the Date of next following Annual General Meeting of the Company and shall then be entitled for reelection and any Director so appointed to fill casual vacancy shall hold office only upto the date upto which the Director in whose place he is appointed, would have held office if it had not been vacated.

Director may act notwithstanding vacancy

131. Subject to the provisions of the Act, the continuing Directors may act notwithstanding any vacancy in their body; but so that if the number falls below the minimum number fixed, the Directors shall not, except in emergencies or for the purpose of filling up vacancies or for summoning a General Meeting of the Company, act so long as the number is below the minimum and if they so act notwithstanding the absence of a necessary quorum under the provisions of Article 148.

Directors vacating office

132. (1) Subject to the provision of Section 283(2) of the Act, the office of a Director shall become vacant if;

(a) he is found to be of unsound mind by a Court of competent jurisdiction; or

(b) he applied to be adjudicated an insolvent; or

(c) he is adjudged an insolvent; or

(d) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or

(e) he fails to pay any calls in respect of shares held by him alone or jointly with others within 6 months from the last date fixed for the payment for such calls made

unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or

(f) he absents himself from 3 consecutive meeting of the Directors or from all meetings of the Directors for continuous period of 3 months whichever is the longer without leave of absence from the Board of Directors; or

(g) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is*a partner or any private company of which he is a Director, accepts a loan or guarantee or security for a loan from the Company in contravention of Section 295 of the Act; or

(h) he acts in contravention of Section 299 of the Act; or

(i) he becomes disqualified by an order of the Court; or

0) he is removed in pursuance of Section 284 of the Act by an Ordinary Resolution of the Company before the expiry of his period of Office; or

(k) he resigns office by notice in writing addressed to the Company or to the Directors; or

(I) he, his relative or partner or any firm in which he or his relative is a partner or any private company of which he is a Director or Member, holds any office of profit under the Company or any subsidiary hereof in contravention of Section 314 of the Act; or

(m) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

(2) Notwithstanding anything in clauses (c), (d) and (i) of Sub-Article (1), the disqualification referred to in those clauses shall not take effect;

(a) For 30 days from the date of adjudication or sentence or order;

(b) Where any appeal or petition is preferred within the 30 days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of 7 days from the date on which such appeal or petition is disposed of; OR

(c) Where within the 7 days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

Disclosure of interest by directly or Director

133. (a) Every Director of the Company who is in any way, whether indirectly concerned or interested in a contract or

arrangement, or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors.

(b) (i) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under Sub-Article(a) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting concerned or interested in the proposed contract or arrangement at the first meeting of the Board held after he becomes so concerned or interested;

(ii) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(c) (i) For the purpose of Sub-Articles{a) and (b), a general notice given to the Board by a Director to the effect that he is a Director or a Member of a specified body corporate or is a Member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made;

(ii) No such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire;

(iii) No such general notice and no renewal thereof shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(d) Nothing in this Article shall be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contracts or arrangement with the Company.

(e) Nothing in this article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any of the Directors of the Company or two or more of them together holds or hold not more than 2 (two) per cent of the paid up share capital in the other Company.

Interested Director not to part in the Board's Proceedings

134. (1) No Director of the Company shall, as a Director, take any participate or vote in • discussion of, or vote on any contract or arrangement entered into or to be entered into, by or on

behalf of the Company, if he is, in any way, whether directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

(2) This Article shall not apply to:

(a) any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureities or a surety for the Company;

(b) any contract or arrangement entered into or to be entered into with a public company, or a private company, which is subsidiary of a public company, in which the interest of the Director aforesaid consists solely;

(i) in his being a Director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company, or

(ii) in his being a member holding not more than two percent of the paid up share capital of such other Company.

135. A Director of this Company may be, or become a Director of any company promoted by this Company, or in which it may be interested as a vendor, Member or otherwise and, subject to the provisions of the Act and these presents, no such Director shall be accountable for any benefits received as Director or member of such Company.

Directors may be Directors of companies promoted by the Company

ROTATION OF DIRECTORS

136. At every Annual General Meeting of the Company other than the first Annual Genera! Meeting one third of such of the Directors, for the time being, as are liable to retire by rotation, or, if their number, if not 3 or a multiple of 3, then the number nearest to one-third shall retire from office.

Directors to retire annually how determined

137. The Directors to retire by rotation at every Annual General Meeting shall be those (other than the Government Directors and Debenture Director), who have been longest in office since their last appointment, but as between persons, who became Directors on the same day, those who are to retire shall (unless they otherwise agree among themselves) be determined by lot.

Which Directors to retire

138. A retiring Director shall be eligible for re-election.

Retiring Directors eligible for re-election

139. The Company, at the Annual General Meeting, at which a Director retires in manner aforesaid, may fill up the vacated office by appointing the retiring Director or some other person thereto.

Company to fill up vacancy

140. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the

Retiring Directors to remain in office till successors appointed

meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place, and if at the adjourned meeting also, the place of retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:

(1) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;

(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his willingness to be so re-appointed;

(iii) he is not qualified or is disqualified for appointment;

(iv) a resolution, whether Special or Ordinary, is required for his appointment by virtue of any provisions of the Act;

(v) the provision to Sub-Article(2) or Sub-Article(3) of Article 141 is applicable to the case.

Appointment of Directors to be voted on individually

141. (1) At every Annual General Meeting of the Company, a motion shall not be made for appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made has first been, agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of Sub-Article{1) of this Article shall be void whether or not objection was taken at the time to its being so moved; provided that where a resolution so moved is passed, no provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply.

(3) For the purposes of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

Right of persons other than retiring Directors to stand for Directorship

142. (1) No person, not being a retiring Director, shall be eligible for election to the Office of Directors at any General Meeting, unless he or some other Member intending to propose him has, at least 14 clear days before the meeting left at the Office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member, to propose him as a candidate for that office, as the case may be, alongwith a deposit of five hundred rupees which shall be refunded to such person, or as the case may be to such Member, if the person succeeds in getting elected as a Director.

(2) The Company shall inform its Members of the candidature of a person for the office of Director or the intention of a

Member to propose such person as a candidate for that office by serving individual notices on the Members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

Removal of Directors

143. (a) The Company may by Ordinary Resolution remove a Director (not being a Government Director) before the expiry of his period of office.

(b) Special Notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.

(c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned, and the Director (whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the meeting.

(d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length and request their notification to Members of the Company, the Company shall, unless the representations are received by it too late for it to do so:

(i) in the notice of the resolution given to Members of the Company, state the fact of the representations having been made, and

(ii) send a copy of the representations to every Member of the Company, to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting; provided that copies of the representations need not be sent out and the representations need not be read out at the meeting, if on the application either of the Company or of any other person, who claims to be aggrieved, the court is satisfied that the right conferred by this Sub-Article are being abused to secure needless publicity for defamatory matter.

(e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in

General Meeting or by the Board, be filled by the appointment of another Director in his stead, by the meeting at which he is removed, provided special notice of the intended appointment has been given under Sub-Article (b) of this Article. A Director so appointed shall hold office until the date upto which his predecessor would have held office, had he not been removed as aforesaid.

(f) If the vacancy is not filled under Sub-Article (e) of this Article, it may be filled as a casual Vacancy in accordance with the provisions so far as they may be applicable of Article 129 and all the provisions of that Article shall apply accordingly; provided that the Director who was removed from office shall not be re-appointed as a Director by the Board of Directors.

PROCEEDINGS OF DIRECTORS

Meetings of Directors

144. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit; provided however that a meeting of the Board of Directors shall be held at least once in every 3 calendar months; and at least 4 such meetings shall be held in every calendar year.

When meeting to be convened

145. The Chairman may at any time and the Manager or such other Officer of the Company as may be authorised by the Directors shall upon the request of a Director convene a meeting of the Directors.

Notice of meetings

146. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India to. every other Director.

Chairman of Board of Directors

147. The Directors may elect a Chairman, who may be either Whole-Time (Executive) or Non-Executive part-time Chairman and determine the period for which he is to hold office, provided that in the case of Executive Chairman, he may be appointed to function both as a Chairman and Managing Director. All meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors, the Chairman be not present at the time appointed for holding the same, then and in that case the Director shall choose one of the Directors then present to preside at the meeting.

Question at Board Meeting how decided

148. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the meeting (whether the Chairman appointed by virtue of these presents or the Director presiding at such meeting) shall have a second casting vote.

Quorum and its competence to exercise powers

149. The quorum for a meeting of Board of Directors of the Company shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher; provided that where at any meeting, the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that

is to say, the number of the Directors, who are not interested, present at the meeting being not less than two, shall be the quorum during such time, and provided further that the aforesaid provision shall not be applicable when any contract or arrangement is entered into by or on behalf of the Company with a Director or with any firm of which a Director is a Member or with any private company of which a Director is a Director or Member for:

(a) the underwriting or subscription of shares or debentures of the Company; or

(b) the purchase or sale of shares or debentures of any other company; or

(c) a loan by the Company.

For the purpose of this Article:

(i) "total strength" means the total strength of the Directors of the Company as determined in pursuance of the Act, after deducting therefrom the number of the Directors, if any, whose places may be vacant at the time;

(ii) "interested Director" means any Directors whose presence cannot by reason of Article 133 or any other provisions in the Act count for the purpose of forming a quorum at a Meeting of the Board, at the time of the discussion or vote on any matter.

Procedure where meeting adjourned for want of quorum

150. (a) If a meeting of the Board could not be held for want of quorum, then, unless the Directors present at such meeting otherwise decide, the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is public holiday, till the next succeeding day which is not a public holiday at the same time and place.

(b) The provisions of Article 144 shall not be deemed to have been contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms of that Article could not be held for want of quorum.

Directors may appoint Committee

151. The Director may, subject to the provisions of the Act, delegate any of their powers to Committee consisting of such member or members of their body as they deem fit, and they may, from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Directors.

Meeting of Committees how to be governed

152. The meeting and proceedings of any such Committee shall be governed by the provisions of these presents for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

153. All acts done by any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall be valid notwithstanding that it may be afterwards discovered that the appointment of anyone or more of such Directors or of any person acting as aforesaid, was invalid by reason of defect of disqualification or had terminated by virtue of any provision contained in the Act or these present; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Acts of Board or Committees valid notwithstanding defect of appointment

154. No resolution shall be deemed to bave been duly passetl by the Board or by a Committee thereof by circulation, unless the resolution laas^been circulated in draft, together witti the necessary papers, if any to all Directors, or to all 1he Members of the Committee, 1hen in India <norbeing less in "number than the quorum fixed "for a meeting of the Board or Committee, as the case may be) and to all other Directors or Members, at 1heir usual address in India and has been ^approved by such of the Directors as arelhen in India, or by a majority of such of them, as are entitled to vote on the resolution.

Resolutions by circular

155. The Company shall cause minutes of Meeting of the Board of Directors and all Committees of the Board to be duly entered in a book or books provided for that purpose. The minutes shall contain:

Minutes of proceedings of Directors and Committees

(a) a fair and correct summary of the proceedings at the meeting;

(b) the names of the Directors present at the meeting of the Board of Directors or of any Committee of the Board;

(c) all orders made by the Board and Committee of the Board and all appointments of Officers and Committees of Directors;

(d) all resolutions and proceedings of Meetings of the Board and the Committees of the Board and

(e) in the case of each resolution passed at a meeting of the Board or Committee of the Board, the names of the Directors, if any, dissenting from, or not concurring in the resolution.

156. Any minutes of any meeting of the Board or of any Committee of the Board, if purporting to be signed by the Chairman of such Meeting or by the Chairman of the next succeeding meeting shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same appear to have taken place.

By whom Minutes to be signed and the effect of such Minutes

157. The Directors shall comply with the provision of Sections 159, 271, 282, 295, 297, 299, 303, 305, 307 and 308 of the Act.

Provisions of the Act to be complied with

POWERS OF DIRECTORS

158. Subject to the provisions of the Act and these presents, the business of the Company shall be managed by Directors who may exercise all such powers and do all such acts and things as the Company is by its Memorandum of Association or otherwise authorised to exercise and do and are not by these presents or by statute directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and of the Memorandum of Association and these presents and to any regulations not being inconsistent with the Memorandum of Association and these presents from time to time made by the Company in General Meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

General powers of Company vested in Directors

159. The Board shall exercise the following powers on behalf of the Company, and it shall do so only by means of resolutions passed at its Meetings:

Certain powers to be exercised by Board Meeting only

(a) the power to make calls on shareholders in respect of money unpaid on their shares;

(b) ' the power to issue debentures;

(c) the power to borrow moneys otherwise than by debentures;

(d) the power to invest the funds of the Company; and

(e) the power to make loans;

Provided that the Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, the Whole Time Director or any other Officer of, or, in the case of a Branch office of the Company, the principal officer of the Branch office of the Company, the powers specified in Clause (c), (d) and (e) to the extent specified in Section 292 of the Act.

160. The Board shall, not except with the consent of the Company in General Meeting:

Consent of Company necessary for exercise of certain powers

(a) " sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking;

(b) remit, or give time for the re-payment of any. debt due by a Director;

(c) invest, otherwise than in trust securities, the sale proceeds resulting from the acquisition, without the consent of the Company, of any such undertaking as is referred to in Clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose; or

(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed Rs. 50,000/- (Rupees Fifty Thousand) or 5 (five) percent of its average net profits as determined in accordance with the Act during the financial years immediately preceding, whichever is greater.

Specific powers given to Directors

Without prejudice to the general powers conferred by Article 159 and other powers conferred by these presents but, subject however to the provisions of the Act, it is hereby expressly declared that the Directors shall have the following powers;

To pay preliminary expenses

(1) to pay the costs, charges and expenses preliminary and incidental to the promotion, "formation, establishment and registration of the Company;

(2) to have an Official Seal for use abroad;

(3) to keep Foreign Register in accordance with the provisions of the Act;

(4) to purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit;

To pay for properties

(5) at their discretion, to pay for any property or rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash, or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

To insure properties

(6) to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;

To open bank accounts

(7) to open accounts with any bank or bankers or with any company, firm or individual and to pay money into and

draw money from any such account from time to time as the Directors may think fit;

(8) to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit;

To secure contracts

(9) to attach to any share to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit;

To attach conditions

(10) to accept from any Member on such terms and conditions as shall be agreed to surrender of his shares or stocks or any part thereof;

To accept surrender of shares etc.

(11) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such acts and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;

To appoint Trustees

(12) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debt due or of any claims or demands by or against the Company;

To institute and defend legal proceedings

(13) to refer any claim or demand by or against the Company to arbitration and observe and perform the awards;

To refer to arbitration

(14) to act on behalf of the Company in all matters relating to bankrupts and insolvents;

To act in matters of bankruptcy

(15) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claim and demands of the company;

To give receipts

(16) to determine, from time to time, who shall, be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsement, cheques, dividend warrants, releases, contracts and documents;

To authorise enquiry of bills etc.

(17) to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such securities and in such manner as they think fit and from time to time to vary or realise such investments;

To invest moneys

(18) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such

To give security by way of indemnity

mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;

(19) to give to any Director, Officer or other person employed by the Company and interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as a part of the working expenses of the Company; provided that the shares of the general profits of the Company payable to the Directors or to the Officers of the Company shall not exceed in the aggregate a sum equivalent to 3 (three) percent of the net profits of the Company as determined in accordance with the provisions of Sections 349 and 350 of the Act; Provided, further that this limitation or restriction on the percentage of net profits shall not be applicable to any distribution of a general bonus to employees of the Company;

To give interest by way of commission

(20) to provide for the welfare of employees or ex-employees of the Company and the wives, and families or the dependents or connections of such persons, by building or contributing to the building or houses or dwelling or by grants of money, pensions, allowances, bonus, ex-gratia or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction, education and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit;

To provide for welfare of employees etc.

(21) to subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibition or to any institution, club, society or fund;

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(22)

they before recommending any dividend, set aside, out of the profits of the Company, such sums as the Directors may think proper for depreciation or to a Depreciation Fund or as Reserve or to a Reserve Fund or Sinking Fund or any Special Fund to meet contingencies or to repay Redeemable Preference Shares or Debentures or for payment of dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company, or for such other purposes as the Directors may in their absolute discretion think conducive to the interests of the Company and the Directors may invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by the Act) as the Directors may think tit; and from time to time deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the

To subscribe for Charitable Fund etc.

To establish Reserve Fund

Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same, or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and the Directors may divide the Reserve or any Fund into such special funds and transfer any sum from one Fund to another as the Directors may think fit, and may employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of Redeemable Preference Shares or Debentures and that without being bound to keep the same separate from the other assets, and without being bound to pay interest on the same, with power however to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper, not exceeding 5 (five) percent per annum;

(23) to appoint and at their discretion, remove or suspend such committee or committees of experts, technicians, or advisers or such Managers, Officers, Clerks, employees and agents for permanent, temporary or special services as they may, from time to time, think fit, and to determine their powers and duties and fix their salaries and emoluments and require security in such instances and to such amounts as they may think fit, and also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India in such manner as they think fit and the provisions contained in Sub-Articles (26) and (27) following shall be without prejudice to the general powers conferred by this Sub-Article;

To appoint officers etc.

(24) to comply with the requirements of any local law, which in their opinion, it shall in the interest of the Company be necessary or expedient to comply with;

To ensure compliance of local laws

(25) from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of any Local Boards and to fix their remuneration and from time to time and at any time, but subject to the provisions of Section 292 of the Act and Article 151 to delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the Directors, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and Directors may at any time remove any person so appointed, and may annul or vary any such delegations. Any such delegates may be

To establish Local Boards

authorised by the Directors to sub-delegate ail or any of the powers, authorities and discretions for the time being vested in them;

(26) at any time and from time to time but subject to the provisions of Section 292 of the Act and Article 151, by Power of Attorney to appoint any persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may, from time to time, think fit and any such appointment (if the Directors think fit) may be made in favour of the members or any of the members of any Local Board established as aforesaid, or in favour of any company or the members, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Directors, and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorney as the Directors may think fit;

To appoint Attorneys

(27) subject to the provisions of the Act and these Articles to delegate the powers, authorities, and discretions vested in the Directors to any persons, firm, company or fluctuating body or persons as aforesaid;

(28) to authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him;

Delegations of Powers

(29) to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company;

Sub-delegations of Powers by Delegates

MANAGING DIRECTOR

To enter into contracts

'162. (a) Subject to the provisions of the Act and Article 124 of the Articles of Association of the Company, the Directors may, from time to time, appoint or reappoint one or more of their body to be the Managing Director or Directors or the Whole Time Director or Directors of the Company in consultation with the Central Government for such terms not exceeding five years and subject to such remuneration, terms and conditions as they may deem fit.

Managing Director

(b) subject to the provisions of the Act, the Directors may, from time to time, entrust to and confer upon the Managing Director or the Whole Time Director, for the time being, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers of such time and to be exercised for such objects and purposes and upon such terms and conditions, and

** Has been inserted by amendment on 13th November, 2013.*

with such restrictions as they think expedient, and they may confer such powers, either collaterally with or to the exclusion of and in substitution for, all or any of the powers of the Directors, in that behalf, and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

(c) subject to the provisions of the Act, Managing Director/ Whole Time Directors shall not, while he/they continue(s) to hold that office, be subject to retirement by rotation under Article 136. If he/they cease(s) to hold office of a Director for any cause whatsoever they shall ipso facto and immediately cease to be the ManagingM/hole Time Director.

*Provided that Managing/Whole Time Director(s) who has/have been appointed Director(s) by virtue of his/their appointment as such Managing/Whole Time Directors(s) on the terms agreed upon between the Company and such Managing/Whole Time Director(s) shall cease to be Director(s) of the Company on his/their ceasing to hold office as such Managing/Whole Time Director(s) for any cause whatsoever.

THE SEAL

The Seal, its custody and use

163. The Directors shall provide a Common Seal for the purpose of the Company, and shall have power, from time to time, to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the seal for the time being, and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors and in the presence of one Director, at least, who shall sign every instrument to which the seal is affixed; Provided that certificates of shares may be under the signatures of such persons as provided by the Companies (Issue of Share Certificates) Rules, 1960 in force from time to time. Save as otherwise expressly provided by the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Secretary or any other Officer authorised in that behalf by the Board and need not be under its Seal.

Seal abroad

164. The Company may exercise the powers conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors.

DIVIDENDS

Division of profits

165. The profits of the Company, subject to any special rights relating thereto, created or authorised to be created by the Memorandum or these presents and subject to the provisions of the Act and these presents, shall be divisible among the Members in proportion to the amount of capital paid up on the shares held by them respectively.

Capital paid up in advance at interest not to earn dividend

166. Where capital is paid up in advance of calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

** Has been added by amendment on 29th September, 1995.*

167. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

Dividends in proportion to amount paid up

168. The Company in General Meeting may declare a dividend to be paid to the Members according to their respective rights and interest in the profit and may fix the time for payment.

The Company in General Meeting may declare a dividend

169. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend, subject to the provisions of Section 206 of the Act, and no dividend shall carry interest as against the Company. The declaration by the Directors as to the amount of the net profits of the Company in any year shall be conclusive.

No large dividend than recommended by Directors, etc.

170. The Directors may, from time to time, pay to the Members such interim dividends as, in their judgement, the position of the Company justifies.

Interim dividend

171. The Directors may retain the dividends payable upon shares in respect of which any person is under Article 59 hereof, entitled to become a Member or which any person under that Article is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same. ■

Retention of dividends until completion of transfer under Article 59

172. Subject to the provisions of the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Directors may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

No member to receive dividend whilst indebted to the Company and Company's right of reimbursement thereout

173. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Transfer of shares must be registered

*174. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled, or in case of joint holders, to that one of them first named in the register in respect of the joint holding. Every such cheque shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend loss to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. Frovided that the company can also pay the dividend by crediting it directly to the Bank accounts of the Shareholders through Electronic Fund Transfer System of the Banks or any other mode which in the opinion of the Board of Directors is appropriate for the Shareholders.

Dividends how remitted

175. (a) If the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any Shareholder entitled to the payment of the dividend, the Company shall within 7 days from the

Unclaimed dividends

** The provision has been added by amendment on 10th September, 2001.*

date of expiry of the said period of 30 days, open a special account in that behaif in any Scheduled Bank called "the unpaid dividend account of IFCI Limited" and the deposit amount of such unpaid or unclaimed dividend in the said account.

*(b) Any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for the period of seven years from the date of such transfer shall , be transferred by the company to the Investor Education and Protection Fund or any other fund specified and established by the Central Government for the purpose.

Dividends and call together

176. Any General Meeting declaring a dividend may make a call on the Members in respect of moneys unpaid on shares for such amount as the meeting fixes but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the call.

Special provision in reference to dividend

1771 No dividend shall be payable except in cash: Provided that nothing in the Article shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount, for the time being unpaid on any shares held by the Members of the Company.

CAPITALISATION

Capitalisation

178. Any General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits [including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any capital assets of the Company] standing to the credit of the Reserve or Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend or representing premia received on the issue of shares and standing to the credit of the share premium account be capitalised:

(1) by the issue and distribution as fully paid up shares debentures, debenture-stock, bonds or other obligations of the Company, or

(2) by crediting shares of the Company which may have been issued to and are not fully paid up, with whole or any part of sum remaining unpaid thereon.

Such issue and distribution under (1) above and such payment to the credit of unpaid share capital under (2) shall be made to among and in favour of the Member of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under (1) or payment under (2) above shall be made on the footing that such members become entitled thereto as capital.

** Clause (a) and (b) amended on 10th September, 2001.*

The Directors shall give effect to any such resolution and apply such proportion of the profits or Reserve or Reserve Fund or any other fund as aforesaid and as may be required for the purpose of making payment, in full, for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under (1) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fuliy paid up under (2) above: Provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such Members as aforesaid in full satisfaction of their interest in the said capitalised sum. For the purpose of giving effect to any such resolution, the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and, in particular, they may issue fractional certificates and may fix the value for distribution of any specific asset and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangements for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.

Subject to the provisions of the Act and these presents, in cases where some of the shares of the Company are fully paid up and others are partly paid up only such capitalisation may be effected by the distribution of further shares in respect of the fully paid up shares, and by crediting the partly paid up shares with whole or part of the unpaid liability thereon but so that, as between the holders of the fully paid up shares and the partly paid up shares, the sums so applied in the payment of such further shares and the partly paid up shares and in the extinguishment or diminution of the liability on the partly paid up shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid up and partly paid up shares respectively. When deemed requisite, a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the holders of the shares of the Company, which shall have been issued prior to such capitalization and such appointment shall be effective.

ACCOUNTS

179. The Directors shall cause true accounts to be kept of (a) all sums Accounts of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place (b) all sales and purchases of goods by the Company and (c) the assets, credits and liabilities of the Company and of all its commercial, financial and other affairs, transactions and engagements and of all other matters, necessary for showing the true financial state and condition of the Company, and the

accounts shall be kept in English in such manner as the Directors may deem fit, and the books of accounts shall be kept at the Office or such other place or places in India as the Directors may think fit, and shall be open to inspection by the Directors during business hours.

Inspection by Members of Accounts and Books of the Company

180. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (Not being a Director) shall have any right to inspecting any Account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting,

Statement of Account and report to be furnished to General Meeting, Balance Sheet to be served on every Member

181. Once at least in every calendar year, the Directors shall lay before the Company in Annual General Meeting a Profit & Loss Account for the period since the preceding account and a Balance Sheet containing a summary of the property and liabilities of the Company made upto a date not more than 6 months before the date of the meeting or, in case where an extension of time has been granted for holding the meeting, but not more than 6 months as aforesaid and the extension so granted, and every such Balance Sheet shall, as required by Section 217 of the Act, be accompanied by a Report (to be attached thereto) of the Directors as to the state of affairs of the Company, and as to the amount (if any) which they recommend to be paid out of the profits by way of dividends and the amount (if any) set aside by them for the Reserve Fund, General Reserve or Reserve Account shown specifically in the Balance Sheet or to be shown specifically in a subsequent Balance Sheet.

Form and contents of Balance Sheet and Profit & Loss Account

182. Every Balance Sheet of the Company shall give a true and fair view of the state of affairs of the Company and shall, subject to the provisions of Section 211 of the Act, be in Form set out in Part I of Schedule VI of the Act, or as near thereto as circumstances admit, or in such other format as may be approved by the Central Government.

Every Profit and Loss Account of the Company shall give a true and fair view of the Profit or Loss of the Company for the financial year and shall, subject to the provisions of Section 211 of the Act, comply with the requirements of Part II of Schedule VI, so far as they are applicable thereto.

Authorisation of Balance Sheet and other documents -copies thereof to be sent to members

*183. The Balance Sheet and Profit and Loss Account shail be signed by atleast 2 Directors or, when only one Director is for the time being in India, by such Director and by the Manager or Secretary. The Balance Sheet and Profit and Loss account.shall be approved by the Board of Directors before they are signed on behalf of the Board, in accordance with the provisions of this Article, and before they are submitted to the Auditors for their report thereon. The Auditors' Report shall be attached to the Balance Sheet and the Profit and Loss Account or there shall be

**Has been substituted by amendment on 14th September, 1994.*

inserted at the foot of the Balance Sheet and the Profit & Loss Account a reference to the Report. A copy of such Balance sheet and Profit and Loss Account so audited, or if the Company so deems proper, salient features of such Balance Sheet and Profit & Loss Account, in such form as may be prescribed for the purpose together with a copy of the Auditors' Report, shall, atleast 21 days before the meeting at which the same are to be laid before the Members of the Company, subject to the provisions of Section 219 of the Act, be .sent to every Member of the Company and every Trustee or debenture-holders of whose address the Company is aware and a copy of the same shall be deposited at the Office for inspection by the Members of the Company during a period of atleast 21 days before that meeting. Provided that every Member or every Trustee for debenture-holders or the debenture-holder of the Company and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand, be entitled to be furnished free of cost, with a copy of the last Balance Sheet of the Company, together with every document as required by law to be annexed or attached thereto, including the Profit and Loss Account, the Auditors' Report and the Directors' Report thereon.

Copies of Balance Sheet and Profit & Loss Account of the Company and Auditors' Report shall be filed with the Registrar of Companies

184. After the Balance Sheet and Profit and Loss Account have been laid before the Company at a General Meeting, 3 copies thereof signed by the Manager or Secretary or as required by Section 220 of the Act shall be filed with the Registrar of Companies, together with the requisite Returns in accordance with the requirements of Section 159 and 161 of the Act.

AUDIT

Accounts to be audited

185. Once at least in every year, the accounts of the Company shall be balanced and audited and the correctness of the Profit & Loss Account and Balance Sheet ascertained by one or more Auditor or Auditors.

Appointment and qualifications of Auditors

186. The Company at each Annual General Meeting shall appoint an Auditor or Auditors' being Chartered Accountant or Accountants to hold office until the next Annual General Meeting and the following provisions shall be effect, that is to say:

(1) If an appointment or re-appointment of an Auditor or Auditors is not made at an Annual General Meeting, the Company shall within 7 days thereof, give notice of the fact to the Central Government, who may appoint an Auditor of the Company for the current year and fix the remuneration to be paid to him by the Company for his services.

(2) The Directors may fill up any casual vacancy that may occur in the Office of Auditor by the appointment of a person being a Chartered Accountant, who shall hold such office until the conclusion of the next Annual General Meeting but, while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act; provided that where such vacancy is caused by the resignation of the Auditor, the vacancy shall only be filled by the Company in General Meeting.

(3) A body corporate, a Director, Officer or employee of the Company or a partner of or person in the employment of such Director, Officer or employee or any person indebted to the Company for any amount exceeding Rs. 10007-(Rupees One thousand) or who has given any guarantee or provided any security in connection with the indebtedness of any third person to the Company for an amount exceeding Rs.1000/- (Rupees one thousand) shall not be appointed Auditor of the Company.

(4) If any person after being appointed Auditor becomes disqualified under Sub-Article (3), he shall be deemed to have vacated his office.

(5) Retiring Auditors shall, subject to the provisions of Sub-Section (2) of Section 224 of the Act, be re-appointed.

(6) No person other than a retiring Auditor shall be capable of being appointed to the office of Auditor at any Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member, to the Company, not less than 14 days before the meeting, in accordance with Section 190 of the Act, and all the other provisions of Section 225 of the Act shall be complied with. The provisions of this Sub-Article shall also apply to a resolution that a retiring Auditor shall not be re-appointed.

Remuneration of Auditors

187. The remuneration of the Auditors of the Company shall be fixed by the Company in the Annual General Meeting except that the remuneration of any Auditors appointed to fill any casual vacancy, may be fixed by the Directors and, where his appointment has been made by the Central Government pursuant to Sub-Article (1) of the last preceding Article 186, it may be fixed by the Central Government.

Auditors, their Powers and Duties and their Report

188. Every Auditor of the Company shall have a right of access, at all times, to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanations as may be necessary for the performance of the duties of the Auditors and the Auditors shall make a report to the shareholders on the accounts examined by them, and on every Balance Sheet and Profit & Loss Account and every other document declared by the Act to be part of, or annexed to the Balance Sheet or Profit & Loss Account, which are laid before Company in General Meeting during their tenure of office, and the report shall state whether, in their opinion and to the best of their information and according to the explanations given to them, the said Accounts give the information required by the Act in the manner so required and give a true and fair view: (i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year and (ii) in the case of the Profit & Loss Account for its financial year. The Auditors' Report shall also state (a) whether they had obtained all the information and explanations which to the best of their knowledge and belief

were necessary for the purpose of their audit; (b) whether, in their opinion, proper books of account as required by law have been kept by the Company so far as it appear from the examination of those books and proper Returns adequate for the purpose of their audit have been received from the branches not visited by them; and (c) whether the Company's Balance Sheet and Profit & Loss Account dealt with by the Report are in agreement with the books of account and Returns; where any of the matter referred to in items (i) and (ii) or (a), (b) and (c) aforesaid is answered in the negative or with a qualification, the Auditors' Report shall state the reason for the same. The Auditors' Report shall be attached to the Balance Sheet and Profit and Loss Account or set out at the foot thereof and such Report shall be read before the Company in Annual General Meeting and shall be open to inspection by any Member of the Company.

Auditors' right to attend Meeting

189. All notices of and other communications relating to any General Meeting of a Company, which any member of the Company is entitled to have sent to him, shall also be forwarded to the Auditors of the Company, and the Auditors shall be entitled to attend any General Meeting and to be heard at any General Meeting, which they attend, on any part of the business, which concerns them as Auditors.

Accounts when audited and approved to be conclusive

*190. Every account, when audited and approved by an Annual General Meeting, shall be conclusive.

NOTICES

Notice

191. (1) A notice (which expression for the purposes of these presents shall be deemed to include and shall include any summons, notice, process, order, judgement or any other document in relation to or in the winding up of the Company) may be given by the Company to any Member either personally or by sending it by post to him to his registered address or, if he has no registered address in India, to the address if any within India supplied by him to the Company for the giving of notices to him.

(2) Where a document (which shall for the purpose be deemed to include any summons, requisition, process, order, judgement or any other documents in relation to the winding up of the Company) or a notice is sent by post, the service of such notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice; provided that where a Member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post, with or without acknowledgment due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document of notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member; and unless the contrary is proved, such service shall be deemed to have been effected in the case of a notice of a Meeting at the

** Has been substituted by amendment on 14th September, 1994.*

expiration of 48 hours after the letter containing the same is posted, and in any other case, at the time at which the letter would have been delivered in the ordinary course of post.

192. If a member has no registered address in India and has not supplied to the Company any address within India for the giving of notices to him, a notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly given to him on the day on which the advertisement appears.

Notice on Member having no registered address

193. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in pre-paid letter addressed to them by name or by the title of representative of the deceased or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the person claiming to be so entitled or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Notice on person acquiring shares on death or insolvency of Member

194. Notice of every General Meeting shall be given in same manner hereinbefore addressed to (a) every member of the Company (including bearers of share warrants), (b) every person entitled to a share in consequence of the death or insolvency of Member who, but for his death or insolvency, would be entitled to receive notice of the meeting and also to (c) the Auditor or Auditors of the Company.

Persons entitled to notice of General Meetings

195. Any notice to be given by the Company shall be signed by the Secretary (if any) or by such officer as the Directors may appoint. Such signature may be written, printed or lithographed.

Notice by Company and Signature thereto

196. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which previously, to his name and address and title to the share being notified to the Company, shall have been duly given to the person from whom he derives his title to such share.

Transferee etc. bound by prior notice

197. Subject to the provisions of the Act, any notice given in pursuance of these presents or document delivered or sent by post to or left at the registered address of any member or at the address given by him under Article 191 in pursuance of these presents, shall, notwithstanding such member be then decease, and whether or not the Company have notice of his deceased, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such Member until some other person be registered in his stead as the holder or the joint holder thereof and such service shall, for all purposes of these presents, be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share.

Notice valid though Member deceased

WINDING UP

198. If the Company shall be wound up and the assets available for Distribution of Assets distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for distribution among the Member shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

199. (1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidators, with the sanction of a Special Resolution, and any other sanction required by the Act, divide amongst the contributories, in specie or kind, the whole or any part of the assets of the Company and may, with the like sanction, vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidators, with the like sanction, shall think fit.

Distribution of specie or kind

(2) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and, in particular, any class may be given preference or special rights or may be excluded altogether or in part, but, in case any division otherwise than in accordance with the legal rights of the contributories shall be determined, any contributory, which would be prejudiced thereby, shall have a right to dissent the ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within 10 days after the passing of the Special Resolution, by notice in writing, direct the Liquidators to sell his proportion and pay him the net proceeds and the Liquidators shall, if practicable, act accordingly.

Right of Shareholders in case of sale

200. A Special Resolution sanctioning a sale to any other company duly passed pursuant to Section 494 of the Act may, in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidators be distributed amongst the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon

all the Members subject to the rights of dissent and consequential rights conferred by the said Section.

SECRECY CLAUSE

Secrecy Clause information

201. No Member shall be entitled to require discovery of or any respecting any detail of the Company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interest of the Members of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

Directors' and others' right to indemnity

202. (1) Subject to the provisions of Section 201 of the Act, every Director of the Company or Officer (whether Managing Director/Whole Time Director, Manager, Secretary or other Officer) or employee of the Company shall be indemnified by the Company against and it will be the duty of the Directors to pay, out of the funds of the Company, all bonafide costs, losses and expenses (including travelling expenses) which any such Director, Officer or employee may incur or become liable to, by reason of any contract entered into or act or deed done by him as such Director, Officer or employee or in any way in the discharge of his duties.

(2) Subject as aforesaid, every Director, or Officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act, in which relief is given to him by the Court.

Sl. No.	Name, Address, Description and Occupation of each Subscriber	No. of Equity Shares taken by Subscriber	Signature of Subscriber	Witness
1. 2.	SHRI PUTHUCODE SUBRAMANIA GOPALAKRISHNAN (S/o Late Shri P.R. Subramania Iyer) Chairman Industrial Finance Corporation of India 16, Sansad Marg, New Delhi-110001 Occupation: Service DR. PANGAL JAYENDRA NAYAK (S/o Late Shri P.M. Nayak) Joint Secretary Deptt. of Economic Affairs (Banking Division) Ministry of Finance Govt, of India Jeevan Deep Building, Sansad Marg New Delhi-110001 Occupation: Civil Servant	One One	Sd/-Sd/-	I witness the signatures of all the Subscribers. Sd/- M.NARAYANAN Manager, Industrial Finance Corporation of
3. 4.	SHRI SERAJUL HAQ KHAN (S/o Late Shri Sharfuddin Khan) Managing Director Industrial Development Bank of India IDBI Tower, Cuffe Parade Bombay-400005 Occupation: Service	One One	Sd/- ■	
5.	SHRI BHOGILAL DALSUKHBHAI SHAH (S/o Late Shri Dalsukhbhai Bechardas Shah) Chairman-cum-Managing Director The New India Assurance Co. Ltd. 87, Mahatama Gandhi Road, Fort Bombay-400001 Occupation: Service SHRI RASHID JILANI (S/o Late Shri Hamid Husain Jilani) Chairman & Managing Director Punjab National Bank 7, Bikaji Cama Place New Delhi-110066 Occupation: Service	One		

SI. No.	Name, Address, Description and Occupation of each Subscriber	No. of Equity Shares taken by Subscriber	Signature of Subscriber	Witness
6.	SHRI SHAMRAO SAKHARAM KADAM (S/o Late Shri Sakharam Kadam) Director The Maharashtra State Co-op Bank Ltd. Sir Vithaldas Thackersey Memorial Building 9, Maharashtra Chamber of Commerce Lane, Fort, Bombay-400023 Occupation: Agriculturist	One	Sd/-	1 witness the signatures of all the Subscribers. Sd/- M.NARAYANAN
7. 8.	SHRI SAKTI PADA BANERJEE (S/o Late Shri Sontosh Chandra Banerjee) Executive Director Industrial Finance Corporation of India 16, Sansad Marg New Delhi-110001 Occupation: Service SHRI HARISH CHANDRA SHARMA (S/o Late Shri Ram Narain Sharma) Executive Director Industrial Finance Corporation of India 16, Sansad Marg New Delhi-110001 Occupation: Service	One One	Sd/-Sd/-	

31st day of March, 1993

RESOLUTIONS PASSED BY THE MEMBERS AT THE ANNUAL GENERAL MEETING HELD ON THE 14TH SEPTEMBER, 1994:

(1) ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (e) of the Companies Act, 1956 consent of the Company be and is hereby accorded to the contribution to the charitable and other funds, not directly related to the business of the Company or welfare of the employees, during the financial year 1993-94, upto an amount not exceeding 5% of the net profit for that financial year."

(2) SPECIAL RESOLUTION:

"RESOLVED THAT the Articles of Association of the Company be altered in the manner as follows:

(i) The following Article shall be substituted for Article 20:

20. The certificates of title to shares shall be issued under the Seal of the Company and shall bear the signatures of two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and the Secretary or some other person appointed by the Board for the purpose. The certificates of such shares shall be delivered within 2 months after the allotment or within 1 month after the application for the registration of the transfer of such shares as the case may be unless the conditions of issue of the shares otherwise provide. Provided always that notwithstanding anything contained in these Articles, the certificate of title to shares may be executed and issued in accordance with such other provisions of the Act or Rules made thereunder, as may be in force for the time being and from time to time.

(ii) The Following Article shall be substituted for Article 21:

21. Every Member shall be entitled without payment to one certificate or more certificates in marketable lots for all the shares of each class or denomination registered in his name or, if the Directors so approve (upon paying such fee or fees or at the discretion of the Directors without payment of fees as the Directors may from time to time determine) to several certificates each for one or more shares of each class. Every certificate of shares shall specify the number of shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Directors shall prescribe or approve. Where a Member has transferred a part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.

Notwithstanding anything contained herein above, the Board may, in its absolute discretion, refuse applications for the sub-division or consolidation of share certificates, debenture or bond certificates into denomination of less than the marketable lot except when such division or consolidation is required to be made to comply with a statutory provision or on order of a competent Court of Law.

(iii) The Following Article shall be substituted for Article 25:

25. Not less than 30 days notice of every call shall be given specifying the time of payment, provided that before the time for payment of such call the Directors may by notice in writing to the Members revoke the same.

(iv) The Following Article shall be substituted for Article 31:

31. The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or so much thereof as from

time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the Member paying such sum in advance and the Directors agree upon, and the Directors may at any time repay the amount so advanced upon giving to such Member one month's notice in writing. Money paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the Company.

(v) The following Article shall be substituted for Article 40:

40. The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien only for all moneys called or payable at a fixed time in respect to such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares (wholly or in part) to be exempt from the provisions of this clause.

(vi) The following Article shall be substituted for Article 54:

54. If the Company refuses to register the transfer of any shares it shall within 1 month from the date on which the instrument of transfer is delivered to the Company send to the transferee and the transferor notice of the refusal.

(vii) The following Article shall be substituted for Article 62:

62. No fee shall be charged for issue of new share/debenture certificates in replacement of those which are old, decrepit, worn out or where the cages on reverse for recording transfers have been fully utilised. Share/debenture certificates shall be issued in marketable lots and where share/debenture certificates are issued for either more or less than marketable lots sub-division/consolidation into marketable lots shall be done free of charge. No fee shall be charged for transfer of shares/debentures or for effecting transmission or for registering any letters of probate, letters of administration and similar otherdocuments.

(viii) The following Article shall be substituted for Article 76(a):

76.(a)The Company shall be entitled to decline to register more than 3 persons as the joint holders of any share.

(ix) The following Article shall be substituted for Article 80:

80. Any bonds, debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing allotment of shares, attending General Meetings of the Company, appointment of Directors and otherwise.

PROVIDED THAT Debentures/Bonds, Debenture Stocks, Bonds or other securities with the right to conversion into or allotment of shares, or the option or right to call for allotment of shares, shall not be issued except with the consent of the Company in General Meeting.

(x) The following Article shall be substituted for Article 183:

183. The Balance Sheet and Profit & Loss Account shall be signed by atleast 2 Directors or, when only one Director is for the time being in India, by such Director and by the Manager or Secretary. The Balance Sheet and Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board, in

accordance with the provisions of this Article, and before they are submitted to the Auditors for their report thereon. The Auditors' Report shall be attached to the Balance Sheet and the Profit and Loss Account or there shall be inserted at the foot of the Balance Sheet and the Profit & Loss Account a reference to the Report. A copy of such Balance Sheet and Profit and Loss Account so audited, or if the. Company so deems proper, salient features of such Balance Sheet and Profit & Loss Account, in such form as may be prescribed for the purpose together with a copy of the Auditors' Report, shall, atieast 21 days before the meeting at which the same are to be laid before the Members of the Company, subject to the provisions of Section 219 of the Act, be sent to every Member of the Company and every Trustee for debenture-holders of whose address the Company is aware and a copy of the same shall be deposited at the Office for inspection by the Members of the Company during a period of atleast 21 days before that meeting. Provided that every Member or every Trustee for debenture-holders or the debenture-holder of the Company and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand, be entitled to be furnished free of cost, with a copy of the last Balance Sheet of the Company, together with every document as required by iaw to be annexed or attached thereto, including the Profit and Loss Account, the Auditors' Report and the Directors' Report thereon.

(xi) The following Article shall be substituted for Article 190:

190. Every account, when audited and approved by an Annual General Meeting, shall be conclusive."

RESOLUTIONS PASSED BY THE MEMBERS AT THE ANNUAL GENERAL MEETING HELD ON THE29TH SEPTEMBER, 1995:

(1) SPECIAL RESOLUTION:

"RESOLVED THAT the Articles of Association of the Company be and are hereby altered by adding the following at the end of Article 162(c) of the Articles of Association:

Provided that Managing/Whole Time Director(s) who has/have been appointed Director(s) by virtue of his/their appointment as such ManagingA/Vhoie Time Director(s) on the terms agreed upon between the Company and such Managing/Whole Time Director(s) shall cease to be Director(s) of the Company on his/their ceasing to hold office as such Managing/Whole Time Director(s) for any cause whatsoever."

RESOLUTIONS PASSED BY THE MEMBERS AT THE ANNUAL GENERAL MEETING HELD ON THE 18TH SEPTEMBER, 1996:

(1) SPECIAL RESOLUTION:

"RESOLVED THAT Memorandum of Association of the Company be altered by amending Clause V as follows:

The words and figures "100,00,00,000 equity shares of Rs.10/- each" be substituted by the words and figures "90,00,00,000 equity shares of Rs. 10/- each and 10,00,00,000 cumulative redeemable preference shares of Rs. 10/- each."

(2) SPECIAL RESOLUTION:

"RESOLVED THAT Articles of Association of the Company be altered by amending Article 3 as follows:

The words and figures "100,00,00,000 equity shares of Rs. 10/- each" be substituted by the words and figures "90,00,00,000 equity shares of Rs. 10/- each and 10,00,00,000 cumulative redeemable preference shares of Rs. 10/- each."

(3) SPECIAL RESOLUTION:

"RESOLVED THAT approval be and is hereby accorded u/s 163 and other applicable provisions, if any, of the Companies Act, 1956 for keeping the Register of Members, Index of Members and the copies of Annual Returns together with copies of Certificates and Documents required to be annexed thereto at the premises of the Company's Registrar and Share Transfer Agents, M/s MCS Ltd., 212A, Srivenkatesh Bhawan, Shahpur Jat, New Delhi -110049 w.e.f. 1 st October, 1996."

RESOLUTIONS PASSED BY THE MEMBERS AT THE ANNUAL GENERAL MEETING HELD ON THE 26TH SEPTEMBER, 1997:

(1) SPECIAL RESOLUTION:

"RESOLVED THAT the authorised share capital of the Company be increased from Rs.1,000,00,00,000 (Rupees One Thousand Crores) to Rs. 1,500,00,00,000 (Rupees One Thousand Five Hundred Crores) divided into 100,00,00,000 equity shares of Rs.10/- each and 50,00,00,000 cumulative redeemable preference shares of Rs. 10/- each.

FURTHER RESOLVED THAT the Memorandum of Association of the Company be altered by amending Clause V as follows:

The words and figures "Rs. 1,000,00,00,000 (Rupees One Thousand Crores) divided into 90,00,00,000 equity shares of Rs.10/- each and 10,00,00,000 cumulative redeemable preference shares of Rs.10/- each" be substituted by the words and figures "Rs.1,500,00,00,000 (Rupees One Thousand Five Hundred Crore) divided into 100,00,00,000 equity shares of Rs. 10/- each and 50,00,00,000 cumulative redeemable preference shares of Rs.10/- each."

(2) SPECIAL RESOLUTION:

"RESOLVED THAT the Articles of Association of the Company be altered by substituting the following for Article 3 of the Articles of Association of the Company:

The authorised Share Capital of the Company is Rs. 1,500,00,00,000 (Rupees One Thousand Five Hundred Crores) divided into 100,00,00,000 equity shares of Rs.10/- each and 50,00,00,000 cumulative redeemable preference shares of Rs. 10/- each."

RESOLUTIONS PASSED BY THE MEMBERS AT THE ANNUAL GENERAL MEETING HELD ON THE30TH SEPTEMBER, 1998:

(1) ORDINARY RESOLUTION:

"RESOLVED THAT in pursuance of the provisions of Section 293(1) (d) of the Companies Act, 1956, the consent of the Corporation be and is hereby accorded to the Board of Director of the Corporation to borrow from time to time all such sums of money as they may deem necessary for the purpose of business of the Corporation notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Corporation (apart from temporary loans obtained from the Corporation's Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Corporation and its free reserves, that is to say, reserves not so set apart for any specific purpose provided that the total amount upto which the moneys may be borrowed by the Board of Directors shall not exceed a sum of Rs.40,000 crores (Rupees Forty Thousand Crore Only) at anyone time."

SPECIAL RESOLUTION:

"RESOLVED THAT the Articles of Association of the Company be altered in the following manner:

After Article 64, insert the following Article as Article 64A:

64A. (1) For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository; 'SEBI' means the Securities & Exchange Board of India; 'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and 'Security' means such securities as may be specified by SEBI from time to time.

(2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

(3) Every Person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the company shall in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

(4) All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153,153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owners.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the company and whose name is entered as the . beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.

(7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(8) Notwithstanding anything in the Act orthese Articles, where securities are dealt with by a

depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

(9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.

(10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be. deemed to be the Register and Index of Members and Security holders forthe purposes of these Articles."

RESOLUTION PASSED BY THE MEMBERS ATTHE ANNUAL GENERAL MEETING HELD ON THE 23RD SEPTEMBER, 1999:

(1) SPECIAL RESOLUTION:

"RESOLVED THAT the authorised share capital of the Company be increased from Rs.1,500,00,00,000 (Rupees One Thousand Five Hundred Crores) to Rs.3,000,00,00,000 (Rupee Three Thousand Crores) divided into 150,00,00,000 equity shares of Rs.10/- each and 150,00,00,000 preference shares of Rs.10/- each.

FURTHER RESOLVED THAT Memorandum of Association of the Company be altered by* substituting the following for Clause V of the Memorandum of Association of the Company: The ■ authorised share capital of the Company is Rs.3,000,00,00,000 (Rupees Three Thousand crores) divided into 150,00,00,000 equity shares of Rs. 10/- each and 150,00,00,000 preference shares of Rs. 10/- each, with rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the share in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company forthe time being."

(2) SPECIAL RESOLUTION:

"RESOLVED THAT the Articles of Association of the Company be altered by substituting the following for Article 3 of the Articles of Association of the Company:

3. The authorised Share Capital of the Company is Rs.3,000,00,00,000 (Rupees Three Thousand Crores) divided into 150,00,00,000 equity shares of Rs.10/- each and 150,00,00,000 preference shares of Rs. 10/- each."

(3) SPECIAL RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approval, consent, permission and/or sanction, if any, as may be necessary and subject to such conditions and modifications as may be prescribed by any authorities in granting such approval, consent, permission and/or sanction and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board") which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to issue/offer 100,00,00,000 preference shares of the face value of Rs.10/- each of an aggregate amount of Rs.1000 Crores (Rupees One Thousand Crores) as the Board at its sole discretion may at any time or times hereafter decide, to the Members, Bondholders, Employees, Banks, Insurance Companies, Financial Institutions,

Investment Institutions, Mutual Funds, Companies and other Bodies Corporate, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (Flls) and to such other persons or class of persons, whether through public issue, rights issue, private placement and in one or more tranches, at such price or prices and on such terms and conditions including the number of shares to be issued, rate of dividend, terms for cumulation or otherwise of dividend, redemption period, manner of redemption, and related or incidental matters, as the Board may in its absolute discretion think fit.

FURTHER RESOLVED THAT such of these shares to be issued, as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board may, in its absolute discretion, think most beneficial to the Company.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilisation of the proceeds of issue of the preference shares and to finalise and execute all documents and writings as may be necessary, desirable or expedient."

(4) SPECIAL RESOLUTION:

^ "RESOLVED THAT subject to the approval of the Central Government under Section 21 and other applicable provisions, if any, of the Companies Act, **1**956, the name of the Company be changed from 'The Industrial Finance Corporation of India Limited" to "IFCI Limited" and accordingly the name "The Industrial Finance Corporation of India Limited" wherever it appears in the Memorandum and Articles of Association and in all other records of the Company be substituted by the name "I FCI Limited".

RESOLUTIONS PASSED BY THE MEMBERS AT THE ANNUAL GENERAL MEETING HELD ON THE 20TH SEPTEMBER, 2000:

(1) SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provision of Section 17 and other applicable provisions of the companies Act, 1956, following new Sub-Clause 17 be and is hereby inserted in Clause MIA of the Memorandum of Association of the Company as part of the Main objects to be pursued by the Company:

'17. To carry on the business of Depository Participant and to provide related services.'

RESOLUTIONS PASSED BY THE MEMBERS AT THE ANNUAL GENERAL MEETING HELD ON 10TH SEPTEMBER, 2001:

(1) SPECIAL RESOLUTION:

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities Contracts (Regulations) Act, 1956 and the rules framed thereunder, Listing Agreements with Stock Exchanges and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the company be and is hereby accorded to the Board to delist the Equity Shares/Family

Bonds/SLR Bonds of the Company from all or any of the Stock Exchanges at New Delhi, Kolkata, Ahmedabad and Chennai."

(2) SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the manner as follows:

(i) In Clause 53(a), the words and figures "Section 111" be substituted with the words and figures "Section 111 A";

(ii) Following sentence be added in Article 84(a) (ii):

"or such extended period as may be allowed by the Registrar of Companies pursuant to the provisions of Section 166 read with Section 210 of the Companies Act, 1956".

(iii) In Article 143(a), the words and phrases "or Debenture Director" be deleted.

(iv) In Article 174, following new proviso be inserted:

"Provided that the Company can also pay the dividend by crediting it directly to the Bank accounts of the shareholders through Electronic Fund Transfer System of the Banks or any other mode which in the opinion of the Board of Directors is appropriate for the Shareholders."

(v) The figures "42" in Article 175(a) be substituted by the figures "30", wherever; appearing.

(vi) The words and phrases in Article 175(b) "three years from the date of such transfer shall be transferred by the Company to the General Revenue Account of the Central Government" be substituted with the words and phrases "seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund or any other fund specified and establishedbytheCentralGovernmentforthepurpose."

(vii) Following new Articlel 6A be inserted:

"The Company may from time to time by Special Resolution, Buy-back its Equity Shares to the extent permissible under the provisions of Section 77A of the Companies Act, 1956 or any Rules framed thereunder."

(viii) Following new Article 3A be inserted:

"The Company shall have the power to issue Shares with differential Rights as to dividend, voting or otherwise to the extent permissible under the provisions of Companies Act, 1956 or any Rules framed thereunder."

(3) SPECIAL RESOLUTION:

"RESOLVED THAT approval be and is hereby accorded under Section 163 and other applicable provisions, if any, of the Companies Act, 1956 for keeping the Register of Family Bondholders and Index of Family Bondholders together with the copies of the Certificates and Documents required to be annexed thereto at the premises of the Company's Registrar and Transfer Agents M/s MCS Ltd., 212-A, Srivenkatesh Bhawan, Shahpur Jat, New Delhi-110049."

RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON THE 25TH SEPTEMBER, 2001:

"RESOLVED THAT in accordance with the provisions of Section 260 of the Companies Act, 1956

and Article 130 of the Articles of Association of the Company, Shri V.P, Singh, be and is appointed as an Additional Director of the Company with effect from 1 st October, 2001."

"RESOLVED THAT in accordance with the provisions of Section 269,198,309,310, Schedule XI11 and other applicable provisions of the Companies Act, 1956 and subject to the approval of the Shareholders at the General Meeting, Shri V.P. Singh, be and is hereby appointed as Chairman & Managing Director with effect from 01[81] October, 2001 till 30th September, 2003 and be paid/given salary, allowances, perquisites and amenities asset out hereunder:

(i) Pay

Consolidated pay of Rs.1,00,000/- per month. Stock option and performance linked incentive as may be decided by the Board.

(ii) Housing

Free furnished accommodation to be provided by the Company. The cost of furniture/furnishing shall not exceed Rs. 5 lakhs. Electricity, water and gas charges shall be borne by the Chairman & Managing Director. The Electricity Charges for the Security lights and for one room, which will be used for official purpose, shall be borne by the Company. The expenditure incurred on providing security and gardener for protecting and preserving the property of the Company shall also be borne by the Company.

(iii) Conveyance

Free use of Company's Car with driver for official and private purposes.

(iv) Traveling, Boarding and Lodging

AGtual expenditure to be reimbursed by the Company for outstation journey for official work.

(v) Club Fees

Fees of Clubs, subject to a maximum of two clubs (excluding admission and Life Membership Fees).

(vi) Leave Travel Concession

Entitled to travel with family, by any mode, i.e. Air, Train, Road once in two years for visiting anyplace in India.

(vii) Medical Benefits

Actual expenses incurred forthe Chairman & Managing Director and his family.

(viii) Personal Accident Insurance Premium

not to exceed Rs.4000/- p.a.

(ix) Company's Contribution

(a)	towards Provident Fund	10% of pay
(b)	towards Superannuation Fund/Annuity Fund	15% of pay

(x) Gratuity

15 days salary for each completed year of service. Part service in excess of six months shall be reckoned as a completed year of service.

(xi) Leave

As per Staff Regulations of the Company.

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(xii) Encashment of Leave on Retirement

Entitled to encash Earned Leave at the time of retirement which may be lying to his credit. The amount of leave salary shall be calculated on the basis of last pay drawn.

(xiii) Telephone

The Company shall provide telephone at residence for office use.

The family for the purpose of Leave Travel Concession and Medical Benefits shall, besides the Chairman & Managing Director, consist of spouse, wholly dependent parents and wholly dependent children of the CMD.

RESOLVED FURTHER THAT the Chairman & Managing Director will submit the property returns as on the date of appointment and at the end of every financial year thereafter during the period of his tenure as CMD.

RESOLVED FURTHER THAT the Company shall have the right to terminate the terms of office of the Chairman & Managing Director at any time before the expiry of the term by giving notice, without assigning any reason, of not less than 3 months in writing or the salary and allowance in lieu thereof. Chairman & Managing Director shall also have the right to relinquish his office at any time before the expiry of the term by giving to the Company notice, without assigning any reason, of not less than 3 months in writing."

RESOLUTIONS PASSED BY THE MEMBERS AT THE ANNUAL GENERAL MEETING HELD ON THE 23RD SEPTEMBER, 2002:

(1) ORDINARY RESOLUTION:

"RESOLVED THAT Shri Vishwanath Prasad Singh, who was appointed as an Additional Director by the Board of Directors of the Company and who, as per the provisions of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing from a member proposing his candidature of Shri Vishwanath Prasad Singh for the office of director, be and is hereby appointed as a director of the Company."

RESOLVED FURTHER THAT subject to the provisions of Section 269,198, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded for the appointment of Shri Vishwanath Prasad Singh as Chairman & Managing Director of IFCI for a period of two years with effect from 1st October, 2001 and to the payment of remuneration as set out hereunder:

(0 Pay

Consolidated pay of Rs.1,00,000/- per month.

Stock option and performance linked incentive as may be decided by the Board.

(ii) Housing

Free furnished accommodation to be provided by the Company. The cost of furniture/ furnishing shall not exceed Rs.5 lakhs. Electricity, water and gas charges shall be borne by the Chairman & Managing Director. The Electricity Charges for the Security lights and for one room, which will be used for official purpose, shall be borne by the Company. The expenditure incurred on providing security and gardener for protecting and preserving the property of the Company shall also be borne by the Company.

(iii) Conveyance

Free use of Company's Car with driver for official and private purposes.

(iv) Traveling, Boarding and Lodging

Actual expenditure to be reimbursed by the Company for outstation journey for official work.

(v) Club Fees

Fees of Clubs, subject to a maximum of two Clubs (excluding admission and Life Membership Fees).

(vi) Leave Travel Concession

Entitled to travel with family by any mode, i.e. Air, Train, Road once in two years for visiting any place in India.

(vii) Medical Benefits

Actual expenses incurred forthe Chairman & Managing Director and his family.

(viii) Personal Accident Insurance

Premium not to exceed Rs.4000/- per annum.

(ix) Company's Contribution

(a)	towards Provident Fund	:	10% of pay
(b)	towards Superannuation Fund/Annuity Fund		15% of pay

(x) Gratuity

15 days salary for each completed year of service. Part service in excess of six months shall be reckoned as a completed year of service.

(xi) Leave

As per Staff Regulations of the Company.

(xii) Encashment of Leave on Retirement

Entitled to encash Earned Leave at the time of retirement, which may be lying to his credit. The amount of leave salary shall be calculated on the basis of last pay drawn.

(xiii) Telephone

The Company shall provide telephone at residence for office use.

NOTE: The family for the purpose of Leave Travel Concession and Medical Benefits Shall, besides the Chairman & Managing Director, consist of spouse, wholly dependent parents and wholly dependent children of the Chairman & Managing Director.

RESOLVED FURTHER THAT Chairman & Managing Director will submit the property returns as on the date of appointment and at the end of every financial year thereafter during the period of his tenure as Chairman & Managing Director.

RESOLVED FURTHER THAT the Company shall have the right to terminate the terms of office of the Chairman & Managing Director at any time before the expiry of the term by giving notice, without assigning any reason, of not less than 3 months in writing or the salary and allowance in lieu thereof. Chairman & Managing Director shall also have the right to relinquish his office at any time before the expiry of the term by giving to the Company notice, without assigning any reason of not less than 3 months in writing.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the aforesaid terms as to remuneration (including perquisites) within the ceiling limits inthat behalf laid down in Schedule XIII to the Companies Act, 1956 as in force from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit."

(2) SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approval, consent, permission and / or sanction, if any, as may be necessary and subject to such conditions and modifications as may be prescribed by any authorities in granting such approval, consent, permission and / or sanction and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which shall be deemed to include any committee(s) constituted / to be constituted by the Board to exercise its powers conferred by this resolution), approval of the Company be and is hereby accorded to Issuance of Convertible Debentures of Rs.600 Crores to the Government of India and Life Insurance Corporation of India under the Recapitalisation plan for IFCI approved by the Government of India.

(3) SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approval, consent, permission and / or sanction, if any, as may be necessary and subject to such conditions and modifications as may be prescribed by any authorities in granting such approval, consent, permission and / or sanction and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which shall be deemed, to include any committee(s), constituted / to be constituted by the Board to exercise its powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to issue / offer 100,00,00,000 Preference Shares of the face value of Rs. 10/-each of an aggregate amount of Rs. 1000 crores (Rupees one thousand crores) as the Board at its sole discretion may at any time or times hereafter decide, to the Members, Bondholders, Employees, Banks, Insurance Companies, Financial Institutions, Companies and other Bodies Corporate, Nonresident Indians, Foreign Institutional Investors (Fl Is) and to such other persons or class of persons, whether through public issue, rights issue, private placement and in one or more trenches, at such price or prices and on such terms and conditions including the number of shares to be issued, rate of dividend, terms for cumulation or otherwise of dividend, redemption period, manner of redemption and related or incidental matters, as the Board may in its absolute discretion think fit.

RESOLVED FURTHER THAT such of these shares to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board may in its absolute discretion, think most beneficial to the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in regard to the offer, issue, allotment and utilization of the proceeds of issue of the preference shares and to finalize and execute all documents and writings as may be necessary, desirable or expedient."

EXTRACTS FROM THE MINUTES OF THE MEETING OF BOARD OF DIRECTORS OF IFCI HELD ON31STJULY,2003ATIFCITOWER,61, NEHRU PLACE, NEWDELHI-110019

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, and subject to the approval of the members as also Central Government and such other approvals, as may be

necessary, the term of appointment of Shri V. P. Singh as CMD be and is hereby extended from 1 st October, 2003 to 31 st January, 2004 i.e. the last day of the month in which he attains the age of 60 years on the remuneration as applicable as at present."

"RESOLVED FURTHER THAT payment of remuneration to Shri Singh during the period of extension shall further be subject to the approval of the Remuneration Committee of Directors."

"RESOLVED FURTHER THAT approval of the shareholders be sought for the extension of term of Shri V.P. Singh as CMD as aforesaid, at the ensuing Annual General Meeting of the Company and the resolution and the explanatory statement thereto as per the draft placed on the table of the meeting and initialed by the Company Secretary for the sake of identification, be incorporated in the notice for the Annual General Meeting."

RESOLUTIONS PASSED BY THE MEMBERS AT THE ANNUAL GENERAL MEETING HELD ON 12TH SEPTEMBER, 2003

(1) SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s Ray & Ray, Chartered Accountants, be and are hereby, appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company, in addition to reimbursement of all out of pocket expenses in connection with the audit of the Company."

(2) ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309,311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of Central Government and such other approvals, as may be required and such modifications and conditions, if any, as the Central Government or any other authority may impose and which the Board of Directors are hereby authorised to accept, consent of the members be and is hereby accorded for extension of the term of Shri Vishwanath Prasad Singh as Chairman & Managing Director of the Company from 1 st October, 2003 to 31 st January, 2004 i.e. the last day of the month in which he attains the age of 60 years and to the payment of remuneration as applicable as at present and as set out hereunder:

(i) Pay

Consolidated pay of Rs.1,00,000/- per month. Stock option and performance linked incentive, as may be decided by the Board.

(ii) Housing

Free furnished accommodation to be provided by the Company. The cost of furniture/furnishing shall not exceed Rs. 5 lakhs. Electricity, water and gas charges shall be borne by the Chairman & Managing Director. The Electricity Charges for the Security lights and for one room, which will be used for official purpose, shall be borne by the Company. The expenditure incurred on providing security and gardener for protecting and preserving the property of the Company shall also be borne by the Company.

(iii) Conveyance

Free use of Company's Car with driver for official and private purposes.

(iv) Traveling, Boarding and Lodging

Actual expenditure to be reimbursed by the Company for outstation journey for official work.

(v) Club Fees

Fees of Clubs, subject to a maximum of two Clubs (excluding admission and Life Membership Fees).

(vi) Leave Travel Concession

Entitled to travel with family, by any mode, i.e. Air, Train, Road once in two years for visiting any place in India.

(vii) Medical Benefits

Actual expenses incurred forthe Chairman & Managing Director and his family.

(viii) Personal Accident Insurance

Premium not to exceed Rs.4000/-per annum.

(ix) Company's Contribution

(a)	towards Provident Fund	10% of pay
(b)	towards Superannuation Fund/Annuity Fund	15% of pay

(x) Gratuity

15 days' salary for each completed year of service. Part service in excess of six months shall be reckoned as a completed year of service.

(xi) Leave

As per Staff Regulations of the Company;

(xii) Encashment of Leave on Retirement

Entitled to encash Earned Leave at the time of retirement, which may be lying to his credit. The amount of leave salary shall be calculated on the basis of last pay drawn.

(xiii) Telephone

The Company shall provide Telephone at residence for office use.

NOTE: The family for the purpose of Leave Travel Concession and Medical Benefits shall, besides the Chairman & Managing Director, consist of spouse, wholly dependent parents and wholly dependent children of the Chairman & Managing Director.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in the financial year, the aforesaid remuneration shall be paid as minimum remuneration.

RESOLVED FURTHER THAT the Company shall have the right to terminate the term of office of the Chairman & Managing Director at any time before the expiry of the term by giving notice, without assigning any reason, of not less than 3 months in writing or the salary and allowance in lieu thereof, Chairman & Managing Director shall also have the right to relinquish his office at any time before the expiry of the term by giving to the Company notice, without assigning any reason, of not less than 3 months in writing.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the aforesaid terms as to remuneration (including perquisites) within the ceiling limits in that behalf laid down in Schedule XIII to the Companies Act, 1956 as in force from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may

be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit."

SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions, if any of the Companies Act, 1956, and subject to such approval, consent, permission and/or sanction, if any, as may be necessary and subject to such conditions and modifications, as may be prescribed by any authorities in granting such approval, consent, permission and/or sanction and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers conferred by this resolution), the consent of the Company, be and is hereby accorded to the Board to issue and allot Optionally Convertible Debentures/Bonds, up to a sum of Rs.20,000 Million (Rupees Twenty Thousand Million Only) as the Board at its sole discretion may at any time or times hereafter decide, to the Banks, Financial Institutions and to such other investors / stakeholders of the Company who have agreed / may agree for part / full conversion of their investments in the Company into Optionally Convertible Debentures/Bonds, in one or more tranches and in such manner and on such terms and conditions as may be decided by the Board in this behalf.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby, authorised to do all such acts, deeds and things as may be deemed necessary, proper or desirable, or to settle any question, difficulty or doubt that may arise in regard to the issue of the aforesaid Optionally Convertible Debentures/Bonds and to finalize and execute all documents and writings as may be necessary, desirable or expedient."

SPECIAL RESOLUTION:

"RESOLVED THAT in accordance with the provisions of the Companies Act, 1956 (including any statutory modification(s) or re enactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreements with Stock Exchanges, Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company, be and is hereby, accorded to the Board for voluntary de-listing of the Equity Shares and/or other securities of the Company from all or any of the Delhi Stock Exchange Association Ltd. at New Delhi, The Calcutta Stock Exchange Association Ltd., at Kolkata, The Stock Exchange Ahmedabad, at Ahmedabad and Madras Stock Exchange Ltd., at Chennai."