

# ANNUAL STATEMENT OF ACCOUNTS

## 2013-14

### **IFCI VENTURE CAPITAL FUNDS LIMITED**

*IFCI Tower, 61, Nehru Place,*  
New Delhi -110 019



#### **DINESH JAIN & ASSOCIATES**

A-115, Vikas Marg, Shakarpur  
Delhi -110092.  
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## **AUDITOR'S REPORT**

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To the Members of  
**IFCI Venture Capital Funds Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **IFCI Venture Capital Funds Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

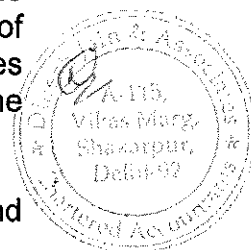
### **Auditor's Responsibility**

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

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

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

(Contd.....2)



## Opinion

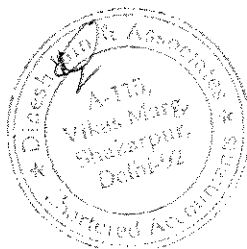
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and.
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

PLACE: DELHI  
DATED: (6/04/2014)



For DINESH JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No: 004885 N

(D.K. JAIN)  
PARTNER  
M.No. 082033

## **ANNEXURE TO THE AUDITOR'S REPORT**

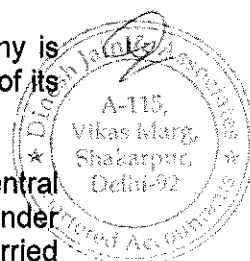
**For the Annexure referred to in paragraph 1 of the Our Report of even date to the Members of IFCI Venture Capital Funds Limited for the year ended 31<sup>st</sup> March, 2014; we report that:**

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) According to information and explanations given to us, fixed assets were physically verified by the management during the year and no discrepancies were noticed on verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and the nature of its assets.  
  
(c) The company has not disposed off substantial part of fixed assets during the year, which will affect its status as going concern.
2. The nature of the company's business/ activities/ transactions does not require it to hold inventories. Hence, the provisions of this clause are not applicable to the company.
3. (a) The company has not granted any loans secured or unsecured to the companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.  
  
(b) The company has not taken any loans, secured or unsecured, from companies, firms, or other parties listed under the register maintained under Section 301 of the Companies Act, 1956.

In respect of loans and advances in the nature of loans given by the Company, the parties are generally repaying the principal amount and interest as stipulated. In the cases where repayment of principal or payment of interest, as the case may be, are not being received as stipulated, reasonable steps have been taken by the Company for their recovery.

The Company has also granted loans to employees who are repaying the principal amounts as stipulated.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.
7. According to the information and explanations given to us, the company is having an internal audit system commensurate with the size and nature of its business.
8. According to Information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of business carried out by the Company.



9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income-Tax & other statutory dues as applicable to it.  
(b) As explained to us, no undisputed amounts payable in respect of these statutory dues were outstanding, as at 31<sup>st</sup> March, 2014, for a period of more than six months from the date they became payable.  
(c) According to the records of the company, there are no dues of income tax, Service tax which have not been deposited on account of any dispute.
10. The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks.
12. We are of the opinion that the company has maintained adequate records where the company has granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Hence, the provisions of this clause are not applicable to the Company.
14. In our opinion, the company is not dealing or trading in shares, securities and debentures. The company has maintained proper records of other investments held in the name of the company.
15. As per the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The term loans have been applied for the purpose for which they were raised.
17. As per the information and explanations given to us, the company has not used any funds raised on short term basis for long-term investments.
18. According to the information and explanation given to us, the company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Act.
19. The company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

PLACE: DELHI  
DATED: 16/04/2014



For DINESH JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn.No: 004885 N

(D.K. JAIN)  
PARTNER  
M.No. 082033

**IFCI VENTURE CAPITAL FUNDS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2014**

			(₹Amount in Rs.)
	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY &amp; LIABILITIES</b>			
(1) Shareholders' Funds			
- Share Capital	2	60,37,10,080	60,37,10,080
- Reserves and Surplus	3	1,14,19,34,890	1,00,86,83,166
(2) Non-current Liabilities			
(a) Long-term Borrowings	4	1,27,71,46,419	2,42,51,45,088
(b) Long-term Provisions	5	7,48,02,712	8,01,30,045
(3) Current Liabilities			
(a) Short-term Borrowings	6	34,78,74,220	55,22,09,626
(b) Other Current Liabilities	7	1,39,68,00,768	45,39,26,298
(c) Short-term Provisions	8	2,29,873	2,86,36,641
<b>TOTAL</b>		<b>4,84,24,98,962</b>	<b>5,15,24,40,944</b>
<b>II. ASSETS</b>			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	8,37,352	8,22,608
(ii) Intangible Assets	10	20,239	14,62,170
(b) Non-current Investments	11	86,47,11,734	94,01,28,990
(c) Deferred Tax Asset (Net)		1,61,79,495	89,64,456
(d) Long-term Loans & Advances	12	1,18,23,87,106	1,55,17,22,348
(2) Current Assets			
(a) Current Investments	13	11,68,534	19,03,124
(b) Cash and Cash Equivalents	14	18,05,99,250	32,01,707
(c) Short-term Loans and Advances	15	2,51,93,78,570	2,61,45,95,536
(d) Other Current Assets	16	7,72,16,682	2,96,40,005
<b>TOTAL</b>		<b>4,84,24,98,962</b>	<b>5,15,24,40,944</b>

Notes form an integral part of financial statements

As per our report of even date attached.  
For Dinesh Jain & Associates  
Chartered Accountants

D.K. Jain  
Partner

Indu Gupta  
Chief Finance Officer

Directors

Shivendra Tomar  
Mg. Director

Malay Mukherjee  
Chairman

Place : New Delhi  
Date : 16/04/2014



**IFCI VENTURE CAPITAL FUNDS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Note No.	For the Year ended 31st March, 2014	(₹Amount in Rs.) For the Year ended 31st March, 2013
<b>I. REVENUE</b>			
Revenue from Operations	17	75,86,75,472	78,75,61,690
Other Income	18	7,00,023	10,77,193
<b>TOTAL REVENUE (A)</b>		<b>75,93,75,495</b>	<b>78,86,38,883</b>
<b>II. EXPENDITURE</b>			
Employees Benefit Expenses	19	2,88,01,165	2,49,68,026
Finance Cost	20	31,93,17,171	37,41,11,055
Depreciation	9,10	19,59,329	15,11,143
Other Expenses	21	10,15,30,084	7,64,71,201
<b>TOTAL EXPENDITURE (B)</b>		<b>45,16,07,749</b>	<b>47,70,61,425</b>
<b>III. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		<b>30,77,67,746</b>	<b>31,15,77,458</b>
<b>IV. EXCEPTIONAL ITEMS</b>		-	-
<b>V. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>30,77,67,746</b>	<b>31,15,77,458</b>
<b>VI. EXTRAORDINARY ITEMS</b>		-	-
<b>VII. PROFIT BEFORE TAX</b>		<b>30,77,67,746</b>	<b>31,15,77,458</b>
- Current Tax		11,11,00,000	11,23,00,000
- Deferred Tax (Net)		(72,15,039)	(78,48,019)
<b>VIII PROFIT FOR THE YEAR</b>		<b>20,38,82,785</b>	<b>20,71,25,477</b>
<b>Earning Per Equity</b>			
Basic Earnings per share of ₹10.00 each (₹)		3.38	3.43
Diluted Earnings per share of ₹10.00 each (₹)		3.38	3.43

Notes form an integral part of financial statements

As per our report of even date attached.  
For Dinesh Jain & Associates  
Chartered Accountants

D.K. Jain  
Partner

Indu Gupta  
Chief Finance Officer

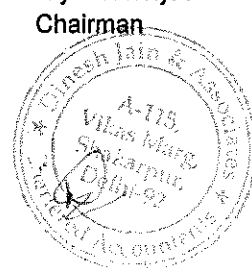
Directors

Shivendra Tomar  
Mg. Director

Malay Mukherjee  
Chairman

Place : New Delhi

Date : 16/04/2014



**IFCI VENTURE CAPITAL FUNDS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	Year ended 31st March, 2014	(Amount in Rs.) Year ended 31st March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	30,77,67,746	31,15,77,458
Adjustments for:		
Depreciation	19,59,329	15,11,143
Provision / write off of Bad Debts	8,23,40,133	4,29,23,193
Provision / write off for Investments	(8,58,945)	(19,65,175)
(Profit) on sale of investments	(4,62,47,372)	(2,20,61,122)
(Profit) / Loss on Sale of Assets	7,30,372	1,177
Provision for standard assets	-	97,51,332
Interest Expenditure	31,93,17,171	37,41,11,055
<b>Operating Profit before Working Capital Changes</b>	<b>66,50,08,434</b>	<b>71,58,49,061</b>
Adjustments for:		
Decrease / (Increase) in Current Assets	(4,76,85,008)	1,79,29,280
Increase / (Decrease) in Current Liabilities	(3,27,12,174)	2,13,01,726
<b>Cash Generated from Operations</b>	<b>58,46,11,252</b>	<b>75,50,80,067</b>
Income tax paid/payable	(11,11,00,000)	(8,47,13,359)
Leave Encashment	49,78,780	7,55,336
<b>Net cash from Operating Activities</b>	<b>47,84,90,032</b>	<b>67,11,22,044</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Long Term Loans Given (Net)	37,11,94,168	(49,05,97,907)
Investments made	(5,00,05,000)	(12,60,00,000)
Sale of Investments	17,25,32,791	10,31,96,598
Purchase of/Advance for Fixed Assets(net of WIP)	(5,32,393)	(6,188)
Sale proceed of Fixed Assets	251	3,300
<b>Net cash used in/raised from Investing Activities</b>	<b>49,31,89,817</b>	<b>(51,34,04,197)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans /Bonds borrowed	85,00,00,000	1,17,63,33,332
Repayment of Loans/ bonds	(1,25,43,34,074)	(90,84,75,608)
Interest paid on borrowings	(31,93,17,171)	(37,41,11,055)
Dividend paid (incl. Dividend tax)	(7,06,31,061)	(7,01,64,695)
<b>Net Cash from Financing Activities</b>	<b>(79,42,82,306)</b>	<b>(17,64,18,026)</b>
<b>Net Change In Cash &amp; Cash Equivalent (A+B+C)</b>	<b>17,73,97,543</b>	<b>(1,87,00,179)</b>
Opening Cash and Cash Equivalent	32,01,707	2,19,01,886
Closing Cash and Cash Equivalent	18,05,99,250	32,01,707
<b>Increase/Decrease In Cash &amp; Cash Equivalent</b>	<b>17,73,97,543</b>	<b>(1,87,00,179)</b>

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

As per our report of even date attached.

For Dinesh Jain & Associates  
Chartered Accountants

D.K. Jain  
Partner

Indu Gupta  
Chief Finance Officer

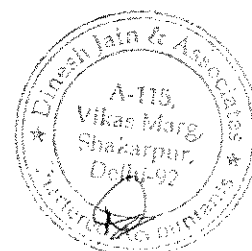
Directors

Shivendra Tomar  
Managing Director

Malay Mukherjee  
Chairman

Place : New Delhi

Date : 16/04/2014





## **IFCI VENTURE CAPITAL FUNDS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

#### **1 Significant Accounting Policies**

##### **1.1 Basis of Preparation of Financial Statements**

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

##### **1.2 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 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.

##### **1.3 INVESTMENTS**

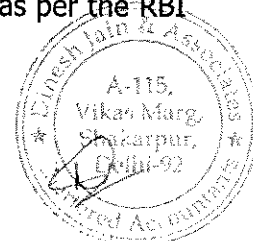
- (a) Long-term investments are valued at cost unless there is a permanent diminution in their value.
- (b) Investments of short term nature are categorized as Current Investments are valued at cost or market value/fair value on the aggregate value of each category of investment whichever is lower.

##### **1.4. FIXED ASSETS AND DEPRECIATION**

- (a) Fixed assets are capitalized at cost including directly attributable cost of bringing the assets to the working condition for the intended use.
- (b) Depreciation on fixed assets is provided for on written-down value method, at the rates prescribed under Schedule XIV of the Companies Act, 1956.
- (c) Depreciation is provided on pro rata basis from the date on which assets have been put to use and upto the date on which the assets have been disposed off, as the case may be.

##### **1.5. 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.
- (b) Recovery against debts written off/ provided for is credited to revenue.



## **1.6. EMPLOYEE BENEFITS**

### Defined Contribution Plans

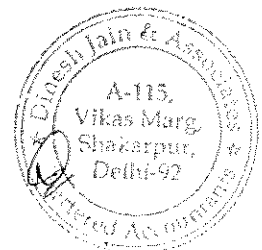
- (i) Monthly contribution to the Provident Fund being in the nature of defined contribution scheme, is charged against revenue.
- (ii) Contributions paid to LIC is also considered as defined contribution and charged against revenue.

### Defined Benefits Plans

- (i) The company has taken a policy for gratuity with LIC to meet the liability under the Payment of Gratuity Act. The premium paid to LIC is debited to Profit & Loss Account each year.
- (ii) Leave Encashment liability is provided for on the basis of actuarial valuation in accordance with Accounting Standard (AS-15).

## **1.7. 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.



**SHARE CAPITAL**

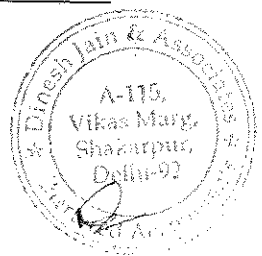
	As at 31st March, 2014	(₹Amount in Rs.) As at 31st March, 2013
<b>AUTHORISED</b>		
15,00,00,000 (Previous Year - 15,00,00,000) Equity Shares of Rs.10/- each	1,50,00,00,000	1,50,00,00,000
	<b>1,50,00,00,000</b>	<b>1,50,00,00,000</b>
<b>ISSUED</b>		
6,03,71,008 (Previous Year - 6,03,71,008) Equity Shares of Rs 10/- each fully paid up	60,37,10,080	60,37,10,080
<b>SUBSCRIBED</b>		
6,03,71,008 (Previous Year - 6,03,71,008) Equity Shares of Rs 10/- each	60,37,10,080	60,37,10,080
<b>PAID UP EQUITY</b>		
6,03,71,008 (Previous Year - 6,03,71,008) Equity Shares of ₹10/- each ( <i>foot-note</i> )	60,37,10,080	60,37,10,080
<b>TOTAL</b>	<b>60,37,10,080</b>	<b>60,37,10,080</b>

**Foot-note**

- 1 Of the above 6,03,71,008 (Previous Year - 6,03,71,008) Equity Shares of Rs.10/- each, the holding company namely IFCI holds 5,95,21,008 equity shares i.e. 98.60%.

**3 RESERVES AND SURPLUS**

	As at 31st March, 2014	(₹Amount in Rs.) As at 31st March, 2013
(A) Capital Reserve	1,00,000	1,00,000
(B) Securities Premium Account	47,47,89,912	47,47,89,912
(C) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	5,20,000	5,20,000
(D) Reserve u/s 45IC of RBI Act	18,00,56,073	13,92,79,516
(E) Surplus		
Opening Balance	39,39,93,738	
Add: Profit for the year	20,38,82,785	
	<b>59,78,76,523</b>	
Less:		
Reserve u/s 45 IC of RBI Act	4,07,76,557	
	<b>55,70,99,966</b>	
- Dividend	6,03,71,008	
- Dividend Distribution Tax	1,02,60,053	
	<b>48,64,68,905</b>	<b>39,39,93,738</b>
<b>TOTAL</b>	<b>1,14,19,34,890</b>	<b>1,00,86,83,166</b>



## LONG-TERM BORROWINGS - SECURED

	As at 31st March, 2014	(₹Amount in Rs.) As at 31st March, 2013
(A) Bonds		
251 Bonds of Rs. 10,00,000 each (refer foot note 1) - secured	25,10,00,000	99,90,00,000
6420 Bonds of Rs. 1,00,000 each (refer foot note 2) - unsecured	64,20,00,000	64,20,00,000
1510 Bonds of Rs. 1,00,000 each (refer foot note 3) - unsecured	15,10,00,000	15,10,00,000
Sub-Total 'A'	1,04,40,00,000	1,79,20,00,000
(B) Other Long Term Borrowings		
a) Banks (refer foot note 4)	23,31,46,419	63,31,45,088
b) Others - Loan from FI		
Sub-Total 'B'	23,31,46,419	63,31,45,088
TOTAL (A+B)	1,27,71,46,419	2,42,51,45,088

## Foot-notes

1

Issuer	IFCI Venture Capital Funds Ltd.		
Issue size	Up to Rs. 100 Crores including Green shoe option		
Security	First Pari Pasu charge on the receivables of the Company to the extent of 125% of the outstanding Bonds at any point of time,		
Face Value	Rs. 10,00,000.00 ( Rupees Ten Lac ) per bond		
Option	Option - 1	Option - 2	Option - 3
Tenure	10 Years	10 Years	3 Years
Put Call	At par at the end of 3 <sup>rd</sup> year, 5 <sup>th</sup> year & 7 <sup>th</sup> Year respectively.	At par at the end of 5 <sup>th</sup> year & 7 <sup>th</sup> Year respectively.	At par at the end of 1 <sup>st</sup> year & 2 <sup>nd</sup> year respectively.
Redemption	At par on exercising put/ call option at the end of 3 <sup>rd</sup> year or 5 <sup>th</sup> year or 7 <sup>th</sup> year or at the end of 10 <sup>th</sup> year from deemed date of allotment, whichever is earlier	At par on exercising put/ call option at the end of 5 <sup>th</sup> year or 7 <sup>th</sup> year or at the end of 10 <sup>th</sup> year from deemed date of allotment,	At par on exercising put/ call option at the end of 1 <sup>st</sup> year or 2 <sup>nd</sup> year or at the end of 3 <sup>rd</sup> year from deemed date of allotment, whichever is earlier
Coupon Rate	10.75% p.a.		

2

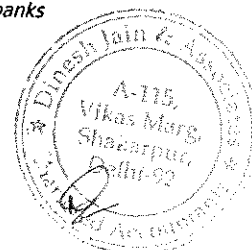
Issuer	IFCI Venture Capital Funds Ltd.	
Issue size	Up to Rs. 64.20 Crores including green shoe option of Rs. 39.20 Crores	
Face Value	Rs. 1,00,000.00 ( Rupees One Lac ) per bond	
Option	Option - 1	Option - 2
Tenure	5 Years	10 Years
Put Call	Nil	At par, at the end of 7 <sup>th</sup> year
Redemption	At par at the end of 5 <sup>th</sup> year from deemed date of allotment	At par on exercising put/ call option at the end of 7 <sup>th</sup> year or at the end of 10 <sup>th</sup> year from deemed date of allotment, whichever is earlier
Coupon Rate	10.25% p.a. (semi-annual)	
Interest Payment	Interest shall be made on Semi-Annual basis on 15 <sup>th</sup> March and 15 <sup>th</sup> September every year	

3

Issuer	IFCI Venture Capital Funds Ltd.
Issue size	Up to Rs. 15.10 Crores including green shoe option of Rs. 0.10 Crores
Face Value	Rs. 1,00,000.00 ( Rupees One Lac ) per bond
Tenure	10 Years
Put Call	At par at the end of 5 <sup>th</sup> year from the date of allotment
Redemption	At par at the end of 10 <sup>th</sup> year from deemed date of allotment
Coupon Rate	10.15% p.a. annual
Interest Payment	Interest shall be made annually on 18 <sup>th</sup> February

- 4 Long Term borrowings from Banks are secured by hypothecation of Book debts on pari passu basis between these Banks, banks from which cash credit facilities have been availed and Investors in bonds and the repayment is expected to be as under :

Upto 2 years Rs. 23.31 crore



LONG-TERM PROVISIONS

	As at 31st March, 2014	(₹Amount in Rs.) As at 31st March, 2013
(A) Provision for Standard Assets	97,51,332	97,51,332
(B) Provision for Leave Encashment	94,29,427	36,30,520
(C) Provision for Bad & Doubtful Debts (incl'd provision u/s 36(1)(vii)(c))	5,56,21,953	6,67,48,193
<b>TOTAL</b>	<b>7,48,02,712</b>	<b>8,01,30,045</b>

SHORT-TERM BORROWINGS

	As at 31st March, 2014	(₹Amount in Rs.) As at 31st March, 2013
(A) Cash credit facilities from Banks	9,78,74,220	30,22,09,626
(B) Secured Loan from Bank/FI - IFCI Ltd.	25,00,00,000	-
(C) Bonds 250 Bonds of Rs.10,00,000 each (refer foot note 1) -secured	-	25,00,00,000
<b>TOTAL</b>	<b>34,78,74,220</b>	<b>55,22,09,626</b>

OTHER CURRENT LIABILITIES

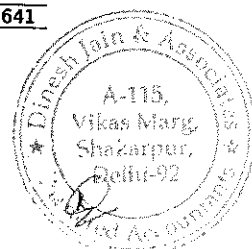
	As at 31st March, 2014	(₹Amount in Rs.) As at 31st March, 2013
(A) Current maturities of Long-term borrowings	1,34,80,00,000	39,99,99,999
(B) Interest accrued but not due on bonds and borrowings	2,60,71,163	4,48,75,699
(C) Interest received in Advance	44,72,401	70,70,685
(D) Advance received towards buyback of equity	1,22,82,144	-
(E) Other Payables		
- Tax and other deduction/ collection payable	4,44,771	5,22,270
- Liability for expenses	6,24,899	14,57,645
- Others	49,05,390	-
<b>TOTAL</b>	<b>1,39,68,00,768</b>	<b>45,39,26,298</b>

Foot-notes

1 The following borrowings are secured against the total receivables of Rs. 3699999710.	
- Long Term Bonds of Rs. 10 lakh each	25,10,00,000
- Long Term Borrowings from Banks	23,31,46,419
- Current Maturity of Long Term Borrowings	1,34,80,00,000
- Cash Credit from Banks	9,78,74,220
<b>TOTAL</b>	<b>1,93,00,20,639</b>

SHORT-TERM PROVISIONS

	As at 31st March, 2014	(₹Amount in Rs.) As at 31st March, 2013
(A) Employee Benefits	2,29,873	10,50,000
(B) Provision for Tax	-	2,75,86,641
<b>TOTAL</b>	<b>2,29,873</b>	<b>2,86,36,641</b>



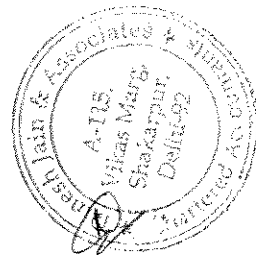
NON CURRENT

9 FIXED ASSETS - TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01-Apr-13	Additions	Deductions /Transfers	As at 31-Mar-14	For the period	Deductions /Transfers	As at 31-Mar-14	As at 31-Mar-13
Plant & Machinery	53,46,497	5,15,200	3,08,359	55,53,338	5,10,793	3,08,108	47,52,024	7,97,159
Office Equipments	36,688	-	-	36,688	2,424	-	21,684	17,428
Furniture & Fixtures	27,662	17,193	-	44,855	4,179	-	23,821	8,021
<b>TOTAL</b>	<b>54,10,847</b>	<b>5,32,393</b>	<b>3,08,359</b>	<b>56,34,881</b>	<b>5,17,396</b>	<b>3,08,108</b>	<b>47,97,529</b>	<b>8,22,608</b>
Previous Year	54,61,437	6,188	56,777	54,10,848	5,36,361	52,300	45,88,240	13,57,258

10 FIXED ASSETS - INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01-Apr-13	Additions	Deductions /Transfers	As at 31-Mar-14	For the period	Deductions /Transfers	As at 31-Mar-14	As at 31-Mar-13
Computer Software	76,72,247	-	74,64,247	2,08,000	14,41,932	74,64,247	1,87,761	14,62,170
<b>TOTAL</b>	<b>76,72,247</b>	<b>-</b>	<b>74,64,247</b>	<b>2,08,000</b>	<b>14,41,932</b>	<b>74,64,247</b>	<b>1,87,761</b>	<b>14,62,170</b>
Previous Year	76,72,247	-	-	76,72,247	9,74,782	-	62,10,076	24,36,953



# 11 NON-CURRENT INVESTMENTS

	As at 31st March, 2014		(₹Amount in Rs.) As at 31st March, 2013	
	No. of shares/ units	Amount	No. of shares/ units	Amount
<b>A. UNQUOTED</b>				
1. Equity Shares (Rs.10 each fully paid up)				
<u>Assistance under financing</u>				
Biotech Consortium Ltd.	2,00,001	20,00,010	2,00,001	20,00,010
Krishna Hydro Energy Ltd.	84,00,000	8,40,00,000	1,26,00,000	12,60,00,000
2. Units of Venture Funds (Rs.10 each fully paid up)				
- Green India Venture Fund (GIVF)	2,72,29,582	27,22,95,816	3,51,27,195	35,12,71,950
- India Enterprise Development Fund (IEDF)	4,50,57,384	45,05,73,839	4,54,39,746	45,43,97,460
- India Automotive Component Manufacturers Private Equity Fund - 1 (Domestic) (IACM)	5,83,707	58,37,069	6,45,957	64,59,570
3. Bonds - Tax free bonds of IFCI Ltd	50	5,00,05,000	-	-
<b>TOTAL</b>		86,47,11,734		94,01,28,990
Less: Provision for Diminution in value		-		-
<b>TOTAL</b>		86,47,11,734		94,01,28,990

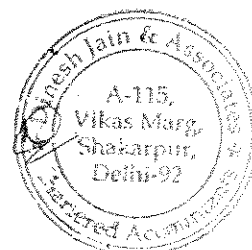
# 12 LONG-TERM LOANS & ADVANCES

	As at 31st March, 2014		(₹Amount in Rs.) As at 31st March, 2013	
	Amount		Amount	
Loans to Assisted Concerns - (Secured and considered good)	1,18,08,97,607		1,53,43,89,364	
Loans to Assisted Concerns - (Secured and considered doubtful)	-		-	
Loans to Staff (Secured)	14,89,499		1,63,39,485	
<b>TOTAL</b>	1,18,23,87,106		1,55,17,22,348	

# 13 CURRENT INVESTMENTS

	As at 31st March, 2014		(₹Amount in Rs.) As at 31st March, 2013	
	No. of shares/ units	Amount	No. of shares/ units	Amount
Quoted Equity Shares		15,05,170		30,98,705
<b>TOTAL</b>		15,05,170		30,98,705
Less: Provision for diminution in value		3,36,636		11,95,581
<b>Total :</b>		11,68,534		19,03,124

Note : 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.



CASH & CASH EQUIVALENTS

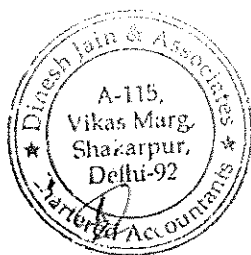
	As at 31st March, 2014	(₹Amount in Rs.) As at 31st March, 2013
(A) Balances with Banks	180,599,025	3,194,799
(B) Cash in hand (including postage stamps)	225	6,908
<b>TOTAL</b>	<b>180,599,250</b>	<b>3,201,707</b>

SHORT-TERM LOANS & ADVANCES

	As at 31st March, 2014	(₹Amount in Rs.) As at 31st March, 2013
(A) Current maturities of Long-term Loans (secured and considered good)	2,354,443,297	2,366,143,527
Current maturities of Long-term Loans (secured and doubtful)	147,719,420	248,283,873
Current maturities of Long-term Loans (unsecured and doubtful)	16,939,386	-
(B) Other Loans and advances		
(i) Loans to Staff (Secured)	44,000	36,000
(ii) Others (Unsecured and considered good)	232,467	132,136
<b>TOTAL</b>	<b>2,519,378,570</b>	<b>2,614,595,536</b>

OTHER CURRENT ASSETS

	As at 31st March, 2014	(₹Amount in Rs.) As at 31st March, 2013
(A) Receivables other than trade	966,228	6,057,518
(B) Accrued Income		
(i) Interest and commitment charges on Loans	67,130,851	23,448,721
(ii) Interest on Investments	34,483.00	-
(iii) Other Income	-	-
(C) Pre-paid Expenses	264,157	133,766
(D) Advance Tax net of provision	8,820,963	-
<b>TOTAL</b>	<b>77,216,682</b>	<b>29,640,005</b>



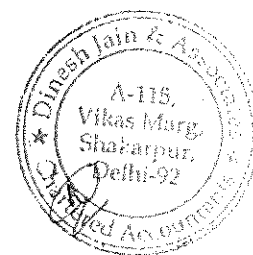


INCOME FROM OPERATIONS

	For the Year ended 31st March, 2014	(₹Amount in Rs.) For the Year ended 31st March, 2013
(A) On Interest on Lending Operations	62,27,72,867	65,75,89,476
(B) On Investment Operations		
(i) Dividend (Gross)		
- long term	-	1,10,082
- current	52,114	-
(ii) Profit on sale of Shares/ Units/ Debentures (Net)	4,62,47,372	2,20,61,122
(C) Business Services Fees and Commission	16,25,000	85,33,174
(D) Management Fee	8,19,23,432	9,38,83,154
(E) Provision no longer required written back	8,58,945	22,42,095
(F) Bad Debt Recovered	43,38,790	31,42,587
(G) Interest on Tax Free Bonds	34,483	-
(H) Prior Period Exp / Excess Provision	8,22,469	-
<b>TOTAL</b>	<b>75,86,75,472</b>	<b>78,75,61,690</b>

OTHER INCOME

	For the Year ended 31st March, 2014	(₹Amount in Rs.) For the Year ended 31st March, 2013
(A) Interest on staff advances	84,208	93,538
(B) Miscellaneous Income	6,15,815	9,83,655
<b>TOTAL</b>	<b>7,00,023</b>	<b>10,77,193</b>



**EMPLOYEE BENEFITS EXPENSES**

		For the Year ended 31st March, 2014	(Amount in Rs.) For the Year ended 31st March, 2013
(A)	Salaries and Allowances *	27,129,470	23,293,248
(B)	Contribution to Provident and other funds	1,158,196	1,030,328
(C)	Staff Welfare Expenses	513,499	644,450
	<b>TOTAL</b>	<b>28,801,165</b>	<b>24,968,026</b>

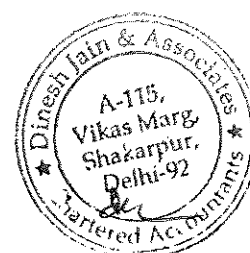
\* Includes Leave Encashment

**FINANCE COST**

		For the Year ended 31st March, 2014	(Amount in Rs.) For the Year ended 31st March, 2013
(A)	Interest on Bonds and Borrowings	311,963,979	343,032,345
(B)	Interest on Cash credit facilities	6,245,811	22,394,244
(C)	Commitment Charges, Brokerage, Commission pertaining to issue of Bonds	1,107,381	8,684,466
	<b>TOTAL</b>	<b>319,317,171</b>	<b>374,111,055</b>

**OTHER EXPENSES**

		For the Year ended 31st March, 2014	(Amount in Rs.) For the Year ended 31st March, 2013
(A)	Rent	5,353,220	9,823,518
(B)	Insurance	3,940	20,855
(C)	Repairs and Maintenance	1,810,819	1,449,945
(D)	Auditors' Remuneration	350,685	299,104
(E)	Directors' Fees	374,455	282,515
(F)	Consultation and Law Charges	3,761,707	2,371,044
(G)	Professional Charges	3,686,439	5,420,799
(H)	Travelling & Conveyance	372,736	1,186,173
(I)	Postage & Telephone	502,078	541,934
(J)	Other Miscellaneous Expenses	1,677,400	1,833,887
(K)	HR Outsource Exp	530,900	530,900
(L)	Provision for diminution in investments	-	34,825
(M)	Provision for Bad & Doubtful Debts	14,681,255	42,923,193
(N)	Provision for Standard assets	-	9,751,332
(O)	Loss on capital loss	730,372	1,177
(P)	Bad Debts Written Off	93,466,373	-
(Q)	Less Provision no longer required	(25,807,495)	-
	Prior period expense	35,200	-
	<b>TOTAL</b>	<b>101,530,084</b>	<b>76,471,201</b>



22. Contingent Liabilities not provided for in respect of:

a) Claims against the Company not acknowledged as debt - Rs. 1,69,421/- (previous year Rs.2,35,012).

23. Auditors' Remuneration

(Rs. in lakhs)

Particulars	31/3/14	31/3/13
a) As Auditor	1.75	1.50
b) For Taxation Matter	0.20	0.15
c) For Other services	0.91	0.84
d) For Reimbursement of Expenses	0.53	0.17
	3.39	2.66

\* The above amount excludes Service Tax.

24. During the year, the company has incurred Rs. NIL in foreign currency on travelling expenses (previous year – Nil).

25. Dues to small-scale industrial undertakings and micro, small, and medium industries (to the extent of information available with the company) is Nil.

26. Deferred benefit plan, in respect of leave encashment, has been recognized as under:-

Actuarial assumptions

	As at 31.3.2014	As at 31.3.2013
Discount Rate	8.00%	8.00%
Rate of Increase in Compensation levels	10.00%	10.00%
Expected average remaining working lives of employees (years)	20.87	19.95

Changes in present value of obligations :

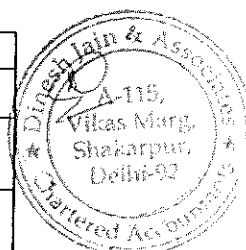
	For year ended 31.3.2014(Rs.)	For year ended 31.3.2013(Rs.)
Present value of obligations in beginning of period	46,80,520	39,25,184
Interest Cost	3,74,442	3,14,015
Current Service cost	6,08,297	3,25,499
Benefits paid	(2,29,530)	(3,94,747)
Actuarial (gain)/loss on obligations	41,70,461	5,10,569
Present value of obligations at the end of the period.	96,04,190*	46,80,520

\* Enterprise best estimate of contribution during next year is Rs.15,34,753/-.

27. Disclosure of details pertaining to related party transactions in terms of Accounting Standard-18, issued by the Institute of Chartered Accountants of India (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
Holding company	IFCI Ltd. (IFCI)
Key Managerial Personnel (deputed from IFCI)	Mr. S.P. Arora (MD)
Associate Company	IFCI Infrastructure Development Ltd. (IIDL) IFCI Financial Services Ltd. (IFIN) Narayan Sriram Investment Pvt Ltd. (NSIPL) IFCI Factors Ltd.

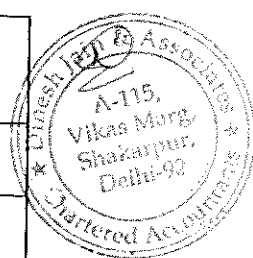


2. Transaction with the related party during the period:-

Type of Transaction – IFCI	Current Year (Rs.)	Previous Year (Rs.)
Loan granted by IFCI	25,00,00,000	3,00,00,000
Repayment of Loan to IFCI	-	10,50,00,000
Loan Outstanding to IFCI	25,00,00,000	
Interest on Loan Paid to IFCI	-	7,15,685
Rent paid to IFCI Ltd.( Exclusive of service tax and education cess)	51,62,000	1,03,87,689
Salaries paid to IFCI for employees deputed by IFCI Ltd.	25,16,967	28,50,512
Paid to IFCI towards HR Management Services ( Exclusive of service tax and education cess)	5,00,000	5,61,800
Paid to IFCI towards Telephone Expense	44,597	1,23,447
Paid to IFCI towards Stationery Expense	19,338	49,120
Paid to IFCI towards Lunch Exp	89,410	2,56,620
Paid to IFCI towards Professional fee	-	5,61,800
Paid towards Insurance policy for employees deputed by IFCI	6,657	11,131
Paid towards Gratuity of employees deputed by IFCI	53,868	1,01,272
Paid towards internet data card for employees deputed by IFCI	8,056	--
Paid towards incentive paid to Managing Director deputed by IFCI	--	32,00,000
	Current Year (Rs.)	Previous Year (Rs.)
<b>Type of Transaction – NSIPL</b>		
Loan granted to NSIPL	26,00,00,000	23,50,00,000
Loan Repayment by NSIPL	22,00,00,000	23,50,00,000
Outstanding Loan of NSIPL	4,00,00,000	-
Interest on Loan recd from NSIPL	2,02,15,772	1,08,67,437
<b>Type of Transaction – IFCI Factors</b>		
Loan granted to IFCI Factors	-	52,00,00,000
Loan Repayment by IFCI Factors	-	52,00,00,000
Outstanding Loan of IFCI Factors	-	-
Interest on Loan recd from IFCI Factors	-	25,01,368
Loan granted by IFCI Factors	20,00,00,000	62,80,00,000
Loan Repayment to IFCI Factors	20,00,00,000	62,80,00,000
Outstanding Loan of IFCI Factors		
Interest on Loan paid to IFCI Factors	42,91,233	34,88,754

Balance Outstanding with the related party during the period:-

Type of Transaction – IFCI	Current Year (Rs.)	Previous Year (Rs.)
Payable to IFCI towards salary of employees deputed by IFCI	4,87,899	1,63,664
Payable to IFCI towards gratuity of employees deputed by IFCI	55,110	28,291
Interest payable to IFCI Ltd.	3,69,863	-



28. Deferred Taxation

- (i) As per the Accounting Standard (AS-22) "Accounting for Taxes on Income", the company has determined the deferred tax assets of Rs.1,61,79,495/- (Previous year assets of Rs. 89,64,456/-) as on 31<sup>st</sup> March, 2014.
- (ii) Break up of Deferred Tax Assets & liabilities is as under:-

	31/03/2014	31/03/2013
<b>a) Deferred Tax Liabilities</b>		
Related to Fixed Assets	(1,43,117)	(5,70,234)
<b>b) Deferred Tax Assets</b>		
Expenditure allowable on actual payment	1,63,22,612	95,34,690
<b>Net Deferred Tax (Liability)/ Asset</b>	1,61,79,495	89,64,456

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

- (a) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: Rs.299,90,91,802/-.

(b) Other Information:

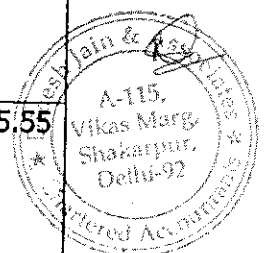
		(Rs. lakhs)	
	Particulars	31/03/2014	31/03/2013
1.	Gross Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	16,46,58,806	26,46,23,358
2.	Net Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	13,28,61,852	22,17,00,165
3.	Assets acquired in satisfaction of debt	Nil	Nil

(c) Capital to risk assets ratio (CRAR)

As on		31/03/2014	31/03/2013
A.	Capital		
	(a) Capital to Risk Assets Ratio (CRAR)	37.45%	31.35%
	(b) CRAR – Tier I capital (%)	37.24%	31.16%
	(c) CRAR – Tier II capital (%)	0.21	0.19
	(d) Subordinated debt raised, outstanding as Tier II Capital	Nil	Nil
	(e) Risk-weighted assets (Rs. lakhs):		
	(i) On-Balance Sheet Items	46,445.02	51,403.15
	(ii) Off-Balance Sheet Items	0.85	1.18

(d) Exposure to Real Estate Sector

Category		(Rs. Lakhs)	
		31/03/2014	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 Rs.15 lakh may be shown separately)		
	(ii) Commercial Real Estate- Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential	7,592.88	19,955.55



		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		
	(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

(e) Maturity Pattern of assets and liabilities

(Rs. lakhs)

	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
<b>Liabilities</b>									
Borrowings from Banks / FI	3,812.07	416.67	-	2,750.00	2,500.00	2,331.35	-	-	11,810.09
Bonds	-	-	-	-	7,480.00	2,510.00	7,334.00	596.00	17,920.00
Market Borrowings	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,812.07</b>	<b>416.67</b>	<b>-</b>	<b>2,750.00</b>	<b>9,980.00</b>	<b>4,841.35</b>	<b>7,334.00</b>	<b>596.00</b>	<b>29,730.09</b>
<b>Assets</b>									
Advances	3,565.95	3,501.03	1,038.70	7,675.55	9,409.78	11,183.97	625.00	-	36,999.99
Investments	30.00	76.00	65.54	174.80	1,074.20	6,721.58	-	520.05	8,662.17
<b>Total</b>	<b>3,595.95</b>	<b>3,577.03</b>	<b>1,104.24</b>	<b>7,850.35</b>	<b>10,483.98</b>	<b>17,905.55</b>	<b>625.00</b>	<b>520.05</b>	<b>45,662.16</b>

(f) Details of Loan Assets subjected to Restructuring :

(Rs. In lakhs)

Particulars	<b>2013-2014</b>		<b>2012-2013</b>	
	<b>CDR</b>	<b>Non CDR</b>	<b>CDR</b>	<b>Non CDR</b>
Standard	-	1,900.00	-	3056.61
Sub-standard	-	84.62	-	-
Doubtful	-	-	-	-
<b>Total</b>	<b>0.00</b>	<b>1,984.62</b>	<b>0.00</b>	<b>3056.61</b>

30. Previous year/ period figures have been re-grouped/ re-arranged wherever necessary.

For Dinesh Jain & Associates  
Chartered Accountants

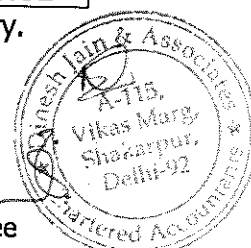
D.K. Jain  
Partner

Indu Gupta  
Chief Finance Officer

Directors

Shivendra Tomar  
Managing Director

Malay Mukherjee  
Chairman



Place : New Delhi

Date : 16/04/2014