
INDEPENDENT AUDITOR'S REPORT

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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

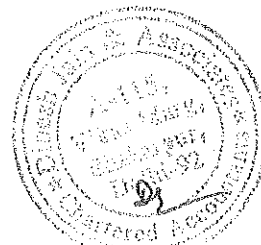
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing issued under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



(Contd.....2)

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

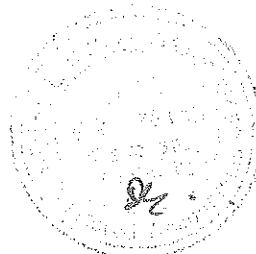
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

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 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 31st March, 2016 and its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure -A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required 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 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) As per the information and explanations given to us, the company has no branch office. Hence no requirement to consider report of branch auditor and dealt with it in preparing our report
 - d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



(Contd.....3)

- e) In our opinion the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- f) In our opinion, there is no such observation which may have adverse effect on the functioning of the company.
- g) On the basis of the written representation received from the directors as on 31st March, 2016 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164 (2) of the Act.
- h) There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.
- i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure -B"; and
- j) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The company does not have any pending litigations which would impact its financial position.
 - ii) The company did not have any long term contracts including derivative contracts for which there were 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.

3. As per the directions / sub-directions issued by C&AG of India under section 143(5) of the Companies Act, 2013 we report that :-

Directions

- 1) The Company does not have any freehold or leasehold land therefore, this clause is not applicable on the company.
- 2) There is no case of waiver/ write off of debtors/ loans/ interest etc. during the year.
- 3) The company is engaged in NBFC business, therefore the clause regarding maintenance of inventories lying with third parties is not applicable. No assets have been received as gift / grant(s) from the Govt. or other authorities.



(Contd.....4)

Sub-Directions

- 1) Independent verification has been made of information/ inputs furnished to Actuary for arriving at the provision for liability of retirement benefits of employees.
- 2) The titles of ownership of all investments whether in physical form or demat form are tallied with the amounts shown in the Company's books of accounts.

PLACE: DELHI
DATED: 29/04/2016

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

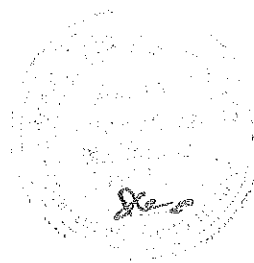


(D. K. JAIN) FCA
PARTNER
M.No. 082033

ANNEXURE – A TO THE AUDITOR'S REPORT

For the Annexure referred to in paragraph 1 of the Our Report on Other Legal and Regulatory Requirements of even date to the Members of **IFCI Venture Capital Funds Limited** for the year ended 31st March, 2016; we report that:

- (i) a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assts.
- b) The Fixed Assets have been physically verified by the management at reasonable intervals. Accordingly to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) The company does not own any immovable property therefore this clause is not applicable on the company.
- (ii) The company is engaged in NBFC business, therefore the clause regarding maintenance of inventories is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The company has not granted any loan to director of the company or any other person in whom director is interested as per section 185 of Companies Act, 2013. In respect of other loans and investments made by the company the provisions of section 186 of the Companies Act, 2013 wherever applicable have been complied with.
- (v) The Company has not accepted any deposits during the year under section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made there under.
- (vi) According to Information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of business carried out by the Company.
- (vii) (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, Service tax and any other statutory dues. Further, as explained to us, no undisputed amounts payable in respect of statutory dues were outstanding, as at 31st March, 2016, for a period of more than six months from the date they became payable.

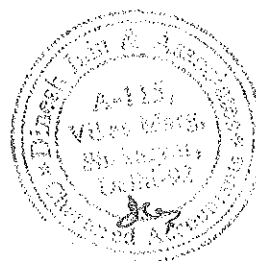


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(b) According to the records of the company, there are no dues of Provident Fund and Service tax which have not been deposited on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the dues	Amount of demand	Period to which the amount relates	Forum where dispute is pending	Remark, If any
Income Tax Act, 1961	Penalty	Rs.3,53,210/-	Asstt. Year 2012-13	CIT (Appeal)-4, New Delhi	--

- (viii) 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 a financial institution, bank, Government or dues to debenture holders.
- (ix) Based on our audit procedures and on the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans raised were applied for the purposes for which those are raised.
- (x) During the course of our examination of the books and records of the company carried out in accordance with generally accepted practices, in India, we have neither come across any instance of fraud on or by the company nor, the company noticed and reported any such case during the year, and accordingly the company has not informed any of such case.
- (xi) Based on our audit procedures and on the information and explanations obtained during the course of audit, we are of the opinion that managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company therefore this clause is not applicable.
- (xiii) According to Information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.



(Contd.....3)

- (xiv). According to Information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore this clause is not applicable.
- (xv) According to Information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is engaged in NBFC business required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and registration has been obtained by the Company.

PLACE: DELHI
DATED: 29/04/2016



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

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

**ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE FINANCIAL STATEMENTS OF IFCI VENTURE CAPITAL FUNDS LIMITED**

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

We have audited the internal financial controls over financial reporting of **IFCI VENTURE CAPITAL FUNDS LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

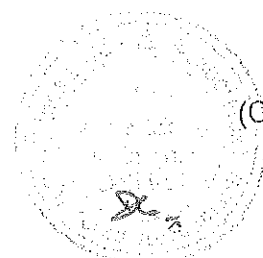
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 Company's internal financial controls system over financial reporting.



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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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 31st March, 2016, 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.

PLACE: DELHI
DATED: 29/04/2016

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



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

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

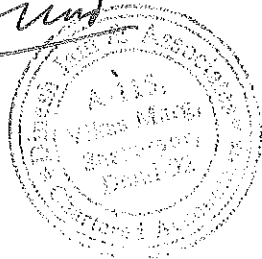
BALANCE SHEET AS AT 31st MARCH, 2016

		(Amount in Rs.)	
PARTICULARS	Note No.	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	02	60,37,10,080	60,37,10,080
(b) Reserves and Surplus	03	1,45,15,30,063	1,31,61,06,077
		<u>2,05,52,40,143</u>	<u>1,91,98,16,157</u>
(2) Non-current Liabilities			
(a) Long-term Borrowings	04	4,02,07,52,040	3,17,30,00,001
(b) Long-term Provisions	05	3,16,22,630	4,55,11,245
		<u>4,05,23,74,670</u>	<u>3,21,85,11,246</u>
(3) Current Liabilities			
(a) Short-term Borrowings	06	24,99,93,836	21,63,03,765
(b) Other Current Liabilities	07	81,65,81,315	44,36,42,930
(c) Short-term Provisions	08	19,99,47,719	9,77,81,780
		<u>1,26,65,22,870</u>	<u>75,77,28,475</u>
TOTAL		<u>7,37,41,37,683</u>	<u>5,89,60,55,878</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	09	5,28,540	4,95,363
(ii) Intangible Assets	10	27,465	-
(b) Non-current Investments	11	82,46,30,409	86,24,39,633
(c) Deferred Tax Asset (Net)		7,34,81,107	4,18,73,578
(d) Long-term Loans & Advances	12	3,21,71,30,988	2,55,42,89,550
		<u>4,11,57,98,509</u>	<u>3,45,90,98,124</u>
(2) Current Assets			
(a) Current Investments	13	9,97,84,226	-
(b) Cash and Cash Equivalents	14	10,64,87,982	2,65,91,205
(c) Short-term Loans and Advances	15	2,99,60,50,590	2,32,50,36,306
(d) Other Current Assets	16	5,60,16,376	8,53,30,243
		<u>3,25,83,39,174</u>	<u>2,43,69,57,754</u>
TOTAL		<u>7,37,41,37,683</u>	<u>5,89,60,55,878</u>

Notes 1 to 21 form an integral part of financial statements

As per our report of even date attached.
For Dinesh Jain & Associates
Chartered Accountants
FRN: 004885N

D.K. Jain, FCA.
Partner
M. No. 082033



Director

Deepak Mishra
Mg. Director (DIN: 05245002)

Mukesh Girdhar
Company Secretary

Indu Gupta
Chief Finance Officer

Place : New Delhi

Date : 29/04/2016

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

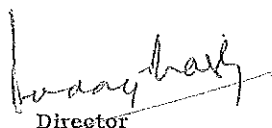
(Amount in Rs.)


PARTICULARS	Note No.	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
I. REVENUE			
Revenue from Operations	17	93,07,77,691	78,49,00,420
Other Income	18	2,52,799	3,99,800
TOTAL REVENUE (A)		93,10,30,490	78,53,00,220
II. EXPENDITURE			
Employees Benefit Expenses	19	3,78,89,457	2,81,16,910
Finance Cost	20	46,46,40,347	32,10,21,773
Depreciation	9,10	4,56,629	2,49,892
Other Expenses	21	12,24,51,634	8,02,70,642
TOTAL EXPENDITURE (B)		62,54,38,067	42,96,59,217
III. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (A-B)		30,55,92,423	35,56,41,003
IV. EXCEPTIONAL ITEMS		-	-
V. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		30,55,92,423	35,56,41,003
VI. EXTRAORDINARY ITEMS		-	-
VII. PROFIT BEFORE TAX		30,55,92,423	35,56,41,003
- Current Tax		12,55,54,146	13,20,40,000
- Deferred Tax (Net)		(3,16,07,529)	(2,56,94,083)
VIII. PROFIT FOR THE YEAR		21,16,45,806	24,92,95,086
<u>Earning Per Equity</u>			
Basic Earnings per share of Rs.10.00 each		3.51	4.13
Diluted Earnings per share of Rs. 10.00 each		3.51	4.13

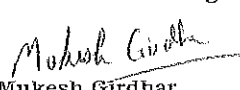
Notes 1 to 21 form an integral part of financial statements

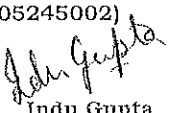
As per our report of even date attached.
For Dinesh Jain & Associates
Chartered Accountants
FRN: 004885N

D.K. Jain, FCA.
Partner
M. No. 082033


Director


Deepak Mishra
Mg. Director (DIN: 05245002)


Mukesh Girdhar
Company Secretary


Indu Gupta
Chief Finance Officer

Place : New Delhi
Date : 29/04/2016

IFCI VENTURE CAPITAL FUNDS LIMITED
CIN: U65993DL1988GOI030284

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	(Amount in Rs.)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	30,55,92,423	35,56,41,003
Adjustments for:		
Depreciation	4,56,629.00	2,49,892
Provision / write off of Bad Debts	8,73,15,103.00	3,43,81,343
Provision for standard assets	42,43,632.00	24,42,995
Provision / write off for Investments	-	(2,18,102)
Provision for Leave Encashment	17,61,642.00	1,09,486
(Profit) / Loss on Sale of Assets	-	(58,893)
Provision for restructured standard assets	-	2,37,78,005
	<u>9,37,77,006</u>	<u>6,06,84,726</u>
Operating Profit before Working Capital Changes & Operating Activity	39,93,69,429	41,63,25,729
Adjustment for Operating Activity		
Increase/(Decrease) in Borrowings	1,26,38,43,208	80,24,28,694
Long Term Loans Given (Net)	(1,33,43,90,934)	(1,17,77,30,984)
Sale of Investments (Net)	3,78,09,225	(3,27,38,501)
Operating Profit before Working Capital Changes	<u>36,66,30,928</u>	<u>4,46,82,176</u>
Decrease / (Increase) in Current Assets	2,98,49,079	(79,42,756)
Increase / (Decrease) in Current Liabilities	(1,05,92,713)	1,92,56,365
<u>Cash Generated from Operations</u>	<u>38,58,87,293</u>	<u>4,53,84,986</u>
Income tax paid/refund(net)	(12,94,67,199)	(12,57,40,360)
CSR Expense	(35,60,695)	(12,35,705)
Net cash from Operating Activities	<u>25,28,59,399</u>	<u>(8,15,91,079)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of/Advance for Fixed Assets	(5,17,271)	(34,200)
Investments in Liquid Funds	(9,97,84,226)	-
Sale proceed of Fixed Assets	-	58,893
Net cash used in/raised from Investing Activities	<u>(10,03,01,497)</u>	<u>24,693</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid (incl. Dividend tax)	(7,26,61,125)	(7,24,41,659)
Net Cash from Financing Activities	<u>(7,26,61,125)</u>	<u>(7,24,41,659)</u>
Net Change in Cash & Cash Equivalent (A+B+C)	<u>7,98,96,777</u>	<u>(15,40,08,045)</u>
Opening Cash and Cash Equivalent	2,65,91,205	18,05,99,250
Closing Cash and Cash Equivalent #	10,64,87,982	2,65,91,205
Increase/Decrease in Cash & Cash Equivalent	<u>7,98,96,777</u>	<u>(15,40,08,045)</u>

Please refer note No. 14 to notes to accounts.

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

FRN: 004885N

D.K. Jain, FCA.

Partner

M. No. 082033

Place : New Delhi

Date : 29/04/2016

Director

Mukesh Girdhar
Company Secretary

Deepak Mishra
Mg. Director (DIN: 05245002)

Indu Gupta
Chief Finance Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**(A) SIGNIFICANT ACCOUNTING POLICIES****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 relevant provisions of the Companies Act, 2013, the applicable guidelines issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies, other statutory provisions and regulatory framework. The Company adopts the accrual concept in the preparation of accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

2. REVENUE RECOGNITION

- (a) Interest and other dues are recognized on accrual basis except in the case of income on Non-Performing Assets (NPA) which is recognized, as and when received, as per the prudential norms prescribed by the RBI for Non-Banking Financial Companies.
- (b) Front-end fees are accounted for on realization basis.

3. INVESTMENTS

Investments are classified under two categories i.e. current and long term and are valued in accordance with the RBI Guidelines as applicable to Non-Banking Financial Companies (NBFCs).

- (i) Long term investments are valued at cost unless there is a permanent diminution in their value.
- (ii) Current Investments are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.

4. TANGIBLE FIXED ASSETS AND DEPRECIATION

- (a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Residual value in respect of Fixed Assets has been taken 'Nil'.



- (b) Depreciation is provided on the Straight Line Method (SLM) over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013.

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 as applicable to Non-Banking Financial Companies. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI.
- (b) For restructured/ rescheduled assets, provision is made in accordance with the amended guidelines issued by RBI.
- (c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there-against or are considered recoverable in terms of RBI Guidelines.

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).

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 incomes 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.

8. Cash & Cash Equivalents

Cash & Cash equivalents comprises of balances with banks in current accounts and cash in hand.



NOTES TO ACCOUNTS

02 SHARE CAPITAL

	As at 31st March, 2016	(Amount in Rs.) As at 31st March, 2015
AUTHORISED		
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
	1,50,00,00,000	1,50,00,00,000
ISSUED		
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
SUBSCRIBED		
6,03,71,008 (Previous Year - 6,03,71,008) Equity Shares of Rs 10/-	60,37,10,080	60,37,10,080
PAID UP EQUITY		
6,03,71,008 (Previous Year - 6,03,71,008) Equity Shares of `10/- each (foot-note 1)	60,37,10,080	60,37,10,080
TOTAL	60,37,10,080	60,37,10,080

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 Ltd. holds 5,95,21,008 equity shares i.e. 98.59%.

03 RESERVES AND SURPLUS

	As at 31st March, 2016	(Amount in Rs.) As at 31st March, 2015
(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 I.T Act, 1961 (please refer Foot Note-1)	5,20,000	5,20,000
(D) <u>Reserve u/s 45IC of RBI Act (refer foot note-2)</u>		
Opening Balance	22,99,15,090	18,00,56,073
Add: Added during the year	4,23,29,161	4,98,59,017
	27,22,44,251	22,99,15,090
(E) <u>Surplus balance in Profit & Loss :</u>		
Opening Balance	61,07,81,075	48,64,68,905
Add: Profit for the period	21,16,45,806	24,92,95,086
	82,24,26,881	73,57,63,991
<u>Less: Appropriations</u>		
Reserve u/s 45 IC of RBI Act	4,23,29,161	4,98,59,017
Depreciation of Assets having Nil Life	-	1,46,535
Interim Dividend-Equity	6,03,71,008	6,03,71,008
Dividend Distribution Tax	1,22,90,117	1,20,70,651
CSR Expense	35,60,695	25,35,705
	70,38,75,900	61,07,81,075
TOTAL	1,45,15,30,063	1,31,61,06,077

Foot-note

1. Provision under Section 36(1)(viii) of the Income Tax Act has been created in line with exemptions available to Financial Institution.
2. In terms of Section 45IC of RBI Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared.



NOTES TO ACCOUNTS

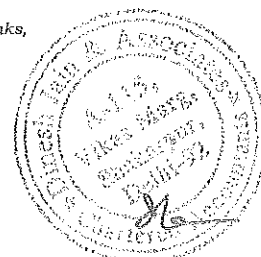
04 LONG-TERM BORROWINGS - SECURED & UNSECURED

	As at 31st March, 2016	(Amount in Rs.) As at 31st March, 2015
(A) Bonds		
200 Bonds of Rs. 10,00,000 each (refer foot note 1) - secured	20,00,00,000	20,00,00,000
1510 Bonds of Rs. 1,00,000 each (refer foot note 2) - unsecured	15,10,00,000	15,10,00,000
6420 Bonds of Rs. 1,00,000 each (refer foot note 3) - unsecured	64,20,00,000	64,20,00,000
783 Bonds of Rs. 10,00,000 each (refer foot note 4) - secured	78,30,00,000	78,30,00,000
Sub-Total 'A'	1,77,60,00,000	1,77,60,00,000
(B) Other Long Term Borrowings- Secured		
a) Banks (refer foot note 5)	2,24,47,52,040	1,39,70,00,001
Sub-Total 'B'	2,24,47,52,040	1,39,70,00,001
TOTAL (A+B)	4,02,07,52,040	3,17,30,00,001

Foot-notes

1	Issuer	IFCI Venture Capital Funds Ltd.		
	Issue size	Rs. 20 Crores		
	Face Value	Rs. 1,000,000.00 (Rupees Ten Lac) per bond		
	Tenure & Redemption	At end of 10 Years from date of allotment i.e. 10th October, 2024		
	Coupon Rate	10.80% p.a. annual		
	Security	Pari-pasu charge on Book Debts		
	Interest Payment	Interest shall be made annually on 10th October		
2	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 5th year from the date of allotment		
	Redemption	At par at the end of 10 th year from deemed date of allotment i.e. 18th February, 2023		
	Coupon Rate	10.15% p.a. annual		
	Interest Payment	Interest shall be made annually on 18th February		
3	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 7th Year
	Redemption	At par at the end of 5 th year from deemed date of allotment i.e. 16th October, 2017		At par at the end of 10th year from deemed date of allotment i.e. 16th October, 2022
	Coupon Rate	10.25% p.a. (semi-annual)		
	Interest Payment	Interest shall be made on Semi-Annual basis on 15th March and 15th September every year		
4	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, during the currency of the Bonds		
	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 3rd year, 5th year & 7th Year respectively.	At par at the end of 5th year & 7th Year respectively.	At par at the end of 1st year & 2nd year respectively.
	Redemption	At par on exercising put/ call option at the end of 3 rd year or 5 th year or 7 th year or at the end of 10 th year from deemed date of allotment, whichever is earlier i.e. 24th January, 2022	At par on exercising put/ call option at the end of 5 th year or 7 th year or at the end of 10 th year from deemed date of allotment, whichever is earlier i.e. 24th January, 2022	At par on exercising put/ call option at the end of 1st year or 2nd year or at the end of 3rd year from deemed date of allotment, whichever is earlier i.e. 24th January, 2015
	Coupon Rate	10.75% p.a. (Annual on 24th January)		

- 5 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 Secured bonds.



05 LONG-TERM PROVISIONS

(Amount in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
(A) Provision for Standard Assets	1,64,37,959	1,21,94,327
(B) Provision for Leave Encashment	99,34,671	95,38,913
(C) Provision for Restructured Standard Assets	52,50,000	2,37,78,005
TOTAL	3,16,22,630	4,55,11,245

06 SHORT-TERM BORROWINGS-SECURED

(Amount in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
(A) Cash credit facilities from Banks (Foot Note-1)	4,99,93,836	1,63,03,765
(B) Secured Loan from Bank/FI (Foot Note-2)	20,00,00,000	20,00,00,000
TOTAL	24,99,93,836	21,63,03,765

Foot Note

(1) Cash credit facility from bank represents CC limits which is secured against pari-passu charge on book debts

(2) Secured Loan taken from Bank are short-term credit facility taken from Karur Vysya Bank which are also secured against pari-passu charge on book debts. This is due for renewal/rollover on 18th July 2016.

07 OTHER CURRENT LIABILITIES

(Amount in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
(A) Current maturities of Long-term borrowings	76,85,46,666	38,61,45,568
(B) Interest accrued but not due on bonds and borrowings	3,36,84,022	4,48,51,427
(C) Interest received in Advance	1,04,08,837	75,93,425
(D) Other Payables		
- Tax and other deduction/ collection payable	9,20,419	6,06,763
- Liability for expenses	3,29,213	7,17,505
- Others	26,92,158	37,28,242
TOTAL	81,65,81,315	44,36,42,930

Foot-notes

1 The following borrowings are secured against the total receivables of Rs.6212121628/-

- Long Term Bonds of Rs. 10 lakh each (note-4)	98,30,00,000
- Long Term Borrowings from Banks (note-4)	2,24,47,52,040
- Current Maturity of Long Term Borrowings (note-7)	76,85,46,666
- Cash Credit from Banks (note-6)	24,99,93,836
TOTAL	4,24,62,92,542

08 SHORT-TERM PROVISIONS

(Amount in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
(A) Employee Benefits	15,44,728	1,78,844
(B) Provision for Tax (Net of Advance Tax & TDS)	23,86,587	62,99,640
(C) Provision for CSR Expense	1,70,000	13,00,000
(D) Provision for bad & doubtful debts	19,58,46,404	9,00,03,296
TOTAL	19,99,47,719	9,77,81,780



NON CURRENT

09 FIXED ASSETS

Schedule of Fixed Assets as per Companies Act, 2013

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As at 1-Apr-15	Additions	Deductions /Transfers	As at 31-Mar-16	As at 1-Apr-15	For the period	As at 31-Mar-16	As at 31-Mar-15
Computers & Servers	49,38,838	4,64,850	-	54,03,688	44,68,162	4,43,890	49,12,052	4,70,676
Office Equipments	36,688	-	-	36,688	32,956	1,867	34,823	3,732
Furniture & Fixtures	44,855	18,713	-	63,568	23,899	4,629	28,528	20,956
TOTAL	50,20,381	4,83,563	-	55,03,944	45,25,017	4,50,386	49,75,403	4,95,364
Previous Year	56,34,881	34,200	6,48,700	50,20,381	47,97,529	8,25,689	45,25,017	8,37,352

10 FIXED ASSETS - INTANGIBLE ASSETS

Schedule of Fixed Assets as per Companies Act, 2013

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1-Apr-15	Additions	Deductions /Transfers	As at 31-Mar-16	As at 1-Apr-15	For the period	As at 31-Mar-16	As at 31-Mar-15
Computer Software	2,08,000	33,708	-	2,41,708	2,08,000	6,243	2,14,243	-
TOTAL	2,08,000	33,708	-	2,41,708	2,08,000	6,243	2,14,243	-
Previous Year	2,08,000	-	-	2,08,000	1,87,761	49,048	2,08,000	20,239



11 NON-CURRENT INVESTMENTS

	As at 31st March, 2016		(Amount in Rs.) As at 31st March, 2015	
	No. of shares/ units	Amount (Rs.)	No. of shares/ units	Amount (Rs.)
A. UNQUOTED				
1. Equity Shares (Rs.10 each fully paid Assistance under financing)				
Biotech Consortium Ltd.	2,00,001	20,00,010	2,00,001	20,00,010
Krishna Hydro Energy Ltd.	-	-	45,00,516	4,50,05,160
Jangipur Bengal Mega Food Park Ltd	42,00,000	4,20,00,000	-	-
Units of Venture Funds (Rs.10 each fully paid up)				
- Green India Venture Fund (GIVF)	2,35,86,583	23,58,65,834	2,35,86,583	23,58,65,834
- India Enterprise Development Fund (IEDF)	3,91,79,055	39,17,90,553	4,24,95,106	42,49,51,061
- India Automotive Component Manufacturers Private Equity Fund - 1 (Domestic) (IACM)	2,96,901	29,69,012	4,61,257	46,12,568
TOTAL (A)		67,46,25,409		71,24,34,633
B. QUOTED				
1. Bonds - Tax free bonds of IFCI Ltd of Rs. 10,00,000 each	50	5,00,05,000	50	5,00,05,000
2. Bonds - Taxable IFCI Ltd of Rs. 1000 each	1,00,000	10,00,00,000	1,00,000	10,00,00,000
TOTAL (B)		15,00,05,000		15,00,05,000
Grand Total		82,46,30,409		86,24,39,633

12 LONG-TERM LOANS & ADVANCES

	As at 31st March, 2016		(Amount in Rs.) As at 31st March, 2015	
	Amount		Amount	
Loans to Assisted Concerns - (Secured and considered good)	3,21,71,30,988		2,55,42,89,550	
TOTAL	3,21,71,30,988		2,55,42,89,550	

13 CURRENT INVESTMENTS

	As at 31st March, 2016		(Amount in Rs.) As at 31st March, 2015	
	No. of shares/ units	Amount	No. of shares/ units	Amount
Unquoted Equity Shares		1,18,534		1,18,534
Liquid Funds SBI PLF #		9,97,84,226		-
TOTAL		9,99,02,760		1,18,534
Less: Provision for diminution in value		1,18,534		1,18,534
Total :		9,97,84,226		-

Investment made in SBI PLF-Regular Plan Growth

Units: 42150.569 @ NAV of Rs. 2,376.0805 per unit as on 31st March, 2016 valuing Rs. 10,01,53,145.06



14 CASH & CASH EQUIVALENTS

	As at 31st March, 2016	(Amount in Rs.) As at 31st March, 2015
(A) Balances with Banks	10,64,87,978	2,65,91,110
(B) Cash in hand (including postage stamps)	4	95
TOTAL	10,64,87,982	2,65,91,205

15 SHORT-TERM LOANS & ADVANCES

	As at 31st March, 2016	(Amount in Rs.) As at 31st March, 2015
(A) Current maturities of Long-term Loans (sec & cons. good)	2,26,04,85,006	2,03,34,49,107
Current maturities of Long-term Loans (sec & cons. substd)	42,45,17,336	22,52,95,502
Current maturities of Long-term Loans (sec & doubtful)	18,11,12,664	4,44,17,664
Current maturities of Long-term Loans (unsec. Sub Std & doubtful)	12,88,75,634	2,02,78,871
	2,99,49,90,640	2,32,34,41,144
(B) Other Loans and advances		
(i) Loans to Staff (Secured)	10,44,950	15,80,162
(ii) Others (Unsecured and considered good)	15,000	15,000
TOTAL	10,59,950	15,95,162
	2,99,60,50,590	2,32,50,36,306

16 OTHER CURRENT ASSETS

	As at 31st March, 2016	(Amount in Rs.) As at 31st March, 2015
(A) Receivables other than trade	31,11,187	86,11,218
(B) Accrued Income		
(i) Interest and commitment charges on Loans	4,04,62,318	7,50,84,479
(ii) Interest on Investments	1,07,52,364	11,84,657
(C) Pre-paid Expenses	1,98,068	2,99,751
(D) TDS Receivable (net of excess provisions)	8,03,202	-
(E) Service tax credit	6,89,237	1,50,138
TOTAL	5,60,16,376	8,53,30,243

17 INCOME FROM OPERATIONS

	For the Year ended 31st March, 2016	(Amount in Rs.) For the Year ended 31st March, 2015
(A) On Interest on Lending Operations	74,55,93,192	62,74,30,292
(B) On Investment Operations		
(i) Profit on sale of Shares/ Units/ Debentures (Net)	5,39,11,128	5,39,51,508
(ii) Interest on Bonds	1,37,36,953	66,90,754
(C) Management Fee	9,98,18,582	7,76,60,723
(D) Income on Contractual Obligations	-	1,79,67,593
(E) Provision no longer required written back	-	3,44,441
(F) Bad Debt Recovered	1,74,82,930	6,96,465
(G) Prior Period Exp / Excess Provision	2,34,906	1,58,644
TOTAL	93,07,77,691	78,49,00,420



18 OTHER INCOME

(Amount in Rs.)

For the Year
ended 31st
March, 2016

For the Year
ended 31st
March, 2015

(A)	Interest on staff advances	72,788	80,705
(B)	Miscellaneous Income	1,80,011	3,19,095
	TOTAL	2,52,799	3,99,800

19 EMPLOYEE BENEFITS EXPENSES

(Amount in Rs.)

For the Year
ended 31st
March, 2016

For the Year
ended 31st
March, 2015

(A)	Salaries and Allowances *	3,52,49,454	2,59,72,238
(B)	Contribution to Provident and other funds	17,24,643	13,44,154
(C)	Staff Welfare Expenses	9,15,360	8,00,518
	TOTAL	3,78,89,457	2,81,16,910

* includes Leave Encashment

20 FINANCE COST

(Amount in Rs.)

For the Year
ended 31st
March, 2016

For the Year
ended 31st
March, 2015

(A)	Interest on Bonds and Borrowings	45,81,38,718	31,14,43,832
(B)	Interest on Cash credit facilities	65,01,629	85,16,141
(C)	Commitment Charges, Brokerage, Commission pertaining to issue of Bonds	-	10,61,800
	TOTAL	46,46,40,347	32,10,21,773

21 OTHER EXPENSES

(Amount in Rs.)

For the Year
ended 31st
March, 2016

For the Year
ended 31st
March, 2015

(A)	Rent	1,32,29,568	58,61,731
(B)	Insurance	11,945	1,17,557
(C)	Repairs and Maintenance	24,53,308	16,02,565
(D)	Auditors' Remuneration	7,87,890	4,99,556
(E)	Directors' Fees	8,12,147	7,80,045
(F)	Consultation and Law Charges (incl filing fees)	29,26,136	18,92,287
(G)	Professional Charges	41,54,296	48,04,898
(H)	Travelling & Conveyance	19,86,255	8,14,254
(I)	Postage & Telephone	4,62,731	6,61,542
(J)	Training & Development Expense	64,200	3,32,355
(K)	Advertisements	21,89,942	3,88,640
(L)	Other Miscellaneous Expenses	17,83,220	16,20,606
(M)	HR Outsource Exp	-	1,32,725
(N)	Provision for diminution in investments	-	1,18,534
(O)	Provision for Bad & Doubtful Debts	8,73,15,103	3,43,81,343
(P)	Provision for Restructured Standard assets	-	2,37,78,005
(Q)	Provision for Standard assets	42,43,632	24,42,995
(R)	Prior period expense	31,261	41,004
			-
	TOTAL	12,24,51,634	8,02,70,642



(B) NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016

1. Contingent Liabilities:

(Rs.)

	As at	31/03/2016	31/03/2015
(i)	Claims not acknowledged as debts	Nil	1,69,421

2. Auditors' Remuneration

(Rs.)

Particulars	31/3/16	31/3/15
a) As Auditor	3,60,000	3,21,000
b) For Other services	1,12,000	48,000
c) For Reimbursement of Expenses	1,27,155	1,04,540
	5,99,155	4,73,540

* The above amount excludes Service Tax.

3. CSR Expenditure

(a) Gross amount required to be spent by the company during the year:
Rs. 71,77,372/- (Previous year Rs. 65,01,343/-)

(b) Amount spent during the year on:

(Rs.)

Sl. No.	Particulars		Paid	Yet to be paid	Total
(i)	Construction/Acquisition of any asset	2015-16	33,90,695	1,70,000	35,60,695
		2014-15	12,35,705	13,00,000	25,35,705
(ii)	On purpose other than (i) above	2015-16	Nil	Nil	Nil
		2014-15	Nil	Nil	Nil

4. During the year, the company has not incurred any expense on travelling expenses in foreign currency. (previous year – Nil).

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



6. There are no material prior period items, except to the extent disclosed, included in Profit & Loss A/c required to be disclosed as per Accounting Standard-5 issued by the ICAI read with RBI guidelines.
7. Leave encashment liabilities have been determined and accounted on the basis of actuarial valuation carried out as at March 31, 2016.
8. Deferred benefit plan, in respect of leave encashment, has been recognized as under:-

Actuarial assumptions

	As at 31.3.2016	As at 31.3.2015
Discount Rate	8.00%	8.00%
Rate of increase in Compensation levels	10.00%	10.00%
Expected average remaining working lives of employees (years)	26.49	20.05

Changes in present value of obligations:

(Rs.)

	For year ended 31.3.2016	For year ended 31.3.2015
Present value of obligations in beginning of period	97,17,757	96,04,190
Interest Cost	7,77,421	7,68,335
Current Service cost	10,20,898	6,27,294
Benefits paid	(5,95,160)	(9,21,074)
Actuarial (gain)/loss on obligations	5,58,483	(3,60,988)
Present value of obligations at the end of the period.	1,14,79,399	97,17,757

9. 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" is as under:

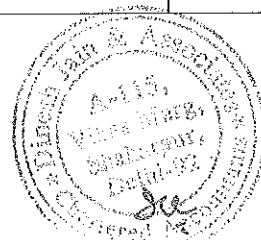
1. Name of the related party and nature of relationship-

Nature of Relationship	Name of the Related Party
Holding company	IFCI Ltd. (IFCI)
Key Managerial Personnel (deputed from IFCI)	Mr. Shivendra Tomar (MD)
Other subsidiaries of Holding company	IFCI Infrastructure Development Ltd. (IIDL) IFCI Financial Services Ltd. (IFIN) IFIN Securities Ltd. (IFSL) IFCI Factors Ltd.

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

(Rs.)

Type of Transaction -- IFCI	Current Year	Previous Year
Repayment of Loan to IFCI	0.00	25,00,00,000



Interest on Loan Paid to IFCI	0.00	4,62,329
Rent & Maintenance paid to IFCI Ltd.(Exclusive of service tax and education cess)	1,24,95,121	58,61,731
Salaries paid to IFCI for employees deputed by IFCI Ltd. including PLI	42,35,524	58,00,170
Paid towards other expenses to IFCI	1,07,918	3,46,014
Paid towards IT Services taken from IFCI	6,00,000	0.00
Interim Dividend paid	5,95,21,008	5,95,21,008
Interest Received and accrued on Bonds subscribed	1,37,36,953	66,90,754
	Current Year (Rs.)	Previous Year (Rs.)
Type of Transaction – IFSL		
Loan Repayment by IFSL	-	4,00,00,000
Interest on Loan recd from IFSL	-	15,75,343

Balance Outstanding with the related party during the period:- (Rs.)

Type of Transaction – IFCI	Current Year	Previous Year
Payable to IFCI towards salary of employees deputed by IFCI	4,88,389	-
Interest accrued on Bonds - IFCI Ltd.	1,07,52,364	11,84,657
Bonds Subscribed & outstanding	15,00,05,000	15,00,05,000
Other Expense payable	2,76,618	1,96,101

The company is dealing with related parties at Arm's Length basis.

10. Deferred Taxation

- As per the Accounting Standard (AS-22) "Accounting for Taxes on Income", the company has determined the deferred tax assets of Rs. 7,34,81,107/- (Previous year assets of Rs. 418,73,578/-) as on 31st March, 2016.
- Break up of Deferred Tax Assets & liabilities is as under:-

	(Rs.)	
	31/03/2016	31/03/2015
a) Deferred Tax Liabilities		
Related to Fixed Assets	(87,127)	(1,03,752)
b) Deferred Tax Assets		
Expenditure allowable on actual payment	7,35,68,234	419,77,330
Net Deferred Tax (Liability)/ Asset	7,34,81,107	418,73,578

- The company operates in India hence it is considered to operate only in domestic segment. However there are two business segments Financing and Fund Management and one of the segment has total revenue exceeding 10% criteria as prescribed. Accordingly, segment reporting as required under Accounting Standard-17 issued by ICAI is reported as under:



Note 11 Disclosures under Accounting Standards (contd.)

Particulars						
Segment information						
The Company has identified business segments as its primary segment. Business segments are primarily <u>Financing Activity</u> and <u>Management of Funds</u> . Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.						
Particulars	For the year ended 31 March, 2016			For the year ended 31 March, 2015		
	Business segments		Total	Business segments		Total
	Financing Activity	Fund Management		Financing Activity	Fund Management	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	83,07,24,203	9,98,18,582	93,05,42,785	70,70,81,053	7,76,60,723	78,47,41,776
Inter-segment revenue	-	-	-	-	-	-
Total	83,07,24,203	9,98,18,582	93,05,42,785	70,70,81,053	7,76,60,723	78,47,41,776
Segment result	27,45,25,121	9,98,18,582	37,43,43,703	32,54,56,937	7,76,60,723	40,31,17,660
Unallocable expenses (net)			6,92,38,985			4,80,35,101
Operating income			30,51,04,718			35,50,82,559
Other income (net)			4,87,705			5,58,444
Profit before taxes			30,55,92,423			35,56,41,003
Tax expense			9,39,46,617			10,63,45,917
Net profit after Tax			21,16,45,806			24,92,95,086

Particulars	For the year ended 31 March, 2016			For the year ended 31 March, 2015		
	Business segments		Total	Business segments		Total
	Financing Activity	Fund Management		Financing Activity	Fund Management	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Segment assets	7,13,75,96,213	-	7,13,75,96,213	5,74,17,65,489	-	5,74,17,65,489
Unallocable assets	-	-	23,65,41,470	-	-	15,42,90,389
Total assets			7,37,41,37,683			5,89,60,55,878
Segment liabilities	5,30,09,19,764	-	5,30,09,19,764	3,95,38,69,814	-	3,95,38,69,814
Unallocable liabilities			2,07,32,17,919			1,94,21,86,064
Total liabilities			7,37,41,37,683			5,89,60,55,878
Other Information						
Capital expenditure (allocable)		-	-		-	-
Capital expenditure (unallocable)			5,17,271			34,200
Depreciation and amortisation (allocable)						
Depreciation and amortisation (unallocable)			4,56,629			2,49,892
Other significant non-cash expenses (allocable)	9,15,58,735		9,15,58,735	6,06,02,343	-	6,06,02,343
(Provision for Bad & Doubtful Assets and Std Assets)						
Other significant non-cash expenses (unallocable)						



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

(a) Capital

Particulars		31/03/2016	31/03/2015
Capital			
(a)	Capital to Risk Assets Ratio (CRAR)	28.50%	32.31%
(b)	CRAR – Tier I capital (%)	28.27%	32.11%
(c)	CRAR – Tier II capital (%)	0.23%	0.21%
(d)	Subordinated debt raised, outstanding as Tier II Capital (Rs.)	Nil	Nil
(e)	Risk-weighted assets (Rs.):		
(i)	On-Balance Sheet Items	719,12,87,000	582,59,80,000
(ii)	Off-Balance Sheet Items	85,000	85,000

(b) Investor group wise classification of all investments (Current & Long Term) in shares and securities (both Quoted & Unquoted)

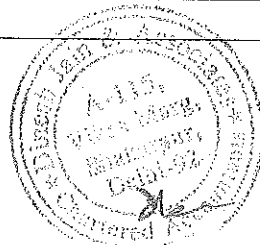
(Rs.)

	Category	As on 31/03/2016		As on 31/03/2015	
		Market/ Break- up/ Fair Value	Book Value	Market/ Break- up/ Fair Value	Book Value
1.	Related Parties				
	(a) Subsidiaries				
	(b) Companies in same group	15,00,05,000	15,00,05,000	15,00,05,000	15,00,05,000
	(c) Joint Venture				
2.	Other than Related Parties	77,44,09,635	77,44,09,635	71,24,34,633	71,24,34,633
	Total	92,44,14,635	92,44,14,635	86,24,39,633	86,24,39,633

(c) Details of investment and movement in provision

(Rs.)

Particulars		As on 31/03/2016	As on 31/03/2015
Value of Investment			
Gross Value of Investments			
(a)	In India	92,45,33,169	86,25,58,167
(b)	Outside India,	-	-
Provisions for Depreciation			
(a)	In India	1,18,534	1,18,534
(b)	Outside India,	-	-
Net Value of Investments			
(a)	In India	92,44,14,635	86,24,39,633



(b)	Outside India.	-	-
Movement of provisions held towards depreciation on investments			
(i)	Opening balance	1,18,534	3,36,636
(ii)	Add : Provisions made during the year	-	1,18,534
(iii)	Less : Write-off / write-back of excess provisions during the year	-	3,36,636
(iv)	Closing balance	1,18,534	1,18,534

(d) Maturity Pattern of assets and liabilities

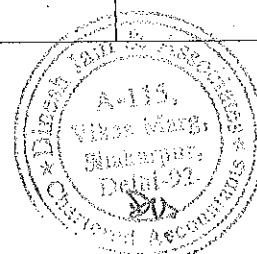
(Rs.)

	1 Day to 30/31 Days (1 Mth)	Over 1 Mth to 2 Mths	Over 2 Mth to 3 Mths	Over 3 Mth to 6 Mths	Over 6 Mth to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities									
Borrowing from Banks	12,81,00,000	-	1,97,66,667	19,99,50,000	67,07,23,835	1,76,66,39,998	47,81,12,042	-	3,26,32,92,
Market Borrowings									
Bonds	-	-	-	-	-	58,24,00,000	-	1,19,36,00,000	1,77,60,00,
Total	12,81,00,000	-	1,97,66,667	19,99,50,000	67,07,23,835	2,34,90,39,998	47,81,12,042	1,19,36,00,000	5,03,92,92,5,
Assets									
Advances	8,14,10,011	27,79,43,348	30,73,83,337	57,70,88,899	1,38,39,12,227	2,82,63,68,640	75,80,15,166		6,21,21,21,6
Investments	9,97,84,226	62,000	-	5,87,24,000	5,33,15,000	66,85,29,399	-	4,40,00,010	92,44,14,6
Total	18,11,94,237	27,80,05,348	30,73,83,337	63,58,12,899	1,43,72,27,227	3,49,48,98,039	75,80,15,166	4,40,00,010	7,13,65,36,2,

(e) Exposures : Exposure to Real Estate Sector

(Rs.)

Category			31/03/2016	31/03/2015
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	Nil	Nil
	(ii)	Commercial Real Estate- Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	121,99,84,500	120,03,11,517
	(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



(f) Ratings assigned by credit rating agencies and migration of ratings during the year

Ratings by	31 March 2016	31 March 2015
CARE	BBB+ A (SO) for bank borrowings	BBB+ A (SO) for new borrowings of Rs.300 crore.
Brickwork	A- (Bonds)	A- (Bonds)

(g) Borrower group-wise classification of assets financed:

(Rs.)

Category		As on 31/03/2016	As on 31/03/2015
1.	Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in same group	-	-
	(c) Other Related Parties	-	-
2.	Other than Related Parties	6,21,21,21,628	4,87,77,30,694
	Total	6,21,21,21,628	4,87,77,30,694

(h) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

(Rs.)

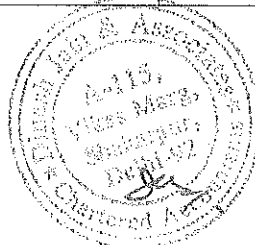
Particulars	As on 31/03/2016		As on 31/03/2015	
	O/s	Overdue	O/s	Overdue
(a) Bank Loans	326,66,09,231	Nil	201,38,42,000	Nil
(b) Bonds	180,63,67,333	Nil	180,64,58,000	Nil
TOTAL	507,29,76,564	Nil	382,03,01,000	Nil

The Company has not defaulted in repayment of dues to any financial institution or bank or bond/ debenture holders.

(i) Provisions and contingencies

(Rs.)

Particulars	As on 31/03/2016	As on 31/03/2015
Provisions for depreciation on Investment	1,18,534	1,18,534
Provision towards NPA	19,58,46,404	9,00,03,296
Provision made towards Income tax	12,55,54,146	13,20,40,000
Provision for Standard Assets	1,64,37,959	1,21,94,327
Provision for Re-structured Standard Assets	52,50,000	2,37,78,005
Provision for Leave encashment	1,14,79,399	97,17,757
Provision for CSR	1,70,000	13,00,000



(j) Concentration of Advances, Exposures and NPAs:

Concentration of Advances

	(Rs.)	
	As on 31/03/2016	As on 31/03/2015
Total Advances to twenty largest borrowers	412,42,73,265	347,48,20,408
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	66.39%	71.24%

Concentration of Exposures

	(Rs.)	
	As on 31/03/2016	As on 31/03/2015
Total Exposure to twenty largest borrowers / customers	412,42,73,265	347,48,20,408
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	66.39%	71.24%

(k) Concentration of NPAs

	(Rs.)	
	As on 31/03/2016	As on 31/03/2015
Total Exposure to top four NPA accounts	54,18,37,365	23,74,04,756

(l) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that Sector	
		As on 31/03/2016	As on 31/03/2015
1	Agriculture & allied activities	Nil	Nil
2	MSME	Nil	Nil
3	Corporate borrowers	11.82%	5.94%
4	Services	Nil	Nil
5	Unsecured personal loans	Nil	Nil
6	Auto loans	Nil	Nil



(m) Movement of NPA :

(Rs.)

Particulars		As on 31/3/2016	As on 31/03/2015
(i)	Net NPAs to Net Advances (%)	8.95%	4.18%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	28,99,92,037	16,46,58,806
	(b) Additions during the year	45,90,95,349	14,33,47,607
	(c) Reductions/write-offs during the year	1,45,81,752	1,80,14,376
	(d) Closing balance	73,45,05,634	28,99,92,037
(iii)	Movement of Net NPAs		
	(a) Opening balance	19,99,88,741	10,90,36,852
	(b) Additions during the year	35,16,52,241	10,81,20,038
	(c) Reductions/write-offs during the year	1,29,81,751	1,71,68,149
	(d) Closing balance	53,86,59,231	19,99,88,741
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	9,00,03,296	5,56,21,954
	(b) Provisions made during the year	10,74,43,108	3,52,27,569
	(c) Write-off / write-back of excess provisions	16,00,000	8,46,227
	(d) Closing balance	19,58,46,404	9,00,03,296

(n) Other Information:

(Rs.)

Particulars		As on 31/03/2016	As on 31/03/2015
1.	Gross Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	73,45,05,634	28,99,92,037
2.	Net Non-Performing Assets		
	(a) Related Parties	Nil	Nil
	(b) Other than Related parties	53,86,59,231	19,99,88,741
3.	Assets acquired in satisfaction of debt	Nil	Nil

(o) Details of Loan Assets subjected to Restructuring :

(Rs.)

		2015-2016		2014-2015	
Particulars					
		CDR	Non CDR	CDR	Non CDR
Standard		-	-	-	46,05,09,000
Sub-standard		-	-	-	12,50,95,000
Doubtful		-	-	-	-
Total		0.00	0.00	0.00	58,56,05,000

(p) Details of Borrower Limit exceeded by the NBFC on the basis of Gross Exposure-
NIL



(q) Disclosure of restructured assets

(Rs.)

Type of restructuring		Other*			
Asset classification		Standard	Substandard	Doubtful	Loss
Restructured accounts as on April 1, 2015	No. of borrowers	4	3	-	-
	Amount outstanding	61,05,09,000	12,50,95,000	-	-
	Provision thereon	2,37,78,000	1,33,50,000	-	-
Fresh restructuring during FY 2015-16	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Upgradations to restructured standard category during FY 15-16	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	1	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Down gradation of restructured accounts during the year	No. of borrowers	(2)	-	-	-
	Amount outstanding	35,55,09,000	-	-	-
	Provision thereon	1,85,28,000	-	-	-
Writeoffs of restructured accounts during the year	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Restructured accounts as on March 31, 2016	No. of borrowers	2	4	-	-
	Amount outstanding	25,50,00,000	46,88,79,000	-	-
	Provision thereon	52,50,000	5,92,57,000	-	-

* There are no restructured accounts under "CDR Mechanism" and "SME Debt Restructuring Mechanism"

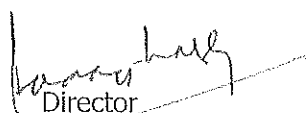



(r) Exposure to Capital Market

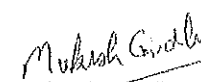
(Rs.)


Particulars		Current Year	Previous Year
(i)	Direct investments in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	4,40,00,010	4,70,05,170
(ii)	Advances against shares/bonds/debenture or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	Nil	Nil
(iii)	Advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary securities	108,66,28,892	147,46,60,017
(iv)	Advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debenture or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances.	Nil	Nil
(v)	Secured and unsecured advances to the stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	Nil	Nil
(vi)	Loan sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	Nil	Nil
(vii)	Bridge loans to companies against expected equity flows / issues.	Nil	Nil
(viii)	All exposure to Venture Capital Funds both registered and unregistered)	63,06,25,399	66,54,29,463
Total exposure to capital market		176,12,54,301	218,70,94,650

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


Director


Deepak Mishra
Mg. Director
DIN: 05245002


Mukesh Girdhar
Co. Secretary


Indu Gupta
Chief Finance Officer

Place : New Delhi

Date : 29/04/2016

