33rd Annual Report 2020-21

IFCI VENTURE

IFCI Venture Capital Funds Limited

BOARD OF DIRECTORS

Mr. Manoj Mittal, Non-Executive Chairman
Mr. Sunil Kumar Bansal, Nominee Director
Mr. Shivendra Tomar, Managing Director
Mr. Ravindra Nath, Non-Executive Director
Ms. Anjali Kaushik, Non-Executive Director
Mr. Anil Kumar Bansal, Non-Executive Director
Mr. Arvind Kumar Jain, Additional Director
Mr. Ajay Kumar Kapur, Additional Director

CHIEF FINANCIAL OFFICER

Ms. Indu Gupta

COMPANY SECRETARY

Mr. Rachit Tandon

AUDITORS

STATUTORY AUDITORS
Lunawat & Co.
Chartered Accountants
54, Daryaganj
New Delhi-110002

SECRETARIAL AUDITORS
Saurabh Agrawal & Co.
403, Nirmal Tower,
26 Barakhamba Road,
Connaught Place,
New Delhi-110001

BANKERS

Axis Bank Ltd
HDFC Bank Ltd
State Bank of India
IDBI Bank

REGISTRAR

MCS Share Transfer Agent Limited
F-65, 1st floor Okhla Industrial Area, Phase I,
New Delhi -110020

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited
IL&FS Financial Centre, Plot C-22, G Block,
Bandra-Kurla Complex,
Bandra East, Mumbai-400051

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor
17. R. Kamani Marg, Ballard Estate
Mumbai - 400001

REGISTERED OFFICE

IFCI Tower,
61, Nehru Place,
New Delhi - 110 019.
Tel (011) 41732525, 41732511
Fax (011) 26453348
Website: www.ifciventure.com
E-Mail: cs@ifciventure.com

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NOTICE

NOTICE is hereby given that the THIRTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF IFCI VENTURE CAPITAL FUNDS LIMITED (IFCI VENTURE) will be held at shorter notice on Thursday, September 30th, 2021 at 2:30 p.m. through Video Conferencing (VC)/ Other Audio Video Means (OAVM), at the Registered Office of the Company situated at IFCI Tower, 61, Nehru Place, New Delhi - 110 019, to transact the following business(es):

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2021 and the Profit & Loss Account for the year ended March 31, 2021, and the Reports of the Board of Directors and Auditors thereon, and in this regard, shall pass the following resolution as Ordinary Resolution:

   "**RESOLVED THAT** the Audited Balance Sheet of the Company as at March 31, 2021 and the Profit & Loss Account for the Financial Year ended March 31, 2021, together with the Directors' Report and the Auditors' Report thereon, be and are hereby, received, considered and adopted."

2. To appoint Director(s) in place of Mr. Ravindra Nath (holding DIN 02815496), Non-Executive Director and who retires by rotation and being eligible offer himself for re-appointment.

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ravindra Nath (holding DIN 02815496), who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as Non-Executive Director of the Company whose office shall be liable to retirement by rotation."

3. To fix the remuneration of Statutory Auditors and shall pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and any other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of the Company, be and is hereby, authorized to fix the remuneration including out of pocket expenses, if any, to be payable to the Statutory Auditors as may be appointed by the Comptroller and Auditor General of India for the Financial Year 2021-22."

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution shall be passed as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 read with Section 161 and any other provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory amendment(s), modification(s), variation or re-enactment thereof, for the time being in force), Mr. Arvind Kumar Jain (DIN: 07911109), who was appointed as an Additional Director under the category of Non-Independent Director liable to retire by rotation, on the Board of the Company w.e.f. September 10, 2021 to hold office up to the date of this Annual General Meeting of the Company and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013, has been received in the prescribed manner, be and is hereby appointed as Non-Executive Director under the category of Non-Independent Director liable to retire by rotation on Board of the Company."

   "**RESOLVED FURTHER THAT** Managing Director and Company Secretary, be and are hereby, authorized to do all such acts, deeds and things necessary in this behalf and to file necessary particulars with the Registrar of Companies, NCT of Delhi & Haryana."

5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution shall be passed as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 152 read with Section 161 and any other provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory amendment(s), modification(s), variation or re-enactment thereof, for the time being in force), Mr. Ajay Kumar Kapur (DIN: 00108420), who was appointed as an Additional Director under the category of Non-Independent Director liable to retire by rotation, on the Board of the Company w.e.f. September 10, 2021 to hold office up to the date of this Annual General Meeting of the Company and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013, has been received in the prescribed manner, be and is hereby appointed as Non-Executive Director under the category of Non-Independent Director liable to retire by rotation on Board of the Company."

   "RESOLVED FURTHER THAT Managing Director and Company Secretary, be and are hereby, authorized to do all such acts, deeds and things necessary in this behalf and to file necessary particulars with the Registrar of Companies, NCT of Delhi & Haryana."

By order of the Board of Directors
For IFCI Venture Capital Funds Ltd

Place: New Delhi
Date: 21st September, 2021

Sd/-
(Rachit Tandon)
Company Secretary

Notes:

1. In view of the continuing COVID-19 global pandemic, the Ministry of Corporate Affairs ('MCA') has vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular no 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and SEBI Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 permitted holding of the annual general meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM hereinafter called as 'e-AGM'.
2. The deemed venue for thirty-third e-AGM shall be the Registered Office of the Company at IFCI Tower, Nehru Place, New Delhi - 110019.
3. Attendance of the Members participating in the 33rd AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and attendance Slip are not annexed to this Notice.
5. Institutional/Corporate shareholders (i.e. other than individuals/HUF etc.) are required to send a scanned copy(pdf/jpg format) of its board or governing body's resolution/authorisation, etc., authorising their representative to attend the-AGM on its behalf and to vote. The said resolution/authorisation shall be sent to the Company by e-mail through its registered email address to cs@ifciventure.com
6. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e., from 2:15 p.m. to 2:45 p.m.
7. Members shall receive necessary information/procedure separately at their registered e-mail addresses to enable them to access the audio-video facility for participation in the meeting.
8. In terms of sections 101 and 136 of the Act, read with the rules made thereunder, the companies may send the notice of AGM and the annual report, including financial statements, boards' report, etc. by electronic mode.

IFCI VENTURE

Pursuant to the said provisions of the Act read with MCA Circulars, notice of thirty-third e-AGM along with the Annual Report for FY 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the Company. Members may note that the Notice and Annual Report for FY 2020-21 will also be available on the Company's website at www.ifciventure.com

9. Members are informed that in case if a demand for poll is made by any member in respect to any item, the members shall cast their vote on the resolutions only by sending emails through email addresses which are registered with the company. The voting shall be sent to the Company by e-mail through its registered email address to cs@ifciventure.com

10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

11. Members are requested to kindly communicate immediately any change in their address, if any, to the Managing Director/Company Secretary at the Registered Office of the Company.

12. Members are requested to support our commitment to environment protection by choosing to receive the Company's communication through email going forward.

13. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013; the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.

14. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.

Details of Directors seeking Appointment / Re-appointment at the ensuing Annual General Meeting, pursuant to Secretarial Standard – 2 issued by the Institute of Company Secretaries of India are as under:

PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING

Name of the Director	Mr. Ravindra Nath	Mr. Arvind Kumar Jain	Mr. Ajay Kumar Kapur
Directors Identification Number (DIN)	02815496	07911109	00108420
Date of Birth	09.12.1958	13.01.1957	25.10.1959
Date of First Appointment on the Board	January 11, 2019	September 10, 2021	September 10, 2021
Profile / Expertise in Specific functional Areas.	Mr. Nath is having more than three decades of experience in various areas of Finance, Accounts and Management as well as₩ for the promotion and development with the MSMEs both in India and overseas.	Shri Arvind Kumar Jain, Ex-ED Punjab & Sind Bank is having rich Banking experience of around 40 years with expertise in Treasury Corporate Credit, International Banking, Equity & Debt Capital raising, Compliances and Risk Management.	Shri Ajay Kumar Kapur is having more than 40 year of experience in handling all aspects of development banking including branch operations, policy functions, credit operations, lending to banks, NBFCs and MFIs, SFMC, receivable finance, risk management, treasury and resource raising, associate institutions, international cooperation, IT, venture capital and PE, government interface.

Qualifications	B.Com (Honors) from Delhi University and Fellow Member of Institute of Chartered Accountant of India (ICAI).	B.Sc. (Hons), M.Sc. - Statistics (Gold Medallist), LLB (Professional course) & CAIIB (Certified Associate of the Indian Institute of Bankers)	Bachelor of Industrial Engineering from IIT-Roorkee (erst-while University of Roorkee)
List of Directorship in other Companies	Nil	-IDBI Asset Management Limited -Micro Units Development & Refinance Agency Limited -PNB Investment Services Limited -Nabsamruddhi Finance Limited -PNB Metlife India Insurance Company Limited -SIDBI Venture Capital Limited -ICMAI Registered Valuers Organization	- Utkarsh Small Finance Bank Ltd
Membership of Committee of the Board in other Companies.	Nil	Nil	Utkarsh Small Finance Bank Ltd: - Audit Committee- Member -Credit Approval Committee-Member -NRC – Member -Risk Management Committee- Member
No. of Equity Shares held	Nil	Nil	Nil
No. of Board Meetings attended/entitled to attend during the year	8	N.A.	N.A.
Whether related to any Board Members, Manager or KMP of the Company	No	No	No

EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013)

Item No. 4

Shri Arvind Kumar Jain (DIN: 07911109) aged 64 years is a Non-Executive Non-Independent Director of the Company. Shri Jain was appointed as an Additional Director by the Board of Directors of the Company w.e.f. September 10, 2021.

Under Section 161 of the Companies Act, 2013 read with Article 110(10)(a) of the Articles of Association of the Company, Shri Jain holds office only upto the date of this Annual General Meeting of the Company. A notice has been received proposing candidature of Shri. Jain for the office of Director of the Company and the same has been recommend by Nomination & Remuneration Committee.

Shri Arvind Kumar Jain, Ex-ED Punjab & Sind Bank is having rich Banking experience of around 40 years with expertise in Treasury Corporate Credit, International Banking, Equity & Debt Capital raising, Compliances and Risk Management. In Banking, his career remained quite bright & headed the Branches/ controlling offices besides worked in H.O of the Bank. In Oriental Bank of Commerce as a Chief General Manager, he headed the Large Corporate Credit Department and as a General Manager he headed Integrated Treasury and International Division, Mid Corporate Credit, Merchant Banking Division, Investor Relation etc. The Board considers that given his vast and diverse experience, the Company would benefit under his guidance. Accordingly, the Board recommends the resolution in relation to appointment of Shri Jain as a Non-Executive Director under the category of Non-Independent Director liable to retire by rotation on Board of the Company, for the approval of the shareholders of the Company.

He will be eligible to pay the sitting fees for attending Board and Committee Meetings, in compliance with the provisions of the Companies Act, 2013 and directions of the Board prevailing from time to time. He is not holding any shares in the Company. He is not having any relationship with other directors, manager and Key Managerial Personnel of the Company. Details of his other Directorships and Membership/ Chairmanship of Committees of other Boards are forming part of this Notice.

Except Shri Arvind Kumar Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relative(s) is/ are concerned or interested, financially or otherwise, in the resolution set out in Item No. 4.

Note: Articles of Association of the Company and all other documents related to appointment of Shri Arvind Kumar Jain shall be made available for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.

Item No. 5

Shri Ajay Kumar Kapur (DIN: 00108420) aged 62 years is a Non-Executive Non-Independent Director of the Company. Shri Kapur was appointed as an Additional Director by the Board of Directors of the Company w.e.f. September 10, 2021.

Under Section 161 of the Companies Act, 2013 read with Article 110(10)(a) of the Articles of Association of the Company, Shri Kapur holds office only upto the date of this Annual General Meeting of the Company. A notice has been received proposing candidature of Shri. Kapur for the office of Director of the Company and the same has been recommend by Nomination & Remuneration Committee.

Shri Ajay Kumar Kapur is having more than 40 year of experience in handling all aspects of development banking including branch operations, policy functions, credit operations, lending to banks, NBFCs and MFIs, SFMC, receivable finance, risk management, treasury and resource raising, associate institutions, international cooperation, IT, venture capital and PE, government interface. Shri Kapur played a key role in establishment of MUDRA, Receivable Exchange of India and National Credit Guarantee Trustee Co. Ltd. Long experience of serving on the board of companies. The Board considers that given his vast and diverse experience, the Company would benefit under his guidance. Accordingly, the Board recommends the resolution in relation to appointment of Shri Kapur as a Non-Executive Director under the category of Non-Independent Director liable to retire by rotation on Board of the Company, for the approval of the shareholders of the Company.

He will be eligible to pay the sitting fees for attending Board and Committee Meetings, in compliance with the provisions of the Companies Act, 2013 and directions of the Board prevailing from time to time. He is not holding any shares in the Company. He is not having any relationship with other directors, manager and Key Managerial Personnel of the Company. Details of his other Directorships and Membership/ Chairmanship of Committees of other Boards are forming part of this Notice.

Except Shri Ajay Kumar Kapur, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relative(s) is/ are concerned or interested, financially or otherwise, in the resolution set out in Item No. 5.

Note: Articles of Association of the Company and all other documents related to appointment of Shri Ajay Kumar Kapur shall be made available for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.

By order of the Board of Directors
For IFCI Venture Capital Funds Ltd.

Sd/-
(Rachit Tandon)
Company Secretary

Place: New Delhi
Date: 21st September, 2021

DIRECTORS' REPORT

TO THE MEMBERS OF IFCI VENTURE CAPITAL FUNDS LIMITED

The Board of Directors of your Company are pleased to present the Thirty Third Annual Report of IFCI Venture Capital Funds Limited (the Company) together with the Management Discussion and Analysis, Report on Corporate Governance and Audited Financial Statements for the Financial Year ended March 31, 2021.

1. FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

The financial results of your Company for the Financial Year 2020-21 and 2019-20 under review are summarised in the following table:

(₹ in lakh)

Financial Year	**2020-21**	**2019-20**
Total Income	3,605.73	3,421.67
Expenditure		
- Finance Cost	940.39	1,421.70
- Fees and commission Expense	-	15.43
- Employee Benefit Expenses	399.34	443.05
- Impairment on financial instruments	753.55	1,686.04
- Depreciation	7.01	2.24
- Other Expenses	1,228.37	510.48
Total Expenditure	**3,328.66**	**4,078.95**
Profit/(loss) Before Tax	277.07	(657.28)
Less: Tax Expenses	29.59	(717.24)
Profit/(loss)for the period	247.48	59.95
Add: Other Comprehensive Income	10.68	(12.27)
Total Comprehensive Income for the period	**258.16**	**47.68**

2. CHANGE IN NATURE OF BUSINESS & MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There has been no change in the nature of business of your Company during the reporting period. Further, there have been no material changes and commitments which affect the financial position between the end of the Financial Year and date of Directors' Report.

3. DIVIDEND

No interim or final dividend has been declared for the Financial Year 2020-21.

4. TRANSFER TO RESERVES

The Company has transferred Rs.51.63 lakh to the reserves u/s 45IC of the RBI Act, 1934 during the Financial Year ended March 31, 2021 as your company has earned profits during the year.

5. CAPITAL STRUCTURE/CHANGE IN SHARE CAPITAL

The capital structure of your Company is given as under:

Authorized Share Capital	Issued, Subscribed and Paid-up Share Capital
15,00,00,000 Equity Shares of Rs.10/- each aggregating to Rs.150,00,00,000/-	6,03,71,008 Equity Shares of Rs.10/- each aggregating to Rs.60,37,10,080/-

* During the Financial Year 2020-21, there was no change in authorised, issued, subscribed and paid-up share capital of the company.

6. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) APPOINTED OR RESIGNED DURING THE FINANCIAL YEAR.

During the Financial Year, the following changes have occurred in the composition of the Board of Directors of your Company:

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, upon nomination by IFCI Ltd. the holding company, Shri. Manoj Mittal was appointed as a Nominee Director designated him as Non-Executive Chairman of the Company w.e.f. June 15, 2021.

Shri. Anil Kumar Bansal was appointed as an Additional Director w.e.f. July 16, 2020 and subsequently regularized by shareholders at Annual General Meeting held on September 30, 2020 as Non-Executive Director under the category of Non-Independent Director whose office is liable to retire by rotation.

Shri. Arvind Kumar Jain and Shri. Ajay Kumar Kapur were appointed as Additional Director(s) w.e.f. September 10, 2021 and are proposed to be regularized as Non-Executive Director(s) under the category of Non-Independent Director who hold office up to the date of forthcoming Annual General Meeting.

Shri. Subhash Chander Kalia had tendered his resignation from the Directorship on the Board of IFCI Venture Capital Funds Limited with effect from September 05, 2021. The Board placed on record its appreciation for the guidance, support and valuable contribution provided by him during the tenure of his Directorship on the Board of the Company.

During the year, no other changes took place in the composition of the Board of Directors of the Company. The composition of the Board of Directors of the Company is not in compliance with the applicable norms of the Companies Act, 2013, since in terms of the Act and amendment made thereof, the Company shall have at least two Independent Directors and as per notification dated June 05, 2015 for the induction of Independent Director on the Board of a Government Company, opinion from concerned Ministry or parent Department of the Central Government, which is administratively in charge of the Company or as the case may be, the State Government, is required that the person intending to act as Independent Director shall be a person of integrity and possess relevant expertise and experience. Accordingly, in view of the above, a letter dated May 11, 2021 was sent to Subsidiaries & Associates Department, IFCI Limited and they followed up with Department of Financial Services, Ministry of Finance and reply from them is still awaited.

7. DIRECTOR LIABLE TO RETIRE BY ROTATION

Mr. Ravindra Nath (holding DIN 02815496) Non-Executive Directors will retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered himself for re-appointment.

8. SECRETARIAL STANDARDS

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

9. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2020-21, in compliance with the provisions of the Companies Act, 2013 and rules made thereunder, 8 (eight) meetings of the Board of Directors were conducted, and the details of such meetings forms part of the Report on Corporate Governance, appearing separately in the Annual Report.

10. COMPOSITION OF AUDIT COMMITTEE OF DIRECTORS

Your Company has in place an Audit Committee of Directors, as required under the provisions of Companies Act, 2013 and other applicable regulations. However, the composition of the Audit Committee is not in compliance with the provisions of the Companies Act, 2013. Composition of Audit Committee of Directors and meetings held during the financial year alongwith the attendance forms part of Report on Corporate Governance, appearing separately in the Annual Report.

Your directors would further like to inform that there has been no matter where the Board has not accepted the recommendations of the Committee.

11. DISCLOSURE OF NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of the Companies Act, 2013, your Company has put in place a Nomination & Remuneration Policy. The terms of reference of the Nomination & Remuneration Committee, meetings held during the financial year alongwith the attendance of the members forms part of Report on Corporate Governance, appearing separately in the Annual Report.

As per Notification dated June 05, 2015, issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions of sub section (2), (3) and (4) of Section 178 of the Companies Act, 2013. Accordingly, your Company being a Government Company is not required to disclose the Nomination and Remuneration Policy in the Directors' Report.

12. POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

Your Company has formulated a Policy on Materiality of Related Party Transactions, for the purpose of identification and dealing with related parties. The Policy on dealing with Related Party Transactions as approved by the Board has been uploaded on your Company's website at www.ifciventure.com and salient features is enclosed at **Annexure I.**

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions were placed before the Audit Committee of Directors for approval. Prior omnibus approval of the Audit Committee was obtained on yearly basis for the transactions which were of foreseen and repetitive in nature. None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company.

Disclosure on Related Party Transactions during FY 2020-21 in the prescribed format of Form AOC-2 is given at **Annexure II.**

14. ANNUAL RETURN

As per the amendment dated August 28, 2020 and pursuant to the provisions of the Companies Act, 2013, the Company shall place a copy of the annual return in prescribed format on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report. The same is available on the Company's weblink i.e. http://www.ifciventure.com/investors

15. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to section 135 of the Companies Act, 2013 and rules made thereunder including amendment thereof, the brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the Company's website i.e. www.ifciventure.com.

16. PARTICULARS OF EMPLOYEES AND REMUNERATION

As per Notification dated June 5, 2015, issued by the Ministry of Corporate Affairs, Government Companies are exempt from complying with the provisions of section 197 of the Companies Act, 2013, read with Rules made thereunder. Accordingly, your Company being a Government Company is exempt from disclosing the information required under the said section read with Rules made thereunder in the Board's Report.

17. PERFORMANCE EVALUATION

The Board of Directors and Nomination & Remuneration Committee of Directors has put in place an evaluation framework for the evaluation of the Board, its Committees and of the individual Directors, in compliance with the provisions of the Companies Act, 2013. A structured questionnaire was prepared after taking into consideration various aspects of the Directors' functioning such as delegation of responsibilities to the Committees, level of Directors' integrity and ability to handle conflict constructively, Directors acting in accordance with the provisions of Articles of Association of the Company and the Committees' functions in accordance with terms of reference prescribed by the Board, etc. The Board has carried out an Annual performance evaluation of its own performance and of all the Directors individually as well as the evaluation of various Board Committees.

The Directors expressed their satisfaction with the evaluation process.

18. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has a policy on Prevention of Sexual Harassment at Workplace and is complying with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the Financial Year 2020-21, no complaint was received on this ground.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

As your Company is primarily engaged in the business of financing of companies in the capacity of being a Non-Banking Financial Company, therefore the provisions of Section 186 [except for sub-section (1)] of the Companies Act, 2013 are not applicable to your Company.

20. MAINTENANCE OF COST RECORDS

As your Company is primarily engaged in the business of financing of companies in the capacity of being a Non-Banking Financial Company, therefore maintenance of cost records under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable to your Company.

21. RISK MANAGEMENT

Disclosure on Risk Management in your Company is provided separately in the Management Discussion and Analysis Report forming part of this Report.

22. DEPOSITS

Your Company being a Non-Deposit Accepting Company has not accepted any deposits during the Financial Year 2020-21. There were no public deposits outstanding as at the beginning or end of the Financial Year 2020-21.

23. SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS OR COURT IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant material orders passed by the Regulators or Courts or Tribunal during the year under review which has an impact on the going concern status and company's operations in future.

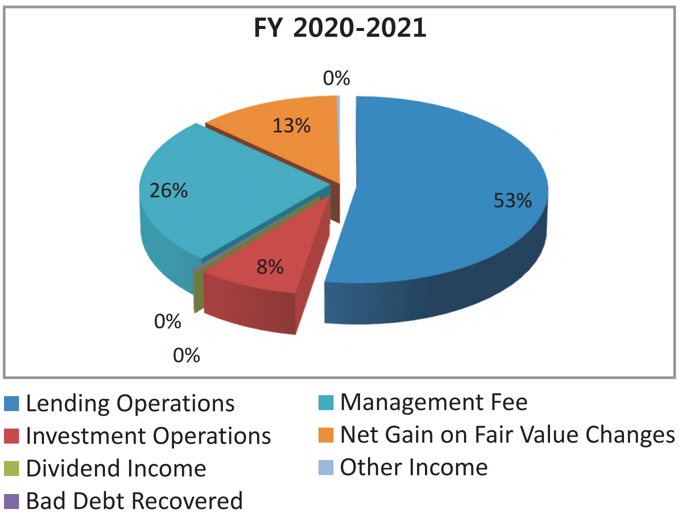
24. VIGIL MECHANISM

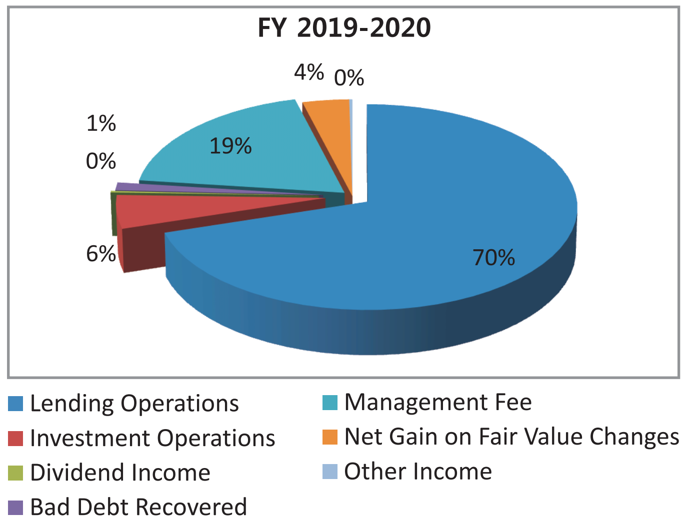
Your Company has in place a Vigil Mechanism Policy, in compliance with the provisions of Companies Act, 2013, under which the Directors and employees can report to the Management their concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct and to provide adequate safeguards to them against any sort of victimization on raising an alarm. During the Financial Year under review, no instance of the disclosure has been made to the Designated Authority or to the Chairman of the Audit Committee of Directors.

The details of the Vigil Mechanism Policy are posted on the website of the Company i.e. www.ifciventure.com.

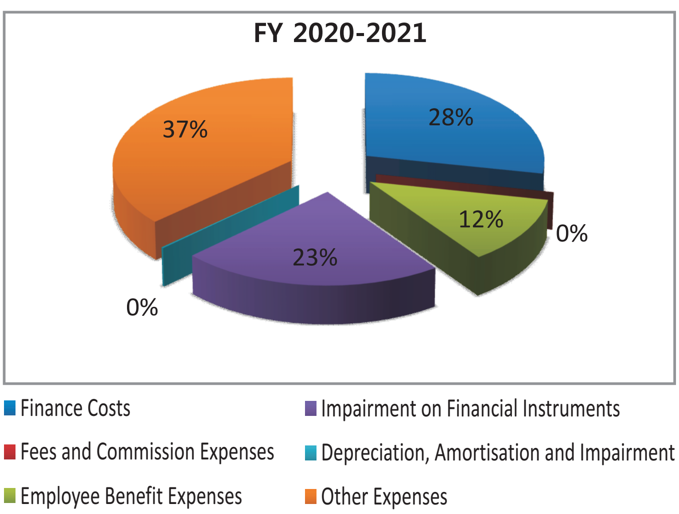
25. INCOME AND EXPENDITURE COMPONENTS

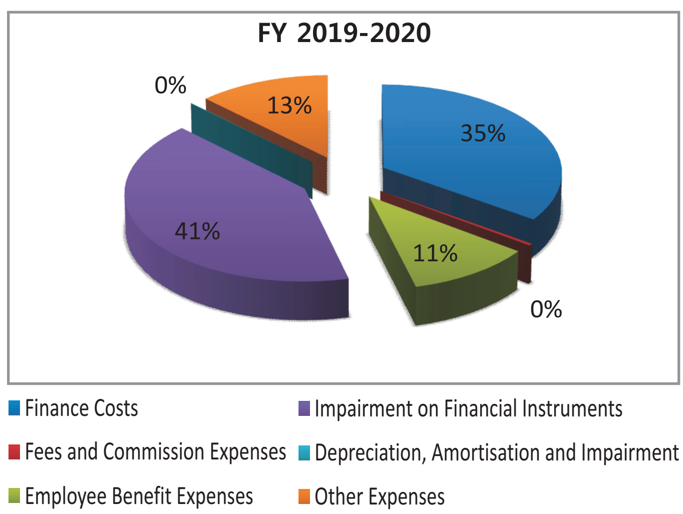
i) Income Components





ii) Expenditure Components





26. INDUSTRY AND BUSINESS OF THE COMPANY

I. INDUSTRY STRUCTURE & DEVELOPMENTS

i. Introduction

The Indian economy registered a GDP growth (YoY) of 0.4% in Q3 2020-21, after recording negative growth of 24.4% and 7.3% in the previous two quarters. The positive growth during the third quarter is indicative of slow resumption of economic activities, improved consumption and activity across sectors. In order to make India self-reliant and fight against the impact of COVID-19, the Hon'ble Prime Minister of India announced stimulus packages worth Rs. 20 lakh crores or 10% of India's GDP towards Atmanirbhar Bharat Abhiyan.

With the economic activity gaining momentum post COVID-19 lockdown and rollout of coronavirus vaccines, the Indian economy is likely to do better. However, the fear of COVID-19, rising input prices, stress in the Micro, Small and Medium-sized Enterprises sector, and a weak labour market are some of the headwinds facing India's economic revival. Monetary and fiscal support will remain crucial.

A. Banking Sector

The Indian banking system consists of 12 public sector banks, 22 private sector banks, 44 foreign banks, 43 regional rural banks and large no. of cooperative banks, in addition to cooperative credit institutions. As of February 2021, the total number of ATMs in India increased to 209,840.

Asset of public sector banks stood at Rs. 107.83 lakh crore in FY20. Total assets across the banking sector (including public, private sector and foreign banks) increased to US$ 2.52 trillion in FY20.

The number of bank accounts opened under the government's flagship financial inclusion drive 'Pradhan Mantri Jan Dhan Yojana (PMJDY)' reached 42.37 crore and deposits in Jan Dhan bank accounts stood at more than Rs. 1.43 lakh crore. Rising income is expected to enhance the need for banking services in rural areas, and therefore, drive the growth of the sector.

The digital payments revolution will trigger massive changes in the way credit is disbursed in India. Debit cards have radically replaced credit cards as the preferred payment mode in India after demonetisation. Unified Payments Interface (UPI) recorded 2.73 billion transactions worth Rs. 4.93 lakh crore.

B. Private Equity

The year 2020 was truly extraordinary for India, with the significant impact of Covid-19 on the economy and healthcare systems in the country. GDP is expected to contract with more than 65% of the Indian economy at halt during the full lockdown, which ended only in June 2020. However, latest forecasts by the International Monetary Fund (IMF) expect strong rebound in 2021 with growth returning to the long-term trend of 7% to 8% over 2022 to 2025. Within the year itself, Covid-19 played an important role in accelerating digital trends across sectors dramatically, which is reflected in venture capital (VC) money flows and emergence of new, digitally founded business models across sectors.

Despite Covid-19, we saw a few investment themes continue from prior years. These included

- Strong deal flow, with close to $10 billion in VC investments—higher than in all previous years except 2019
- Continued momentum in consumer tech and software as a service (SaaS)
- Significant fundraising activity with $3 billion raised by India-focused funds in 2020, 40% higher than in 2019—marquee funds including Sequoia, Elevation Partners, Falcon Edge, and Lightspeed, all closed new funds for India investments in 2020, despite the pandemic
- Growing number of start-ups (7,000 new start-ups founded in 2020, with more than 10% growth in seed stage deals) and unicorns (12 added in 2020 vs. 8 in 2019, to take India's total to 37 now)

At the same time, there were a few themes that were different—driven or accelerated by Covid-19—such as

- Decline in average deal size by 15% vs. 2019
- Surge in investment activity in a select set of sectors within consumer tech, including edtech, foodtech, gaming, and media and entertainment, with an average 4x increase in investment value over 2019

Impact of Covid-19 on VC investments—things that were different

- Lower average deal size: Average deal size in 2020 declined by ~15% vs. 2019, driven by a higher number of smaller deals (~500 deals <$5 M vs. 390 in 2019) and growth in seed stage deals;
- Surge in investments in edtech, foodtech, gaming, and M&E: Compared to 2019, investment value grew ~6x in edtech, ~4x in foodtech, ~2.7x in gaming, and ~2.4x in media & entertainment, signifying the role of Covid in rapidly accelerating digital trends
- Decline in B2B commerce and tech: Given industrial lockdowns and decline in economic activity, B2B commerce and tech saw investment value declining by 50% in 2020
- A lukewarm year for exits: VC exit value declined by 70% in 2020 (vs. 2019) due to lower valuations, impact on operations— expected to recover over the next 1–2 years as portfolios mature.

ii. Regulatory Changes

The Reserve Bank of India came up with the 'COVID Package' on March 27, 2020. The package permitted banks/lending institutions to provide a moratorium on EMI repayments for a period of 3 months starting from 1st March, 2020 ending 31st May, 2020. Thereafter, on 23rd May, 2020, RBI permitted all lending institutions to further extend the moratorium by another three months i.e. from June 1, 2020 to August 31, 2020 on payment of all instalments in respect of term loans.

Since the advent of COVID 19 Pandemic, RBI continued with various circulars / notifications on Regulatory Packages. The relaxations announced by the RBI included granting asset classification standstill on accounts under moratorium, provisioning norms, Extension of timelines for submission of various regulatory returns, Restructuring of Advances, financial parameters, grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers etc.

II. BUSINESS OVERVIEW

i. Lending Operations

Interest Income on lending operations has been the major source of revenue for your Company, which accounted for 52.98 % of the Total Revenue from operations for the Financial Year 2020-21. The lending portfolio stood at Rs.22,845.51 lakh as at March 31, 2021 against Rs.26,064.69 lakh as at March 31, 2020.

It has been decided to consolidate operations and focus on management of Venture Funds being supported by Ministry of Social Justice & Empowerment (MOSJE), Government of India. As a result, fresh lending operations has been stopped and focus has been kept on recovery from stressed and non-performing assets/recovery of investments. Thus, there has been no disbursements during FY 2020-21.

ii. Private Equity/Venture Capital Funds

Main activity of your company is management of private equity/venture capital funds.

Your Company is presently managing 2 Schemes viz. Venture Capital Fund for Scheduled Castes (VCF-SC) and Venture Capital Fund for Backward Classes (VCF-BC) for Ministry of Social Justice and Empowerment (MoSJE) under a Fund/Trust viz. Venture Capital Fund for Scheduled Castes and Backward Classes. The Fund is registered as Alternate Investment Fund (AIF) Category - II with SEBI.

VCF-SC is a first of its kind Venture Capital Fund in India dedicated to promote entrepreneurship among the Scheduled Castes by providing concessional finance to them. It was started in the year 2015 with an initial corpus of Rs.250 crore. During the year, MoSJE has contributed an amount of Rs.30 crore in VCF-SC. Present corpus of the fund as on 31st March 2021 is Rs.606.18 crore. IFCI Venture has sanctioned aggregate investment of Rs.441.03 crore in 117 Companies being promoted by Scheduled Caste entrepreneurs as on 31st March, 2021. IFCI Venture earns an annual management fee @ 1.5% p.a. on the fund corpus of VCF-SC and Rs.8.76 Crore was booked as income towards management fee from VCF-SC.

Similarly, In March 2018, your company, again in association with Ministry of Social Justice and Empowerment, GOI and IFCI Ltd., had launched Venture Capital Fund for Backward Castes (VCF-BC). VCF-BC was setup by MoSJE for providing concessional finance to Backward Class entrepreneurs. Present corpus of the fund as on 31st March 2021 is Rs.107.79 crore. IFCI Venture has sanctioned aggregate investment of Rs.56.94 crore in 20 Companies being promoted by Backward Classes entrepreneurs as on 31st March, 2021. IFCI Venture earns an annual management fee @ 0.5% p.a. on the fund corpus of VCF-BC and Rs.0.54 Crore was booked as income towards management fee from VCF-BC.

With the objective to promote entrepreneurship amongst the SC Youth, a scheme namely "Ambedkar Social Innovation Incubation Mission (ASIIM)" under VCF-SC has been launched on 30th September 2020 by Ministry of Social Justice and Empowerment, Government of India. Under ASIIM, about 1000 SC Youth Entrepreneurs are targeted to be supported in the next 4 years with start-up ideas through the Technology Business Incubators (TBIs) in various higher educational institutions. Under the scheme, financial assistance of Rs.10 lakhs per year for a period of 3 years aggregating to Rs.30 Lakh is provided to the companies promoted by SC Entrepreneurs. As on 31st March 2021, an aggregate amount of Rs.3.00 crore has been sanctioned to 10 companies owned by SC youths under ASIIM.

To enhance the awareness and coverage of VCF-SC & VCF-BC, IFCI Venture has participated in various conferences through virtual mode. Further due to ongoing COVID 19 pandemic, the online methodologies including multiple webinars have been organised to reach the prospective entrepreneurs and create an outreach for the scheme. Multiple TBIs located in various states have been contacted during this period. It has successfully generated deals from 19 states in VCF-SC viz. Punjab, Gujarat, Maharashtra, Delhi NCR, Telangana, Andhra Pradesh, Uttar Pradesh, Uttarakhand, Tamil Nadu, Karnataka, Pondicherry, West Bengal, Assam, Haryana, Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Rajasthan and Bihar. In VCF-BC, deals have been generated successfully from 11 States viz. Andhra Pradesh, Assam, Delhi NCR, Kerala, Madhya Pradesh, Maharashtra, Rajasthan, Bihar, Uttar Pradesh, Himachal Pradesh and Tamil Nadu. Efforts are being made to expand the reach of the Fund.

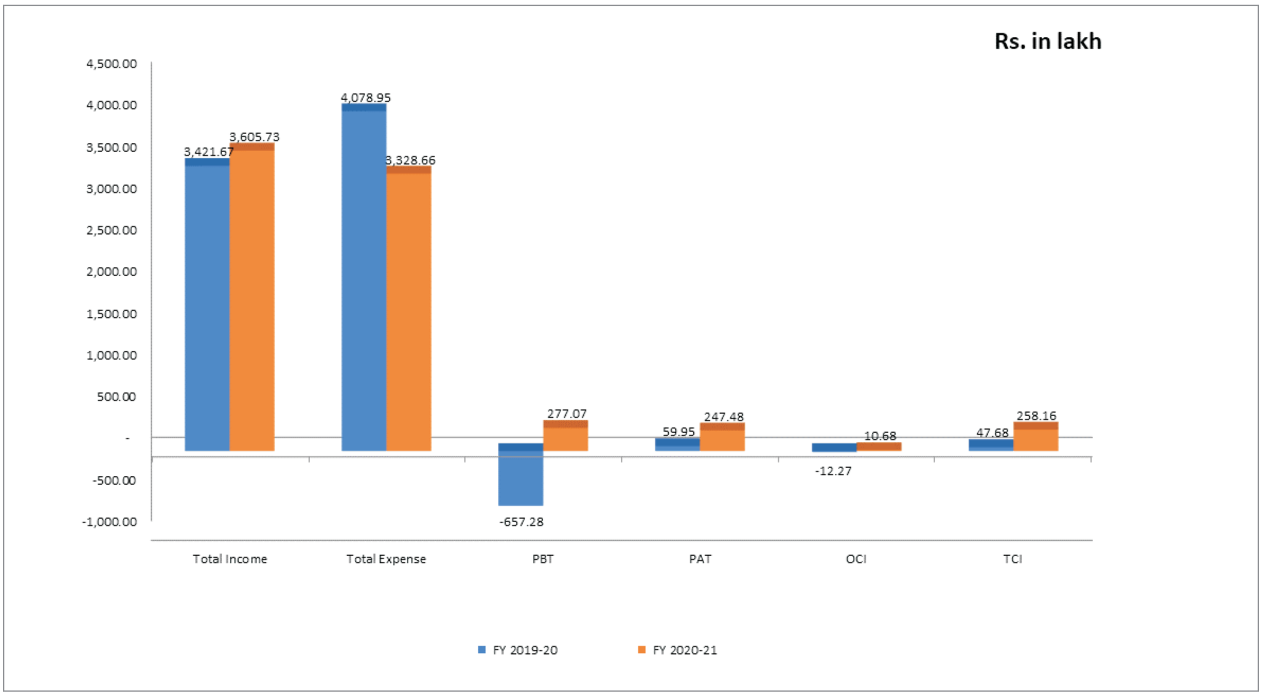
27. PERFORMANCE OF YOUR COMPANY

Your Company's approach towards lending and investments was guided by maximization of return on investments, while ensuring adequate security cover, adequate risk containment and helping your Company achieve an appropriate trade-off between returns and risk during the Financial Year.

i. Financial Performance

During FY 2020-21 your Company has earned profit of Rs.258.16 lakh as compared to profit of Rs.47.68 lakh in

FY 2019-20. The book value per share increased to Rs.28.09 per share in FY 2020-21 from Rs.27.66 per share in FY 2019-20.



ii(a) Corporate Loan Portfolio

Corporate loan portfolio of your Company stood at Rs.22,845.51 lakh as at March 31, 2021 against Rs.26,064.69 lakh as at March 31, 2020. The loan portfolio continued to decrease due to no fresh sanction and scheduled repayments.

It was decided to consolidate operations and focus on maintaining comfortable liquidity position. As a result, the lending operations has been stoped with increased focus on recovery from stressed and non-performing assets/recovery of investments and management of Venture Funds supported by Ministry of Social Justice & Empowerment (MOSJE), Government of India. Thus, there has been no disbursements during FY 2020-21.

ii(b) Focus on Recovery from NPA's:

IFCI Venture has been making continuous efforts for recovery of dues from 14 NPA accounts (Rs. 211.11 Cr) and 8 technically written off accounts. A provision of 51% has been made against the loan portfolio. The legal actions such as filing of recovery suit before Debt Recovery Tribunal, Criminal complaint under S.138 of NI Act, Insolvency Application under IBC, 2016, Enforcement of Securities, Injunction/Attachment orders on personal assets of guarantors and other legal actions are being taken against the defaulters.

Further, IFCI Venture has recovered an amount of Rs. 23.00 Crore approx. in the FY 2020-21 and also is expecting recovery of major part of outstanding dues in the FY 2021-22 and FY 2022-23. Besides taking other legal actions, IFCI Venture is also exploring for assignment of NPA account to ARC's/Banks/FI's.

iii. Management of Private Equity/Venture Capital Funds

As you are aware, your company has been acting as an Asset Manager for managing Venture Capital Funds since 1991. Your Company had been managing 5 PE/ VC funds viz. India Automotive Component Manufacturers Private Equity Fund-1-Domestic (IACM-I-D), Green India Venture Fund (GIVF), India Enterprise Development Fund (IEDF), Venture Capital fund for Scheduled Castes (VCF-SC) and Venture Capital fund for Backward Classes (VCF-BC) with an aggregate fund corpus of Rs.863.01 crore. Your Company has successfully closed the 3 Funds viz. IACM-1-D, GIVF and IEDF in FY 2019-20. The Current Funds being managed are VCF-SC & VCF-BC. The total amount of funds under management in year 2020-21 is Rs.713.97 crore. Your Company has a team of young and experienced professionals having considerable length of experience, exposure and knowledge.

The status of fund corpus, sanction, disbursement and outstanding investment under VCF-SC & VCF-BC being managed by your Company as on March 31, 2021 is as under:

Particulars	**VCF-SC**	**ASIIM** (Under VCF-SC)	**VCF-BC**	**Total**
Objective	To promote entrepreneurship among the scheduled castes and to provide concessional finance to them.	To facilitate financial assistance support for such students / researchers who are working on innovative technology ideas in Technology Business Incubators (TBIs) associated with higher educational institutions.	To promote entrepreneurship among the backward class and to provide concessional finance to them.	
Fund Corpus (Rs. in crore)		606.18	107.79	713.97
Sanctioned Deals (in nos.)	117	10	20	147
Amounts Sanctioned (Rs. in crore)	441.03	3.00	56.94	500.97
Amounts Disbursed (Rs. in crore)	273.87	0.04	5.51	279.42
Disbursed Deals (in nos.)	86	4	2	92

28. DOCUMENTS PLACED ON THE WEBSITE (www.ifciventure.com)

The following documents have been placed on the website of your Company in compliance with the SEBI Regulations:

- Corporate Social Responsibility Policy as per section 135(4)(a) of the Companies Act, 2013.
- Financial Statements of the Company along with the relevant documents as per third proviso to section 136(1) of the Companies Act, 2013.
- Details of vigil mechanism for Directors and employees to report genuine concerns as per proviso to section 177(10) of the Companies Act, 2013.
- Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons
- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Handling of Price Sensitive information for Legitimate Purposes
- Related Party Transactions Policy as per guidelines issued by Reserve Bank of India (RBI).
- Guidelines on Corporate Governance, as per guidelines issued by Reserve Bank of India (RBI).
- Code of Business Conduct & Ethics for Board Members, KMPs and Senior Management, in compliance with the applicable rules and regulations.

29. CORPORATE GOVERNANCE

A detailed report on Corporate Governance is appearing separately in the Annual Report.

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As your Company's operations do not involve any manufacturing or processing activities, the particulars as per Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption are not applicable. The Company is also not engaged in any activity relating to exports. During Financial Year 2020-21, your Company neither incurred nor received any amount in foreign currency.

31. QUALIFICATIONS OR OBSERVATIONS OR OTHER REMARKS MADE BY THE STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the Rules framed thereunder, M/s Lunawat & Co., Chartered Accountants (Firm Regn No. 000629N), were appointed as Statutory Auditors of your Company by the Comptroller & Auditor General of India. There were no qualification(s) or observation(s) or other remarks made by the Statutory Auditors in the Independent Auditors' Report of your Company for the Financial Year 2020-21 submitted by the Statutory Auditors.

The Auditors have mentioned the following in their Independent Auditors' Report:

8.1 Emphasis of Matter

"We draw attention to Note No. 22 to the Financial Statements which fully describes that in accordance with RBI instructions regarding the reversal of Interest Charged on Interest related to Moratorium period, the company has estimated the said amount and made a Provision in the Financial Statements by reducing the Interest Income by that amount. We have relied upon the calculations made available to us by the management in this regard. Our opinion is not modified in respect of this matter."

This is statement of fact and the calculation has been done in line with the Policy being placed before the Board for its approval in this meeting pursuant to RBI circular no. RBI/2021-22/17DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021 as per para above.

8.2 Other Matter

"The Company has invested a sum of INR 4.20 Crores in Equity Capital of an infrastructure project based in West Bengal in the year 2015. The project has been functional partially till date. The Fair Valuation for IND AS purpose states that the estimated value is lower by around 25%, although the valuer could not substantiate any specific reason why the decrease in value is limited to 25%. However, in absence of any particular information regarding the realisable value of the project, we have relied upon the best estimates made by the valuer in this regard.

Our opinion is not modified in respect of this matter."

The comment is for the investment made in Jangipur Bengal Mega food Park Ltd. As the project is not fully operational and revenues are miniscule, the valuer has envisaged difficulty in exit in such unlisted Equity and through a mix of market approach and cost approach arrived at a share price of Rs.7.70 per share.

32. QUALIFICATIONS OR OBSERVATIONS OR OTHER REMARKS MADE BY THE SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act, the Board of Directors of your Company appointed M/s Saurabh Agrawal & Co. as the Secretarial Auditors of the Company. The observations of the Secretarial Auditors and replies of the management for FY 2020-21, are given below:-

S.No.	Observation	Management's Reply
1.	As per Section 149(4) of the Companies Act, 2013 read with Rule 4(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 the company shall have at least two directors as Independent Directors, however the Company has not complied the provisions of the said section and rule as the Company is not having any Independent Director on the Board consequently composition of various committee is also not as per provisions of Companies Act, 2013 and various provisions under the Act, wherever independent director is required is not complied with;	As per notification dated June 05, 2015 for the induction of Independent Director on the Board of a Government Company, opinion from concerned Ministry or parent Department of the Central Government which is administratively in charge of the Company or as the case may be, the State Government, is required that the person intending to act as Independent Director shall be a person of integrity and possesses relevant expertise and experience. Accordingly, in view of the above, a letter dated May 11, 2021 to Subsidiaries & Associates Department, IFCI Limited has been sent to follow up the matter with the Department.
2.	The Company is having approx 90.19% Loan amount as substandard/NPA as on 31st March, 2021.	With no fresh lending and repayment from Standard cases has reduced the loan book size substantially and because of this reason the overall NPA is appearing on higher side.

Copy of the Secretarial Audit Report is annexed as **Annexure IV.**

33. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Companies Act, 2013, during the Financial Year 2020-21, there were no Independent Directors on the Board of the Company, for the reasons detailed in Point No. 6 of this Report.

34. INTERNAL FINANCIAL CONTROLS

Your Company has in place an Internal Financial Controls (IFC) Framework driven by the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

35. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Act, the Directors hereby confirm that:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;

(ii) The accounting policies has been selected and applied consistently to make judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit & Loss of the Company for that period;

(iii) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud, and other irregularities;

(iv) The Annual accounts have been prepared on a going concern basis;

(v) Internal financial controls followed by the Company and that such internal financial controls are adequate and were operating effectively. "Internal Financial Controls" mean the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds, and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information; and

(vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

36. AUDITORS

M/s Lunawat & Co., Chartered Accountants (Firm Registration No. 000629N) were appointed by the Comptroller & Auditor General of India (C&AG) as Statutory Auditors of your Company for FY 2020-21.

37. MANAGEMENT AND DISCUSSION ANALYSIS

A Report on Management and Discussion Analysis is annexed as **Annexure V** to this Report.

38. SUBSIDIARIES/ JOINT VENTURE/ ASSOCIATE

Your Company does not have any subsidiary/ joint venture/ associate company.

39. COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General of India (C&AG) has informed that on the basis of supplementary audit conducted, nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors' report w.r.t. financial statements of your Company for the Financial Year ended March 31, 2021 under section 143(6)(b) of the Companies Act, 2013. Letter given by C&AG is annexed as Annexure VI.

40. INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act.

41. ACKNOWLEDGEMENT

Your Directors wish to express gratitude for the cooperation, guidance and support from the Ministry of Finance, Ministry of Social Justice & Empowerment, Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, other regulatory bodies, Comptroller & Auditor General of India, Statutory Auditors, Internal Auditors and Secretarial Auditors and State Governments. Your Directors also acknowledge the valuable assistance and continued cooperation received from all banks, financial institutions, other members of the banking fraternity and investors. Your Directors would also like to express their appreciation for the efforts and dedicated service put in by the employees at all levels of your Company.

For and on behalf of the Board of Directors

	Sd/-	**Sd/-**
	Shivendra Tomar	**Sunil Kumar Bansal**
Place: New Delhi	**Managing Director**	**Nominee Director**
Date: 21st September, 2021	**DIN : 03174406**	**DIN: 06922373**

ANNEXURE I

Policy on Dealing with Related Party Transactions

A. Approvals

I. Approval by Audit Committee

1. All Related Party Transactions (RPTs) (including any subsequent modifications thereof) shall require prior approval of the Audit Committee of Directors.
2. The Audit Committee of Directors may grant omnibus approval for the RPTs proposed to be entered into by the Company subject to the following conditions, namely:-

The Conditions for granting Omnibus approval are as under:

(1) The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:-
   - (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
   - (b) the maximum value per transaction which can be allowed;
   - (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
   - (d) review, on quarterly basis or at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company pursuant to each of the omnibus approval made;
   - (e) transactions which cannot be subjected to the omnibus approval by the Audit Committee.

2) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -
   - (a) repetitiveness of the transactions (in past or in future);
   - (b) justification for the need of omnibus approval.

(3) The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company.

(4) The omnibus approval shall contain or include the following: -
   - (a) name of the related parties;
   - (b) nature and duration of the transactions;
   - (c) maximum amount of transaction that can be entered into;
   - (d) the indicative base price or current contracted price and the formula for variation in the price, if any;
   - (e) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

     Provided that where the need for related party transaction cannot be foreseen and the aforesaid details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

(5) Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.

(6) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

(7) Any other conditions as the Audit Committee may deem fit.

II. Approval by Board of Directors

Except with the consent of the Board of Directors given by a resolution at a meeting of the Board, IFCI Venture shall not enter into any contract or arrangement with a related party with respect to-

(a) Sale, purchase or supply of any goods or materials;

(b) Selling or otherwise disposing of, or buying, property of any kind;

(c) Leasing of property of any kind;

(d) Availing or rendering of any services;

(e) Appointment of any agent for purchase or sale of goods, materials, services or property;

(f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

(g) Underwriting the subscription of any securities or derivatives thereof, of the company:

Provided that nothing of the above shall apply to any transactions entered into by IFCI Venture in its ordinary course of business other than transactions which are not on an arm's length basis.

{Ordinary Course of Business shall include those business which forms part of the Main Object of the Memorandum of Association of the Company}

Explanation-

the expression "office or place of profit" means any office or place-

Where such office or place is held by a director, if the director holding it receives from IFCI Venture anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

Where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from IFCI Venture anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

The expression "arm's length transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

III. Approval by Shareholders

1. Except with the prior approval of the company by a resolution, as may be specified under the Companies Act, 2013 or the Regulations, IFCI Venture shall not enter into a transaction(s), where the transaction(s) to be entered into:

(a) as contracts or arrangements with respect to clause(a) to (e) of subsection (1) of section 188 of the Companies Act 2013, with criteria as mentioned below –

(i) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;;

(ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;;

(iii) leasing of property any kind amounting to ten per cent or more of the turnover of the company, as mentioned in clause (c) of sub-section (1) of section 188;

(iv) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188:;

Explanation- It is hereby clarified that the limit specified in sub-clauses (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

(b) is for appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees as mentioned in clause (f) of subsection (1) of section 188; or

(c) is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one per cent of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

Explanation-

1 The Turnover of Net Worth referred in the above sub-rules shall be computed on the basis of the Audited Financial Statement of the preceding Financial year.

2 In case of wholly owned subsidiary, the resolution is passed by the holding company shall be sufficient for the purpose of entering into the transaction between the wholly owned subsidiary and the holding company.

3. All the related parties shall abstain from voting on such resolutions

4. No Member of IFCI shall vote on such Special/Ordinary Resolution (as the case may be), to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

5. Provided also that nothing contained in the 3rd point shall apply to a company in which ninety per cent or more members, in number, are relatives of promoters or are related parties.

Proviso:

The above clause I & III, w.r.t the Approval of Audit Committee, Omnibus Approval and Approval of Shareholder's, will not be applicable in the following cases:

1. Transaction entered into between two Government Companies;

2. Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

ANNEXURE II

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

   (a) Name(s) of the related party and nature of relationship;
   (b) Nature of contracts/arrangements/transactions;
   (c) Duration of the contracts/arrangements/transactions;
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any;
   (e) Justification for entering into such contracts or arrangements or transactions;
   (g) Date(s) of approval by the Board;
   (h) Amount paid as advances, if any;
   (i) Date on which the special resolution was passed in general meeting as required under first proviso to section 188.

2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any
1.	IFCI Ltd, Holding Company	Rent & Maintenance paid to IFCI Ltd. (Exclusive of taxes and cess)	Agreement(s) for 11 months	Rent @ Rs. 269 per sq. feet per month plus taxes	June 20, 2020	Advance payable before 7th of every month
2		Salaries paid to IFCI for employees deputed by IFCI Ltd. including PLI	As per terms approved by IFCI Ltd.	On deputation from IFCI Ltd.	June 20, 2020	N.A.
3		Paid towards other expenses to IFCI	Ongoing basis	Transactions in the ordinary course of business	June 20, 2020	N.A.
4.		Paid towards IT Services taken from IFCI (Exclusive of Taxes)	Ongoing basis	Transactions in the ordinary course of business	June 20, 2020	N.A.
5.		Interest Received and accrued on Bonds subscribed	As per terms of Offer Document issued by IFCI Ltd.	For Rs. 5.00 crore investment interest @8.39% p.a. For Rs. 10 crore investment interest @ 9.40% p.a.	June 20, 2020	As per terms of Offer Document issued by IFCI Ltd.
6.	IFCI Financial Services Ltd.	Brokerage/Professional fee paid	Ongoing basis	AMC as per applicable services. Transaction Fee-0.03% of transaction value plus applicable taxes, if any.	N.A.	N.A.
7.	IFCI Social Foundation, Trust formed by IFCI Ltd., the Holding Company	CSR contribution	As per terms approved by the Board of Directors.	2% of the average net profit of preceding 3 years was transfer to ISF for undertaking CSR activities.	August 13, 2020	N.A.
8.	Stock Holding Corporation of India Ltd.	Brokerage/Professional fee paid	Ongoing basis	AMC : Rs. 1200/- Transaction fee-0.03% of transaction value plus applicable taxes	N.A.	N.A.
9.	Venture Capital Fund for Backward Classes	Management Fee Received	As per Investment Management Agreement	0.5% p.a.	N.A.	N.A.

Form shall be signed by the people who have signed the Director's Report.

Place: New Delhi
Date: 21st September, 2021

Sd/-
Shivendra Tomar
Managing Director
DIN : 03174406

Sd/-
Sunil Kumar Bansal
Nominee Director
DIN : 06922373

ANNEXURE III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

(Pursuant to the Companies (Corporate Social Responsibility) Rules, 2014)

1. Brief outline on the Company's CSR policy of the Company, including overview of projects or programs undertaken.

- In alignment with the vision of the company, IFCI Venture, through its CSR initiatives will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.
- The main objectives of CSR Policy are:
  - i) To directly or indirectly take up programs that benefit the communities in and around its workplace and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
  - ii) To generate through its CSR initiatives, a community goodwill for IFCI Venture and help reinforce a positive & socially responsible image of IFCI Venture as a corporate entity and as a good Corporate Citizen.
  - iii) Ensure commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interest of all its stakeholders.
- The terms of reference of the CSR Committee is as under:
  - i) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013;
  - ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause (i) above;
  - iii) To formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy;
  - iv) To monitor the Corporate Social Responsibility Policy of the company from time to time.

2. Composition of the CSR Committee

- CSR Committee of Directors consisted of following members as on March 31, 2021:-
  - i. Ms. Anjali Kaushik, Non-Executive Director as Chairperson;
  - ii. Mr. Shivendra Tomar, Managing Director as Member.
  - iii. Mr. Ravindra Nath, Non-Executive Director as Member;

3. Web-Link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

The weblink is: https://www.ifciventure.com/pdf/csr-policy.pdf

4. Details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any: NIL

6. Average Net Profit of the company for last 3 financial years

- Average Net Profit/(Loss): Rs.(67,47,451.81/-).

7. a) Two percent of average net profit of the company as per section 135(5): Rs (1,34,949)/-

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

c) Amount required to be set off for the financial year, if any: NIL

d) Total CSR obligation for the financial year (7a+7b-7c): Rs (1,34,949)/-

Since the contribution for the previous year was negative, the company was not required to spend any CSR amount. However, the Company had made voluntary contribution and spend during the financial year Rs. 5,00,000/- towards CSR activities i.e. Purchase of sight saving equipment alongwith patient unit for the centre from Ramakrishna Mission Tuberculosis and Medical Centre, Delhi, during the year on the request received from IFCI Social Foundation, a registered trust towards CSR activities or programme.

8. a) CSR amount spent or unspent for the financial year: N.A.

<table>
<tr><th rowspan="4">Total Amount Spent for the Financial Year</th><th colspan="5">Amount Unspent (in Rs): NIL</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per Section 135(6)</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)</th></tr>
<tr><th>Amount (in Rs)</th><th>Date of Transfer</th><th>Name of Fund</th><th>Amount</th><th>Date of Transfer</th></tr>
<tr><td>---</td><td>---</td><td>---</td><td>---</td><td>---</td></tr>
</table>

b) Details of CSR amount spent against ongoing projects for the financial year:

<table>
<tr><th>Name of the Project</th><th>Item from the list of activities in Schedule VII to the Act</th><th>Local area (Yes/No)</th><th>Location of the project</th><th>Project duration</th><th>Amount allocated for the project (in Rs)*</th><th>Amount Spent in the current financial Year (in Rs)</th><th>Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs)</th><th>Mode of Implementation Direct (Yes/No)</th><th>Mode of Imp through Agency</th></tr>
<tr><td colspan="10">NIL</td></tr>
</table>

c) Details of CSR amount spent against other than ongoing projects for the financial year:

<table>
<tr><th rowspan="2">S.No</th><th rowspan="2">Name of the Project</th><th rowspan="2">Item from the list of activities in schedule VII to the Act</th><th rowspan="2">Local area (Yes/No)</th><th colspan="2">Location of the project</th><th rowspan="2">Amount spent for the project (in Rs)</th><th rowspan="2">Mode of Implementation– Direct (Yes/No)</th><th>Mode of Imp through Agency</th></tr>
<tr><th>State</th><th>District</th><th>Name: CSR Reg No.</th></tr>
<tr><td colspan="9">NIL</td></tr>
</table>

d) Amount spent in Administrative Overheads: NIL

e) Amount spent on Impact Assessment, if applicable: NIL

f) Total amount spent for the financial year (8b+8c+8d+8e): NIL/-

g) Excess amount for set off, if any: NIL

S.No	Particulars	Amount (in Rs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	NIL
(ii)	Total amount spent for the financial year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. a) Details of Unspent CSR amount for the preceding three financial years:

S.No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs)	Amount spent in the reporting Financial Year (in Rs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount Remaining to be spent in succeeding financial years (in Rs)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.	2019-20	1,72,015	10,61,685	Nil			1,72,015/-
2.	2018-19	1,97,000	49,38,000 (18-19 & 19-20)	Nil			1,97,000/-
3.	2019-20	18,00,000*	51,84,000 (2018-19)	Nil			18,00,000/-

*The aforesaid amount is on account of unutilized fund carried forward to the CSR budget of F.Y. 2019-20 in respect of project allocated during FY 2017-18 for construction of Toilets in U.P. & Odisha under Govt Swachhta Action Plan in partnership with Rashtriya Gramin Vikas Nidhi.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

S.N	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project- Completed/ Ongoing
1.	NA	Project to build drought resilience and address water crisis in selected villages of District Deoghar of Jharkhand in partnership with Action aid Association	2018-19		31,97,000	20,00,000	20,00,000	Completed
2.	NA	Implementation of Digital Classrooms in 6 schools in Vizag and Srikakulam district of AP by Sri Gurudeva Charitable Trust.	2019-20		16,50,000	5,50,000	5,50,000	Ongoing
3.	NA	Distribution of ration kits, sanitizers, mask and other necessary grocery items to poor and needy families who were affected by Covid 19 Pandemic.	2019-20		90,000	90,000	90,000	Completed

10. Creation or Acquisition of Capital Asset, furnish the details relating to the Asset so created or acquired through CSR spent in the Financial Year (Asset-Wise Details)

    a) Date of creation or acquisition of the capital asset(s).: NIL

    b) Amount of CSR spent for creation or acquisition of capital asset.: NIL

    c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NIL

    d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).: NIL

11. Reasons for not spending two per cent of the average net profit of the last three financial years or any part thereof: N.A.

Sd/-	**Sd/-**
Shivendra Tomar	**Anjali Kaushik**
Managing Director	**Chairperson of CSR Committee**
DIN : 03174406	**DIN:08128096**

ANNEXURE-IV

Form No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
IFCI Venture Capital Funds Limited
CIN: U65993DL1988GOI030284
IFCI Tower, 61, Nehru Place,
New Delhi - 110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by IFCI Venture Capital Funds Limited (CIN: U65993DL1988GOI030284) (herein after called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications provided to us and the representations made by the Management and considering the relaxations provided by the Ministry of Corporate affairs, Securities Exchange Board of India and Reserve Bank of India due to the spread of Covid-19, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We are hereby declaring that due to COVID-19 pandemic we have not visited the office of the Company. Entire Report is based on the information received on mail.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1956 and the regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of the Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **[Not applicable to the Company during the audit period].**

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable to the Company during the audit period].**

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable to the Company during the audit period]**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealings with the client; [Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review].

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable as the Company has not listed its equity shares on any stock exchange].

and

h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **[Not applicable as the Company has not bought back/proposed to buy back any of its securities during the financial year under review].**

(vi) The company has complied with other Laws as applicable to the Industry as per the undertaking given by the company:

1. The Reserve Bank of India Act, 1934;
2. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952;
3. Payment of Gratuity Act, 1972;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:-

i. As per Section 149(4) of the Companies Act, 2013 read with Rule 4(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 the company shall have at least two directors as Independent Directors, however the Company has not complied the provisions of the said section and rule as the Company is not having any Independent Director on the Board consequently composition of various committee is also not as per provisions of Companies Act, 2013 and various provisions under the Act, wherever independent director is required is not complied with;

In respect of other laws specifically applicable to the company, we have relied on information/data provided by the Company during the course of audit and reporting is limited to that extent.

We further report that

The Board of Directors of the Company is not duly constituted with proper balance of Independent Directors as per Section 149 of the Companies Act, 2013. The Changes in the Composition of the Board of Directors that took place during the period under review were carried out in Compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent within prescribed time limit, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions of Board of Directors and Committee Meeting were carried unanimously.

We further report that there are adequate systems and processes in the company commensurate with size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following event has occurred which had a major bearing on the Company's Affair in pursuance of the laws, rules, regulations and standards etc:

- **Company has approved the premature redemption of 10.15% unsecured redeemable non convertible taxable bonds and Rs. 10,89,12,791 (Principal as well as Interest Amount) was paid to the bondholders who accept the offer;**
- **Company has approved the premature redemption of 10.80% secured redeemable non convertible taxable bonds and paid Rs. 18,26,01,578 (Principal as well as Interest Amount) to the bondholders who accepted offer and subsequently modified the charge in the records of the Registrar of Companies from Rs. 20,00,00,000/- to Rs. 2,10,00,000/-;**
- **The Company is having approximately 90.19% Loan Amount as Substandard/NPA as on 31st March, 2021.**

Sd/-
Saurabh Agrawal
(Saurabh Agrawal & Co.
Company Secretaries)
FCS No.: 5430
C.P. No.: 4868
UDIN: F005430C000613147

Place: New Delhi
Date: 12/07/2021

ANNEXURE-A

To
The Members
IFCI Venture Capital Fund Limited
CIN: U65993DL1988GOI030284
IFCI Tower, 61 Nehru Place
New Delhi – 110019

Our Secretarial Audit Report for the financial year 31st March, 2021 is to be read along with this letter.

➢ **Management Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively;

➢ **Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances;

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion;

4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

5. Wherever required we have obtained the management's representation about the Compliance of laws, rules and regulations and happening of events etc;

➢ **Disclaimer**

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company;

7. We have not verified the correctness and appropriations of financial records and books of accounts of the Company.

Sd/-
Saurabh Agrawal
(Saurabh Agrawal & Co.
Company Secretaries)
FCS No.: 5430
C.P. No.: 4868
UDIN: F005430C000613147

Place: New Delhi
Date: 12/07/2021

ANNEXURE V

MANAGEMENT DISCUSSION AND ANALYSIS

A. Economy Review

Global Economy

The year 2020 has been like no other. The global lockdown during the first surge of the COVID19 pandemic sparked the strongest economic contraction in history. Most economies recovered sharply thereafter, but a second wave of COVID-19 set the economy back again. Yet growth should return gradually in 2021 without prompting a rise in inflation or interest rates, despite much higher government debt. In 2020, the US economy contracted by 3.4% over 2019. The Eurozone was impacted severely by the pandemic and reported a negative growth of 7.2% over 2019. Governments in the advanced economies provided extensive fiscal support to households and firms and central banks reinforced this with expanded asset purchase programmes, funding-for-lending facilities and, for some, interest rate cuts.

Indian Economy

The positive growth during the third quarter is indicative of slow resumption of economic activities, higher consumption and activity across sectors. In order to make India self-reliant and fight against the impact of COVID-19, the Prime Minister of India announced stimulus packages worth Rs. 20 lakh crores or 10% of India's GDP towards Atmanirbhar Bharat Abhiyan. The Government announced additional packages under the programme in September 2020 and November 2020. The Indian economy grew by 1.6% in the fourth quarter recording a minor pickup in growth amidst the COVID-19 second wave hitting the economy hard. For the full fiscal year, the economy shrunk by -7.3% as the COVID-19 pandemic ruined the economy.

With the economic activity gaining momentum post COVID-19 lockdown and rollout of coronavirus vaccines, the Indian economy is likely to do better. However, due to the second wave of COVID-19, rising input prices, stress in the Micro, Small and Medium-sized Enterprises sector, and a weak labour market India faced headwinds with respect to economic revival. Monetary and fiscal support will remain crucial.

B. Industry Outlook

The financial services sector in India is a diversified sector consisting of commercial banks, insurance companies, non-banking financial companies, housing finance companies, co-operatives, pension funds, mutual funds and other smaller financial entities. Financial inclusion drive by RBI has expanded the target market to semi-urban and rural areas. NBFCs especially those catering to the urban and rural poor namely NBFC-MFIs and Asset Finance Companies have a complimentary role in the financial inclusion agenda of the country. Financial services sector is poised to grow on the back of rising incomes, significant government attention and the increasing pace of digital adoption.

Union Budget 2021-22 highlights

The budget was bold in its approach towards the financial services sector in terms of privatisation of PSBs and insurance companies and allowing greater FDI in insurance. Asset Reconstruction Company (ARC) set-up, commonly referred to as the Bad Bank, is a long-awaited reform to clean up NPAs in India. Its accomplishment will be based on the implementation and constraints on the ARC to sell the assets in the market. This should also reduce the amount of new capital required by PSBs from the Government. Development Finance Institution brings back infrastructure lending companies of the past with the hope that it would have broader and easier access to private capital. This could boost the infrastructure space and employment in the country.

NBFC

Since the last decade, the NBFC sector has held critical importance in the Indian Financial Services sector. The main objective of NBFCs has been serving the underserved segment of the Indian economy such as MSME, microfinance and other retail segments. Over the past few years, NBFCs have undergone a significant transformation and today they form an important component of India's financial system. NBFCs are harnessing technology to reinvent traditional business models and offer loans in a faster, customised and more convenient way to the underbanked population of India. NBFCs especially those catering to the urban and rural poor namely NBFC-MFIs and Asset Finance Companies have a complimentary role in the financial inclusion agenda of the country.

Key opportunities for NBFCs to boost revenues:

- Get access to new customers and cheaper funding sources by developing a viable co-lending business model.
- Target individual buyers, merchants and suppliers to tap into the fast-growing e-commerce segment;
- Diversify assets by targeting new profitable segments and developing the capabilities required to serve the segments.
- Develop digital capabilities to boost sales productivity.
- Increase fee income through advisory services.
- Offer consumer convenience and consumer loans across the country.

NBFCs, including Housing Finance Companies (HFCs), have been progressively increasing their share in the total credit market. With liquidity conditions expected to improve in the long run, NBFCs are poised to grow further at a faster pace and cater to the financial needs of the country. The long-term prospects for highly rated and good quality NBFCs remain robust, and once things get back to normal, the segment will continue to catalyse India's economic growth.

The Government is likely to focus on faster policy implementation in the year ahead, with a great focus on infrastructure development. Continuing improvements in infrastructure are further expected to aid growth.

C. SWOT ANALYSIS

NBFCs have played a vital role in bringing the economically underprivileged sections of society to the nation's financial lifeline.

Over the past few years, NBFCs have undergone a significant transformation and today they form an important component of India's financial system. Playing a critical role in the development of infrastructure, transport and employment generation, NBFCs are changing the business loan landscape in the country. Most NBFCs, leverage alternative and tech-driven credit appraisal methodologies to assess the credit worthiness of prospective borrowers.

Strengths

- IVCF is an experienced and established Fund Management Company since last 30 years.
- Managing Social Sector Venture Fund i.e. VCFSC & BC sponsored by Ministry of Social Justice & Empowerment, Government of India.

Weakness

- Regulatory restrictions – continuously evolving government regulations may impact operations.· Uncertain economic environment.
- Risk and return ratio is higher in comparison to traditional banking

Opportunities

- Demographic changes and under penetration
- Large untapped rural and urban markets.
- Use of digital solutions for business/collections.
- Changing demographic profile of the country in favour of the youth.
- Fast technology adaption to provide fast and hassle free services
- Ability to access funds through capital markets

Threats

- High cost of funds.
- Competition from banking sector.
- Weak Financial health of many of the NBFC's

D. Segment wise Performance

The total revenue comprises of mainly interest received from lending operations and Management Fee received from management of PE/ VC funds. During the year, income from lending operations was Rs.2,653.93 lakh. Out of total income of Rs.3,605.73 lakh, Rs.2,653.93 was from financing activities & Rs. 930.24 lakh was from fund management apart from Rs.21.56 lakh of other income.

E. Risks and Concerns

Your company is engaged in providing secured term loans to mid-sized corporates. As part of its business activities, the company is exposed to certain kinds of financial and non-financial risks.

The Risk Management department of your company has put in place a detailed framework to enable your company to adhere to guidelines/policies concerning risk management, prescribed by the Reserve Bank of India, Government of India and other applicable regulatory authorities and address risk management in an efficient manner, which allows optimization of risk- return profile contributing to improve risk adjusted returns and optimal use of capital. Your Company has Integrated Risk Management Policy/ Manual in place which has laid down a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks.

F. Internal Control Systems and their adequacy

The Company has put in place an adequate internal control mechanism to safeguard all its assets and ensure operational excellence. The mechanism also meticulously records all transaction details and ensures regulatory compliance. Internal audit is being conducted by Internal Audit department internally with the assistance of an Independent Chartered Accountant Firm duly appointed by the Board on recommendation of the Audit Committee. All the Internal Audit Reports along with management replies are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened, and corrective actions initiated.

G. Discussion on Financial Performance with respect to Operational Performance

During the year ended March 31, 2021 IFCI Venture has earned Total comprehensive income of Rs.258.16 (lakh) compared to Rs.47.68 (lakh) during the previous year. The overall performance of your Company for the year ended March 31, 2021 has improved as compared to previous year.

Profit for FY 2020-21 has increased by Rs.210.48 lakh as compared to FY 2019-20 mainly due to increase in Fair value of listed equity (Him Teknoforge Ltd.) & lower finance cost set off by bad debts write off in one OTS case and lower deferred tax write back.

Your Company has not paid interim or final dividend for the year ended March 31, 2021.

The major highlights of operations for the year ended March 31, 2021 are as under:

(₹ in lakh)

Particulars	**FY 2020-21**	**FY 2019-20**
Operations		
Sanction - Loan / Investment	-	-
Disbursement - Loan / Investment	-	136.00
Borrowings		
Loan /Bonds	-	-

H. Resource Mobilization

IFCI Venture has not availed any fresh loans from banks during the year. The total borrowings of your Company stood at Rs. 7246.10 lakh as at March 31, 2021 as compared to Rs. 10,173.31 lakh as at March 31, 2020 comprising of bonds listed at Bombay Stock Exchange (BSE).

I. Material Developments in Human Resources/ Industrial Relations front, including no. of people employed.

During the year, there were no employees appointed in the Company.

Cautionary Statement

Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

ANNEXURE VI

कार्यालय प्रधान निदेशक लेखापरीक्षा,
उद्योग एवं कारपोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,
नई दिल्ली-110 002

सत्यमेव जयते

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
INDUSTRY AND CORPORATE AFFAIRS
A.G.C.R. BUILDING, I.P. ESTATE
NEW DELHI-110 002

संख्या: एएमजी-II/2(309)/ वार्षिक खाता/
IFCI VCF Ltd (2020-21)/2021-22/168
दिनाँक: ०७/09/2021

सेवा में

प्रबन्ध निदेशक,
आई एफ सी आई वैंचर कैपिटल फंड्स लिमिटेड
दसवा तल, आई एफ सी आई टावर, नेहरू प्लेस,
नई दिल्ली – 110019

विषय: कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2021 को समाप्त वर्ष के लिए आई एफ सी आई वैंचर कैपिटल फंड्स लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2021 को समाप्त वर्ष के लिए आई एफ सी आई वैंचर कैपिटल फंड्स लिमिटेड के वार्षिक लेखों पर उपरोक्त विषय संबंधित संलगन पत्र अग्रेषित है।

भवदीया,

(विधु सूद)
प्रधान निदेशक लेखा परीक्षा
(उद्योग एवं कारपोरेट कार्य)
नई दिल्ली

संलग्नक:- यथोपरि

दूरभाष / Phone : +91-11-23702357, फैक्स / Fax : +91-11-23702359, E-mail : pdaica@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IFCI VENTURE CAPITAL FUNDS LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of financial statements of IFCI Venture Capital Funds Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 08 June 2021.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IFCI Venture Capital Funds Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Vidhu Sood

(Vidhu Sood)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place: New Delhi
Date: 09.09.2021

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

IFCI Venture Capital Funds Limited (IFCI Venture) has been adhering to Good Corporate Governance Principles and Practices to maintain a professional approach, transparency, accountability, all of which have enabled it to ensure equity in dealing with all the stakeholders, viz. Shareholders, Government institutions & departments, Regulatory bodies, Bankers, Employees, and others. As a good corporate citizen, IFCI Venture is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.

2. BOARD OF DIRECTORS

A. Composition, Category and Attendance of the Board of Directors

As on March 31, 2021, the Board of the Company consists of 6 (six) Directors, out of which 2 (two) Directors were the nominees of IFCI Ltd. (IFCI), the Holding Company consisting of a Non-Executive Chairman and a Managing Director. Remaining 4 (four) Directors were Non-Executive Directors appointed under the category of Non-Independent Directors.

The composition of the Board, number of Board Meetings held, attendance of the Directors at the Board Meetings, last Annual General Meeting and number of Directorship and Chairmanship/ Membership of the Committees in other Companies in respect of each Director for Financial Year 2020-2021 is given below:-

S. No.	Name of Director	Category	Attendance Particulars			No. of Directorship/ Committee Memberships/ Chairmanship in other companies		
			No. of Board Meetings during the year 2020-21		At AGM held on September 30, 2020	Other Directorship	Committee Membership	Committee Chairmanships
			Held	Attended				
1.	Dr. Emandi Sankara Rao*	Nominee Director & Non-Executive Chairman	3	3	N.A.	4	1	-
2.	Mr. Sunil Kumar Bansal**	Nominee Director & Non-Executive Chairman	8	6	Attended	5	1	-
3.	Mr. Shivendra Tomar#	Managing Director	8	8	Attended	-	-	-
4.	Mr. Subhash Chander Kalia	Non-Executive Director	8	8	Attended	2	-	1
5.	Ms. Anjali Kaushik	Non-Executive Director	8	8	Attended	-	-	-
6.	Mr. Ravindra Nath	Non-Executive Director	8	8	Attended	-	-	-
7.	Mr. Anil Kumar Bansal##	Non-Executive Director	6	6	Attended	4	-	3

* Dr. Emandi Sankara Rao, ceased to act as Nominee Director & Non-Executive Chairman w.e.f. August 17, 2020

** Mr. Sunil Kumar Bansal, appointed as Nominee Director and Non -Executive Chairman w.e.f. June 11, 2020 and September 02, 2020 respectively.

Mr. Shivendra Tomar has been appointed as Managing Director, in addition to his existing duties/responsibilities in IFCI Ltd, w.e.f. June 10, 2020 in place of Mr. Shakti Kumar.

Mr. Anil Kumar Bansal, appointed as Non Executive Director w.e.f. July 16, 2020.

Notes:

1. Number of Meetings represents the Meetings held during the period in which the Director was Member of the Board.
2. In case of Director(s) retired/ resigned, the status of other Directorship and Committee Membership is on the basis of the last disclosure made by the Director(s).
3. The details of Committee Memberships considered for the above purpose are Audit Committee and Stakeholders' Relationship Committee of all companies in which he/she is a Director.
4. None of the Directors are related to each other or to any Key Managerial Personnel of the Company.
5. None of the Directors held directorship in more than 10 Public Limited Companies.
6. None of the Directors on the Board are Members of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the companies in which he/ she is a Director.
7. Necessary disclosures regarding the positions in other public companies as on March 31, 2021 have been made by the Directors.
8. The independence of a Director is determined by the criteria stipulated under section 149(6) of the Companies Act, 2013.

B. Number of Board Meetings held and dates:

During the Financial year 2020-21, the Board of Directors met 8 (Eight) times, the dates of the Meetings were June 20, 2020, July 16, 2020, August 13, 2020, September 02, 2020, September 30, 2020 November 03, 2020, January 27, 2021 and March 17, 2021.

3. AUDIT COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of Audit Committee is (a) to examine the financial statement and the auditors' report thereon; (b) to approve or any subsequent modification of transactions of the company with related parties; (c) scrutiny of inter- corporate loans and investments; (d) valuation of undertakings or assets of the company, wherever it necessary; (e) to evaluate internal financial controls and risk management systems; (f) to monitor the end use of funds raised through public offers and related matters; (g) to review and monitor the auditor's independence and performance and effectiveness of audit process; and (h) to recommend for appointment, remuneration and terms of appointment of auditors of the company.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Audit Committee and attendance of Directors at the Meetings, during the F.Y. 2020-21 is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. Ravindra Nath (C)	Non-Executive Director	6	6
2.	Mr. Subhash Chander Kalia	Non-Executive Director	6	6
3.	Mr. Sunil Kumar Bansal*	Non-Executive Director	3	1
4.	Mr. Anil Kumar Bansal	Non-Executive Director	3	3

* The Board re-constituted the Committee and introduced Mr. Anil Kumar Bansal in place of Mr. Sunil Kumar Bansal w.e.f September 30, 2020

Note: Number of Meetings represents the Meetings held during the period in which the Director was Member of the committee. The composition of Audit Committee is not in compliance with the relevant provisions of the Companies Act, 2013 due to not having Independent Director on the Board of the Company.

The Statutory Auditors and other senior executives were invited to participate in the Meetings of the Audit Committee wherever necessary, as decided by the Committee. The Company Secretary acts as the secretary of the Audit Committee.

During the Financial year 2020-21, the Audit Committee met 6 (six) times, the dates of the Meetings were June 20, 2020, August 13, 2020, September 02, 2020, November 03, 2020, January 27, 2021 and March 17, 2021.

4. NOMINATION AND REMUNERATION COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of Nomination and remuneration committee is identifying persons who are qualified to become directors and who may be appointed as Key Managerial Persons (KMP) as per criteria stipulated and recommending to the Board their appointment and removal, evaluating the performance of every director and to formulate the criteria for determining qualifications, positive attributes and independence of a Director/ KMP.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Nomination and Remuneration Committee and attendance of Directors at the Meetings, during the F.Y. 2020-21, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. Ravindra Nath (C)	Non-Executive Director	4	4
2.	Mr. Subhash C. Kalia	Non-Executive Director	4	4
3.	Ms. Anjali Kaushik	Non-Executive Director	4	4

Note: Number of Meetings represents the Meetings held during the period in which the Director was Member of the committee. The composition of Nomination & Remuneration Committee is not in compliance with the relevant provisions of the Companies Act, 2013 as the Company is not having Independent Director on the Board of the Company.

During the Financial year 2020-21, the Nomination and Remuneration Committee of Directors met 4 (four) times, the dates of the Meetings were June 19, 2020, September 30, 2020, January 27, 2021 and March 17, 2021.

5. EXECUTIVE COMMITTEE

A. TERMS OF REFERENCE

Executive Committee of Directors was constituted to consider matters such as corporate/ project loans proposals, one time settlement, restructuring of dues, etc. to enable the Board to oversee routine matters and concentrate on policy/ strategic issues including the matters which require approval of the Board.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Executive Committee and attendance of Directors at the Meetings, during FY 2020-21, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. Ravindra Nath (C)	Non-Executive Director	1	1
2.	Mr. Shivendra Tomar*	Managing Director	1	1
3.	Mr. Subhash C. Kalia	Non-Executive Director	1	1
4.	Ms. Anjali Kaushik	Non-Executive Director	1	1

*The Board re-constituted the Committee and introduced Mr. Shivendra Tomar in place of Mr. VSV Rao w.e.f June 11, 2020

Note: The number of Meetings represents the Meetings held during the period in which the Director was a Member of the committee.

During the Financial Year 2020-21, the Executive Committee of Directors met once on March 17, 2021.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of the Corporate Social Responsibility (CSR) Committee are to recommend the aggregate amount of expenditure to be incurred on the prescribed activities, to approve the CSR Activities involving the prescribed limit as approved by the Board and to monitor the Corporate Social Responsibility Policy of the Company, from time to time.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Corporate Social Responsibility Committee and attendance of Directors at the Meetings, during the FY 2020-21, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Ms. Anjali Kaushik (C)	Non-Executive Director	1	1
2.	Mr. Shivendra Tomar*	Managing Director	1	1
3.	Mr. Ravindra Nath*	Non-Executive Director	1	1

*The Board re-constituted the Committee and introduced Mr. Shivendra Tomar & Mr. Ravindra Nath in place of Mr. Shakti Kumar and VSV Rao respectively w.e.f June 11, 2020

Note: The number of Meeting represents the Meeting held during the period in which the Director was Member of the Committee. The composition of CSR Committee is not in compliance with the relevant provisions of the Companies Act, 2013 due to not having Independent Director on the Board of the Company.

During the Financial year 2020-21, the Corporate Social Responsibility (CSR) Committee of Directors met once on August 13, 2020.

7. E-GOVERNANCE COMMITTEE OF DIRECTORS

A. TERMS OF REFERENCE

The terms of reference of the E-Governance Committee (i) To guide Information Technology Department of the Company to develop and implement all IT policies and procedures, including those of network security and disaster recovery; (ii) To oversee streamlining operations of IT in the Company; (iii) To oversee the deployment of long-term strategic plans for acquiring and enabling efficient and cost-effective information processing and communication technologies; (iv) To review performance of IT System to determine upgrade requirements and maintenance required from time to time; (v) To review and make recommendations for the improvement of the IT infrastructure and IT systems of the Company; (vi) To oversee accusation, deployment, monitoring, maintenance, developmental and support of all hardware and software based on departments needs; (vii) To seek IT solutions that support business operations.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the E-Governance Committee of Directors and attendance of Directors at the Meetings, during the FY 2020-21, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Ms. Anjali Kaushik (C)	Non-Executive Director	1	1
2.	Mr. Subhash C. Kalia	Non-Executive Director	1	1
3.	Mr. Shivendra Tomar*	Managing Director	1	1

*The Board re-constituted the Committee and introduced Mr. Shivendra Tomar in place of Mr. Shakti Kumar w.e.f June 11, 2020

Note: The number of Meeting represents the Meeting held during the period in which the Director was Member of the Committee.

During the Financial year 2020-21, the E-Governance Committee of Directors met once on January 27, 2021.

8. RECOVERY AND NPA MANAGEMENT COMMITTEE

A. TERMS OF REFERENCE

The Board of Directors constituted Recovery and NPA Management Committee. The terms of reference of Recovery and NPA Management Committee is to have more effective control on the recovery of both Standard Accounts as well as NPA Accounts, to monitor the recovery efforts in all accounts and also to ensure that all accounts are properly identified for classification as NPA.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Recovery and NPA Management Committee and attendance of Directors at the Meetings, during the FY 2020-21, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. Subhash C. Kalia (C)	Non-Executive Director	3	3
2.	Mr. Shivendra Tomar*	Managing Director	3	3
3.	Mr. Anil Bansal*	Non-Executive Director	2	1
4.	Ms. Anjali Kaushik	Non-Executive Director	1	1

*The Board re-constituted the Committee and introduced Mr. Shivendra Tomar and Mr. Anil Kumar Bansal in place of Mr. Shakti Kumar and Ms. Anjali Kaushik w.e.f June 11, 2020 and September 30, 2020 respectively.

Note: The number of Meetings represents the Meetings held during the period in which the Director was Member of the committee.

During the Financial year 2020-21, the Recovery and NPA Management Committee of Directors met 3 (three) times, the dates of the meetings were on June 19, 2020, October 07, 2020 and January 18, 2021.

9. RISK MANAGEMENT COMMITTEE

A. TERMS OF REFERENCE

A Risk Management Committee was constituted with a view to identify, evaluate and mitigate all internal and external risks associated with IFCI Venture Capital Funds Limited, from time to time.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Risk Management Committee and attendance of Directors at the Meeting, during the FY2020-21, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. Ravindra Nath (C)	Non-Executive Director	1	1
2.	Mr. Subhash C. Kalia	Non-Executive Director	1	1
3.	Mr. Shivendra Tomar*	Managing Director	1	1

*The Board re-constituted the Committee and introduced Mr. Shivendra Tomar, Managing Director in place of Mr. Shakti Kumar w.e.f June 11, 2020.

Note: The number of Meeting represents the Meeting held during the period in which the Director was Member of the committee.

During the Financial year 2020-21, the Risk Management Committee of Directors met once on June 19, 2020.

10. STAKEHOLDERS' RELATIONSHIP COMMITTEE

As the number of shareholders of the Company being nine including four shareholders representing beneficial interest of IFCI Ltd., Stakeholders' Relationship Committee is not required to be constituted in IFCI Venture. This is to confirm that no complaints/grievances were received from the Shareholders during the FY 2020-21.

11. GENERAL BODY MEETINGS

A. Date, Venue and Time for the last three General Body Meetings:

AGM Date	Venue	Time
10/09/2018	Board Room, IFCI Tower, 61 Nehru Place, New Delhi-110019	11.30 A.M.
24/09/2019	Board Room, IFCI Tower, 61 Nehru Place, New Delhi-110019	03.00 P.M.
30/09/2020	Board Room, IFCI Tower, 61 Nehru Place, New Delhi-110019	11:00 A.M.

B. Details of Special Resolutions passed in the previous three Annual General Meetings:

AGM DATE	As per Companies Act	Particulars of Special Resolution
10/09/2018	No special resolution was passed by the shareholders of IFCI Venture.	
24/09/2019	No special resolution was passed by the shareholders of IFCI Venture.	
30/09/2020	No special resolution was passed by the shareholders of IFCI Venture.	

12. DISCLOSURES

(i) Remuneration to other Directors:-

(₹ in lakh)

SI. No.	Name of the Directors	Fee for attending Board/ Committee meetings	Conveyance Charges	Total
1.	Mr. Subhash C. Kalia	2,52,500	-	2,52,500
2.	Ms. Anjali Kaushik	1,81,000	-	1,81,000
3.	Mr. Ravindra Nath	2,27,000	-	2,27,000
4.	Mr. Anil Kumar Bansal	1,18,500	-	1,18,500

* No Commission was paid during the year.

(ii) Transaction with the related party during the period ended March 31, 2021:-

Nature of Relationship	Name of the Related Party
Holding Company	IFCI Ltd. (IFCI)
Key Managerial Personnel (on deputation from IFCI)	Mr. Shakti Kumar (MD) (till June 09, 2020)
	Mr. Shivendra Tomar (MD) w.e.f. June 10, 2020
	Mrs. Indu Gupta- (CFO)
	Mr. Rachit Tandon- (CS) w.e.f. June 20, 2020
	Mrs. Priyanka Munjal (CS) (till May 27, 2020)
Other subsidiaries of Holding company	IFCI Financial Services Ltd. (IFIN)
	IFIN Securities Finance Ltd. (ISFL)
	IFCI Factors Ltd.(IFL)
	Stock Holding Corporation of India Ltd.
	IFCI Social Foundation (Trust)

Type of Transaction – **1. IFCI**	**Current Year (in lakh)**	**Previous Year (in lakh)**
Loan taken	-	-
Loan paid back	-	-
Interest on Loan Paid to IFCI	-	-
Rent & Maintenance paid to IFCI Ltd.(Exclusive of taxes and cess)	164.69	164.52
Salaries paid to IFCI for employees deputed by IFCI Ltd. including PLI	11.47	55.75
Paid towards other expenses to IFCI	1.89	4.14
Paid towards IT Services taken from IFCI. (Exclusive of taxes)	20.00	10.79
Interest Received and accrued on Bonds subscribed	190.69	172.63
Brokerage/ Professional fee paid-LOC	-	15.43
2. IFCI Social Foundation – CSR contribution	5.00	12.34
3. IFCI Financial Services Ltd.		
Brokerage/Professional fee paid	0.07	-
4. Stock Holding Corporation of India Ltd.		
Brokerage/Professional fee paid	0.21	0.19
5. Venture Capital Fund for Backward Classes		
Management Fee Received	53.89	20.35

Balance Outstanding with the related party during the period: -

Outstanding Balances – IFCI	**Current Year (in Lakhs)**	**Previous Year (in Lakhs)**
Payable to IFCI towards salary of employees deputed by IFCI	-	3.34
Interest accrued on Bonds - IFCI Ltd.	735.12	586.43
Bonds Subscribed & outstanding	1500.05	1500.05
Brokerage/Professional fee paid-LOC	-	15.43
IT Services from IFCI	2.76	-
Management fee- VCFBC	-	11.71

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

Except for the above, there were no significant related party transactions i.e. transactions material in nature with its Promoters, Directors or the management, their subsidiaries or relatives etc. that may potentially conflict with the interests of the Company at large.

(ii) In view of the size and operations of IFCI Venture, the Company has adopted the Vigil Mechanism Policy, in line with the Companies Act, 2013.

(iii) As IFCI Venture is not under obligation to comply with the mandatory clauses, the report is being prepared as a Good Corporate Governance Policy.

11. MEANS OF COMMUNICATION

The Annual Report and other statutory information are being sent to shareholders.

In compliance of the provisions of the Listing Agreement/Regulation of Debt Securities, the financial results of the company are generally published in Financial Express newspaper and uploaded on company website www.ifciventure.com.

12. GENERAL SHAREHOLDERS INFORMATION

As per the notice attached to this Annual Report, the Annual General Meeting of the Company will be held on 30th September, 2021.

a) The Financial Year of IFCI Venture is from April 1, 2020 to March 31, 2021.

b) Shareholding Pattern as on March 31, 2021 and March 31, 2020 are given as under:-

	As on March 31, 2021		As on March 31, 2020	
	No. of shares	**(%)**	**No. of shares**	**(%)**
IFCI Ltd.#	5,95,21,008#	98.60	5,95,21,008#	98.60
Other Body Corporates	8,50,000	1.40	8,50,000	1.40
Total	**6,03,71,008**	**100.00**	**6,03,71,008**	**100.00**

Includes four shares held by employees, for its beneficial interest, of IFCI, which are mentioned as below:-

NAME OF THE BENEFICIARY	NUMBER OF SHARES HELD	BENEFICIAL INTEREST WITH
Mr. Manish Kumar	1	IFCI LIMITED
Mr. Amit Kumar Sinha	1	IFCI LIMITED
Mr. Praveen Kumar Vishwakarma	1	IFCI LIMITED
Mr. Amit Joshi	1	IFCI LIMITED

d) Address of Registered Office for correspondence:

Name and Address: IFCI Venture Capital Funds Ltd.
16th Floor, IFCI Tower, 61 Nehru Place, New Delhi – 110 019.
Telephone: 41732525, 41732511
E-mail: cs@ifciventure.com
Website: www.ifciventure.com

e) Registrar to the Issue:

Name and Address: MCS Share Transfer Agent Ltd.
F-65, 1st floor, Okhla Industrial Area, Phase I, New Delhi-110020
Telephone: (011) 5140 6149
Fax No: (011) 5170 988
E-mail: admin@mcsdel.com

Sd/-
Shivendra Tomar
Managing Director
DIN : 03174406

Place: New Delhi
Date: 21st September, 2021

INDEPENDENT AUDITORS' REPORT

To
The Members of
IFCI VENTURE CAPITAL FUNDS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **IFCI VENTURE CAPITAL FUNDS LIMITED,** which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, Statement of changes in equity and the Statement of Cash Flows for the year then ended, and a notes to the financial statement, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2021, its Profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No.22 .to the Financial Statements which fully describes that in accordance with RBI instructions regarding the reversal of Interest Charged on Interest related to Moratorium period, the company has estimated the said amount and made a Provision in the Financial Statements by reducing the Interest Income by that amount. We have relied upon the calculations made available to us by the management in this regard.

Our opinion is not modified in respect of this matter.

Other Matter

The Company has invested a sum of INR 4.20 Crores in Equity Capital of an infrastructure project based in West Bengal In the year 2015. The project has been functional partially till date. The Fair Valuation for IND AS purpose states that the estimated value is lower by around 25%, although the valuer could not substantiate any specific reason why the decrease in value is limited to 25%. However, in absence of any particular information regarding the realisable value of the project, we have relied upon the best estimates made by the valuer in this regard.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Based on the work we have performed, we conclude that no such information was available during the course of Audit and we have nothing to report on this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards specified under section 133 of the Act. 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.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (5) of the Act, we have considered the directions &sub-directions issued by the Comptroller & Auditor General of India. We give our report in the attached **Annexure "B".**
3. As required by Section 143(3) of the Act, based on our audit we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c. The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
    e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
    f. 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 C".**
    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Lunawat & Co.**
Chartered Accountants
FR No. 000629N

Sd/-
per CA. Vikas Yadav
Partner
M. No. 511351

Place: New Delhi
Date: 08th June, 2021

54, Daryaganj, New Delhi-110002
UDIN:- 21511351AAAAHU6358

ANNEXURE "A" TO THE INDEPENDENT AUDITORS REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date to the financial statements of the company for the period 1st April 2020 to 31st March 2021.

We report that:-

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable properties.

ii. The Company is a Non–Banking Financial Company, accordingly it does not hold any inventory. Thus, paragraph 3(ii) of the Order is not applicable.

iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a),iii (b) and iii(c) of the order are not applicable to the Company.

iv. In our opinion, and according to the information & explanation given to us, the Company has not granted any loans, not made any investments, not given any guarantees and security covered under section 185 of the Companies Act 2013. The provisions of section 186 of the Companies Act 2013 are not applicable to the Company.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, where applicable, have been complied with. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal.

vi. According to the information and explanation given to us, the government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013.

vii. (a) According to the records of the company, undisputed statutory dues including, Provident fund, Employees' State insurance, Income tax, Goods & Service tax, Custom Duty, Cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, Goods & Service Tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

viii. In our opinion and according to the information & explanation given by the management, the Company has not defaulted in repayment of loan or borrowings to banks or dues to debenture holders.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or by way of term loans hence this clause is not applicable.

x. In our opinion and according to the information and explanation given to us, no case of fraud by the company or by its officers or employees has been noticed or reported during the period under audit.

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

xii. The company is not a Nidhi Company, hence provision of clause 3 (xii) of the order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 wherever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is already registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Lunawat & Co.**
Chartered Accountants
FR No. 000629N

Sd/-
per CA. Vikas Yadav
Partner
M. No. 511351
54, Daryaganj, New Delhi-110002

Place: New Delhi
Date: 08th June, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date of standalone financial statements

Part A

S. No.	Directions	Auditors' Comment
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. No adverse comments.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of Lender Company).	The Company did not have any borrowings during the year; hence there is no restructuring of loans during the year under audit. There are no cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company (i.e. IFCI Venture Capital Funds Limited) due to the Company's inability to repay the loan. However, the Company as a lender has allowed restructuring/One Time Settlement in the following cases: 1. Mittal Dwellers Private Ltd. (A/c No. 2021902001): Restructure of Advance of Rs.7.66 Cr (Principle) & Rs.0.54 Cr (Interest). No Loss Incurred in restructuring arrangement. 2. VVA Developers Ltd (A/c No.2015908001): OTS done for Principle amount of Rs. 1867.70 Lakh, Interest Loss of Rs. 875.50 Lakhs. The Financial Impact of the abovementioned cases has been properly accounted for by the Company.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central /State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations provided to us by the Company: The Company has not received any fund(s) from Central/state Govt or from its agencies during the year nor is any fund receivable in respect of such schemes.

Part B

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

For **Lunawat & Co.**
Chartered Accountants
FR No. 000629N

Sd/-
per CA. Vikas Yadav
Partner
M. No. 511351
54, Daryaganj, New Delhi-110002

Place: New Delhi
Date: 08th June, 2021

ANNEXURE "C" TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **IFCI VENTURE CAPITAL FUNDS LIMITED** as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Lunawat & Co.**
Chartered Accountants
FR No. 000629N

Sd/-
per CA. Vikas Yadav
Partner
M. No. 511351
54, Daryaganj, New Delhi-110002

Place: New Delhi
Date: 08th June, 2021

IFCI VENTURE

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

BALANCE SHEET AS AT 31st MARCH, 2021

(₹ in lakh)

	PARTICULARS	Note No.	As at 31st March, 2021	As at 31st March, 2020
	ASSETS			
(1)	**Financial Assets**			
	(a) Cash and Cash Equivalents	2	249.54	338.83
	(b) Bank Balances other than (a) above	3	3,316.77	100.00
	(c) Receivables	4		
	(I) Trade Receivables		7.26	11.71
	(II) Other Receivables		11.65	3.12
	(d) Loans	5	11,306.56	15,200.99
	(e) Investments	6	3,855.00	6,654.57
	(f) Other Financial Assets	7	10.05	8.46
			18,756.84	**22,317.68**
(2)	**Non Financial Assets**			
	(a) Current tax assets (Net)	8	455.84	458.39
	(b) Deferred tax assets (Net)	9	4,700.75	4,644.40
	(c) Property, plant and equipment	10	17.37	23.03
	(d) Other Intangible assets	11	0.00	0.00
	(e) Other non-financial assets	12	3.30	5.47
			5,177.26	**5,131.29**
	Assets classified as held for sale	13	750.00	750.31
	Total Assets		**24,684.10**	**28,199.28**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
	(a) Payables	14		
	(I) Trade Payables	-		
	(i) Total outstanding dues of micro enterprises and small enterprises	-		
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-		
	(II) Other Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-		
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		24.68	79.02
	(b) Debt Securities	15	7,246.10	10,173.31
	(c) Borrowings (Other than Debt securities)	16	-	-
			7,270.79	**10,252.33**
(2)	**Non Financial Liabilities**			
	(a) Current Tax Liabilities (Net)	17	-	-
	(b) Provisions	18	447.18	359.30
	(c) Deferred tax liabilities (Net)		-	-
	(d) Other non-financial Liabilities	19	9.25	888.92
			456.42	**1,248.22**
	Total Liabilities		**7,727.21**	**11,500.55**
(3)	**Equity**			
	(a) Equity share capital	20	6,037.10	6,037.10
	(b) Other equity	21	10,919.79	10,661.63
	Total Equity		**16,956.89**	**16,698.73**
	Total Liabilities and Equity		**24,684.10**	**28,199.28**

Notes 1 to 48 form an integral part of financial statements
As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
FRN: 000629N

Sd/-
Vikas Yadav
Partner
M. No. 511351

Place: New Delhi
Date: 08th June, 2021

Sd/-
Sunil Kumar Bansal
Director (DIN : 06922373)

Sd/-
Shivendra Tomar
Mg. Director (DIN : 03174406)

Sd/-
Indu Gupta
Chief Financial Officer

Sd/-
Rachit Tandon
Company Secretary

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in lakh)

	PARTICULARS	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
	Revenue From Operations			
	(i) Interest Income	22	2,192.53	2,582.64
	(ii) Dividend Income	23	1.63	8.81
	(iii) Fees Income	24	930.24	648.88
	(iv) Net Gain on Fair Value Changes	25	459.78	130.10
A.	**Total Revenue from Operations**		**3,584.17**	**3,370.42**
B.	**Other Income**	26	**21.56**	**51.24**
C.	**Total Income (A+B)**		**3,605.73**	**3,421.67**
	Expenses			
	(i) Finance costs	27	940.39	1,421.70
	(ii) Fees and commission expense	28	-	15.43
	(iii) Net loss on fair value changes	29	-	-
	(iv) Employee Benefit expenses	30	399.34	443.05
	(v) Impairment on financial instruments	31	753.55	1,686.04
	(vi) Depreciation, amortization and impairment	9,10	7.01	2.24
	(vii) Other expenses	32	1,228.37	510.48
D.	**Total Expenses**		**3,328.66**	**4,078.95**
E.	**Profit / (loss) before exceptional items and tax (C-D)**		**277.07**	**(657.28)**
F.	**Exceptional Items**		**-**	**-**
G.	**Profit / (loss) before tax (E-F)**		**277.07**	**(657.28)**
H.	**Tax Expense:**			
	1. Current Tax		76.49	-
	2. Earlier Year		13.58	13.27
	3. Deferred Tax		(60.47)	(730.51)
I.	**Profit / (loss) for the period from continuing operations (After Tax) (G-H)**		**247.48**	**59.95**
J.	**Profit / (loss) for the period from discontinuing operations (After Tax)**		**-**	**-**
K.	**Profit/(loss) for the period (I+J)**		**247.48**	**59.95**
L.	**Other comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or (loss) - Remeasurement of the net defined benefit Plans		14.79	(17.00)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.12	(4.73)
	Subtotal (A)		**10.68**	**(12.27)**
	(B) (i) Items that will be reclassified to profit or loss(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)		**10.68**	**(12.27)**
M.	**Total Comprehensive Income for the period (K+L) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**258.16**	**47.68**
N.	**Earnings per equity share (for continuing operations)**			
	Basic (Rs.)	41	0.43	0.08
	Diluted (Rs.)	41	0.43	0.08

Notes 1 to 48 form an integral part of financial statements
As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
FRN: 000629N

Sd/-
Vikas Yadav
Partner
M. No. 511351

Sd/-
Sunil Kumar Bansal
Director (DIN : 06922373)

Sd/-
Shivendra Tomar
Mg. Director (DIN : 03174406)

Place: New Delhi
Date: 08th June, 2021

Sd/-
Indu Gupta
Chief Financial Officer

Sd/-
Rachit Tandon
Company Secretary

IFCI VENTURE

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lakh)

PARTICULARS	Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax and extraordinary items	**277.07**	**(553.50)**
Adjustments for:		
Remeasurement of the net defined benfit plans	14.79	(17.00)
Provision for employee benefits (net) and other	87.87	70.71
Impairment on financial instruments	753.55	1,575.43
Depreciation and amortisation expenses	7.01	2.24
Net (gain) / loss on fair value changes	(316.43)	(130.10)
Movements in working capital:		
(Increase)/Decrease in trade receivables	(4.08)	(6.45)
Increase/(Decrease) in trade payable	(54.34)	-
(Increase)/decrease in other financial assets & other assets	0.57	10.41
Increase/ (Decrease) in financial liabilities & other liabilities	(879.67)	816.46
Increase/(Decrease) in Debt Securitites	(2,927.21)	0.00
Increase/(Decrease) in Borrowings (other than Debt Securities)	-	(5,190.07)
Long Term Loans Given (Net)	3,140.88	5,363.99
Change in Investments (Net)	3,116.30	(1,433.26)
Cash generated from operations	**3,216.33**	**508.85**
Income taxes paid (net of refunds)	(87.51)	(170.26)
Net cash generated by operating activities (A)	**3,128.81**	**338.60**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment, intangible assets	(1.34)	(21.15)
Investments in FDR	(3,216.77)	(100.00)
Net cash used in investing activities (B)	**(3,218.11)**	**(121.15)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Interim Dividend-Equity	-	-
Net cash generated in financing activities (C)	**-**	**-**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(89.30)**	**217.45**
Cash and cash equivalents at the beginning of the year	338.83	121.38
Cash and cash equivalents at the end of the year	**249.54**	**338.83**

PARTICULARS	Year ended March 31, 2021	Year ended March 31, 2020
Components of Cash and Cash Equivalents		
Cash on hand	0.11	0.24
Balances with Banks in current accounts	32.71	40.96
Balances with Banks in deposit accounts	216.72	297.63
Cash and Cash Equivalents	**249.54**	**338.83**
Less – Secured Demand loans from banks (Cash credit)	-	-
Less – Bank overdraft	-	-
Cash and cash equivalents for statement of cash flows	**249.54**	**338.83**

Notes 1 to 48 form an integral part of financial statements
As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
FRN: 000629N

Sd/-
Vikas Yadav
Partner
M. No. 511351

Sd/-
Sunil Kumar Bansal
Director (DIN : 06922373)

Sd/-
Shivendra Tomar
Mg. Director (DIN : 03174406)

Place: New Delhi
Date: 08th June, 2021

Sd/-
Indu Gupta
Chief Financial Officer

Sd/-
Rachit Tandon
Company Secretary

IFCI VENTURE

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

STATEMENT OF CHANGES IN EQUITY

(₹ in lakh)

A. Equity share capital

Particulars	Number of shares	Share capital (Amount)
Shares having face value of Rs 10/-		
Balance at beginning of the period (01.04.2019)	6,03,71,008	6,037.10
Change in Equity Share Capital during the year	-	-
Balance at the end of the period (31.03.2020)	6,03,71,008	6,037.10
Change in Equity Share Capital during the year	-	-
Balance at the end of the period (31.03.2021)	**6,03,71,008**	**6,037.10**

(₹ in lakh)

B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)	
	Statutory Reserve (Reserve u/s 45IC of RBI Act	Securities Premium	Special Reserve under Section 36(1)(viii) of the I.T Act, 1961	Retained Earnings	Remeasurements of the defined benefit plans	Total
Balance at the beginning of the reporting period i.e. 01.04.2019	**3,112.72**	**4,747.90**	**5.20**	**2,366.29**	**(12.11)**	**10,220.00**
Correction of prior period error	-	-	-	393.94	-	393.94
Restated Balance Sheet at the beginning of the reporting period 01.04.2019	**3,112.72**	**4,747.90**	**5.20**	**2,760.23**	**(12.11)**	**10,613.94**
Total Comprehensive Income for the year	-	-	-	59.95	(12.27)	47.68
Transfer between reserves and retained earnings	9.54	-	-	(9.54)	-	-
Balance at the end of the reporting period i.e. 31.03.2020	**3,122.25**	**4,747.90**	**5.20**	**2,810.65**	**(24.38)**	**10,661.63**
Total Comprehensive Income for the year	-	-	-	247.48	10.68	258.16
Transfer between reserves and retained earnings	51.63	-	-	(51.63)	-	-
Balance at the end of the reporting period i.e. 31.03.2021	**3,173.89**	**4,747.90**	**5.20**	**3,006.50**	**(13.70)**	**10,919.79**

Notes 1 to 48 form an integral part of financial statements
As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
FRN: 000629N

Sd/-
Vikas Yadav
Partner
M. No. 511351

Sd/-
Sunil Kumar Bansal
Director (DIN : 06922373)

Sd/-
Shivendra Tomar
Mg. Director (DIN : 03174406)

Place: New Delhi
Date: 08th June, 2021

Sd/-
Indu Gupta
Chief Financial Officer

Sd/-
Rachit Tandon
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1. Background

IFCI Venture ('the Company'), incorporated in New Delhi, India is a Non-Banking Finance Company in the public sector set-up in 1975. IFCI Venture is presently managing one SEBI-registered Venture/ private equity (PE) funds/Alternate Investment Funds (AIF) having two schemes. These funds provide long-term, committed share capital, to help unquoted companies grow and succeed. IFCI Venture derives income from the fund management activities in the form of management fee on the corpus/ outstanding amount of funds and by way of profit on these investments. The Company provides financial support for the diversified growth of Industries across the spectrum in the form of Corporate loans.

1.2 Basis of Preparation of Financial Statements

The financial statements for the year ended March 31, 2021 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

For periods up to and including the year ended March 31, 2018, the Company presented its financial statements on accrual basis under historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India ('Indian GAAP' or 'previous GAAP') 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 financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under Ind AS. The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

The financial statements were authorized for issue by the Company's Board of Directors on 08th June, 2021.

1.3 Functional and Presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All amounts have been denominated in lakh and rounded off to the nearest 2 decimals, except when otherwise indicated.

1.4 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following material items

- Financial instruments at FVTPL that is measured at fair value
- Net defined benefit (asset)/ liability - fair value of plan assets less present value of defined benefit obligation

1.5 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Impairment of financial assets: establishing the criteria for determining whether credit risk on the financial assets has increased significantly since initial recognition, determining methodology for incorporating forward looking information into measurement of expected credit loss ('ECL') and selection of models used to measure ECL
- The company has an operating segment "Fund Management" having assets, liabilities, income, expenses and other processes and personnel focused on managing venture capital funds. Given the exemption from application of equity method to a 'venture capital organisation' which may be a division or section or department or segment within an entity, the company has regarded the "Fund Management" segment as a 'venture capital organisation' and has availed the exemption from application of equity method to all its investments in associates by measuring the investments in associates at fair value through profit or loss. As the company has opted to measure those investments at fair value through profit or loss in separate financial statements and there being no other investments in subsidiaries or joint ventures, no adjustments are required to prepare consolidated financial statements from separate financial statements. These financial statements are, therefore, separate and consolidated financial statements of the company and the group respectively.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2021 is included in the following notes:

- Impairment of financial instruments: Determining inputs into the ECL measurement model, including incorporation of forward looking information including key assumptions used in estimating recoverable cash flows
- Determination of the fair value of financial instruments with significant unobservable inputs
- Measurement of defined benefit obligations: Key actuarial assumptions
- Recognition of deferred tax assets: Availability of future taxable profit against which carry-forward tax losses can be used

1.6 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

A. Revenue recognition

(i) Interest income from financial assets is recognised on an accrual basis using Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

The interest revenue continues to be recognised at the original EIR applied on the gross carrying amount for financial assets (when the asset is not credit impaired).

(ii) Fee income/expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Income from Management fees is recognized overtime on the basis of output method of time elapsed.

(iii) Recovery from bad debts written off is recognised as income on the basis of realisation from customers.

B. Financial instruments

I. Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

II. Classifications and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as subsequently measured at either amortised cost or fair value through FVTPL, depending on the contractual cash flow characteristics of the financial assets and the Company's business model for managing the financial assets.

Business Model Assessment

The Company makes an objective assessment of the business model in which an asset is held at a portfolio level, because this best reflects the way the business is managed and information is provided to management. The information considered includes:

The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Assessment if contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company applies judgement and considers all the contractual terms of the instrument. This includes assessing whether the financial asset contains any contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the said assessment, the Company considers prepayment and extension terms, features that modify consideration of the time value of money (e.g. periodical reset of the interest rates).

Financial assets at Amortised Cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

  Subsequently, these are measured at amortised cost using the effective interest rate (EIR) method less any impairment losses.

Financial assets at Fair Value through Other Comprehensive Income (FVOCI)

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequently, these are measured at fair value and changes therein, are recognised in other comprehensive income. Impairment losses on said financial assets are recognised in other comprehensive income and do not reduce the carrying amount of the financial asset in the balance sheet.

Financial assets at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL.

Subsequently, these are measured at fair value and changes therein, are recognised in profit and loss account.

Investment in Equity Instruments

All equity investments (other than in Subsidiaries and Associates) are subsequently measured at fair value through profit or loss.

Equity instruments which are held for trading are classified as at FVTPL with all changes recognised in Statement of profit and loss. .

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Initial recognition and measurement

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost.

Subsequent measurement

a) Financial liabilities at amortised cost:

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate method.

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

III. Measurement Basis

Amortised cost

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the EIR method of discount or premium on acquisition and fees or costs that are an integral part of the EIR and, for financial assets, adjusted for any loss allowance.

Fair Valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects it non-performance risk.

When Market price is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimise the use of unobservable inputs. The valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

IV. De-recognition/Modificationof financial assets and financial liabilities

Derecognition of financial assets and financial liabilities

Financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

On de-recognition, any gains or losses on all debt instruments and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition

Financial liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the modification results in derecognition of the original financial asset and new financial asset is recognised at fair value.

If the cash flows of the modified asset are not substantially different, then the modification does not result in de-recognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset by recomputing the EIR rate on the instrument.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If the modification is not accounted as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original EIR and the resulting gainor loss is recognized in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial liability and are amortised over the remaining term of the modified financial liability by recomputing the EIR rate on the instrument.

V. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

VI. Impairment of Financial Assets

The Company recognizes impairment allowances for ECL on all the financial assets that are having contractual terms giving rise to solely payments of principal and interest on the principal amount outstanding

ECL are probability weighted estimate of credit losses. They are measured as follows:

- financial assets that are not overdue for more than 30 days – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- financial assets with significant increase in credit risk that are overdue for more than 30 days but less than 90 days – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- financial assets that are overdue by 90 days and above – as the difference between the gross carrying amount and the present value of estimated cash flows.
- undrawn loan commitments – as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the

Company expects to receive with respect to the financial assets, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognised in OCI.

Write-off

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

C. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

(i) the contract involves the use of an identified asset.

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

D. Employee benefits

i. Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Post Employment benefits

a. Defined contribution plans

Provident Fund

The Company pays fixed contribution to Provident Fund at predetermined rates to EPFO.

b. Defined benefit plans

Gratuity

The Company has a defined benefit employee scheme in the form of Gratuity. The Trustees of the scheme have entrusted the administration of related fund to LIC. Expense for the year is determined on the basis of actuarial valuation of the Company's year-end obligation in this regard and the value of year end assets of the scheme. Contribution is deposited with LIC based on intimation received by the Company.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current costs and the fair value of any plan assets, if any is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Accrued Benefit Method (same as Projected Unit Credit Method), which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in defined benefit plan asset is split between interest income and re-measurements. Changes due to service cost and net interest cost / income is recognized in the statement of profit and loss. Re-measurements of net defined benefit liability / (asset) which comprise of the below are recognized in other comprehensive income:

- Actuarial gains and losses;
- The return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset)

iii. **Other long term employee benefits**

Benefits under the Company's leave encashment and leave fare concession constitute other long term employee benefits. The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise. Provision for Leave fare concession is being made on actuarial valuation basis.

E. **Income Taxes**

Income-tax expense comprises of current & previous year tax adjustments (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax base and book base). It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) **Current tax & previous year tax adjustment**

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Minimum alternative tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the statement of profit and loss.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Company:

a) has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

F. Property, plant and equipment and Investment property

Recognition and measurement

Property, plant and equipment held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation

Depreciation is provided using the straight line method overuseful life estimated by the management. Depreciation is calculated on pro-rata basis, including the month of addition and excluding the month of sale/disposal. Leasehold improvements are amortised over the underlying lease term on a straight line basis. Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets ` 'Nil'.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

De-recognition

An item of property, plant and equipment or investment property is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an item of property, plant and equipment or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Transition to Ind AS

The Company has elected to continue with the carrying value of all of its property, plant and equipment and investment property recognised as of April 1, 2017 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

G. Intangible assets

Recognition and measurement

Intangible assets are recognized at cost of acquisition which includes all expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to create, produce or making the asset ready for its intended use.

Amortization

Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is de-recognized.

Transition to Ind AS

The Company has elected to continue with the carrying value of all of its intangible asset recognised as of April 1, 2017 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

H. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amount of its non financial assets (other than assets held for sale and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

I. Provisions and contingencies related to claims, litigation, etc.

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

J. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

K. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the entity's cash management.

L. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. Refer note 39d for details on segment information presented.

M. Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the company by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

N. Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets measured at the lower of their carrying amount and fair value less cost to sell with gains and losses on remeasurement recognised in profit or loss. Once classified as held for sale, assets are no longer amortised, depreciated or impaired.

O. Accounting policy on investment in associates

The company has investment in associates in which it has 20 per cent or more of shareholding and therefore has been regarded as an associate. The company has measured the investments in associates at fair value through profit or loss in its separate financial statements. If any investment is held for sale, then shall measure it at the lower of its carrying amount and fair value less costs to sell.

P. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively. At the date of transition to Ind AS, an entity shall use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised (or for loan commitments and financial guarantee contracts the date that the entity became a party to the irrevocable commitment) and compare that to the credit risk at the date of transition to Ind AS.

The ECL working assumes that there is a significant increase in credit risk if the asset is overdue for 30 days or more and therefore, ECL is measured on lifetime basis for such assets. For assets overdue for less than 30 days, it is assumed that there is no significant increase in credit risk and therefore ECL for such assets is measured at the probability of default occurring within next 12 months.

IMPAIRMENT OF FINANCIAL ASSETS (EXPECTED CREDIT LOSS MODEL)

The company determines significant increase in credit risk on a financial asset subject to impairment requirements as per expected credit loss method if the cash flows from the financial instrument are overdue by 30 days or more.

The company considers default when the principal or interest cash flows on a financial asset is overdue by 90 days or more. The company provides lifetime expected credit losses on financial assets that are overdue by 30 or more. Financial assets that are overdue by 90 days or more are considered to be credit-impaired.

The company recognises interest on effective interest rate for all financial assets whether credit-impaired or nor credit-impaired. For credit-impaired financial assets, interest is recognised on the carrying amount remaining after deducting loss allowance. For the purposes of calculating expected credit losses, the company groups the financial assets based on similarity of type of financial asset such as corporate loan or personal loan, type of security such as loan against property and loan against shares, credit rating as at the reporting date and schedule of payment contractually specified such as monthly or quarterly. However, the credit losses are calculated on individual instrument level and not group level.

The credit loss calculated at individual instrument level is then adjusted for the probability that the party may default with 12 months if the financial asset is overdue by less than 30 days and also by the risk weights based on gross exposure that includes loan commitments and credit risk rating grades. The company considers GDP growth rate and unemployment rate over a period of 10 years.

Empirically, there is a negative correlation between GDP growth rate and non-performing asset rate and a positive correlation between unemployment rate and non-performing asset rate. Any negative effect of GDP growth rate and unemployment rate is adjusted in the risk weights applied to the credit loss calculated at instrument level.

The company calculates credit loss based on the regression analysis of contractual and actual cash flows till the end of the reporting period. The calculation of credit loss looks into the future, that is after the end of the reporting period by considering contractual and actual cash flows till the end of latest month for which receipt information is available.

Actual cash flows beyond the month for which the receipt information is available is estimated based on regression equation. Credit loss is the present value of cash shortfalls from the end of the reporting period to the end of the contractual period. The adjusted credit loss is then compared with the present value of the collateral as on the reporting date and estimate of legal costs to be incurred for realization of security to determine the expected credit losses to recognised as loss allowance.

The present value of the collateral and legal costs is estimated beyond the contractual period if required. Any increase / decrease in loss allowance for financial assets measured at amortised cost is recognised in profit or loss for the period. Expected credit losses are considered based on the credit rating as at the end of the reporting period. Therefore, any change in the credit rating for that instrument may result in change in the risk weights applied to the credit loss calculated based on regression analysis of the contractual and actual cash flows over the period of the contract.

2. Cash and Cash Equivalents

(₹ in lakh)

	PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
1	Cash in hand (including postage stamps)	0.11	0.24
2	Balances with Banks		
	-Bank Balance	32.71	40.96
	-Bank Deposits with original maturity of less than three months	216.72	297.63
	Total	**249.54**	**338.83**

3. Balances with Banks

(₹ in lakh)

	PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
1	Bank Balances	3,316.77	100.00
	Total (I)	**3,316.77**	**100.00**

4. Receivables

(₹ in lakh)

	PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
(I)	Trade Receivables	-	
	Fees receivable - considered good	7.26	11.71
		7.26	**11.71**
(II)	Other receivables		
	Unsecured - considered good	-	
	Unsecured - doubtful	6.83	6.83
	Others	11.65	3.12
		18.48	**9.95**
	Less : Allowance for Impairment loss	**6.83**	**6.83**
		11.65	3.12
	Total	**18.91**	**14.83**

5. Loans

(₹ in lakh)

Particulars	As at March 31, 2021					
	Amotised Cost	At Fair Value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)						
(i) Term Loans						
- Loans and Advances (Considered good)	1,734.83	-	-	-	-	1,734.83
- Loan and Advances (Doubtful)	21,110.68					21,110.68
(ii) Others (to be specified)	-	-	-	-	-	-
Total (A) Gross	**22,845.51**	**-**	**-**	**-**	**-**	**22,845.51**
Less: Impairment loss allowance	11,538.95	-	-	-	-	11,538.95
Total (A) Net	**11,306.56**	**-**	**-**	**-**	**-**	**11,306.56**
(B)						**-**
(i) Secured by tangible assets and intangible assets	18,182.15	-	-	-	-	18,182.15
(ii) Covered by Bank/Government Guarantee	-	-	-	-	-	-
(iii) Unsecured	4,663.35	-	-	-	-	4,663.35
Total (B) Gross	**22,845.51**	**-**	**-**	**-**	**-**	**22,845.51**
Less: Impairment loss allownace	11,538.95	-	-	-	-	11,538.95
Total (B) Net	**11,306.56**	**-**	**-**	**-**	**-**	**11,306.56**
(C) Loans in India	**-**	**-**	**-**	**-**	**-**	**-**
(i) Public Sector	-	-	-	-	-	-
(ii) Others	22,845.51	-	-	-	-	22,845.51
Total (C) Gross	**22,845.51**	**-**	**-**	**-**	**-**	**22,845.51**
Less: Impairement loss allowance	11,538.95	-	-	-	-	11,538.95
Total (C) Net	**11,306.56**	**-**	**-**	**-**	**-**	**11,306.56**

Particulars	As at March 31, 2020					
	Amotised Cost	At Fair Value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)						
(i) Term Loans						
- Loans and Advances (Considered good)	4,089.01	-	-	-	-	4,089.01
- Loan and Advances (Doubtful)	21,975.68	-	-	-	-	21,975.68
(ii) Others (to be specified)	-	-	-	-	-	-
Total (A) Gross	**26,064.69**	**-**	**-**	**-**	**-**	**26,064.69**
Less: Impairment loss allowance	10,863.70	-	-	-	-	10,863.70
Total (A) Net	**15,200.99**	**-**	**-**	**-**	**-**	**15,200.99**
(B)						
(i) Secured by tangible assets and intangible assets	21,898.87	-	-	-	-	21,898.87
(ii) Covered by Bank/Government Guarantee	-	-	-	-	-	-
(iii) Unsecured	4,165.82	-	-	-	-	4,165.82
Total (B) Gross	**26,064.69**	**-**	**-**	**-**	**-**	**26,064.69**
Less: Impairment loss allownace	10,863.70	-	-	-	-	10,863.70
Total (B) Net	**15,200.99**	**-**	**-**	**-**	**-**	**15,200.99**
(C) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	26,064.69	-	-	-	-	26,064.69
Total (C) Gross	**26,064.69**	**-**	**-**	**-**	**-**	**26,064.69**
Less: Impairement loss allowance	10,863.70	-	-	-	-	10,863.70
Total (C) Net	**15,200.99**	**-**	**-**	**-**	**-**	**15,200.99**

6. Investments

(₹ in lakh)

Particulars	As at March 31, 2021						
		At Fair Value					
	Amotised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
Government Securities	-	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-	-
Debt securities							
- Inter Group Balances							
- Bonds - Tax free bonds of IFCI Ltd of Rs.10,00,000 each	542.00	-	-	-	-	-	542.00
- Bonds - Taxable bonds of IFCI Ltd of Rs.1000 each	1,735.12	-	-	-	-	-	1,735.12
Equity instruments							
- Biotech Consortium Ltd.	-	-	-	-	-	-	-
- Jangipur Bengal Mega Food Park Ltd	-	-	326.34	-	326.34	-	326.34
- Him Teknoforge Ltd	-	-	669.40	-	669.40	-	669.40
- Deltronix India Ltd	-	-	-	-	-	-	-
CCD/OCD/OCPS instruments							
- Deltronix India Ltd (OCPS)	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-	-
Associates							
- Units of Venture Funds (Rs.10 each fully paid up)					-	-	-
- Venture Capital fund for Backward Classes	-	-	515.82	-	515.82		515.82
Joint Ventures	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-
Mutual Funds							
Investment in Liquid Funds	-	-	66.32	-	66.32		66.32
Total Gross (A)	**2,277.12**	**-**	**1,577.88**	**-**	**1,577.88**	**-**	**3,855.00**
(i) Overseas Investments	-	-	-	-	-	-	-
(ii) Investments in India	2,277.12	-	1,577.88	-	1,577.88	-	3,855.00
Total (B)	**2,277.12**	**-**	**1,577.88**	**-**	**1,577.88**	**-**	**3,855.00**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total Net D= (A)- (C)	**2,277.12**	**-**	**1,577.88**	**-**	**1,577.88**	**-**	**3,855.00**

(₹ in lakh)

Particulars	As at March 31, 2020						
		At Fair Value					
	Amotised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
Government Securities							
Other approved securities							
Debt securities							
- Inter Group Balances							
- Bonds - Tax free bonds of IFCI Ltd of Rs. 10,00,000 each	500.05	-	-	-	-	-	500.05
- Bonds - Taxable IFCI Ltd of Rs. 1000 each	1,586.44	-	-	-	-	-	1,586.44
Equity instruments							
- Biotech Consortium Ltd.	-	-	-	-	-	-	-
- Jangipur Bengal Mega Food Park Ltd			420.00		420.00		420.00
- Him Teknoforge Ltd	-	-	211.39	-	211.39	-	211.39
Subsidiaries							
Associates							
- Units of Venture Funds (Rs.10 each fully paid up)	-	-	-	-	-	-	-
- Venture Capital fund for backward classes	-	-	506.55	-	506.55	-	506.55
Joint Ventures							
Others (Specify)							
Mutual Funds							
Investment in Liquid Funds	-	-	3,430.14	-	3,430.14	-	3,430.14
Total Gross (A)	**2,086.49**	**-**	**4,568.08**	**-**	**4,568.08**	**-**	**6,654.57**
(i) Overseas Investments	-		-	-	-	-	-
(ii) Investments in India	2,086.49	-	4,568.08	-	4,568.08	-	6,654.57
Total (B)	**2,086.49**	**-**	**4,568.08**	**-**	**4,568.08**	**-**	**6,654.57**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	
Total Net D= (A)- (C)	**2,086.49**	**-**	**4,568.08**	**-**	**4,568.08**	**-**	**6,654.57**

Foot Note

1. The values shown in the notes are as per Ind AS and stands at Fair value/ Cost of acquisition and do not reflect the outstanding dues payable by the Investee Companies.

7. Other Financial Assets

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loan to others		
-Loans to Staff (Secured)	8.86	8.31
-Others (Unsecured and considered good)	1.19	0.15
Total	**10.05**	**8.46**

8. Current Tax Assets (Net)

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current tax assets (Net)	455.84	458.39
Total	**455.84**	**458.39**

9. Deferred Tax Assets (Net)

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred tax assets (Net)	4,700.75	4,644.40
Total	**4,700.75**	**4,644.40**

10. Property, plant and equipment

(₹ in lakh)

Particulars	Computers & Servers	Office Equipments	Furniture & Fixtures	Property	Equipment / Furniture and Fittings	Assets on lease	Total
At cost or fair value at the beginning of the year at 01/04/2019	**2.59**	**-**	**4.16**	**-**	**-**	**-**	**6.75**
Additions	19.72	-	1.42	-	-	-	21.14
Acquisitions	-	-	-	-	-	-	-
Revaluation adjustment, if any	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-
At cost or fair value at the end of the year at 31/03/2020	**22.31**	**-**	**5.58**	**-**	**-**	**-**	**27.90**
Additions	0.26	-	1.07	-	-	-	1.33
Acquisitions	-	-	-	-	-	-	-
Revaluation adjustment, if any	-	-	-	-	-	-	-
Disposals	(0.04)	-	-	-	-	-	(0.04)
Reclassification from/to held for sale	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-
At cost or fair value at the end of the quarter at 31/03/2021	**22.54**	**-**	**6.65**	**-**	**-**	**-**	**29.20**

(₹ in lakh)

Particulars	Accumulated Dep. On Computers & Servers	Accumulated Dep. On Office Equipments	Accumulated Dep. On Furniture & Fixtures	Accumulated Dep. On Property	Accumulated Dep. On Equipment / Furniture and Fittings	Accumulated Dep. On Assets on lease	Total
Accumulated depreciation and impairment as at the beginning of the year as at 01/04/2019	**2.19**	**-**	**0.50**	**-**	**-**	**-**	**2.69**
Depreciation for the year	1.66	-	0.52	-	-	-	2.17
Disposals	-	-	-	-	-	-	-
Impairment/(reversal) of impairment	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-
Accumulated depreciation and impairment as at the end of the year 31/03/2020	**3.85**	**-**	**1.02**	**-**	**-**	**-**	**4.87**
Depreciation for the year	6.40	-	0.59	-	-	-	7.01
Disposals	(0.04)	-	-	-	-	-	(0.04)
Impairment/(reversal) of impairment	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-
Accumulated depreciation and impairment as at the end of the quarter 31/03/2021	**10.22**	**-**	**1.61**	**-**	**-**	**-**	**11.82**
Net carrying amount at the beginning of the year as at 01/04/2019	**0.40**	**-**	**3.66**	**-**	**-**	**-**	**4.06**
Net carrying amount as at the end of the year as at 31/03/2020	**18.46**	**-**	**4.56**	**-**	**-**	**-**	**23.03**
Net carrying amount as at the end of the quarter as at 31/03/2021	**12.32**	**-**	**5.04**	**-**	**-**	**-**	**17.37**

11. Other Intangible assets

(₹ in lakh)

Particulars	Computer Software	Total
At cost or fair value at the beginning of the year as at 01/04/2019	**0.21**	**0.21**
Additions	-	-
Acquisitions	-	-
Revaluation adjustment, if any	-	-
Disposals	-	-
At cost or fair value at the end of the year at 31/03/2020	**0.21**	**0.21**
Additions	-	-
Acquisitions	-	-
Revaluation adjustment, if any	-	-
Disposals	-	-
At cost or fair value at the end of the year at 31/03/2021	**0.21**	**0.21**

Particulars	Accumulated Dep. On Computer Software	Total
Accumulated depreciation and impairment as at the beginning of the year as at 01/04/2019	**0.13**	**0.13**
Depreciation for the year	0.07	0.07
Disposals	-	-
Impairment/(reversal) of impairment	-	-
Accumulated depreciation and impairment as at the end of the year 31/03/2020	**0.20**	**0.20**
Depreciation for the year	0.01	0.01
Disposals	-	-
Impairment/(reversal) of impairment	-	-
Accumulated depreciation and impairment as at the end of the quarter 31/03/2021	**0.21**	**0.21**
Net carrying amount at the beginning of the year as at 01/04/2019	**0.07**	**0.07**
Net carrying amount as at the end of the year as at 31/03/2020	**0.01**	**0.01**
Net carrying amount as at the end of the year as at 31/03/2021	**0.00**	**0.00**

12. Other Non-Financial Assets

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Pre-paid Expenses	1.31	0.78
(b) GST Credit	1.98	4.69
Total	**3.30**	**5.47**

13. Assets classified as held for sale

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment in Associates	750.00	750.31
Total	**750.00**	**750.31**

14. Payables

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(1) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(2) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	24.68	79.02
Total	**24.68**	**79.02**

15. Debt Securities

(₹ in lakh)

Particulars	As at 31st March, 2021			
	At Amortised Cost	At Fair Value through profit or loss	Designated at Fair Value through Profit or Loss	Total
	(1)	(2)	(3)	(4=1+2+3)
Bonds				
21 Bonds of Rs. 10,00,000 each secured	216.52	-	-	216.52
480 Bonds of Rs. 1,00,000 each unsecured	485.61	-	-	485.61
596 Bonds of Rs. 1,00,000 each unsecured	598.93	-	-	598.93
583 Bonds of Rs. 10,00,000 each secured	5,945.04	-	-	5,945.04
Total (A)	**7,246.10**	**-**	**-**	**7,246.10**
Debt securities in India	7,246.10	-	-	7,246.10
Debt securities outside India	-	-	-	-
Total (B)	**7,246.10**	**-**	**-**	**7,246.10**

(₹ in lakh)

Particulars	As at 31st March, 2020			
	At Amortised Cost	At Fair Value through profit or loss	Designated at Fair Value through Profit or Loss	Total
	(1)	(2)	(3)	(4=1+2+3)
Bonds				
200 Bonds of Rs. 10,00,000 each secured	2,101.79	-	-	2,101.79
1510 Bonds of Rs. 1,00,000 each unsecured	1,527.64	-	-	1,527.64
596 Bonds of Rs. 1,00,000 each unsecured	598.85	-	-	598.85
583 Bonds of Rs. 10,00,000 each secured	5,945.04	-	-	5,945.04
Total (A)	**10,173.31**	**-**	**-**	**10,173.31**
Debt securities in India	10,173.31	-	-	10,173.31
Debt securities outside India	-	-	-	-
Total (B)	**10,173.31**	**-**	**-**	**10,173.31**

Foot-Notes

1	**Issuer**	**IFCI Venture Capital Funds Ltd.**	
	Issue size	Rs. 20 Crores	
	Face Value	Rs. 10,00,000.00 (Rupees Ten Lakh) 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 Lakh) 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 10th 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 Lakh) 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 5th year from deemed date of allotment i.e 16th October, 2017 - redeemed	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 Lakh) per bond	
	Option	**Option -1**	
	Tenure	10 Years	
	Put Call	At par at the end of 3rd year, 5th year & 7th Year respectively.	
	Redemption	At par on exercising put/ call option at the end of 3rd year or 5th year or 7th year or at the end of 10th year from deemed date of allotment, whichever is earlier i.e 24th January, 2022	
	Coupon Rate	10.75% p.a. (Annual on 24th January)	

16. Borrowings (Other than Debt Securities)

(₹ in lakh)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	At Amortised Cost	At Fair Value through profit or loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through profit or loss	Designated at Fair Value through Profit or Loss	Total
	(1)	(2)	(3)	(4=1+2+3)	(1)	(2)	(3)	(4=1+2+3)
(a) Term Loans								
(i) from Banks	-	-	-	-	-	-	-	-
(b) Deferred payment liabilities	-	-	-	-	-	-	-	-
(c) Loan from related parties-IFCL Ltd	-	-	-	-	-	-	-	-
(d) Finance Lease Obligations	-	-	-	-	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-	-	-	-	-
(f) Loans repayable on demand								
(i) from Banks-credit facilities	-	-	-	-	-	-	-	-
(ii) from other Parties	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	-	-	-	-
Borrowings in India	-	-	-	-	-	-	-	-
Borrowings outside India	-	-	-		-	-	-	-
Total	**-**	**-**	**-**	**-**	-	-	-	-

17. Current Tax Liabilities (Net)

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Tax (Net of Advance Tax & TDS)	-	-
Total	**-**	**-**

18. Provisions

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Employee benefits	259.54	255.52
Provision for Reversal of Interest on Interest	5.55	-
General Provision (COVID-19)	182.09	103.78
Total	**447.18**	**359.30**

19. Other Non-Financial Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Other Payables		
-Tax and other deduction/collection payable	7.36	8.51
'-other payables	1.88	880.41
Total	**9.25**	**888.92**

20. Equity Share Capital

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
SHARE CAPITAL		
AUTHORISED:		
Equity Shares of Rs.10/- each	15,000.00	15,000.00
Total	**15,000.00**	**15,000.00**
ISSUED, SUBSCRIBED & PAID UP:		
Equity Shares of Rs.10/- each fully paid up.	6,037.10	6,037.10
Total	**6,037.10**	**6,037.10**

FOOT NOTES:

i. Reconciliation of the number of shares outstanding.

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Number of equity shares at the beginning of the Year	6,03,71,008	6,037.10	6,03,71,008	6,037.10
Equity shares issued during the year	-	-	-	-
Number of equity shares at the end of the Year	**6,03,71,008**	**6,037.10**	**6,03,71,008**	**6,037.10**

ii. Shares held by holding/Ultimate holding company and/or their subsidairies/associates

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares of Rs.10/- each Fully Paid				
IFCI Limited(Holding Company)	5,95,21,008	98.59	5,95,21,008	98.59
Total	**5,95,21,008**	**98.59**	**5,95,21,008**	**98.59**

FOOT NOTE:

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

iii. Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares of Rs.10/- each Fully Paid				
IFCI Limited	5,95,21,008	98.59	5,95,21,008	98.59
Total	**5,95,21,008**	**98.59**	**5,95,21,008**	**98.59**

Other Equity

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Retained Earnings	3,006.50	2,810.65
Securities Premium Account	4,747.90	4,747.90
Statutory Reserve (Reserve u/s 45IC of RBI Act, 1934)	3,173.89	3,122.25
Special Reserve under Section 36(1)(viii) of the I.T Act, 1961	5.20	5.20
OCI- Resmeasurment of defined benefit plan	(13.70)	(24.38)
Total	**10,919.79**	**10,661.63**

FOOT NOTE

1. For NBFC's objectives policies & processes for managing capital refer note no. 1 and for processes of managing capital refer note no. 46

21. Other Equity

(₹ in lakh)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)	Total
	Statutory Reserve (Reserve u/s 45IC of RBI Act (refer foot note-1))	Securities Premium	Special Reserve under Section 36(1)(viii) of the I.T Act, 1961 (refer Foot note 2)	Retained Earnings	Remeasurements of the defined benefit plans	
Balance at the beginning of the reporting period i.e. 01.04.2019	**3,112.72**	**4,747.90**	**5.20**	**2,366.29**	**(12.11)**	**10,220.00**
Correction of prior period error	-	-	-	393.94	-	393.94
Restated Balance sheet at the beginning of the reporting period	**3,112.72**	**4,747.90**	**5.20**	**2,760.23**	**(12.11)**	**10,613.94**
Total Comprehensive Income for the year	-	-	-	59.95	(12.27)	47.68
Transfer between reserves and retained earnings	9.54	-	-	(9.54)	-	-
Balance at the end of the reporting period i.e. 31.03.2020	**3,122.25**	**4,747.90**	**5.20**	**2,810.65**	**(24.38)**	**10,661.63**
Total Comprehensive Income for the year	-	-	-	247.48	10.68	258.16
Transfer between reserves and retained earnings	51.63	-	-	(51.63)	-	-
Balance at the end of the reporting period i.e. 31.03.2021	**3,173.89**	**4,747.90**	**5.20**	**3,006.50**	**(13.70)**	**10,919.79**

Foot-note

1. The reserve fund is created as per section 45IC of RBI Act, 1934
2. Security premium account represent the amount received on equity share over & above its face value

22. Interest income*

(₹ in lakh)

Particulars	For the year ended March 31, 2021		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss
Interest on Loans	-	1,898.86	-
Interest income from investments	-	190.63	-
Interest on Deposits with Banks	-	103.03	
Total	**-**	**2,192.53**	**-**

Particulars	For the year ended March 31, 2020		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss
Interest on Loans	-	2,401.48	-
Interest income from investments	-	172.63	-
Interest on Deposits with Banks		8.52	
Total	**-**	**2,582.64**	**-**

* In accordance with the RBI Circular No. RBI/ 2021-22/ 17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Company has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 i.e. for the moratorium period The Company has estimated the said amount of Rs.5.55 lakh and duly reflected in the financial statements for the year ended March 31, 2021. In case there is any change in the calculation for subsequent period, it will be accounted for while implementing the same in FY 2021-22.

23. Dividend Income

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend income	1.63	8.81
Total	**1.63**	**8.81**

24. Fees Income

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Management fee	930.24	648.88
Total	**930.24**	**648.88**

25. Net Gain on fair value changes

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Net Gain on financial instruments at fair value through profit and loss account :-		
a) On trading portfolio		
- Investments	459.78	130.10
- Derivatives	-	-
- Others	-	-
b) On financial instruments designated at fair value through profit and loss account	-	-
B. Others	-	-
Total	**459.78**	**130.10**
Fair Value changes		
-Realised	143.35	355.77
-Unrealised	316.43	(225.67)
Total	**459.78**	**130.10**

26. Other income

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Bad Debt Recovered	10.96	-
Other incomes*	10.59	51.24
Total	**21.56**	**51.24**

27. Finance Cost

(₹ in lakh)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on Bonds and borrowings	-	940.39	-	1,389.44
Other interest expense	-	-	-	32.26
Total	**-**	**940.39**	**-**	**1,421.70**

28. Fees and commission expense

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fee for issurance of letter of comfort to IFCI ltd.	-	15.43
Total	**-**	**15.43**

29. Net loss on fair value changes

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Net loss on financial instruments at fair value through profit and loss account :-		
a) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
b) On financial instruments designated at fair value through profit and loss account	-	-
B. Others	-	-
Total	**-**	**-**
Fair Value changes-₩		
- Realised	-	-
- Unrealised	-	-
Total	**-**	**-**

30. Employee Benefit expenses

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages including bonus	381.30	420.76
Post employment benefits	7.88	7.49
Other Employee Benefits	10.15	14.80
Total	**399.34**	**443.05**

31. Impairment on financial instruments

(₹ in lakh)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost
Loans and Advances	-	675.25	-	1,575.43
Other Receivable	-	-	-	6.83
General Provision (COVID-19)	-	78.30	-	103.78
Total	**-**	**753.55**	**-**	**1,686.04**

32. Other expenses

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent, taxes and energy costs	177.83	180.01
Repairs and maintenance	41.91	30.90
Printing & Stationery	2.22	3.88
CSR Expenses	5.42	12.34
Postage & Telephone	2.60	2.24
Advertisement and publicity	3.02	10.73
Travelling & Conveyance	2.24	15.28
Director's fees, allowances and expenses	11.76	8.51
Auditor's fees and expenses*	7.18	9.78
Legal and Professional charges	66.73	111.84
Insurance	0.25	0.20
Bad Debts Written Off	897.52	111.02
Other expenditures	9.70	13.77
Total	**1,228.37**	**510.48**

* Refer note 34 for details on payment to auditors.

IND AS -12 Income tax - Disclosures

33. (a) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred tax assets	4,720.74	4,645.05
Deferred tax liabilities	(19.99)	(0.65)
Deferred Tax Asset / (Liabilities) (Net)	**4,700.75**	**4,644.40**

(₹ in lakh)

Particulars	As at March 31 2019	Movement Recognised in Statement of Profit and Loss	Movement Recognised in other comprehensive income	As at 31st March, 2020
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment and Intanigble Assets	0.05	(0.70)	-	(0.65)
Fair value of Investments	1,242.63	(1,173.93)	-	68.70
Defined benefit obligation	51.28	24.54	(4.73)	71.09
Impairment on Financial Instuments	2,343.55	678.73	-	3,022.28
Tax Losses	271.64	1,182.47	-	1,454.11
Provision of Covid-19	-	28.87	-	28.87
Deferred Tax Asset / (Liabilities) (Net)	**3,909.16**	**739.97**	**(4.73)**	**4,644.40**

Particulars	As at March 31 2020	Movement Recognised in Statement of Profit and Loss	Movement Recognised in other comprehensive income	As at 31st March, 2021
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment and Intanigble Assets	(0.65)	(0.01)	-	(0.65)
Fair value of Investments	68.70	(88.03)	-	(19.33)
Defined benefit obligation	71.09	(3.00)	4.12	72.20
Impairment on Financial Instuments	3,022.28	187.85	-	3,210.13
Tax Losses	1,454.11	(156.43)	-	1,297.68
MAT Credit	-	90.06		90.06
Provision of Covid-19	28.87	21.78	-	50.66
Deferred Tax Asset / (Liabilities) (Net)	**4,644.40**	**52.24**	**4.12**	**4,700.75**

Note : deferred tax assets has not been created on last year losses

33. (b) Current Tax reconcilation

The following is the analysis of Current tax assets/(liabilities) presented in the balance sheet:

(₹ in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance Assets/(Liabilities)	**458.39**	**301.40**
Provision made during the year	(90.06)	(13.27)
Income tax paid during the year	87.51	170.26
Closing Balance Assets/(Liabilities)	**455.84**	**458.39**

34. Payment to Auditors

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit Fees	5.45	6.95
Certification and other services	1.38	1.65
Reimbursement of Expenses	-	0.41
Total	**6.83**	**9.01**

35. Details of corporate social responsibility expenditure

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount required to be spent by the company for respective financial year	**5.42**	**12.34**
Amount Transfer to IFCI Social foundation	5.00	12.34
PM Care fund	0.42	-
Construction/ Acquisition of Assets	-	-

36. Contingent liabilities and commitments (to the extent not provided for)

(₹ in lakh)

	Particulars	As at 31st March, 2021	As at 31st March, 2020
A.	**Contingent Liabilities**		
	Claims not acknowledged as debts	NIL	NIL
	Total	**-**	**-**
	Considering the current status of the pending litigation cases, no material financial impact is expected on the financial statements as on March 31, 2021		
B.	**Commitments**		
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)		
(ii)	Undrawn Commitments	500.00	500.00
	Total	**500.00**	**500.00**
C.	**Contingent assets**		
	There are no contingent assets during the year and the corresponding previous reporting years.		

37. Expenditure/Income in Foreign Currencies:

There is no foreign currency Expenditure/income in current as well as in preceeding reporting years

38. Employee benefits

The Company operates the following post-employment plans -

i. Defined contribution plan

The Company makes monthly contribution towards Provident Fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as expense towards such contribution are as follows:

(₹ in lakh)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to Provident Fund	7.85	7.28

ii. Defined Benefit plan

A. Gratuity

Gratuity liablity has been determined and accounted on the basis acturial valuation carried out as at March 31, 2020

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in lakh)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Net defined benefit liability	117.76	113.94

(a) Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section "d" below. Employees do not contribute to the plan expected contributions to gratuity plan for the year ending 31 March 2021 is INR 21.17 lakh.

(b) Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in lakh)

	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	202.82	88.88	113.94	164.69	80.54	84.15
Included in profit or loss						
Current service cost	13.47	-	13.47	11.69	-	11.69
Past service cost including curtailment Gains/Losses	-	-	-	-	-	-
Interest cost (income)	15.03	(6.28)	8.75	12.75	(6.26)	6.51
	28.51	**(6.28)**	**22.23**	**24.44**	**(6.26)**	**18.20**
Included in Other comprehensive income						
Remeasurements loss (gain)	-	-	-	-	-	-
- Actuarial loss (gain) arising from:	-	-	-	-	-	-
- demographic assumptions	-	-	-	0.08	-	-
- financial assumptions	(0.24)	-	(14.79)	21.02	-	16.08
- experience adjustment	(14.30)	-	0.25	(4.99)	-	0.03
- on plan assets	-	-	-	-	-	(0.03)
	(14.55)	**-**	**(14.55)**	**16.11**	**-**	**16.08**
Other						
Contributions paid by the employer	-	3.86	(3.86)	-	4.50	(4.50)
Benefits paid directly	-	-	-	(2.41)	(2.41)	-
Misc.	-	-	-	-	-	-
	-	**3.86**	**(3.86)**	**(2.41)**	**2.09**	**(4.50)**
Balance at the end of the year	**216.78**	**99.02**	**117.76**	**202.82**	**88.88**	**113.94**

(c) Plan assets	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Investment with Life insurance Corporation	100%	100%

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager (insurer) in order to manage the liability risk.

(d) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	6.80%	6.79%
Future salary growth	8.50%	8.50%
Withdrawal rate:		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement Age (in year)	60	60
Mortality	100% of IALM (2012-14)	100% of IALM (2012-14)

(e) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(11.03)	10.25	(10.32)	9.59
Future salary growth (0.50% movement)	10.28	(11.17)	9.62	(10.45)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

(f) Expected maturity analysis of the defined benefit plans in future years

	For the year ended March 31, 2021	For the year ended March 31, 2020
1 year	4.55	4.14
Between 2-5 years	14.27	16.80
6 year onwards	197.96	181.88
Total	**216.78**	**202.82**

As at 31 March 2021, the weighted-average duration of the defined benefit obligation was 15.08 years (31 March 2020: 15.73 years).

(g) Discreption of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

Salary Increases : Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk : If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability : Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

iii. Other long-term employment benefits

The Company provides leave encashment benefits and leave fair concession to the employees of the Company which can be carried forward to future years. Amount recognised in the Statement of Profit and Loss for compensated absences is as under-

	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount recognised in Statement of Profit and Loss		
Leave encashment	24.14	43.33
Leave fair concession	5.02	30.32

39. Related party disclosure

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

A. Nature of Relationship	Name of the Related Party
Holding company	IFCI Limited
Fellow Subsidiaries	IFCI Financial Services Ltd. (IFIN)
	IFCI Factors Ltd. (IFL)
	IFIN Securities Finance Limited (indirect control through IFIN)
	IFCI Social Foundation (Trust)
	Stock Holding Corporation of India Ltd.
Associates	Venture Capital Fund for Backward Classes (VCFBC)
	Associates held for sale
	Sharon Solutions Ltd
	Daaj Hotels & Resorts Pvt Ltd
	Titan Energy System Ltd
Key Managerial Personnel	(i) Shri Shakti Kumar - Managing Director (w.e.f 1 October, 2018 - 9 June 2020)
	(ii) Shri Shivendra Tomar - Managing Director (w.e.f 10 June 2020)
	(iii) Smt. Indu Gupta - Chief Financial Officer
	(iv) Smt. Priyanka Munjal - Company Secretary (w.e.f 12 March 2019 - 27 May 2020)
	(v) Rachit Tandon- Company Secretary (w.e.f 20 June 2020)
Directors	(i) Shri Sunil Kumar Bansal - Chairman & Nominee
	(ii) Smt Anjali Kaushik
	(iii) Shri Anil Kumar Bansal
	(iv) Shri Ravindra Nath
	(v) Shri Subhash Chandra Kalia

2 **Related party transactions during the year and balance receivable from and payable to related parties as at the balance sheet date:-**

(₹ in lakh)

Name of related party		Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Holding				
IFCI Ltd.	(i)	Rent & Maintenance paid to IFCI Ltd. (Exclusive of taxes and cess)	164.69	164.52
	(ii)	Salaries paid to IFCI for employees deputed by IFCI Ltd. Including PLI	11.47	55.75
	(iii)	Paid towards other expenses to IFCI	1.89	4.14
	(iv)	Paid towards IT Services taken from IFCI. (Exclusive of taxes)	20.00	10.79
	(v)	Interest Received and accrued on Bonds subscribed	190.69	172.63
	(vi)	Brokerage/ Professional fee paid-LOC	-	15.43
B. (i) Fellow Subsidiaries				
IFCI Financial Services Ltd.	(i)	Brokerage/Professional fee paid	0.07	-
Stock Holding Corporation of India Ltd.	(i)	Brokerage/ Professional fee paid	0.21	0.19
(ii) Associates				
VCFBC	(i)	Management Fee	53.89	20.35
C Trust incorporated for CSR activity:				
IFCI Social Foundation	(i)	CSR contribution	5.00	12.34
D. Key Managerial Personnel : Managerial renumeration				
(i) Shri Shakti Kumar - Managing Director (w.e.f 1 October, 2018 - 9 June 2020)			11.47	47.36
(ii) Shri Shivendra Tomar - Managing Director (w.e.f 10 June 2020)			-	-
(iii) Smt. Indu Gupta - Chief Financial Officer			33.49	33.99
(iv) Smt. Priyanka Munjal - Company Secretary (w.e.f 12 March 2019 - 27 May 2020)			1.88	8.73
(v) Rachit Tandon- Company Secretary (w.e.f 20 June 2020)			9.63	-
Directors - sitting fees				
(i) Smt Anjali Kaushik			1.81	1.14
(ii) Shri Anil Kumar Bansal			1.10	-
(ii) Shri Lalit kumar Patangia			-	1.14
(iii) Shri Ravindra Nath			2.27	1.43
(iv) Shri Subhash Chandra Kalia			2.36	1.94
(v) Shri J. Venkateswarlu			-	0.68
E. Balance Outstanding with the related party during the period: -				
IFCI Ltd.	(i)	Payable to IFCI towards salary of employees deputed by IFCI	-	3.34
	(ii)	Interest accrued on Bonds - IFCI Ltd.	735.12	586.43
	(iii)	Bonds Subscribed & outstanding	1,500.05	1,500.05
	(iv)	IT Services from IFCI	2.76	-
	(v)	Brokerage/ Professional fee -LOC	-	15.43
VCFBC	(i)	Management Fees	-	11.71
Total			**2,237.93**	**2,116.97**
F. Key management personnel compensation				
Short-term employee benefits			44.99	42.72
Post-employment defined benefit			28.27	26.62
Compensated absences			21.02	19.85
Total Compensation			**94.28**	**89.19**

40. Leases

i. Disclosure for INDAS 116 (Leases)

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified new Ind AS on leases, Indian Accounting Standard (Ind AS) 116 applicable from 01/04/2019. Ind AS 116 has been implemented w.e.f. April 1, 2019 and the associated disclosure requirements are applicable for financial statements for the year ended March 31, 2020. As per the Standard it is optional to apply the standard for short term leases (period of 12 months or less). Since the lease agreements are for a period of 11 months, company has availed the exemption of short term leases.

ii. Amounts recognised in profit or loss

During the year ended 31 March 2021, rental expenses of ₹ 177.83 lakhs (31 March 2020: ₹ 180.01 lakhs) have been recognised in profit and loss statement.

41. Earnings per share (EPS)

		Units	As at 31st March, 2021	As at 31st March, 2020
(a)	Profit Computation for Equity shareholders			
	Net profit as per Statement of Profit & Loss	₹ in lakh	258.16	47.68
	Net profit for Equity Shareholders	₹ in lakh	258.16	47.68
(b)	Weighted Average Number of Equity Shares outstanding	Nos in lakh	603.71	603.71
	Earnings Per Share (Weighted Average)			
	Basic	₹	**0.43**	**0.08**
	Diluted	₹	**0.43**	**0.08**

* There are no potential equity shares outstanding as on March 31, 2021

Out 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%.

42. As on March 31, 2021 there were no events or changes in circumstances which indicate any impairment in the assets as defined by Ind AS 36 - "Impairment of Assets".

43. Operating segments

a. The MD of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the Chief Operating Decision Maker as defined in 'Ind AS 108 - Operating Segments.' The Company is engaged primarily in Management of Venture funds and the business of financing are separate reportable segments as per Ind AS 108.

b. Information about geographical areas:

The entire revenue of the Company is from customers who are domiciled in India. Also, all the assets of the Company are located in India.

c. Information about major customers (from external customers):

The Company earns 10% or more of Company's revenue from the following customer:

S.No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Venture Capital Fund for Scheduled Castes	876.35	628.52

d. Segment Reporting

The Company has identified business segments as its primary segment. Business segments are primarily **Financing Activity** and **Management of Funds.** 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.

(₹ in lakh)

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Business segments		Total	Business segments		Total
	Financing Activity	Fund Management		Financing Activity	Fund Management	
Revenue	2,653.93	930.24	3,584.17	2,721.54	648.88	3,370.42
Inter-segment revenue	-	-	-	-	-	-
Total	**2,653.93**	**930.24**	**3,584.17**	**2,721.54**	**648.88**	**3,370.42**
Allocable Exp	1,693.94		1,693.94	3,123.18		3,123.18
Segment result	**960.00**	**930.24**	**1,890.24**	**(401.63)**	**648.88**	**247.24**
Unallocable expenses (net)	-	-	1,634.72	-	-	955.77
Operating income			**255.52**			**(708.53)**
Other income (net)			21.56			51.24
Profit before taxes			**277.07**			**(657.28)**
Tax expense			29.59			(717.24)
Net profit after Tax			**247.48**			**59.95**

(₹ in lakh)

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Business segments		Total	Business segments		Total
	Financing Activity	Fund Management		Financing Activity	Fund Management	
Segment assets	19,965.98	-	19,965.98	23,531.85	-	23,531.85
Unallocable assets	-	-	4,718.12	-	-	4,667.44
Total assets	-	-	**24,684.10**	-	-	**28,199.29**
Segment liabilities	24,674.85	-	24,674.85	27,310.36	-	27,310.36
Unallocable liabilities	-	-	9.25	-	-	888.92
Total liabilities			**24,684.10**			**28,199.29**
Other information						
Capital expenditure (allocable)		-	-		-	-
Capital expenditure (unallocable)	1.33	-	1.33	21.15	-	21.15
Depreciation and amortisation (allocable)	-	-	-	-	-	-
Depreciation and amortisation (unallocable)	7.01	-	7.01	2.24	-	2.24
Other significant non-cash expenses (allocable)	-	-	-	-	-	-
(Provision for Bad & Doubtful Assets and Std Assets)	-	-	-	-	-	-
Other significant non-cash expenses (unallocable)	-	-	-	-	-	-

Geographical Segments:

The operations of the company are conducted within India and there is no separate reportable geographical segment

44. Financial instruments - fair value and risk management

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

(₹ in lakh)

		As at 31st March, 2021	
Particluars	**Note. No.**	**FVTPL**	**"Amortisedcost"**
Financial assets:			
Cash and cash equivalents	2	-	249.54
Bank balance other than above	3	-	3,316.77
Receivables	4	-	18.91
Loans	5	-	11,306.56
Investments	6	1,577.88	2,277.12
Other financial assets	7	-	10.05
		1,577.88	**17,178.95**

Particluars	Note. No.	FVTPL	"Amortised cost"
Financial liabilities:			
Trade payables	14	-	24.68
Debt securities	15	-	7,246.10
Borrowings (other than debt securities)	16	-	-
Other financial liabilities			
		-	**7,270.79**

(₹ in lakh)

		As at 31st March, 2020	
Particluars	**Note. No.**	**FVTPL**	**"Amortised cost"**
Financial assets:			
Cash and cash equivalents	2	-	338.83
Bank balance other than above		-	100.00
Receivables	3	-	14.83
Loans	4	-	15,200.99
Investments	5	4,568.08	2,086.49
Other financial assets	6	-	8.46
		4,568.08	**17,749.60**
Financial liabilities:			
Trade payables	12	-	79.02
Debt securities	13	-	10,173.31
Borrowings (other than debt securities)	14	-	-
Other financial liabilities		-	-
		-	**10,252.33**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are: (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakh)

As at 31st March, 2021	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments				
-Mutual Funds	66.32	-	-	66.32
-Equity Instruments-(Listed)	669.40	-	-	669.40
-Equity Instruments-(Non Listed)	-	-	326.34	326.34
-CCD/OCD/OCPS instruments	-	-	-	-
-Units of Venture Funds	-	-	515.82	515.82
	735.72	**-**	**842.16**	**1,577.88**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31st March, 2021	Note. No.	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:						
Cash and cash equivalents	2	249.54	-	-	249.54	249.54
Bank balance other than above	3	3,316.77	-	-	3,316.77	3,316.77
Receivables	4	18.91	-	-	18.91	18.91
Loans	5	11,306.56	-	-	11,306.56	11,306.56
Investments	6	2,277.12	-	-	2,277.12	2,277.12
Other financial assets	7	10.05	-	-	10.05	10.05
		17,178.95	**-**	**-**	**17,178.95**	**17,178.95**
Financial liabilities:						
Trade payables	14	24.68	-	-	24.68	24.68
Debt securities	15	7,246.10	-	-	7,246.10	7,246.10
Borrowings (other than debt securities)	16	-	-	-	-	-
Other financial liabilities						
		7,270.79	**-**	**-**	**7,270.79**	**7,270.79**

Financial assets and liabilities measured at fair value - recurring fair value measurements				
As at 31st March, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Investments				
-Mutual Funds	3,430.14	-	-	3,430.14
-Equity Instruments-(Listed)	211.39	-	-	211.39
-Equity Instruments-(Non Listed)	-	-	420.00	420.00
-CCD/OCD/OCPS instruments	-	-	-	-
-Units of Venture Funds	-	-	506.55	506.55
	3,641.53	**-**	**926.55**	**4,568.08**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed						
As at 31st March, 2020	**Note. No.**	**Amortised cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:						
Cash and cash equivalents	2	338.83	-	-	338.83	338.83
Bank balance other than above		100.00	-	-	100.00	100.00
Receivables	3	14.83	-	-	14.83	14.83
Loans	4	15,200.99	-	-	15,200.99	15,200.99
Investments	5	2,086.49	-	-	2,086.49	2,086.49
Other financial assets	6	8.46	-	-	8.46	8.46
		17,749.60	**-**	**-**	**17,749.60**	**17,749.60**
Financial liabilities:						
Trade payables	12	79.02	-	-	79.02	79.02
Debt securities	13	10,173.31	-	-	10,173.31	10,173.31
Borrowings (other than debt securities)	14	-	-	-	-	-
Other financial liabilities		-	-	-	-	-
		10,252.33	**-**	**-**	**10,252.33**	**10,252.33**

C. Valuation framework

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Bank develops Level 3 inputs based on the best information available in the circumstances.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with other banks, trade receivables, trade payables and certain other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

45. Financial risk management

The Company's activities exposure it to credit risk, liquidity risk, market risk and operational risk.

A. Risk management framework

"The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies.

Efficient and timely management of risks involved in the Company's activities is critical for the financial soundness and profitability of the Company. Risk management involves the identifying, measuring, monitoring and managing of risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit department, which undertakes required management controls."

B. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investment in debt securtiies and deposits with banks and financial institutions and any other financial assets. Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's asset on finance and trade receivables from customers; loans and investments in debt securities. The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

"The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is becoming probable that the borrower will enter bankruptcy or other financial re-organization; "

The risk management committee has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, etc. Credit limits are established for each customer and reviewed quarterly.

"The company determines significant increase in credit risk on a financial asset subject to impairment requirements as per expected credit loss method if the cash flows from the financial instrument are overdue by 30 days or more. The company considers default when the principal or interest cash flows on a financial asset is overdue by 90 days or more. The company provides lifetime expected credit losses on financial assets that are overdue by 30 or more. Financial assets that are overdue by 90 days or more are considered to be credit-impaired.

The company recognises interest on effective interest rate for all financial assets whether credit-impaired or nor credit-impaired. For credit-impaired financial assets, interest is recognised on the the carrying amount remaining after deducting loss allowance. For the purposes of calculating expected credit losses, the company groups the financial assets based on similarity of type of financial asset such as coporate loan or personal loan, type of security such as loan against property and loan against shares, credit rating as at the reporting date and schedule of payment contractually specified such as monthly or quarterly. However, the credit losses are calculated on individual instrument level and not group level.

The credit loss calculated at individual instrument level is then adjusted for the probability that the party may default with 12 months if the financal asset is overdue by less than 30 days and also by the risk weights based on gross exposure that includes loan commitments and credit risk rating grades. The company considers GDP growth rate and unempoyment rate over a period of 10 years. Empirically, there is a negative correlation between GDP growth rate and non-performing asset rate and a positive correlation between unemployment rate and non-performing asset rate. Any negative effect of GDP growth rate and unemployment rate is adjusted in the risk weights applied to the the credit loss calculated at instrument level."

The company calculates credit loss based on the regression analysis of contractual and actual cash flows till the end of the reporting period. The calculation of credit loss looks into the future, that is after the end of the reporting period by considering contractual and actual cash flows till the end of latest month for which receipt information is available.

Actual cash flows beyond the month for which the receipt information is available is estimated based on regression equation. Credit loss is the present value of cash shortfalls from the end of the reporting period to the end of the contractual period. The adjusted credit loss is then compared with the present value of the collateral as on the reporting date and estimate of legal costs to be incurred for realisaation of security to determine the expected credit losses to recognised as loss allowance.

The present value of the collateral and legal costs is estimated beyond the contractual period if required. Any increase / decrease in loss allowance for financial assets measured at amortised cost is recognised in profit or loss for the period. Expected credit losses are considered based on the credit rating as at the end of the reporting period. Therefore, any change in the credit rating for that instrument may result in change in the risk weights applied to the credit loss calculated based on regression analysis of the contractual and actual cash flows over the period of the contract.

b) Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition and required steps are taken

c) Provision for expected credit losses

The Company's exposure to credit risk for Loan and advances, trade receivables and other financial assets by type of counterparty is as follows.

The Company has applied a three-stage approach to measure expected credit losses (ECL). Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is recognized.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

d) Cash and cash equivalents

The Company holds cash and cash equivalents of Rs.249.54 lakh at 31 March 2021 (31 March 2020: Rs.338.83 lakh). The cash and cash equivalents are held with scheduled commercial banks. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and ECL on cash and cash equivalent has been estimated at NIL in view of creditbility of banks.

e) Receivable

Trade Receivable stands at Rs.7.26 lakh as on 31/03/2021, Rs.11.71 lakh as at 31/03/2020.

Other Receivable stands at Rs.18.48 lakh as on 31/03/2021, Rs.9.95 lakh as at 31/03/2020, the other receivable relate to Other miscellaneous receivable and ECL has been created on IRP fee in NPA cases, having being considered doubtful.

f) Investment in Debt Security

The company holds investment in listed bonds of the holding company (IFCI LTD) and the intends to hold the same till maturity to reep the benefit of contralual interest. The same has been carried at amortised cost and no ECL is estimated on it.

Table showing movements in loss allowance for the years ended 31 March 2020 and 31 March 2021 (Paragraph 35H and 35I of Ind AS 107)

(₹ in lakh)

Particulars	Categories of Financial Assets for Expected Credit Loss Allowance					Total (F) = (A + B + C + D + E)
	12-month ECL (A)	Lifetime ECL			Purchased / Orginater Credit Impaired (E)	
		Lifetime ECL not Credit Impaired (B)	Credit Impaired but not purchased or originated credit impaired (C)	Trade Receivables, Contract Assets and Lease Receivables (D)		
ECL as on 1 April 2019 (a)	**-**	**948.02**	**8,340.25**	**-**	**-**	**9,288.27**
Add:	-	-	-	-	-	-
Increase due to financial assets originated or acquired during the year ended 31 March 2020 (b)	-	-	-	-	-	-
Due to Modification of Cash Flows (c)	-	-	-	-	-	-
Transfer from one category to another (d)	-	-	-	-	-	-
Less:	-	-	-	-	-	-
Decrease due to loans derecognised on full payment and no loan commitment (e)	-	0.08	-	-	-	**0.08**
Due to write off of loans (f)	-	-	224.67	-	-	**224.67**
Transfer from one category to another (g)	-	-	-	-	-	-
Change in ECL for other than Recovery on loans outstanding on 01 April 2019 and on 31 March 2020 (h) = (b + c + d - e - f - g)	**-**	**(0.08)**	**(224.67)**	**-**	**-**	**(224.76)**
ECL after increase / decrease on loans outstanding on 01 April 2019 and on 31 March 2020 (i) = (a + h)	**-**	**947.94**	**8,115.57**	**-**	**-**	**9,063.51**
Other Changes including changes in rating, changes in security value, recovery on regular basis etc. (j)	15.84	(17.57)	1,801.91	-	-	**1,800.18**
ECL as on 31 March 2019 (k) = (i) + (j)	**15.84**	**930.38**	**9,917.48**	**-**	**-**	**10,863.70**
Add:	-	-	-	-	-	-
Increase due to financial assets originated or acquired during the year ended 31 March 2020 (l)	-	-	-	-	-	-
Due to Modification of Cash Flows (m)	-	-	-	-	-	-
Transfer from one category to another (n)	-	-	934.46	-	-	**934.46**
Less:	-	-	-	-	-	-
Decrease due to loans derecognised on full payment and no loan commitment (o)	-	-	868.08	-	-	**868.08**
Due to write off of loans (p)	-	-	-	-	-	-
Transfer from one category to another (q)	4.08	930.38	-	-	-	**934.46**
Change in ECL for other than Recovery on loans outstanding on 31 March 2020 and on 31 March 2021 (r) = (l + m + n - o - p - q)	**(4.08)**	**(930.38)**	**66.38**	**-**	**-**	**(868.08)**
outstanding on 31 March 2020 and 31 March 2021 (s) = (k + r)	**11.75**	**-**	**9,983.86**	**-**	**-**	**9,995.62**
Other Changes including Recovery on regular basis for the year ended 31 March 2020 (t)	(5.11)	-	1,548.44	-	-	**1,543.33**
ECL as on 31 March 2021 (u) = (s) + (t)	**6.64**	**-**	**11,532.30**	**-**	**-**	**11,538.95**

Table showing effect of collateral on the amounts arising from expected credit losses (Paragraph 35K and 36 of Ind AS 107)

(₹ in lakh)

Particulars	As on 31 March 2019 (A)	As on 31 March 2020 (B)	Impairment Loss/ -Gain for the year ended 31 March 2020 (C) = (A) - (B)	As on 31 March 2021 (C)	Impairment Loss/ -Gain for the year ended 31 March 2021 (D) = (C) - (B)
Maximum exposure to credit risk before considering collateral for financial assets subject to impairment as per ECL (a)	17,364.43	22,741.33	5,376.90	19,865.32	(2,876.02)
Present Value of Collateral net of present value of legal costs for financial assets subject to impairment as per ECL (b)	15,566.84	20,075.83	4,508.99	14,150.31	(5,925.52)
Maximum exposure to credit risk of financial assets on which no loss allowance has been recognised because of colllateral (c)	1,710.75	2,798.83	1,088.08	1,199.83	(1,599.00)
Present Value of Collateral net of present value of legal costs of financial assets on which no loss allowance has been recognised because of collateral (d)	9,201.43	10,997.02	1,795.60	7,023.77	(3,973.25)
Maximum exposure to credit risk before consdering collateral on financial assets on which loss allowance has been recognised (e) = (a) - (c)	15,653.68	19,942.50	4,288.82	18,665.48	(1,277.02)
Present Value of Collateral net of present value of legal costs of financial assets on which loss allowance has been recognised because of collateral (f) = (b) - (d)	6,365.41	9,078.80	2,713.39	7,126.54	(1,952.27)
Total (g) = (e) - (f)	**9,288.27**	**10,863.70**	**1,575.43**	**11,538.95**	**675.25**

Description of the nature and quality of the collateral held

Collateral in the form of land, building, plant & machinery, shares of companies are taken as collaterals against loans

Significant changes in the quality of collateral as a result of deterioration or changes in the collateral policies during the reporting period

The collateral is valued from time to time, other than listed shares, which are traded on the Stock Exchanges. The changes observed in the quality of the collateral are due to the prevailing market price, the saleability, demand and supply, changes in government policies and regulations etc.

Outstanding contractual amounts written off during the reporting period and are still subject to enforcement activity (Paragraph 35L of Ind AS 107)	-	**227.90**

Table showing gross carrying amount of financial asset and exposure to credit risk on loan commitments (Paragraph 35M of Ind AS 107)

Particulars	Categories of Financial Assets for Expected Credit Loss Allowance					Total (F) = (A + B + C + D + E)
	12-month ECL (A)	Lifetime ECL			Purchased / Orginated Credit Impaired (E)	
		Lifetime ECL not Credit Impaired (B)	Credit Impaired but not purchased or originated credit impaired (C)	Trade Receivables, Contract Assets and Lease Receivables (D)		
As on 1 April 2019 (a)	3,907.92	7,090.26	20,523.41	-	-	31,521.59
As on 31 March 2020 (b)	891.00	1,945.95	23,227.73	-	-	26,064.69
Increase / Derease in Gross Exposure for the year ended 31 March 2020 (c) = (b) - (a)	**(3,016.92)**	**(5,144.31)**	**2,704.33**	**-**	**-**	**(5,456.90)**
As on 31 March 2021 (d)	1,051.61	683.21	21,110.68	-	-	22,845.51
Increase / Derease in Gross Exposure for the year ended 31 March 2021 (e) = (d) - (b)	**160.61**	**(1,262.74)**	**(2,117.06)**	**-**	**-**	**(3,219.18)**

Disclosure of nature and carrying amount of collateral obtained during the period (Paragraph 38 of Ind AS 107)	
Carrying amount of collateral obtained (31st March, 2021)	Rs.382.35 crores
Carrying amount of collateral obtained (31st March, 2020)	Rs.470.46 crores
Carrying amount of collateral obtained (31st March, 2019)	Rs.695.17 crores

Nature of collateral obtained

Either physical property in the form of land, building, plant & machinery, or by way of pledge of promoters' shareholding

Policy for disposing off or using them in operations

In case of land, building, plant & machinery, collateral is disposed off by way of legal action either under SRFA&ESI, IBC or DRT. In case of listed shares, the shares are sold on stock exchanges, in the event of any event of default.

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The Company also monitors the level of expected cash inflows on loans together with expected cash outflows on borrowings and other financial liabilities. At 31 March 2019, the expected cash flows from loans and investments maturing within are in tabel below. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Company maintains the following lines of credit.- INR 100 lakh overdraft facility that is secured.-

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amount are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at 31st March, 2021	Carrying amount as per IND AS	6 month or less	6 months-1 year	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities						
Borrowings	-	-	-	-	-	-
Debt securities issued	7,246.10	2.93	5,957.17	1,076.00	210.00	-
Issued loan commitments	-	-	-	-	-	-
TOTAL	**7,246.10**	**2.93**	**5,957.17**	**1,076.00**	**210.00**	**-**
Non-derivative financial assets						
Cash and cash equivalents	3,566.31	249.54	3,316.77	-	-	-
Loans and advances	11,306.56	784.67	381.82	561.69	997.19	8,581.19
Investment securities	4,605.00	-	1,485.72	542.00	1,735.12	842.16
TOTAL	**19,477.87**	**1,034.21**	**5,184.31**	**1,103.69**	**2,732.31**	**9,423.35**

As at 31st March, 2020	Contractual cash flows					
	Carrying amount as per IND AS	6 month or less	6 months-1 year	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities						
Borrowings	-	-	-	-	-	-
Debt securities issued	10,173.31	1.42	116.47	7,953.64	2,101.79	-
Issued loan commitments	-	-	-	-	-	-
TOTAL	**10,173.31**	**1.42**	**116.47**	**7,953.64**	**2,101.79**	**-**
Non-derivative financial assets						
Cash and cash equivalents	438.83	438.83	-	-	-	-
Loans and advances	15,200.99	1,290.26	1,886.41	896.50	3,080.04	8,047.79
Investment securities(incl. "Held for sale")	7,404.87	-	961.69	5,016.27	500.05	926.86
TOTAL	**23,044.69**	**1,729.09**	**2,848.10**	**5,912.77**	**3,580.09**	**8,974.65**

The inflows/(outflows) disclosed in the above table represents contractual undiscounted cash flows which are not usually closed out before contract maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

D. Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices. The Company mainly have risk from interest rate which is managed and monitored using sensitivity analysis. All such transactions are carried out within the guidelines set by the Risk Management Committee.

The COVID 19 pandemic has resulted in a significant decrease in economic activities across the country, on account of lockdown. In accordance with the RBI guidance relating to "COVID 19 regulatory package" dated 27th March 2020, the company has offered moratorium to its customer based on requests received.

As the company has two business segments, namely Fund Management and NBFC operations, there will be no major impact on fund management segment but NBFC operation may be impacted due to the uncertainty of the duration and severity of the COVID19 pandemic.

1 Interest rate risk

The Company adopts policy of ensuring that its interest rate exposure will maintain. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate.

2. *Exposure to interest rate risk*

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows:

(₹ in lakh)

Particulars	Note Ref	31 March 2021	31 March 2020
Fixed rate instruments			
Financial assets	5,6	15,161.56	21,855.56
Financial liabilities	15	7,246.10	10,173.31
Variable rate instruments		-	-
Financial assets		-	-
Financial liabilities		-	-

2 Currency risk

The functional currency of the Company is Indian Rupees (Rs). The Company is not exposed to foreign currency risk.

3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company's risk management policy is to mitigate the risk by investments in diversified mutual funds and Equity shares.

The company's exposure to price risk due to investments in mutual fund and equity shares is as follows:

Particulars	FY2020-2021	FY2019-2020
Investment in Mutual Funds and Equity shares	1,577.88	4,568.08

Sensitivity analysis

Particulars	FY2020-2021	FY2019-2020
Increase or decrease in price by 2%	31.56	91.36

Note - In case of decrease in NAV profit will reduce and vice versa.

46. Capital management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI from time to time basis.

The Company has complied in full with all its externally imposed capital requirements over the reported period.

The primary objectives of the Company's management is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

Regulatory capital

The Company's regulatory capital consists of the sum of the following elements :

- Common equity Tier 1 (CET1) capital, which includes ordinary share capital, related share premium, retained earnings and reserves after adjustment for dividend declared and deduction for intangible assets and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy puposes.
- Tier 2 capital, which includes provision for standard assets.

(₹ in lakh)

Particulars	Note Ref. No.	As at 31st March, 2021	As at 31st March, 2020
Common equity Tier 1 (CET1) capital			
Ordinary share capital	20	6,037.10	6,037.10
Share premium	21	4,747.90	4,747.90
Retained earnings	21	2,992.80	2,786.27
Other reserves (including u/s 45 IC of RBI Act)	21	3,179.09	3,127.45
Deductions:			
Intangible assets	11	(0.00)	(0.00)
Deferred tax other than temporary differnces	9	(4,700.75)	(4,644.40)
Adjustment of Bonds with Group Company		(1,051.51)	(881.05)
		11,204.63	**11,173.27**
Tier 2 capital instruments			
General Provision including provision for standard assets		6.64	15.84
		6.64	**15.84**
Total regulatory capital		11,211.28	11,189.11
Tier 1 capital		11,204.63	11,173.27
Risk weighted assets		14,900.80	21,767.44
CRAR (%)		75.24%	51.40%
CRAR -Tier I Capital (%)		75.19%	51.33%
CRAR -Tier II Capital (%)		0.04%	0.07%

47. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I. ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	249.54	-	249.54	338.83	-	338.83
(b) Bank Balance other than (a) above	3,316.77	-	3,316.77	100.00	-	100.00
(c) Derivative financial instruments	-	-	-	-	-	-
(d) Receivables	18.91	-	18.91	14.83	-	14.83
(e) Loans	1,166.49	10,140.07	11,306.56	3,176.66	12,024.33	15,200.99
(f) Investments	735.72	3,119.28	3,855.00	211.39	6,443.18	6,654.57
(g) Other Financial assets	-	10.05	10.05	-	8.46	8.46
Total financial assets	**5,487.43**	**13,269.41**	**18,756.84**	**3,841.72**	**18,475.96**	**22,317.68**
(2) Non-financial Assets						
(a) Investment in subsidiaries	-	-	-	-	-	-
(b) Equity accounted investees	-	-	-	-	-	-
(c) Current tax assets (Net)	455.84	-	455.84	458.39	-	458.39
(d) Deferred tax Assets (Net)	-	4,700.75	4,700.75	-	4,644.40	4,644.40
(e) Investment Property	-	-	-	-	-	-
(f) Property, Plant and Equipment	-	17.37	17.37	-	23.04	23.04
(g) Capital work-in-progress	-	-	-	-	-	-
(h) Other Intangible assets	-	0.00	0.00	-	0.00	0.00
(i) Other non-financial assets	3.30	-	3.30	5.47	-	5.47
Total non-financial assets	**459.14**	**4,718.12**	**5,177.26**	**463.86**	**4,667.44**	**5,131.30**
Assets held for sale	750.00	-	750.00	750.31	-	750.31
Total assets	**6,696.57**	**17,987.53**	**24,684.10**	**5,055.88**	**23,143.40**	**28,199.29**

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
II. LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
Derivative financial instruments						
(a) Payables						
(I) Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(II) Other Payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	24.68	-	24.68	79.02	-	79.02
(b) Debt Securities	5,960.10	1,286.00	7,246.10	117.89	10,055.42	10,173.31
(c) Borrowings (Other than Debt Securities)	-	-	-	-	-	-
(d) Subordinated Liabilities	-	-	-	-	-	-
(e) Other financial liabilities	-	-	-	-	-	-
Total financial liabilities	**5,984.78**	**1,286.00**	**7,270.79**	**196.91**	**10,055.42**	**10,252.33**
(2) Non-Financial Liabilities						
(a) Current tax liabilities (Net)	-	-	-	-	-	-
(a) Provisions	-	447.18	447.18	359.31	-	359.31
(c) Deferred tax liabilities (Net)	-	-	-	-	-	-
(b) Other non-financial liabilities	9.25	-	9.25	888.92	-	888.92
Total non-financial liabilities	**9.25**	**447.18**	**456.42**	**1,248.23**	**-**	**1,248.23**
Total Liabilities	**5,994.03**	**1,733.18**	**7,727.21**	**1,445.14**	**10,055.42**	**11,500.56**
Net	**702.54**	**16,254.35**	**16,956.89**	**3,610.75**	**13,087.98**	**16,698.73**

RBI DISCLOSURES

NOTE-48 A

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

(a) Capital :

(₹ in lakh)

Particulars	31/03/2021	31/03/2020
Capital		
(a) Capital to Risk Assets Ratio (CRAR)	75.24%	51.40%
(b) CRAR – Tier I capital (%)	75.19%	51.33%
(c) CRAR – Tier II capital (%)	0.04%	0.07%
(d) Subordinated debt raised, outstanding as Tier II Capital (Rs.)	NIL	NIL
(e) Risk-weighted assets (Rs.):		
(i) On-Balance Sheet Items	14,900.80	21,768.29
(ii) Off-Balance Sheet Items	-	-

(₹ in lakh)

(b) Details of investment and movement in provision

Particulars	As on 31/03/2021	As on 31/03/2020
Value of Investment		
Gross Value of Investments	4,535.82	7,699.94
Provisions for Depreciation	(69.18)	295.07
Net Value of Investments	4,605.00	7,404.87
Movement of prov. held towards dep. on investments		
(i) Opening balance	295.07	3,604.80
(ii) Add : Provisions made during the year	-	275.07
(iii) Less : Write-off /write-back of excess prov. during the year	364.25	3,584.80
(iv) Closing balance	(69.18)	295.07

(c) Maturity Pattern of assets and liabilities

(₹ in lakh)

	1 Day to 30 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	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-
Bonds	-	-	-	2.93	5,957.17	1,076.00	210.00	-	7,246.10
Total	**-**	**-**	**-**	**2.93**	**5,957.17**	**1,076.00**	**210.00**	**-**	**7,246.10**
Assets									
Advances	164.14	164.14	146.92	309.47	381.82	561.69	997.19	8581.19	11,306.56
Investments (incl held for sale)*	0	0	0	0	5019.21	542	1735.12	842.16	8138.49
Total	**164.14**	**164.14**	**146.92**	**309.47**	**5401.03**	**1103.69**	**2732.31**	**9423.35**	**19445.05**

Note : * Includes FD's/Liquid fund proposed to be encashed.

(d) Exposures : Exposure to Real Estate Sector

(₹ in lakh)

Category	31/03/2021	31/03/2020
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	1,575.85	3,928.32
(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	1,738.22	1,911.83
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	Nil	Nil
a) Residential		
b) Commercial Real Estate		

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

(₹ in lakh)

Particulars	As on 31st March, 2021		As on 31st March, 2020	
	O/s	Overdue	O/s	Overdue
(a) Bank Loans	--	--	--	--
(b) Bonds	7,246.10	--	10,173.31	--
TOTAL	**7,246.10**	**--**	**10,173.31**	**--**

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

(f) Provisions and contingencies

(₹ in lakh)

Particulars	As on 31st March, 2021	As on 31st March, 2020
Provision for depreciation on Investment*	-	-
Provision towards NPA	8,091.18	7,811.24
General Provision for COVID-19	105.49	103.78
Provision for Standard Assets	6.64	15.84
Provision for Reversal of Interest on Interest	5.55	
Provision for Re-structured Standard Assets	76.60	--
Provision for Employee Benefits	259.54	255.52

*All investment has been carried out at Fair Value through Profit & Loss.

(g) Concentration of Advances, Exposures and NPAs:

Concentration of Advances

(₹ in lakh)

Particulars	As on 31st March, 2021	As on 31st March, 2020
Total Advances to twenty largest borrowers	16,922.51	20,501.94
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	100.00%	100.00%

Concentration of Exposures

(₹ in lakh)

Particulars	As on 31st March, 2021	As on 31st March, 2020
Total Exposure to twenty largest borrowers / customers	16,922.51	20,501.94
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	100.00%	100.00%

Concentration of NPAs

(₹ in lakh)

Particulars	As on 31st March, 2021	As on 31st March, 2020
Total Exposure to top four NPA accounts	7,361.17	7,895.93

(h) Sector-wise NPAs

S.No.	Sector	Percentage of NPAs to Total Advances in that Sector	
		As on 31/03/2021	As on 31/03/2020
1	Agriculture & allied activities	Nil	Nil
2	MSME	Nil	Nil
3	Corporate borrowers	90.19%	80.69%
4	Services	Nil	Nil
5	Unsecured personal loans	Nil	Nil
6	Auto loans	Nil	Nil
7	Other Personal Loans	Nil	Nil

(i) Movement of NPA :

(₹ in lakh)

Particulars		As on 31st March, 2021	As on 31st March, 2020
(i)	Net NPAs to Net Advances (%)	81.25%	68.89%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	16,542.39	13,730.31
	(b) Additions during the year	972.22	3,409.97
	(c) Reductions/write-offs during the year	2,253.01	597.89
	(d) Closing balance	15,261.60	16,542.39
(iii)	Movement of NPAs (Net)		
	(a) Opening balance	8,731.15	7,087.36
	(b) Additions during the year	48.98	1,716.20
	(c) Reductions/write-offs during the year	1,609.71	72.41
	(d) Closing balance	7,170.42	8,731.15
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	7,811.24	6,642.95
	(b) Provisions made during the year	923.24	1,693.77
	(c) Write-off / write-back of excess provisions	643.30	525.48
	(d) Closing balance	8,091.18	7,811.24

(j) Details of Loan Assets subjected to Restructuring : Mittal Dewellers Pvt Ltd.

(k) Details of Borrower Limit-Single & Group exceeded by the NBFC on the basis of Gross Exposure: NIL

(l) Disclosure of restructured assets

(₹ in lakh)

Type of restructuring		Other*			
Asset classification		**Standard**	**Substandard**	**Doubtful**	**Loss**
Restructured accounts as on April 1, 2020	No. of borrowers	-	-	2	-
	Amount outstanding	-	-	1,688.15	-
	Provision thereon	-	-	1,013.62	-
Fresh restructuring during FY 2020-21	No. of borrowers	1	-	-	-
	Amount outstanding	766.00	-	-	-
	Provision thereon	79.66	-	-	-
Upgradations to restructured standard category during FY 20-21	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	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Writeoffs / settlement of restructured accounts during the year	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Restructured accounts as on March 31, 2021	No. of borrowers	1	-	2	-
	Amount outstanding	766.00	-	1688.15	-
	Provision thereon	79.66	-	1013.62	-

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

(m) Exposure to Capital Market

(₹ in lakh)

	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	4,019.69	6,898.32
(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	2,025.15	2,029.02
(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)	515.82	506.55
	Total exposure to capital market	**6,560.66**	**9,433.89**

(n) Schedule to the Balance Sheet of a NBFC

(₹ in lakh)

Particulars				
Liability Side	**31/03/2021**		**31/03/2020**	
(1) Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:	**Amount outstanding**	**Amount overdue**	**Amount outstanding**	**Amount overdue**
(a) Debentures : Secured	6,161.57		8,046.82	
: Unsecured	1,084.54		2,126.49	
(Other than falling within the meaning of public deposits)				
(b) Deferred Credits				
(c) Term Loans	-		-	
(d) Inter-corporate loans and borrowing				
(e) Commercial papers				
(f) Public Deposits				
(g) Other Loans –OD/ CC Limit				
(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	N.A	N.A	N.A	N.A
Assets				
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:				
(a) Secured	18,182.15		21,898.87	
(b) Unsecured	4,663.35		4,165.82	

(4) Break up of leased Assets and stock on hire and other assets counting towards AFC activities		N.A		N.A
(5) Break-up of Investments				
Current Investments				
1. Quoted				
2. Unquoted				
(i) Shares				
(a) Equity				
(b) Preference				
(ii) Debentures and Bonds	747.11		747.11	
(iii) Units of Mutual Funds	66.32		3,430.14	--
(iv) Government Securities				--
(v) Other (please specify)				--
Long Term Investments				
1. Quoted				
(i) Shares	669.40		211.39	--
(ii) Debentures and Bonds	2,277.12		2,086.49	--
2. Unquoted				
(i) Shares				
(a) Equity	329.23		423.19	
(b) Preference	--			
(ii) Debentures and Bonds	--			--
(iii) Units of Mutual Funds	--			--
(iv) Government Securities	--			--
(v) Units of Venture Funds	515.82		506.55	--
(6) Borrower group-wise classification of assets financed in (3) and (4) above: please see note 2 below				
Category				
1. Related Parties **				
(a) Subsidiaries		-		-
(b) Companies in the same group		-		-
(c) Other related parties		-		-
2. Other than related parties		22,845.51		26,064.69
Total		**22,845.51**		**26,064.69**

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

	31/03/2021		31/03/2020	
Category	**Market Value/ Break up or fair value or NAV**	**Book Value (Net of Provision)**	**Market Value/ Break up or fair value or NAV**	**Book Value (Net of Provision)**
1. Related Parties **				**-**
(a) Subsidiaries	-	-		-
(b) Companies in the same group	2,277.12	-	2,086.49	-
(c) Other related parties	-	-	-	-
2. Other than related parties	**2,327.88**	**-**	**5,318.39**	**-**

(8) Other Information

(₹ in lakh)

Particulars	31/03/2021	31/03/2020
(i) Gross Non Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	15,261.60	16,542.39
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	7,170.42	8,731.15
(iii) Assets acquired in satisfaction of debts	-	-

(o) Rating assigned by credit rating agencies and migration of ratings during the year:-

Long Term (Bonds/Term Loans)

Ratings By	31/03/2021	31/03/2020
CARE	CARE BB; Negative (Double B; Outlook: Negative)	CARE BB+ Negative (Double B Plus; Outlook Negative)
Brickwork	BWR BB+/Negative (Reaffirmed) (Outlook revised to negative from stable)	BWR BB+ (Pronounced BWR Double B Plus) Outlook: Stable

(p) Disclosures related to Customer Complaints: -NIL

Particulars	31/03/2021	31/03/2020
No. of complaints pending at the beginning of the year	Nil	Nil
No. of complaints received during the year	Nil	Nil
No. of complaints redressed during the year	Nil	Nil
No. of complaints pending at the end of the year	Nil	Nil

Note 48 B

Appendix
Disclosure as per RBI Ind AS circular

(₹ in lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(4)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,051.61	4.03	1,047.58	4.03	-
	Stage 2	683.21	2.61	680.61	2.61	-
Subtotal		**1,734.83**	**6.64**	**1,728.19**	**6.64**	**-**
Non-Performing Assets (NPA)		-	-	-	-	-
Substandard	Stage 3	1,094.42	97.22	997.19	97.22	-
Doubtful - up to 1 year	Stage 3	3,413.12	609.50	2,803.62	567.28	42.22
1 to 3 years	Stage 3	7,999.74	4,853.67	3,146.08	3,114.52	1,739.15
More than 3 years	Stage 3	8,603.39	5,971.92	2,631.48	2,933.03	3,038.89
Subtotal for doubtful		**20,016.26**	**11,435.08**	**8,581.18**	**6,614.83**	**4,820.25**
Loss	Stage 3	-	-	-	-	
Subtotal for NPA		**21,110.68**	**11,532.30**	**9,578.37**	**6,712.05**	**4,820.25**

Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1 Stage 2 Stage 3	- - -	- - -	- - -	- - -	- - -
Subtotal		-	-	-	-	-
Total	Stage 1	1,051.61	4.03	1,047.58	4.03	-
	Stage 2	683.21	2.61	680.61	2.61	-
	Stage 3	21,110.68	11,532.30	9,578.37	6,712.05	4,820.25
	Total	**22,845.51**	**11,538.95**	**11,306.56**	**6,718.69**	**4,820.25**

NOTE-48 C

Disclosure on Moratorium for COVID 19 Regulatory Package :

(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended;

Moratorium was extended in NIL cases as on 31.3.2021) (5 accounts amounting Rs.3,959.55 lakh as on 31.3.2020) as follows:

Particulars	**31.03.2021**		**31.03.2020**	
SMA Category	**No. of cases**	**Amount (Rs. lakh)**	**No. of cases**	**Amount (Rs. lakh)**
NO SMA			2	1,156.57
SMA 1			1	727.29
SMA 2			2	2,075.69
Total			**5**	**3,959.55**

(ii) Respective amount where asset classification benefits is extended.

As on 31.3.2021, asset classification benefit had been extended in nil cases (2 accounts out of the above amounting Rs.2,075.68 lakh as on 31.03.2020).

(iii) Provisions made during the FY 2021;

Provision made during the year is Rs.52.74 lakh (Rs.103.78 lakh during last year ended 31.03.2020).

(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.

Provision of Rs.51.04 lakh created last year was adjusted as the account slipped into NPA category. (Nil, As provision has been created as on 31/03/2020)

For Lunawat & Co.
Chartered Accountants
FRN: 000629N

Sd/-
Vikas Yadav
Partner
M. No. 511351

Sd/-
Sunil Kumar Bansal
Director
(DIN : 06922373)

Sd/-
Shivendra Tomar
Mg. Director
(DIN : 03174406)

Place: New Delhi
Date: 08th June, 2021

Sd/-
Indu Gupta
Chief Financial Officer

Sd/-
Rachit Tandon
Company Secretary

IFCI VENTURE

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