



Audit Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying Balance Sheet of *IFCIVenture CapitalFunds Limited* as of September 30, 2018 and the related Statement of Profit & Loss for the six (6) months period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with applicable financial reporting framework. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the state of affairs of the entity as at September 30, 2018, and of its results of operations for the six (6) months period then ended in accordance with applicable financial reporting framework i.e. Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued thereunder.

Other Matters

1. The Comparative financial information of the Company for the half year ended 30th September 2017 included in these financial statements, are based on previously issued unaudited standalone financial results prepared in accordance with the Companies (Accounting Standards) Rules, 2006 reviewed by the predecessor auditor whose report for the half year ended 30th September 2017 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have not been reviewed by us.



2. Attention is also drawn to Note No. 1.7 & 1.9 accompanying the financial statements.

Place:- New Delhi

Date:- 3 DECEMBER, 2018

For Lunawat & Co.

Chartered Accountants

F.R.No. 000629N



CA. Ramesh K. Bhatia

Partner

M. No. 080160

Address: 54, Darya Ganj,
New Delhi-110002

IFCI Venture Capital Funds Limited
CIN : U65993DL1988GOI030284
Unaudited Balance sheet As On September 30, 2018

Particulars	Note	Ind AS as at September 30, 2018	Ind AS as at September 30, 2017
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	4,08,720	2,23,005
Intangible assets	3	12,296	17,352
Financial Assets			
-Investments	4	49,80,38,518	79,19,11,612
-Loans	5	16,08,84,129	2,11,07,19,735
-Other Financial Assets	6		
Deferred tax assets (Net)	6	32,99,82,525	28,00,67,556
Others non current assets	7		
Total Non-Current Assets		98,93,26,189	3,18,29,39,261
Current Assets			
Financial Assets			
-Investments	4	48,81,31,548	2,74,560
-Cash and Cash Equivalents	7	6,60,04,139	2,53,31,294
-Bank Balances other than above	8	-	-
-Loans	5	2,53,76,23,060	3,03,56,97,516
-Other Financial Assets	9	8,26,12,767	6,89,94,746
Other Financial Assets	10		
Current Tax Assets (net)	10	25,59,721	89,24,055
Other Current Assets	11	9,31,338	9,22,585
Total Current Assets		3,17,78,62,572	3,14,01,44,757
Total Assets		4,16,71,88,761	6,32,30,84,018
EQUITY AND LIABILITIES			
Equity			
-Equity share capital	12	60,37,10,080	60,37,10,080
-Other Equity	13	1,18,41,96,640	1,30,57,78,203
Total Equity		1,78,79,06,720	1,90,94,88,283
Liabilities			
Non Current Liabilities			
Financial Liabilities			
-Borrowings	14	1,58,88,86,668	2,49,11,52,038
-Other financial liabilities	15		
Provisions	15	2,05,04,931	1,34,52,206
Other Non Current liabilities	16		
Total Non Current Liabilities		1,60,93,91,599	2,50,46,04,244
Current Liabilities			
Financial liabilities			
-Borrowings	14	-	27,67,67,635
-Other financial liabilities	16	76,89,16,117	1,63,07,78,016
Other current liabilities	17	8,90,905	7,64,785
Provisions	15	83,419	6,81,054
Current Tax Liabilities (Net)	18	-	-
Total Current Liabilities		76,98,90,441	1,90,89,91,490
Total Liabilities		2,37,92,82,040	4,41,35,95,734
Total Equity and Liabilities		4,16,71,88,761	6,32,30,84,018
Contingent liabilities, commitments and guarantees			



IFCI Venture Capital Fund Limited
CIN : U65993DL1988GOI030284
Unaudited Statement of Profit and Loss
For the half year ended 30th September 2018

Particulars	Note No.	For the half year ended September 30, 2018	For the half year ended September 30, 2017
INCOMES			
Revenue From Operations			
Other Income	19	48,77,88,496	58,12,79,172
Total Incomes(A)	20	88,86,412	41,934
		49,66,74,908	58,13,21,106
EXPENSES			
Employee Benefits expense			
Finance costs	21	1,89,77,181	1,91,79,104
Depreciation and amortization Expense	22	14,67,92,868	24,33,66,373
Other Expense	28.3	47,300	92,589
Total Expenses(B)	23	31,67,78,679	21,11,52,635
		48,25,96,028	47,37,90,702
Profit / (loss) before exceptional items and tax (A-B)			
Exceptional Items		1,40,78,880	10,75,30,405
Profit / (loss) before tax			
Tax Expense:		1,40,78,880	10,75,30,405
1. Current Tax			
2. Deferred Tax		1,68,94,000	(3,08,41,895)
Profit/(loss) for the period		6,34,02,171	(54,01,838)
		(6,62,17,291)	7,12,86,672
Other comprehensive Income			
(A) (i) Items that will not be reclassified to profit or (loss)			
-Remeasurement of the net defined benefit liability/assets			
(ii) Income tax relating to items that will not be reclassified to profit or loss		6,62,783	-
Subtotal (A)			
(B) (i) Items that will be reclassified to profit or loss		6,62,783	-
(specify items and amounts)			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Subtotal (B)			
		-	-
Other Comprehensive Income (A+B)			
		6,62,783	-
Total Comprehensive Income for the period (Comprising Profit (Loss) and other Comprehensive Income for the period)		(6,55,54,508)	7,12,86,672
Earnings per equity share			
Basic (Rs.)			
Diluted (Rs.)		(1.09)	1.18
		(1.09)	1.18



1. Notes on Transitional details

1.1. Adoption of IND AS

The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from April 01, 2018 with effective transition date of April 01, 2017 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder, guidelines issued by the Reserve Bank of India (The RBI) and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2017 and the corresponding adjustments pertaining to comparative previous period/quarter as presented in these financial results have been restated/reclassified in order to conform to current period presentation.

These financial results have been drawn up on the basis of Ind AS that are applicable to the Company from 01 April 2018 based on the Press Release issued by the Ministry of Corporate Affairs ("MCA") on January 18, 2016. Any application guidance/ clarifications/ directions issued by RBI or other regulators will be implemented as and when they are issued/ applicable.

1.2. Financial Assets - Loans

Under the previous GAAP Loans were recognised at outstanding balance. Under IndAS Loans are Measured at amortised cost basis using effective interest rate method in accordance with para 4.1.2 of IndAS 109. As a result interest on NPA accounts which was not recognised in the P&L account but only in memoranda records has now been recognised for measuring the loans at amortised cost.

1.3 Investments

Quoted investments have been measured at fair value where changes in fair value are passed through Profit & Loss Account.



1.4 Other Financial Assets

Interest on Loans & investments has been recognized following the effective interest method with respective Loan/Investment accounts.

1.5 Financial Liabilities - Borrowings

Under the previous GAAP borrowings were recognised at outstanding balance. Under IndAS Borrowings are Measured at amortised cost basis using effective interest rate method in accordance with para 4.1.2 of IndAS 109. As a result interest on borrowings is recognised along with outstanding Loan amount.

1.6 Other Financial Liabilities

Interest on borrowings has been recognised following the effective interest method with respective borrowings.

1.7 Provisioning

Provisioning of Standard and NPA Loan Accounts recognised under previous GAAP, based on RBI prudential norms, has been reversed and Expected Credit Loss on loans have been recognized in accordance with para 5.5.1 of Ind AS 109.

1.8 Actuarial gain /losses

As per IND AS 1, actuarial gains and losses, return on plan asset and any change in the effect of the asset ceiling are to be recognized in other comprehensive income. Hence, the actuarial (gain)/loss recognized on gratuity has been reclassified to Other Comprehensive Income from gratuity expense.

1.9 Provision for Current Tax/ Deferred tax

The Current & Deferred Tax has been calculated on the basis of previous GAAPs, as there is no clarification with regard to current and/or deferred tax effect on Interest recognized on previously classified NPA Accounts.

1.10 Comparative results of September 30, 2017

The above comparative results of September 30, 2017 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the comparative results provide a true & fair view of its affairs.



1.11 Reconciliation of September 30, 2017

As required by paragraph 32 of Ind AS 101, the net profit reconciliation between the figures previously reported under Previous GAAP and restated as per Ind AS for quarter ended September 30, 2017 is as under:

(Amt. in Rs.)

Particulars	Half year ended September 30, 2017
Net Profit after tax as reported under previous GAAP	(1,84,63,248)
Adjustments resulting in increase/(decrease) in net profit after tax as reported under previous GAAP :	
i) Adjustment on account of expected credit loss	(6,90,04,878)
ii) Interest Income on memorandam account	20,83,91,434
iii) Fair valuation of financial assets at fair value through profit and loss	(67,232)
iv) Others	2,50,769
Profit after tax as reported under Ind AS	12,11,06,845
Other comprehensive income /(loss) (net of tax)	-
Total comprehensive income (after tax) as reported under Ind AS	12,11,06,845

For IFCI Venture Capital Funds Ltd



Shakti Kumar
Managing Director
DIN: 07457801

Date: December 3, 2018
Place : New Delhi