

INDEPENDENT AUDITOR'S REPORT

To
The Members of
IFCI VENTURE CAPITAL FUNDS LIMITED

Report on the audit of Ind AS Financial Statement

Opinion

We have audited the accompanying Ind AS financial statements of **IFCI VENTURE CAPITAL FUNDS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit and total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. As the company has not prepared directors report at this stage hence, we are unable to express our opinion whether the other information in board report is materially misstated or not.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be



materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter

We draw attention to the note no. 1(A), 5, 20 & 29 of the financial statement regarding change in accounting policy towards recognition of interest income on Stage-3 assets and write off the amount which have no reasonable expectation of recovery with effect from 01st April 2021.

The results for the year were materially affected by Changes in accounting policies. The Board considered Memorandum No. 1856/23-24 and took note of the recommendation of the CAG after receiving the clarification from ICAI and RBI for recognition of interest income on Stage 3 assets in line with IND AS 109.

Accordingly, interest income for FY 2022-23 and 2021-22 has increased by INR 1,163.41 Lakhs and INR 1,266.84 Lakhs respectively. Since there is no expectation of recovery, the same has been written off as bad debts respectively. Hence, there is no impact on Net Profit/Net loss of these years respectively.

During the FY 2023-24, the company has recognized the Interest income of INR 1,117.10 Lakhs and written off the INR 1,104.29 Lakhs as bad debts, since there is no expectation of recovery for the same.

Our opinion is not modified in this matter.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance total comprehensive income changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

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



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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all



relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the Order) issued by the central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143 (5) of the Act, we have considered the directions & sub-directions issued by the Comptroller & Auditor General of India. We give our report in the attached **Annexure "B"**.

3. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
- (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) As per notification no. G.S.R 463(E) dated 05 June, 2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Companies Act is not applicable to a Government Company. Thus, no reporting is made under this point.
- (f) Reporting on the adequacy of Internal Financial Controls with reference to financial statements of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act, Refer to our Separate report in **Annexure "C."**
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and in terms of GSR 463 (E) dated June 05, 2015, issued by the Ministry of Corporate Affairs, the provisions of Section 197 pertaining to managerial remuneration do not apply to a government company. Accordingly, paragraph 3(xi) of the Order is not applicable.

- (h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies Act (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivatives contracts causing any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- (iv) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on audit procedures performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement
- (v) The company has neither declared nor paid any dividend during the current period.
- (vi) As per the notification no. G.S.R. 235(E), Dated: 31.03.2022, the MCA has Implementation of audit trail software commencing from financial year 2023-24. Based on our examination which include test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For M D Gujrati & Co,
Chartered Accountants
FRN:-005301N


G L Agrawal
Partner
Membership No. 087454



UDIN: 24087454BKALTY2965

Place: New Delhi

Date: April 22, 2024

ANNEXURE- A TO THE INDEPENDENT AUDITORS REPORT

With reference to annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended March 31, 2024 on the financial statements of **IECI VENTURE CAPITAL FUNDS LIMITED**, we report that:

(I) In respect of Property Plant and Equipment (PPE) and Intangible assets (IA):

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment & Intangible Assets.
- b) PPE were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the PPE at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us, the company doesn't hold any immovable properties of land and buildings which are either freehold or leasehold as at the balance sheet date. Accordingly, reporting under clause (I) (c) of paragraph 3 of the Order is not applicable.
- d) According to the information and explanation given to us and the records examined by us, the company has not revalued its property plant and equipment & intangible asset during the year. Accordingly, reporting under clause (I)(d) of the Order is not applicable.
- e) According to the information and explanation given to us and the records examined by us, no any proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (prohibition) Act, 1988 and the rules made thereunder. Accordingly, reporting under clause (I)(e) of the Order is not applicable.

(II) In respect of Inventory & Working Capital:

- a) As the company is engaged in providing of Services and does not have any inventory. Accordingly, reporting under clause (II) of paragraph 3 of the Order is not applicable.
- b) According to the information and explanation given to us and the records examined by us, the company has not been sanctioned any working capital loan. Accordingly, reporting under clause (II)(b) of paragraph 3 of the Order is not applicable.

(III) In respect of Investment, Loans & Advances:

- a) According to the information and explanations given to us, the company has not granted any loan, secured or unsecured to companies, firm, limited liabilities partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clause (III)(a) of paragraph 3 of the Order is not applicable.
- b) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.



- c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 48B to the Financial Statements for summarized details of such loans.
- d) In our opinion and according to information and explanations given to us, there are loans which are overdue for more than a period of ninety days. Refer note 48B to the Financial Statements for the summarized details of such loans. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.
- e) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(e) of the Order is not applicable to it.
- f) In our opinion and according to information and explanation given to us, there are no loans given which are repayable on demand or without specifying the terms. Accordingly, the provision of clause 3(iii)(f) is not applicable to it.
- (iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, where applicable, have been complied with. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under Section 148 (1) of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, reporting under clause (vi) of paragraph 3 of the Order is not applicable.
- (vii) According to the information and explanations given to us,
- a) The Company has generally been regular in depositing undisputed statutory dues including goods and service tax, provident fund, employee state insurance, income-tax, duties of custom, cess and other material statutory dues applicable to it with appropriate authorities. There were no undisputed amounts payable in respect of aforesaid dues outstanding for a period of more than six months from the date they become payable as on March 31, 2024, as per the accounts of the company.
- b) Wherever any dues/demand has been raised by any statutory authority and has been disputed by the Company, the same has been duly deposited under contest except in following cases:

Name of the statute	Nature of dues	Disputed Amount (In Lakhs)	Amount Paid/ Adjusted (In Lakhs)	Year to which demand relates	Forum, where dispute is pending
Income Tax Act, 1961	Income Tax	53.04	53.04	AY 2017-18	CIT(A), New Delhi



Income Tax Act, 1961	Income Tax	505.07	559.90	AY 2018-19	CIT(A), New Delhi
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The department has withheld excess amount than the demand raised, and the company has filed a writ petition before the Delhi High Court for refund of excess amount.

- (viii) In our opinion, according to the information and explanation given to us, there is no any unrecorded income surrendered or disclosed in the income tax assessment during the year. Accordingly, reporting under clause (viii) of paragraph 3 of the Order is not applicable.
- (ix) Reporting under this clause is below;
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings or payment of Interest to any lender.
 - According to the information and explanations given to us, the company is not declared willful defaulter by any bank or financial institution or any other lender.
 - According to the information and explanations given to us, the company has not taken any term loan during the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
 - According to the information and explanations given to us, the company has not raised any funds on short term basis which have been utilized for long term purposes. Accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order is not applicable.
 - The company has associates, however, no funds were raised for fulfilling the obligation of its associates. Accordingly, reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable.
 - According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associate, or joint ventures. Accordingly, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable.
- (x) Reporting under this clause is below;
- The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, reporting under clause (ix)(a) of paragraph 3 of the Order is not applicable.
 - During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (x)(b) of paragraph 3 of the Order is not applicable to the Company.
- (xi)
- To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year. Accordingly, reporting under clause (xi)(a) of paragraph 3 of the Order is not applicable.



- b) On the basis of Information and explanations given to us, there were no frauds by the company or on the company by its employees or management which was identified during the course of audit. Accordingly, reporting under clause (xi)(b) of paragraph 3 of the Order is not applicable.
- c) On the basis of information and explanations given to us, no whistle-blower complaints were received during the year. Accordingly, reporting under clause (xi)(c) of paragraph 3 of the Order is not applicable.
- (xii) In our opinion, the Company is not a Nidhi company. Accordingly, reporting under sub clause (a), (b) and (c) of clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) The Company is a subsidiary of a government company and hence the provisions of Section 177 of the Act are applicable to the Company. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) The company has an internal audit system commensurate with the size and nature of its business;
- (b) The reports of the Internal Auditors for the period under audit were considered by the Statutory Auditor and no material discrepancies were noticed in the internal audit report.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of Section 192 of the Act are not applicable.
- (xvi) Reporting under this clause is below;
 - a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company has obtained the registration certificate from RBI.
 - b) In our opinion and according to the information and explanations given to us, the company has conducted Non-Banking Financial or Housing Finance activities with a valid certificate of registration from the Reserve Bank of India (RBI) as per the RBI Act, 1934.
 - c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company as defined in the regulations made by the RBI. Accordingly, reporting under clause (xvi)(c) of paragraph 3 of the Order is not applicable.
 - d) In our opinion and according to the information and explanations given to us, the company is not part of a group CIC. Accordingly reporting under clause (xvi) (d) of paragraph 3 of the Order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us, the company has Not incurred any cash losses during the immediately preceding financial year. Accordingly, reporting under clause (xvii) of paragraph 3 of the Order is not applicable.
- (xviii) In our opinion and according to the information and explanations given to us, there is no resignation of statutory auditors during the year. Accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.



- (xix) According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the company has not any unspent Corporate Social Responsibility (CSR) amount. Accordingly, reporting under clause (xx) of paragraph 3 of the order is not applicable.
- (xxi) The Company has no subsidiary hence preparation of consolidated financial statement is not applicable to the company. Accordingly, reporting under clause (xxi) of paragraph 3 of the Order is not applicable.

For M D Gujrati & Co.
Chartered Accountants
Firm's Registration No. 005301N


G L Agrawal
Partner
Membership No. 087454



UDIN: 24087454BKALTY2965
Place: New Delhi
Date: April 22, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

**Statements on the matters Specified in directions Issued by the Comptroller and Auditor General of India in accordance with Section 143(5) of the Companies Act, 2013
(Referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date of standalone financial statements)**

S NO	Directions	Auditors' Comment
1	Investments: Whether the titles of ownership in respect of CGS/SGS/Bonds/ Debentures etc. are available in physical/demat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.	Yes, the titles of ownership of all investments are available in physical and/or de-mat form as applicable. And the same agree with the respective amounts shown in the Company's books of accounts.
2	Loans: In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realizable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard, if any, may be suitably commented upon along with financial impact	Yes, there is a system of periodical assessment of realizable value of securities available against all such loans in place. Also, provision in the form of Expected Credit Loss as mandated by Indian Accounting Standards has been created during the year against these loans.

For M D Gujrati & Co.
Chartered Accountants
Firm's Registration No. 1005301N



G L Agrawal
Partner

Membership No. 087454



UDIN: 24087454BKALTY2965
Place: New Delhi
Date: April 22, 2024

ANNEXURE "C" TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal financial controls over financial reporting of IFCI VENTURE CAPITAL FUNDS LIMITED as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India.

For M D Gujrati & Co.
Chartered Accountants
Firm's Registration No. 005301N


G L Agrawal
Partner
Membership No. 087454



UDIN: 24087454BKALTY2965
Place: New Delhi
Date: April 22, 2024

IFCI VENTURE CAPITAL FUNDS LIMITED					
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2024					
Statement of Profit and Loss					
Particulars	Quarter ended			Year ended	
	3 months ended 31.03.2024	Preceding 3 months ended 31.12.2023	Corresponding 3 months ended 31.03.2023	31.03.2024	31.03.2023 (Restated)
(Rs. in Lakh)					
Income	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenue from operations					
Interest Income	1,262.46	102.46	1,227.12	1,513.56	1,422.51
Dividend Income	0.02	0.15	-	0.17	1.10
Fees and commission Income	357.27	351.48	345.18	1,391.68	1,266.74
Net gain on fair value changes	2,165.63	7.27	(7.08)	2,225.03	-
Other revenue from operations	-	-	-	-	-
Total other revenue from operations	-	-	-	-	-
Total Revenue From Operations	3,785.88	461.35	1,565.22	5,130.44	2,690.35
Other Income	4,679.86	15.06	1,317.52	4,726.48	1,406.40
Total Income	8,465.74	476.41	2,882.74	9,856.92	4,096.75
Expenses	-	-	-	-	-
Employee benefit expense	205.22	172.65	147.46	679.08	547.80
Finance costs	5.65	5.72	12.00	22.74	98.93
Depreciation, depletion and amortisation expense	1.47	1.48	2.82	4.59	10.76
Fees and commission expense	-	-	-	-	-
Net loss on fair value changes	-	-	284.21	-	284.21
Impairment on financial instruments	(208.17)	141.59	(65.91)	-	-
Other expenses	-	-	-	-	-
Rent, Taxes and energy costs	44.50	44.58	44.71	178.52	179.92
Repairs and Maintenance	19.56	9.15	8.16	51.09	42.77
CSR expenses	12.86	-	-	12.86	16.05
Advertisement, printing, postage & telephone	2.12	2.55	1.83	7.30	7.70
Travelling & conveyance	0.57	1.96	1.58	3.69	3.26
Director's fees, allowances and expenses	3.80	2.94	2.94	14.29	13.68
Auditor's fees and expenses	3.26	1.85	3.01	7.33	7.17
Legal and Professional charges	21.22	19.00	13.77	58.97	41.54
Bad Debts Written Off	7,427.86	-	2,349.29	7,427.86	2,349.29
Other expenditures including insurance	1.50	3.30	1.60	7.15	5.76
Total other expenses	7,537.26	85.32	2,426.88	7,769.06	2,667.14
Total expenses	7,541.43	406.76	2,807.46	8,475.47	3,608.83
Total profit before exceptional items and tax	924.31	69.65	75.28	1,381.45	487.92
Exceptional items	-	-	-	-	-
Total profit before tax	924.31	69.65	75.28	1,381.45	487.92
Tax expense	-	-	-	-	-
Current tax	-	-	-	-	-
Earlier Year	-	-	-	-	-
MAT Credit entitlement	-	-	-	-	-
Deferred tax	1,349.93	(43.97)	(19.91)	1,278.29	(53.93)
Net Profit Loss for the period from continuing operations	(425.62)	113.62	95.19	103.16	541.85
Total profit (loss) for period	(425.62)	113.62	95.19	103.16	541.85
Other comprehensive income net of taxes	-	-	-	-	-
Items that will not be reclassified to profit or loss	-	-	-	-	-
-Actuarial gain/(loss) on Defined benefit obligation	8.27	4.39	5.21	25.52	9.65
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
-Tax on Actuarial gain/(loss) on Defined benefit obligation	2.30	1.22	1.45	7.10	2.69
Total Comprehensive Income for the period	(419.65)	116.79	98.95	121.58	548.81
Details of equity share capital					
Paid-up equity share capital	6,037.10	6,037.10	6,037.10	6,037.10	6,037.10
Face value of equity share capital	10.00	10.00	10.00	10.00	10.00
Reserves excluding revaluation reserve					
Earnings per equity share					
Basic earnings per share	(0.70)	0.19	0.16	0.20	0.91
Diluted earnings per share	(0.70)	0.19	0.16	0.20	0.91
Debt equity ratio	0.01	0.01	0.01	0.01	0.01
Disclosure of notes on financial results					

For M D Gujrati & Co.
Chartered Accountants
FRN: 005301N

G L Agrawal
Partner
M. No. 087454

Place : New Delhi

Date: 22 April 2024

V. Anish Babu

V. Anish Babu
Managing Director
(DIN: 02830575)

IFCI VENTURE CAPITAL FUNDS LIMITED		
Statement of Assets & Liabilities		
	(Rs. in Lakh)	
Particulars	As at 31st March, 2024 (Audited)	As at 31st March, 2023 (Restated) (Audited)
Financial Assets		
Cash and Cash Equivalents	846.55	461.19
Bank Balances other than (a) above	5,812.09	428.61
Derivative financial instruments		
Receivables		
(I) Trade Receivables	8.59	18.36
(II) Other Receivables	704.58	25.28
Loans	3,980.61	7,641.07
Investments	3,058.37	2,887.79
Other Financial Assets	39.18	18.09
Total	14,449.98	11,480.39
Non Financial Assets		
Current tax assets (Net)	687.82	744.86
Deferred tax assets (Net)	3,629.25	4,914.64
Property, plant and equipment	9.10	12.12
Intangible assets	0.00	0.00
Other non-financial assets (to be specified)	3.15	3.61
Total	4,329.33	5,675.24
Assets classified as held for sale	-	750.00
Total Assets	18,779.30	17,905.62
LIABILITIES AND EQUITY		
Liabilities and equity		
Liabilities		
Financial Liabilities		
Payables		
(1) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
(2) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	329.16	38.64
Debt Securities	220.81	220.75
Borrowings (Other than Debt securities)	-	
Other financial liabilities		
Total	549.97	259.39
Non Financial Liabilities		
Current Tax Liabilities (Net)	-	-
Provisions	277.35	298.06
Deferred tax liabilities (Net)	-	-
Other non-financial Liabilities	607.37	125.14
Total	884.72	423.20
Total Liabilities	1,434.69	682.59
Equity		
Equity share capital	6,037.10	6,037.10
Other equity	11,307.51	11,185.93
Total equity	17,344.61	17,223.03
Total liabilities and equity	18,779.30	17,905.62

For M D Gujrati & Co.
Chartered Accountants
FRN: 005301N

G L Agrawal
Partner
M. No. 087454



Place : New Delhi

Date: 22 April 2024

V. Anish Babu

V. Anish Babu
Managing Director
(DIN: 02830575)

IFCI VENTURE CAPITAL FUNDS LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2024		
	(₹ in lakh)	
Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023 (Restated)
	(Audited)	(Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax and extraordinary items	1,381.45	487.92
Adjustments for:	-	-
Interest Income	-	-
Interest on Loans	(1,117.10)	(1,196.21)
Interest Income from Investments	(197.64)	(178.43)
Interest on Deposits with Banks	(198.81)	(47.88)
Interest Expenses	22.74	98.93
Remeasurement of the net defined benefit plans	25.52	9.65
Provision no longer Required	-	(76.60)
Provision for employee benefits (net)	(20.71)	16.12
Dividend Income (Rs.0.17 lakh C.Y. and Rs.1.10 Lakh in P.Y.)	-	-
Impairment on financial instruments	(4,615.07)	(1,310.06)
Depreciation and amortisation expenses	4.59	10.76
Net (gain) / loss on fair value changes	-	(301.70)
Cash Flow from Interest on Loan	-	-
Cash Flow from Income from Investment	-	-
Cash Flow from Interest on Deposit with Banks	108.17	33.67
Cash Outflow towards Finance Cost	(22.74)	(98.93)
Movements in working capital:		
(Increase)/Decrease in trade receivables	(669.54)	(8.47)
Increase/(Decrease) in trade payable	290.52	13.40
(Increase)/decrease in other financial assets & other assets	(20.64)	(11.38)
Increase/ (Decrease) in financial liabilities & other liabilities	482.23	108.84
Increase/(Decrease) in Debt Securities	0.06	(1,084.45)
Increase/(Decrease) in Borrowings(other than Debt Securities)	-	-
Increase/(Decrease) in Provision	-	-
Long Term Loans Given (Net)	9,392.63	3,371.21
Change in Investments (Net)	777.06	729.05
Cash generated from operations	5,622.73	565.44
Income taxes paid (net of refunds)	57.04	(138.54)
Net cash generated by operating activities (A)	5,679.77	426.90
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment, intangible assets	(1.56)	(5.34)
(Increase)/Decrease in FDR	(5,292.85)	28.19
Net cash used in investing activities (B)	(5,294.41)	22.85
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated in financing activities (C)		
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	385.36	449.75
Cash and cash equivalents at the beginning of the year	461.19	11.44
Cash and cash equivalents at the end of period	846.55	461.19

Foot Note : Cash Flow has been prepared using indirect method.

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023 (Restated)
Components of Cash and Cash Equivalents		
Cash on hand	0.26	0.13
Balances with Banks in current accounts	310.79	8.79
Balances with Banks in deposit accounts	535.49	452.27
Cash and Cash Equivalents	846.55	461.19
Less – Secured Demand loans from banks (Cash credit)	-	-
Less – Bank overdraft	-	-
Cash and cash equivalents for statement of cash flows	846.55	461.19

For M D Gujrati & Co.
Chartered Accountants
FRN: 005301N

G L Agrawal
Partner
M. No. 087454



Place : New Delhi

Date: 22 April 2024

V. Anish Babu

V. Anish Babu
Managing Director
(DIN: 02830575)

IFCI VENTURE CAPITAL FUNDS LIMITED
Segment Reporting
For the Year ended 31st March, 2024

1	Segment Revenue (Income)	01/01/2024	01/04/2023
	(net sale/income from each segment should be disclosed)	31/03/2024	31/03/2024
		8,107.80	8,464.58
1	Financing Activity	357.94	1,392.33
2	Fund Management		
	Total Segment Revenue	8,465.74	9,856.92
		-	-
	Less: Inter segment revenue		
	Revenue from operations	8,465.74	9,856.92

2	Segment Result	01/01/2024	01/04/2023
	Profit (+) / Loss (-) before tax and interest from each segment	31/03/2024	31/03/2024
		816.32	832.27
1	Financing Activity	107.99	549.18
2	Fund Management		
	Total Profit before tax	924.31	1,381.45
		-	-
	i. Finance cost		
	ii. Other Unallocable Expenditure net off Unallocable income		
	Profit before tax	924.31	1,381.45

3	(Segment Asset - Segment Liabilities)	31/03/2024
	Segment Asset	
		15,140.95
1	Financing Activity	-
2	Fund Management	
	Total Segment Asset	15,140.95
	Un-allocable Assets	3,638.35
	Net Segment Asset	18,779.30

4	Segment Liabilities	31/03/2024
	Segment Liabilities	
		18,171.93
1	Financing Activity	-
2	Fund Management	
	Total Segment Liabilities	18,171.93
	Un-allocable Liabilities	607.37
	Net Segment Liabilities	18,779.30

Notes:

- The above audited financial results were reviewed & recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 22nd April, 2024
- Pursuant to Regulation 54(2&3) of SEBI (LODR) 2015, the Secured Redeemable Non-convertible Bonds of the Company aggregating to Rs.2.10 crore as at March 31, 2024 are secured by way of pari pasu charge on Book debts, with a cover more than 1 times as required.
- The Company has changed its accounting policy whereby interest income on stage 3 assets (except on the assets which are standard under IRAC norms) shall be recorded in the books of accounts with effect from 1st April,2021. Accordingly, Interest income for the financial year 2022-23 and 2021-22 will be reinstated and increased by Rs.1163.41 lakh and Rs.1266.84 lakh respectively. Since there is no reasonable expectation of recovery, company has decided to be written off this amount in respective years. Accordingly, carrying amount of loans receivable is same as reported in previous financial statement.



Movement in Loan due to change in accounting policy related to stage 3 income recognition

Particulars	As at 31st March, 2023	As at 1st April, 2022
Gross Loan Book	18,950.39	21,125.39
Add: Interest accrued on stage 3	1,163.41	1,266.84
Less: Writeoff of Interest accrued on stage 3	(1,163.41)	(1,266.84)
Gross Loan Book after adjustment	18,950.39	21,125.39

In the current Financial Year 2023-24 the company has accrued interest aggregating to Rs.1117.10 lakh out of which it has written off Rs.1104.29 lakh based on recovery estimates.

4. Additional disclosure as per Reg 52(4) of SEBI (LODR) Reg. 2015 are as under :-

Ratios	As at 31st March, 2024	As at 31st March, 2023 (Restated)
Debt Equity Ratio(Times)	0.01	0.01
Capital redemption Reserve / DRR	N/A	N/A
Debt Service Coverage Ratio	N/A	N/A
Interest Service Coverage Ratio	N/A	N/A
Net Worth (Rs. in Lakh)	17,344.61	17,223.03
Net Profit After Tax	103.16	541.85
Earnings Per Share (EPS)	0.20	0.91
Current ratio	13.40	24.15
Long term debt to working capital;	N/A	N/A
Bad debts to Account receivable ratio	N/A	N/A
Current liability ratio;	0.60	0.15
Total debts to total assets;	0.03	0.01
Debtors turnover;	N/A	N/A
Inventory turnover;	N/A	N/A
Operating margin (%);	N/A	N/A
Net profit margin (%);	1.23%	13.40%
Sector specific equivalent ratios.		
Capital Adequacy Ratio	177.22%	103.65%
NPA Ratios		
a) Gross NPA/Net NPA(Times)	2.68	2.48
b) % of Gross NPA/Net NPA	268.17%	248.01%
c) Return on Assets (PBT/Total Assets)	0.07	0.03

Debt Equity Ratio is calculated as Total Debt/ Total Equity, where Equity comprises of Equity shares and Reserves, Debt comprises of Bonds of the Company.

For M D Gujrati & Co.
Chartered Accountants
FRN: 005301N


G L Agrawal
Partner
M. No. 087454





V. Anish Babu
Managing Director
(DIN: 02830575)

Place : New Delhi

Date: 22 April 2024