36th Annual Report 2023-2024

IFCI VENTURE

IFCI Venture Capital Funds Limited

BOARD OF DIRECTORS

Mr. Rahul Bhave, Non-Executive Chairman
Mr. Prasoon, Nominee Director
Mr. Ajay Kumar Kapur, Non-Executive Director
Mr. Gauri Shankar, Non-Executive Director
Mr. Anish Babu Venugopal, Managing Director
Mr. Arvind Kumar Jain, Non-Executive Director
Ms. Tripti Somani, Non-Executive Director

CHIEF FINANCIAL OFFICER

Ms. Indu Gupta

COMPANY SECRETARY

Mr. Rachit Tandon

AUDITORS

STATUTORY AUDITORS

M D Gujrati & Co.
Chartered Accountants
J-8, Green Park Ext
New Delhi- 110016

SECRETARIAL AUDITORS

Saurabh Agrawal & Co.
Company Secretaries
403, Nirmal Tower,
26 Barakhamba Road,
Connaught Place,
New Delhi-110 001

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 -110 020

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited
IL&FS Financial Centre, Plot C-22, G Block,
Bandra-Kurla Complex,
Bandra East, Mumbai-400 051

REGISTERED OFFICE

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

IFCI VENTURE

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF IFCI VENTURE CAPITAL FUNDS LIMITED (IFCI VENTURE) will be held on Tuesday, September 24, 2024 at 3:00 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, 2024 and the Profit & Loss Account for the year ended March 31, 2024, 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, 2024 and the Profit & Loss Account for the Financial Year ended March 31, 2024, 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 Ms. Tripti Somani, Non-Executive Director and who retires by rotation and being eligible offer herself for re-appointment.

   To consider and, if thought fit, 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), Ms. Tripti Somani (holding DIN 06764190), 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, if thought fit, 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 Statutory Auditors of the Company as appointed by the Comptroller and Auditor General of India for the Financial Year 2024-25.”

SPECIAL BUSINESS

4. Appointment of Mr. Gauri Shankar (DIN:06764026) as Non-Executive Director of the Company.

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

   “**RESOLVED THAT** pursuant to the provisions of Section 149, 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. Gauri Shankar (DIN: 06764026), who was appointed as an Additional Director under the category of Non-Independent Director on the Board of the Company w.e.f. October 09, 2023 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

Sd/-
(Rachit Tandon)
Company Secretary

Place: New Delhi
Date: August 06, 2024

Notes:

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated 25th September, 2023 (MCA Circulars), and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 has allowed the Companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) till 30th September, 2024 without the physical presence of members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and MCA Circulars, the 36th AGM of the Company shall be conducted through VC/OAVM hereinafter called as 'e-AGM'.

2. The deemed venue for thirty-sixth 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 36th 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/authorization, etc., authorising their representative to attend the-AGM on its behalf and to vote. The said resolution/authorization 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 2:45 p.m. to 3:15 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. Pursuant to the said provisions of the Act read with MCA Circulars, notice of thirty-sixth e-AGM along with the Annual Report for FY 2023-24 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 2023-24 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	Ms. Tripti Somani	Mr. Gauri Shankar
Directors Identification Number (DIN)	06764190	06764026
Date of Birth	15.07.1985	25.03.1956
Date of First Appointment on the Board	September 11, 2022	October 09, 2023
Profile / Expertise in Specific functional Areas.	Ms. Tripti Somani graduated from SRCC and did a Master of business law from National Law School Bangalore. She is a professional Chartered Accountant with 15 years of experience but a social entrepreneur at heart. She started Womennovator in 2015, a social impact incubator & platform to foster women entrepreneurship. She have progressive experience in profit and non-profit organizations both large and SMEs including business and financial advisory for various organizations such as PwC, Grant Thornton (GT) & World Bank. She is a CEO of KGS Advisors, a Financial advisory firm and founder and Co-founder of Womennovator, Gvriksh, Queens XI Cricket League and Ex- Chairperson and Ex- Co-Chairperson of Women Entrepreneurship Committee and MSME Committee – PHDCCI from PHD Chamber of Commerce and industry, ASSOCHAM, MEPSC Skill Council. She served on the governing council of NIESBUD, Ministry of Skill development and entrepreneurship, and also acted as board member to companies like SMC food (Madhusudan) and many more.	Mr. Gauri Shankar holds bachelor's degree in science and commerce; He has over 42 years' of experience in Banking and Finance and served as Managing Director and Chief Executive officer of Punjab National Bank in 2015. He was also the Executive Director of the same Bank. Prior to this, he worked in Bank of India in various positions, which include General Manager of various Departments viz, Finance (CFO), National Banking Group North (Operations), Asset Recovery, Learning and Development (HR) and Strategy and Planning. Mr. Shankar has vast experience in domestic and international operations. Worked in Bank of India's Singapore and Jakarta Operations. His forte is Finance, Strategy and HR Development. He also worked as DGM and Zonal Manager of Lucknow Zone. While in PNB, he was Chairman of PNB's wholly owned subsidiary Punjab National Bank (International) Limited, London and director on other subsidiaries and

Whether related to any Board Members, Manager or KMP of the Company	No	JVs (for different periods) namely PNB Housing Finance Limited, PNB Gilts Ltd. and Punjab National Bank Kazakhstan.
Qualifications	Masters of Business Law -National Law School Bangalore Chartered Accountant, ICAI	B.Sc & B.Com,(University of Delhi) CAIIB-I (Indian Institute of Bankers)
List of Directorship in other Companies	- Creamy Foods Limited - SMC Foods Limited - Ravine Creations Private Limited - Association of Women in Business - Council for Redressal and Development of Industries in India - Womennovator Virtual Incubator LLP - Elecbits Labs LLP - Craftpreneur Artisanat LLP - K G Somani & Co LLP	- PNC Infratech Ltd - Paisalo Digital Ltd - Mohit Minerals Ltd - Universal Fingrowth Pvt Ltd - Infomerics Valuation & Ratings Pvt Ltd.
Membership of Committee of the Board in other Companies.	Nil	- PNC Infratech Pvt Ltd 1. ACB (Member) 2. Risk Management Committee (Member) 3. NRC (Member) - Paisalo Digital Ltd 1. ACB (Chairman) 2. Risk Management Committee (Chairman)
No. of Equity Shares held	Nil	Nil
No. of Board Meetings attended/ entitled to attend during the year	3	2

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013)

Item No. 4

Mr. Gauri Shankar (DIN: 06764026) aged 68 years is a Non-Executive Non-Independent Director of the Company. Mr. Gauri Shankar was appointed as an Additional Director by the Board of Directors of the Company w.e.f. October 09, 2023.

Under Section 161 of the Companies Act, 2013 read with Article 110(10)(a) of the Articles of Association of the Company, Mr. Gauri Shankar holds office only up to the date of this Annual General Meeting of the Company. A notice has been received proposing candidature of Mr. Gauri Shankar for the office of Director of the Company and his appointment has been recommended by Nomination & Remuneration Committee.

Mr. Gauri Shankar holds bachelor's degree in science and commerce; He has over 42 years' of experience in Banking and Finance and served as Managing Director and Chief Executive officer of Punjab National Bank in 2015. He was also the Executive Director of the same Bank. Prior to this, he worked in Bank of India in various positions, which include General Manager of various Departments viz, Finance (CFO), National Banking Group North (Operations), Asset Recovery, Learning and Development (HR) and Strategy and Planning. Mr. Shankar has vast experience in domestic and international operations. Worked in Bank of India's Singapore and Jakarta Operations. His forte is Finance, Strategy and HR Development. He also worked as DGM and Zonal Manager of Lucknow Zone. While in PNB, he was Chairman of PNB's wholly owned subsidiary Punjab National Bank (International) Limited, London and director on other subsidiaries and JVs (for different periods) namely PNB Housing Finance Limited, PNB Gilts Ltd. and Punjab National Bank Kazakhstan.

The Board considered 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 Mr. Gauri Shankar 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 Mr. Gauri Shankar, 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 Mr. Gauri Shankar 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: August 06, 2024

DIRECTORS' REPORT

TO THE MEMBERS OF IFCI VENTURE CAPITAL FUNDS LIMITED

The Board of Directors of your Company are pleased to present the Thirty Sixth Annual Report of IFCI Venture Capital Funds Limited (the Company) together with the Report on Corporate Governance and Audited Financial Statements for the Financial Year ended March 31, 2024.

1. FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

The financial results of your Company for the Financial Year 2023-24 and 2022-23 under review are summarized in the following table:

(Rs. in Lakhs)

Financial Year	**2023-24**	**2022-23 (Restated)**
Total Income	**9856.92**	**4096.75**
Expenditure - Finance Cost - Net Loss on fair value changes - Employee Benefit Expenses - Impairment on financial instruments - Depreciation - Other Expenses	 22.74 - 679.08 - 4.59 7769.06	 98.93 284.21 547.80 - 10.76 2667.14
Total Expenditure	**8475.47**	**3608.83**
Profit/(loss) Before Tax Less: Tax Expenses	1381.45 1278.29	487.92 (53.93)
Profit/(loss)for the period Add: Other Comprehensive Income	103.16 18.42	541.85 6.97
Total Comprehensive Income for the period	**121.58**	**548.81**

Note on change in Accounting Policy

IFCI Venture has changed its accounting policy for interest accrual on stage 3 / non-performing assets (NPA), aligning with the holding company effective from April 1, 2021 as per approval of Board. This change impacts the recognition and write-off of interest income associated with stage 3 assets.

Policy Changes

- **Recognition of Interest Income:** Interest income on stage 3 assets will be recognized using the Effective Interest Rate (EIR) method applied to the amortized cost of the underlying asset (gross assets minus Expected Credit Loss (ECL)).

- **Write-off of Interest Income:** Any increase in the gross carrying amount of stage 3 assets resulting from the application of the EIR method will be written off against the recognized interest income, if there is no reasonable expectation of recovery.

The Management has considered that the aforesaid changes are material and as a result the financials of 31.3.2023 were also restated. Interest income for FY 2022-23 and 2021-22 has increased by INR 1,163.41 Lakhs and INR 1,266.84 Lakhs respectively. Since there is no expectation of recovery, the same has been written off as bad debts respectively. Hence, there is no impact on Net Profit/ Net loss of these years respectively.

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, apart from above 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 2023-24.

4. TRANSFER TO RESERVES

The Company has transferred Rs. 24.32 lakh to the reserves u/s 45IC of the RBI Act, 1934 during the Financial Year ended March 31, 2024 as your company earned profit 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 2023-24, 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 and till the date of signing of this report, 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, IFCI Ltd. the holding company; (i) has extended the deputation period of Shri V. Anish Babu, General Manager, IFCI Ltd. as Managing Director, of IFCI Venture for a further period of one-year w.e.f. April 25, 2024. (ii) has nominated Shri. Rahul Bhave and was appointed as a Nominee Director on the Board of the Company w.e.f. January 04, 2024 and (iii) the nomination of Sh. Manoj Mittal, as a Nominee Director and Chairman of the Company has been withdrawn on account of cessation of his services with IFCI Ltd w.e.f. July 27, 2024.

Shri. Gauri Shankar was appointed as Additional Director(s) w.e.f. October 09, 2023 and is proposed to be regularized as Non-Executive Director under the category of Non-Independent Director who shall hold office up to the date of forthcoming Annual General Meeting.

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. Therefore, the power to appoint Independent Directors vests with the Ministry administratively in-charge of the Company i.e. Department of Financial Services, MOF. Communications have been sent to the concerned Ministry and once the appointment of the Independent Director is made by the Department of Financial Services, the abovementioned provisions will be complied with.

7. DIRECTOR LIABLE TO RETIRE BY ROTATION

Smt. Tripti Somani, Non-Executive Directors (holding DIN 06764190) will retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered herself 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 Company Secretaries of India.

9. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2023-24, in compliance with the provisions of the Companies Act, 2013 and rules made thereunder, 4 (four) 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 as the Company does not have any Independent Director for the reason mentioned at point no.6 above. 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 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.

All Related Party Transactions entered during the year under report were in ordinary course of the business and at Arm's Length basis. No Material Related Party Transaction was entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC2 is not applicable and hence, does not form part of the Board's Report.

14. ANNUAL RETURN

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 project/program undertaken by the Company on CSR activities during the year are set out in **Annexure II** of this report in the format prescribed in the Companies (Corporate Social Responsibility) 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 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 2023-24, 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

Your company is engaged in managing PE/VC funds registered with SEBI under AIF regulations apart from recovery of its NPA portfolio. 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 risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks of the company.

22. DEPOSITS

Your Company being a Non-Deposit Accepting Company has not accepted any deposits during the Financial Year 2023-24. There were no public deposits outstanding as at the beginning or end of the Financial Year 2023-24.

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.

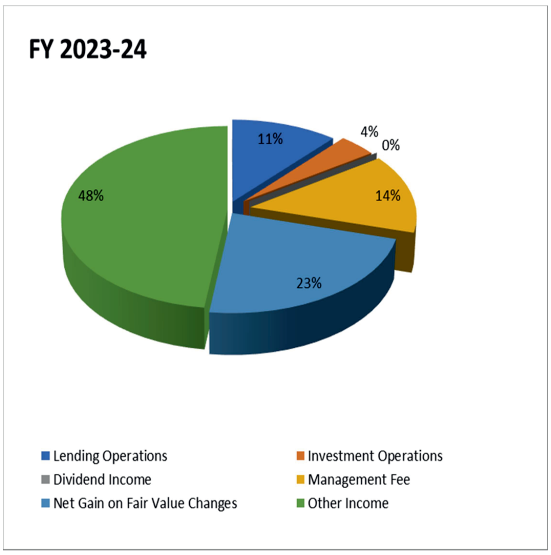
24. VIGIL MECHANISM

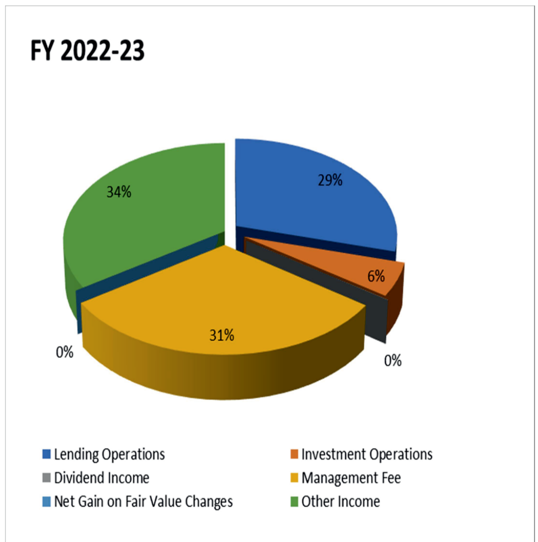
Your Company has in place a Vigil Mechanism Policy, in compliance with the provisions of Companies Act, 2013, under which the Directors and employees can report to the Management their concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct and to provide adequate 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 Chairperson 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

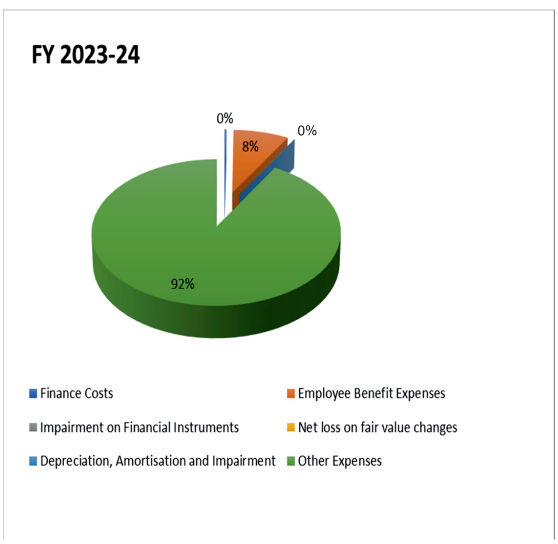
25. INCOME AND EXPENDITURE COMPONENTS

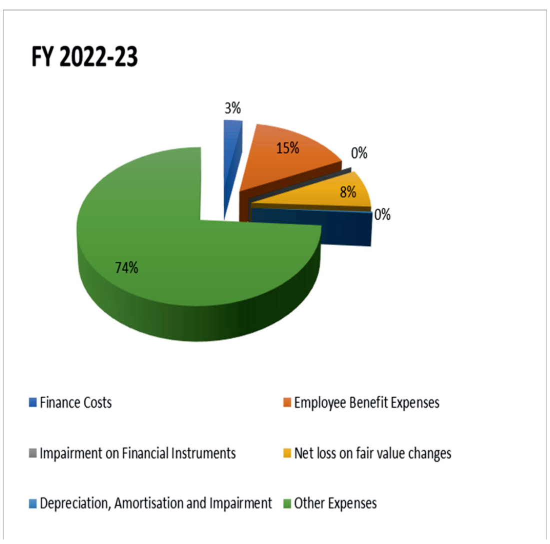
(i) Income Components





ii) Expenditure Components





26. INDUSTRY AND BUSINESS OF THE COMPANY

I. INDUSTRY STRUCTURE & DEVELOPMENTS

i. Introduction

The Indian economy expanded at a robust pace in 2023-24, with real GDP growth accelerating to 7.6 per cent from 7.0 per cent in the previous year – the third successive year of 7 per cent or above growth. With gross fixed capital formation (GFCF) accelerating to 10.2 per cent in 2023-24 from 6.6 per cent in 2022-23, investment was the major driver of domestic demand, buoyed by government spending on infrastructure.

Scheduled commercial banks (SCBs) remained well-capitalised, maintaining capital adequacy above the regulatory minimum as at end-September 2023. Bank credit growth sustained momentum during 2023-24. The asset quality of SCBs improved further, along with moderation in the gross non-performing assets (GNPAs) as at end-September 2023.

Capital adequacy of non-banking financial companies (NBFCs) was comfortable and asset quality improved as at end-September 2023. On the profitability front, Return on Assets (RoA) and Net Interest Margin (NIM) stood strong, and the cost-to income ratio improved. Robust credit growth was sustained, supported by demand for retail credit.

Capital and asset quality of banks and NBFCs remain healthy, supporting the growth in bank credit and domestic activity. Pre-emptive regulatory measures aimed at curbing excessive consumer lending and bank lending to NBFCs, and investments in alternate investment funds (AIFs) are expected to contain the build-up of potential stress in balance sheets of financial intermediaries and contribute to financial stability.

A. Banking Sector

The Indian banking industry has been on an upward trajectory aided by strong economic growth, rising disposable incomes, increasing consumerism and easier access to credit.

The Indian banking industry has recently witnessed the rollout of innovative banking models like payments and small finance banks. In recent years India has also focused on increasing its banking sector reach, through various schemes like the Pradhan Mantri Jan Dhan Yojana and Post payment banks. Bank accounts opened under GoI Pradhan Mantri Jan Dhan Yojana have deposits of over ~US$ 25.13 billion in beneficiary accounts. 51.11 crore beneficiaries banked till December 15th, 2023.

Schemes like these coupled with major banking sector reforms like digital payments, neo-banking, a rise of Indian NBFCs and fintech have significantly enhanced India's financial inclusion and helped fuel the credit cycle in the country.

In 2023, total assets in the public and private banking sectors were US$ 1686.70 billion and US$ 1016.39 billion, respectively. In 2023, assets of public sector banks accounted for 58.31% of the total banking assets (including public, private sector and foreign banks). The interest income of public banks reached US$ 102.4 billion in 2023. In 2023, interest income in the private banking sector reached US$ 70 billion.

India's digital lending market witnessed a growth of CAGR 39.5% over a span of 10 years. The Indian digital consumer lending market is projected to surpass US$ 720 billion by 2030, representing nearly 55% of the total US$ 1.3 trillion digital lending market opportunity in the country.

Digital modes of payments have grown by leaps and bounds over the last few years. As on January 2024, there were 560 banks actively using UPI. The total number of digital transactions during this period amounted to 15.08 billion, with a total value of US$ 25.27 billion (Rs. 2.1 trillion).

Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth in the banking sector. All these factors suggest that India's banking sector is poised for robust growth as rapidly growing businesses will turn to banks for their credit needs.

The advancement in technology has brought mobile and internet banking services to the fore. Artificial Intelligence (AI) and automation are demonstrating unprecedented value while Blockchain has sparked innovation throughout the business landscape and is poised to continue in doing so. The banking sector is laying greater emphasis on providing improved services to their clients and upgrading their technology infrastructure to enhance customer's overall experience as well as give banks a competitive edge.

B. <u>NBFC Sector</u>

Non-Banking Financial Companies (NBFCs) work with the sole aim of making financial services accessible to one and all. The unique objective set them apart from the banks and made them the prime drivers of growth.

NBFC sector plays an extremely crucial role in the development of the country's core infrastructure. By offering quicker funds and credit to the Indian trade and commerce industry, these entities are enabling the nation-wide growth of large infrastructure projects. Furthermore, small businesses, start-ups, and MSMEs/SSIs are dependent on funds offered by NBFCs. Thus, indirectly, NBFCs create more job opportunities at the macro-economic level.

NBFCs help promote financial inclusion by extending credit and financial services to underserved population segments. NBFCs complement the banking sector by providing access to credit for individuals and businesses who may not meet the stringent requirements of traditional banks. NBFCs are involved in offering credit facilities to both the urban and the rural clientele for the development of the economy. It helps micro-businesses and build low-cost houses, promoting the economic growth of the countryside, and providing microcredit for women.

According to the RBI's latest Financial Stability Report, NBFCs were the largest net borrowers of funds from the financial system, with gross payables of Rs 16.58 lakh crore and gross receivables of Rs 1.61 lakh crore as of the end of March 2024. "A breakup of their gross payables reveals that the bulk of funds were sourced from SCBs, followed by AMC-MFs and insurance companies," states the report.

The banks' share in the funding mix of NBFCs has jumped from 47.5 per cent in December 2018 to 55.1 per cent in March 2024. Similarly, the long-term funds provided by banks and AIFs have increased from 40.7 per cent to 45.9 per cent in the same period. Further, Non-banking financial companies (NBFCs) remain healthy, with CRAR at 26.6 per cent, GNPA ratio at 4.0 per cent and Return on Assets (RoA) at 3.3 per cent, respectively, at end-March 2024.

ii. Regulatory Changes

The Department of Supervision (DoS) is entrusted with the responsibility of supervising all Scheduled Commercial Banks (SCBs) [excluding Regional Rural Banks (RRBs)], Local Area Banks (LABs), Payments Banks (PBs), Small Finance Banks (SFBs), Credit Information Companies (CICs), All India Financial Institutions (AIFIs), Urban Co-operative Banks (UCBs), Non-Banking Financial Companies (NBFCs) [excluding Housing Finance Companies (HFCs)] and Asset Reconstruction Companies (ARCs).

During the year, the Department took several initiatives for strengthening the supervision of NBFCs. The impact of new asset classification norms on the gross Non-Performing Assets (GNPAs) reported by NBFCs was analysed. GNPAs of the NBFC sector decreased from 6.3 per cent of gross advances on March 31, 2022 to 5.9 per cent as on September 30, 2022, which was the cut-off date for implementation of the new norms. GNPAs decreased to 5.0 per cent of gross advances as on March 31, 2023, and further to 4.6 per cent as on September 30, 2023. Since the system of marking of days past due on a daily basis was already implemented by the larger NBFCs, the new norms did not have a major impact on the reported asset quality. The increase in gross advances of the NBFC sector by 15.9 per cent during 2022-23 also had a mitigating impact on the GNPA level.

Several regulatory and supervisory guidelines were issued during the year in line with global best practices towards strengthening of governance, risk management practices and capital buffers. The regulatory guidelines included: (a) default loss guarantee in digital lending; (b) framework for compromise settlements and technical write-offs; (c) prudential norms for classification, valuation, operations of investment portfolios of commercial banks; (d) minimum capital requirements for operational risk; and (e) establishment of an umbrella organisation for UCBs.

The central bank on 16th of November 2023, announced increase in bank capital requirements for personal loan credit cards and directed lenders to set limits on various retail segment loans, indicating RBI's vigilance on the unprecedented growth in these types of loans, affecting the NBFCs on the capital buffer they would need to carry. Other steps the central bank announced was an increase in risk weights on loans given by banks to NBFCs, effectively pushing up capital needs for all classes of lenders, NBFCs were affected as most of their borrowings were heavily dependent on banks In turn, this has pushed up interest rates for the borrowing segment. The central bank increased the risk weight on consumer credit for banks and NBFCs to 125 per cent from 100 per cent.

II. BUSINESS OVERVIEW

i. Lending Operations

As IFCI Venture has changed its accounting policy whereby interest income on stage 3 shall be recorded in the books of accounts with effect from 1st April, 2021, Interest income for the financial years 2022-23 and 2021-22 have been reinstated and increased by Rs.1,163.41 lakh and Rs.1,266.84 lakh respectively. For the financial year 2023-24, interest of Rs.1,117.10 lakh was accrued. The lending portfolio (net) stood at Rs.39.81 crore as at March 31, 2024 against Rs.76.41 crore as at March 31, 2023.

In view of no fresh lending business being perceived, and more focus on management of Funds entrusted by Ministry of Social Justice & Empowerment (MosJE), Government of India, your Company continued with the existing General Lending Policy (GLP). The broad features of the GLP inter alia included exposure limits for an individual company upto Rs.10 crore or 10% of Owned Funds as at March 31, 2022 and for a Group upto Rs.15 crore or 15% of Owned Funds as at March 31, 2022 with tenor of loans at upto 4 years. In addition, to ensure proper risk evaluation of proposals, the internal risk rating process continues to be outsourced to external Rating Agencies (presently CARE Ratings) and the same is linked to pricing of loans.

Your company has also been entrusted with management of Venture Capital Fund for Scheduled Tribes (VCF-ST) by Ministry of Tribal Affairs, Government of India. The Fund was launched on the inaugural day of `Aadi Mahotsav 2024' on 10th February, 2024 at Major Dhyan Chand National Stadium, New Delhi, by Shri Arjun Munda, Union Minister of Tribal Affairs & Agriculture and Farmers Welfare, in the august presence of Honourable President of India, Smt. Droupadi Murmu, Dr. Bharati Pravin Pawar, Honourable Minister of State and other dignitaries.

OUTLOOK

Several regulatory and supervisory measures will be undertaken in 2024-25 to further strengthen financial intermediaries. They would include: (a) a comprehensive review of the extant IRACP norms and the prudential framework for resolution of stressed assets across Regulated Entities (REs); (b) harmonised set of prudential guidelines for all REs undertaking project finance; (c) a comprehensive review of the extant regulatory instructions on interest rates on advances across REs; (d) move towards adopting a forward-looking expected credit loss (ECL) approach; (e) issuance of Securitisation of Stressed Assets Framework; and (f) efforts towards enhancing awareness, building capacity, and fostering collaboration among stakeholders to address effectively the multifaceted challenges of climate change for the financial system.

ii. Private Equity/Venture Capital Funds Under Management by IFCI Venture

As you are aware, your company has been acting as an Asset Manager, managing Venture Capital Funds since 1991 and has managed various private equity/venture funds in the past. Three of such funds viz. India Automotive Component Manufacturers Private Equity Fund-1-Domestic (IACM-I-D), Green India Venture Fund (GIVF) and India Enterprise Development Fund (IEDF) which started in 2008 were closed in FY 2019-20.

Your Company is presently managing 4 Schemes viz. Venture Capital Fund for Scheduled Castes (VCFSC), Venture Capital Fund for Backward Classes (VCFBC) and Senior Care Ageing Growth Engine (SAGE) entrusted by Ministry of Social Justice and Empowerment (MoSJE), Government of India under a Trust Fund viz. Venture Capital Fund for Scheduled Castes and Backward Classes and the 4th scheme being Venture Capital Fund for Scheduled Tribes (VCFST) entrusted by Ministry of Tribal Affairs (MoTA) which is floated under a separate Trust. The Funds are registered as Alternate Investment Fund (AIF) Category - II with SEBI as per SEBI (AIF) regulation 2012. The total amount of funds under management in year 2023-24 is Rs.951.89 crore. Your Company has a team of young and experienced professionals having considerable length of experience, exposure and knowledge to carry on the business operations of the private equity/Venture Funds.

VCFSC 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 afresh an amount of Rs.22 crore in VCFSC. Also, the Fund has distributed profit of Rs.9.60 crore to its investors viz. IFCI and MoSJE, out of which Rs.1.48 crore have been ploughed back to form Fund Corpus and balance amount of Rs.8.12 crore have been distributed to investors. The Fund has reached its target corpus of Rs.750 crore as on 31st March 2024. The aggregate sanctions under VCFSC stands at Rs.523.09 Crore as on 31st March 2024 which has been sanctioned to 136 companies promoted by SC entrepreneurs. IFCI Venture earns an annual management fee @ 1.5% p.a. on the fund corpus of VCFSC and an amount of Rs.12.93 crore was booked as income towards management fee from VCFSC.

Further, with the objective to promote entrepreneurship amongst the SC Youth, a scheme namely "Ambedkar Social Innovation Incubation Mission (ASIIM)" under VCFSC was launched on 30th September 2020 by MoSJE. 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. The aggregate sanctions under ASIIM stands at Rs.25.51 Crore as on 31st March, 2024 which has been sanctioned to 86 companies promoted by SC entrepreneurs.

The other scheme viz. VCFBC aims at providing concessional finance to Backward Classes entrepreneurs. It was started in FY 2017-18 (but VCFBC scheme was operational from 1st October 2019 after receiving minimum contribution from MoSJE to start the fund as per SEBI regulations). During the year, MoSJE has contributed a fresh amount of Rs.10 crore in VCFBC. The present corpus of VCFBC as on 31st March 2024 is Rs.158.85 crore. The aggregate sanctions under VCFBC stands at Rs.112.25 Crore as on 31st March, 2024 which has been sanctioned to 22 companies promoted by BC entrepreneurs. IFCI Venture is earning an annual management fee @ 1.5% p.a. on the fund corpus of VCFBC and an amount of Rs.2.66 crore was booked as income towards management fee from VCFBC.

To enhance the awareness and coverage of VCFSC & ASIIM and VCFBC, IFCI Venture has participated in various conferences /webinars to reach the prospective entrepreneurs and create an outreach for the scheme. Your Company has also signed MoU with NSIC SC-ST Hub for deeper penetration of schemes. Your Company is also successfully managing the mentorship portal named "Aye-Mentor" which was launched to facilitate startups, entrepreneurs to gain business / industry experience and get mentoring from the experts. Your company has on-boarded 92 mentors till date. In the Mentorship portal, till date about 213 mentorship request sessions with experienced mentors have been received from mentees belonging to SC category.

In January 2023, the new Fintech based online application portal for VCF-SC, VCF-BC and ASIIM was made live. The portal scrutinizes the applications at a primary level based on the predefined eligibility criteria as per the scheme guidelines. It acts as the interface between the company and its applicants for channelizing their applications for VCFSC, VCFBC and ASIIM schemes. All applications are now being received through this Fintech portal.

Further, SAGE Venture Fund was also launched in August 2022 with an objective to support innovative ideas for the elderly care and promoting them into start-ups by providing equity support. MoSJE has already given a corpus of Rs. 20 crore, IIDL (a subsidiary of IFCI Limited) has contributed Rs. 1 crore to the Fund and IFCI Venture is acting as a sponsor to the Fund with a present contribution of Rs.52.5 lakhs as per SEBI norms. The total corpus of the fund stands at Rs.21.52 crore as on 31st March 2024.

Five proposals with sanction amount of Rs.5 crore have been sanctioned and Rs.2 Crore has been disbursed under the fund. IFCI Venture is earning an annual management fee @ 2.5% p.a. on the fund corpus of SAGE and an amount of Rs.0.64 crore was booked as income towards management fee from SAGE.

Further, your company has been entrusted to act as Investment Manager for Venture Capital Fund for Scheduled Tribes (VCFST) by Ministry of Tribal Affairs (MoTA), Government of India. The scheme has been registered under the Indian Trust Act, 1982 by the name "Venture Capital Fund for Scheduled Tribes". It is registered with SEBI as AIF Category II Fund. The Fund was launched on the inaugural day of `Aadi Mahotsav 2024' on 10th February, 2024 at Major Dhyan Chand National Stadium, New Delhi, by Shri Arjun Munda, Union Minister of Tribal Affairs & Agriculture and Farmers Welfare, in the august presence of Honorable President of India, Smt. Droupadi Murmu, Dr. Bharati Pravin Pawar, Honorable Minister of State and other dignitaries.

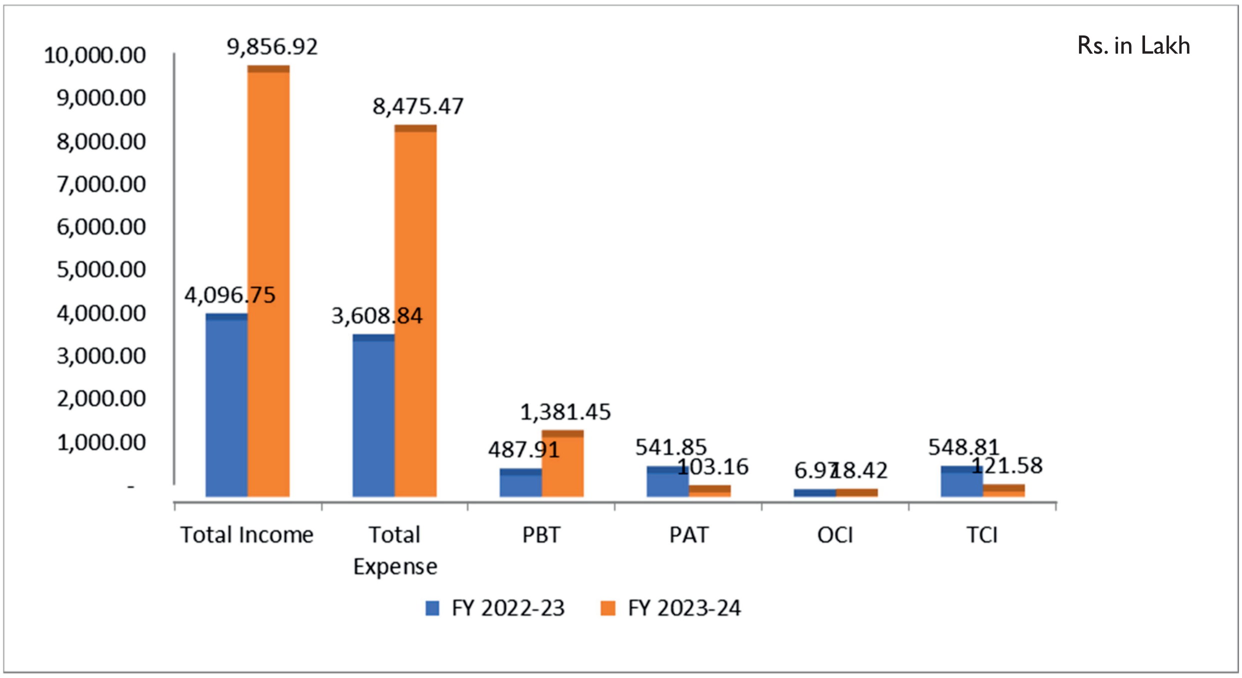
The objective of the fund is to promote entrepreneurship among the Scheduled Tribes through provision of concessional finance to them, to support, promote, handhold the start-up ideas till they reach commercial stage by providing equity and/or credit support and to promote financial inclusion amongst ST entrepreneurs and to motivate them for further growth of the ST communities.

The total corpus of the fund is Rs.21.52 crore. Ministry of Tribal Affairs (MoTA), Government of India has released Rs.20 Crore as initial contribution towards the fund corpus in 2023-24, Tribal Co-operative Marketing Development Federation of India Ltd. (TRIFED) has released Rs.1.00 crore as Investor and IFCI Venture has released Rs.0.52 crore as sponsors contribution. IFCI Venture is earning an annual management fee @ 1.5% p.a. on the fund corpus of VCFST and an amount of Rs.0.19 crore was booked as income towards management fee from VCFST.

27. PERFORMANCE OF YOUR COMPANY

i. Financial Performance

During FY 2023-24 your Company has earned profit of Rs.121.58 lakh as compared to Rs.548.81 lakh in FY 2022-23. The book value per share increased to Rs.28.73 per share in FY 2023-24 from Rs.28.53 per share in FY 2022-23.



ii. Corporate Loan Portfolio

Your Company being a NBFC deals in the activities of providing Corporate Loan to credit-worthy companies. The corporate loan portfolio of your Company stood at Rs.10,674.85 lakhs as on March 31, 2024 from Rs.18,950.39 lakhs as on March 31, 2023 with no sanction during the period.

Consequently, it was decided to consolidate operations and particularly focus on maintaining a comfortable liquidity position. As a result, the lending operations have been discontinued 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 viz., Venture Capital Fund for Schedules Castes (VCF-SC), Venture Capital Fund for Backward Classes (VCF-BC) & Ambedkar Social Innovation Incubation Mission (ASIIM), under VCF-SC.

iii. Focus on Recovery from NPA's/Investments:

IFCI Venture has been diligently pursuing recovery of dues from Non-Performing Assets (NPAs), technically written-off accounts, and investments during FY 2023-24. A provision of 62.71% has been set aside for the loan portfolio. To expedite recovery, the company has initiated various legal actions, including proceedings before Debt Recovery

Tribunals, criminal complaints under Section 138 of the Negotiable Instruments Act, insolvency applications under the Insolvency and Bankruptcy Code, 2016, enforcement of securities under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, and attachment of guarantors' personal assets. Additionally, NPA and written-off accounts have been assigned. These concerted efforts resulted in recoveries of Rs. 1896.70 lakhs from NPAs/technically written-off cases and Rs. 3078.21 lakhs from investments during FY 2023-24. IFCI Venture anticipates recovering a significant portion of outstanding dues in FY 2024-25."

iv. Management of Private Equity/Venture Capital Funds

Your Company is presently managing 3 Schemes viz. Venture Capital Fund for Scheduled Castes (VCF-SC), Venture Capital Fund for Backward Classes (VCF-BC) and Senior Care Ageing Growth Engine (SAGE) entrusted by Ministry of Social Justice and Empowerment (MoSJE), Government of India under a Trust Fund viz. Venture Capital Fund for Scheduled Castes and Backward Classes. The Fund is registered as Alternate Investment Fund (AIF) Category - II with SEBI. The total amount of funds under management in year 2023-24 is Rs.951.89 crore.

The aggregate sanctions under VCFSC stands at Rs.523.09 Crore as on 31st March 2024 which has been sanctioned to 136 companies promoted by SC entrepreneurs. IFCI Venture earns an annual management fee @ 1.5% p.a. on the fund corpus of VCFSC and an amount of Rs.12.93 crore was booked as income towards management fee from VCFSC.

The aggregate sanctions under VCFBC stands at Rs.112.25 Crore as on 31st March, 2024 which has been sanctioned to 22 companies promoted by BC entrepreneurs. IFCI Venture is earning an annual management fee @ 1.5% p.a. on the fund corpus of VCFBC and an amount of Rs.2.66 crore was booked as income towards management fee from VCFBC.

The aggregate sanctions under ASIIM stands at Rs.25.51 Crore as on 31st March, 2024 which has been sanctioned to 86 companies promoted by SC entrepreneurs.

The total corpus under SAGE fund stands at Rs.21.52 crore as on 31st March 2024. Five proposals with sanction amount of Rs.5 crore have been sanctioned and Rs.2 Crore has been disbursed under the fund.

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 Companies Act, 2013 and 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 fourth 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.
- 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 for the Financial year 2023-2024 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 the Financial Year 2023-24, 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 M D Gujrati & Co., Chartered Accountants (Firm Regn No. 005301N), were appointed as Statutory Auditors of your Company by the Comptroller & Auditor General of India.

The Financial Results of the Company for the Financial Year 2023-24 were unqualified by the Statutory Auditors of the Company. However, the Statutory Auditors provided 'Emphasis of Matter'.

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

Emphasis of Matter

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

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

Accordingly, interest income for FY 2022-23 and 2021-22 will be increased by INR 1,163.41 Lakhs and INR 1,266.84 Lakhs respectively. Since there is no expectation of recovery, bad debts will be increased by same amounts respectively. Hence, there is no impact on Net Profit and Net loss of these years respectively.

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

The above are statements of facts based on the changes in policy.

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 had 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 2023-24, 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.	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. Therefore, the power to appoint Independent Directors vests with the Ministry administratively in-charge of the Company

		i.e. Department of Financial Services, MOF. Communications dated 20.04.2023, 28.06.2023 and 16.01.2024 and 27.02.2024 have been sent and once the appointment of Independent Director is made by the Department of Financial Services, the abovementioned provisions will be complied with.
2.	The composition of the Board of Directors, CSR Committee, Audit committee and Nomination and Remuneration Committee are not as per the provisions of Section 149, Section 135, 177 and 178 of the Companies Act, 2013 w.r.t. appointment of Independent Directors;	Once the appointment of Independent Director is made by the Department of Financial Services, the same shall be complied with the various provisions of Companies Act, 2013.
3.	As per Section 149(8) of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 separate meeting of the Independent Directors was not convened for the period under review;	The separate meeting of Independent Director shall be convened once the Independent Director is appointed on the Board of the Company.
4.	The Company is having approximately 100% Loan Amount as Substandard/NPA as on 31st March, 2024.	The Company has discontinued the lending operations and all the Standard Accounts have been repaid. Therefore, the existing outstanding loan accounts are NPA's and measures have being taken for resolution of the same at the earliest.

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

33. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Companies Act, 2013, during the Financial Year 2023-24, 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 M D Gujrati & Co., Chartered Accountants (Firm Registration No.005301N) were appointed by the Comptroller & Auditor General of India (C&AG) as Statutory Auditors of your Company for FY 2023-24.

37. SUBSIDIARIES/ JOINT VENTURE/ ASSOCIATE

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

38. COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

The comments of Comptroller and Auditor General of India (C&AG) alongwith the IFCI Venture's comments on audit observation, if any, w.r.t. financial statements of your Company for the Financial Year ended March 31, 2024 under section 143(6)(b) of the Companies Act, 2013 is annexed as **Annexure IV**.

39. 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.

40. DETAIL OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No Insolvency application has been made or any proceeding pending under Insolvency and Bankruptcy Code 2016 during the year against IFCI Venture Capital Funds Ltd.

41. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS ALONGWITH REASONS THEREOF

During the year under review, there has been no one time Settlement of loans taken from Banks and Financial Institutions.

42. 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/-**
	V. Anish Babu	**Prasoon**
Place: New Delhi	**Managing Director**	**Director**
Date: August 06, 2024	**Din: 02830575**	**Din:03599426**

ANNEXURE I

Salient Features of 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 or 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

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:

   - 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

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Tripti Somani (C)	Non-Executive Director	2	2
2.	Mr. V. Anish Babu	Managing Director	1	1
3.	Mr. Arvind K. Jain	Non-Executive Director	1	1
4.	Mr. Ajay Kr. Kapur*	Non-Executive Director	1	1
5.	Mr. Gauri Shankar*	Non-Executive Director	1	1

*The Committee was re-constituted and introduced Mr. Ajay Kumar Kapur in place of Mr. Arvind Kumar Jain w.e.f October 13, 2023 and Mr. Gauri Shankar in place of Mr. V. Anish Babu w.e.f October 13, 2023.

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. Provide the executive summary alongwith web link 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. (a) Average net profit of the company as per sub-section (5) of section 135. Rs. 6,43,11,221.33/-
   (b) Two percent of average net profit of the company as per sub-section (5) of section 135. Rs. 12,86,224.42/- (Rounded off to Rs. 12,86,300/-)
   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. NIL
   (d) Amount required to be set-off for the financial year, if any.: NIL
   (e) Total CSR obligation for the financial year [(b)+(c)-(d).: Rs.12,86,224.42/- (Rounded off to Rs. 12,86,300/-)

6. (a) Amount spent on CSR Projects (23-24)(both Ongoing Project and other than Ongoing Project): Rs. 12,25,370/-
   (b) Amount spent in Administrative Overheads.: Rs. 60,930/-
   (c) Amount spent on Impact Assessment, if applicable. N.A.
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 12,86,300/-
   (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs)	Amount Unspent (in Rs):				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (in Rs)	Date of Transfer	Name of Fund	Amount	Date of Transfer
Rs. 12,86,300/-	N.A.	N.A.	--	--	--

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

S.N	Particulars	Amount (in Rs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	12,86,300/-
(ii)	Total amount spent for the financial year	12,86,300/-
(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)]	--

7. a) Details of Unspent CSR amount for the preceeding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (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)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
1.	2019-20*	--	--	10,61,685 (19-20) 1,72,015 (23-24)	--		--	--
2.	2018-19*	--	--	69,38,000 (18-19, 19-20 & 20-21) 1,97,000 (23-24)	--		--	--
3.	2022-23#	16,05,100	16,05,100	--	--		16,05,100	--

*The unspent amount of Rs. 1,72,015 & Rs. 1,97,000 was allocated to another CSR project (i.e. Infrastructure support for Shree Maa Anandmayee Vidhyapeeth, Kankhal, Haridwar, Uttarakhand.) which was spent in the F.Y.2023-24.

The allocated unspent amount of Rs. 16,05,100/- has been transferred to Unspent CSR Account in April 2023 and will be spent based on the achievement of milestones.

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount: No

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NIL							

9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.: N.A.

Sd/-
(V. Anish Babu)
Managing Director
DIN: 02830575

Sd/-
(Tripti Somani)
Chairperson of CSR Committee
DIN:06764190

Place: New Delhi
Date: August 06, 2024

ANNEXURE III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2024

[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 IFCI Venture Capital Funds Limited 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. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 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 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, 2024 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;

ii. The composition of the Board of Directors, CSR Committee, Audit committee and Nomination and Remuneration Committee are not as per the provisions of Section 149, Section 135, 177 and 178 of the Companies Act, 2013 w.r.t. appointment of Independent Directors;

iii. As per Section 149(8) of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 separate meeting of the Independent Directors was not convened for the period under review;

iv. The Company is having approximately 100% Loan Amount as Substandard/NPA as on 31st March, 2024;

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 following change took place during the period under review:

1. Mr. Rahul Bhave has been appointed as Nominee Director of the Company with effect from 04/01/2024.

2. Mr. Gauri Shankar has been appointed as Additional Director with effect from 09/10/2023.

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 no event has occurred which had a major bearing on the Company's Affair in pursuance of the laws, rules, regulations and standards etc.

For Saurabh Agrawal & Co
Company Secretaries

Place: New Delhi
Date : 01/07/2024

Sd/-
Saurabh Agrawal
UDIN: F005430F000640559
Partner
(Saurabh Agrawal & Co.)
FCS No.: 5430
C.P. No.: 4868

This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'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, 2024 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

For Saurabh Agrawal & Co
Company Secretaries

Place: New Delhi
Date: 01/07/2024

Sd/-
Saurabh Agrawal
UDIN: F005430F000640559
Partner
(Saurabh Agrawal & Co.)
FCS No.: 5430
C.P. No.: 4868

ANNEXURE IV

कार्यालय महानिदेशक लेखापरीक्षा,
उद्योग एंव कॉर्पोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,
नई दिल्ली-110 002

सत्यमेव जयते

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

संख्या: एएमजी-II/12(1)/आईएफ़सीआई वैंचर/
वार्षिक लेखापरीक्षा(2022-23)/2023-24/129-30
दिनांक:
19 JUL 2024

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 2024 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 2024 को समाप्त वर्ष के लिए लिए आई एफ सी आई वैंचर कैपिटल फंड्स लिमिटेड के वार्षिक लेखों पर उपरोक्त विषय संबंधित संलगन पत्र अग्रेषित है।

भवदीया,

एस. ए. पंडा

(एस. आह्लादिनी पंडा)
महानिदेशक लेखा परीक्षा
(उद्योग एवं कारपोरेट कार्य)
नई दिल्ली

संलग्नक:- यथोपरि

दूरभाष / Phone : + 91-11-23702357, फैक्स / Fax : +91-11-23702359, Email : 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 2024

The preparation of financial statements of IFCI Venture Capital Funds Limited for the year ended 31 March 2024 in accordance with financial reporting framework prescribed under Companies Act, 2013 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 revised Audit Report dated 11 July 2024, which supersedes their earlier audit report dated 22 April 2024.

I, on 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 2024 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 Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A **Comment on Profitability**

Balance Sheet as at 31st March 2024
Financial Assets
Investments (Note No. 6) ₹ 3058.37 lakh
Statement of Profit and Loss for the year ended 31 March 2024

The above does not include ₹ 110.40 lakh[1] being the value of investment made by IFCI Venture Capital Funds Limited (IVCFL) in two lakh shares in Biotech Consortium India Limited (BCIL). The value of investment in BCIL has been shown as 'Nil' since FY 2016-17. IFCI Limited (Parent company of IVCFL) valued (February 2024) the

[1] ₹ 1,10,40,000 = ₹ 55.20 * 2,00,000 shares

shares of BCIL at ₹ 55.20 per share. Therefore, the value of Investment in the books of the IVCFL as on 31st March 2024 works out to ₹ 110.40 lakh.

This resulted in understatement of Investment by ₹ 110.40 lakh and understatement of Profit for the year by the same amount.

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

(S. Ahlladini Panda)
Director General of Audit
(Industry & Corporate Affairs)
New Delhi

Place: New Delhi
Date:
19 JUL 2024

Management reply on comments of the Comptroller and Auditor General of India (C&AG)

The Value of IFCI Venture's shareholding in Biotech Consortium India Ltd (BCIL) has been updated in the books for the quarter ended June 2024 in line with the valuation carried out by IFCI Ltd.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Corporate governance is the set of rules and processes that guide how a company is managed and overseen. It's vital for ensuring that businesses operate ethically and in the best interests of those involved. The primary goal of corporate governance is to prevent corporate greed and promote responsible and transparent business practices. IFCI Venture Capital Funds Limited (IFCI Venture) has been adhering to Good Corporate Governance Practices to maintain transparency, accountability and dissemination of information in dealing with all the stakeholders, viz. Shareholders, Government institutions & departments, Regulatory bodies, Bankers, Employees, and others. It entails managing business in a manner that is accountable and responsible to the stakeholders.

2. BOARD OF DIRECTORS

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

As on March 31, 2024, the Board of the Company consists of 8 (eight) Directors, out of which 4 (four) Directors were the nominees of IFCI Ltd. (IFCI), the Holding Company consisting of a Non-Executive Chairman, Nominee Directors and a Managing Director. The 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 2023-2024 is given below:-

S. No	Name of Director & DIN	Category & Date of Appointment	Attendance Particulars			No. of Directorship/ Committee Memberships/ Chairmanship in other companies		
			No. of Board Meetings during the year 2023-24		At AGM held on September 27, 2023	Other directorship including name of listed Co. & Category)	Committee Membership (ACD & Stakeholders Relationship Committee)	Committee Chairmanships (ACD & SRC)
			Held	Attended				
1.	Mr. Manoj Mittal 01400076	Nominee Director & Non-Executive Chairman (15.06.2021)	4	3	Attended	3 IFCI Ltd. – MD & CEO	-	-
2.	Mr. Rahul Bhave* 09077979	Nominee Director (04.01.2024)	1	1	-	4 IFCI Ltd WTD	4 (IFCI Ltd) (IFCI Ltd) (SHCIL) (IIDL)	-
3.	Mr. V. Anish Babu 02830575	Managing Director (04.04.2022)	4	4	Attended	-	-	-
4.	Mr. Prasoon 03599426	Nominee Director (04.10.2022)	4	4	-	1	-	-
5.	Mr. Arvind Kumar Jain 07911109	Non-Executive Director (10.09.2021)	4	4	Attended	7 IFCI Ltd- NED	2 (IFCI Ltd) (BOI Trustee)	3 (PNB Invt. Ser Ltd) (Paytm Bank) (IFCI Ltd)
6.	Mr. Ajay Kumar Kapur 00108420	Non-Executive Director (10.09.2021)	4	4	Attended	2	3 (USFBL) (USFBL) (Nabfins Ltd)	-
7.	Ms. Tripti Somani 06764190	Non-Executive Director (11.09.2022)	4	3	Attended	5	-	-

S. No	Name of Director & DIN	Category & Date of Appointment	Attendance Particulars			No. of Directorship/ Committee Memberships/ Chairmanship in other companies		
			No. of Board Meetings during the year 2023-24		At AGM held on September 27, 2023	Other directorship including name of listed Co. & Category)	Committee Membership (ACD & Stakeholders Relationship Committee)	Committee Chairmanships (ACD & SRC)
			Held	Attended				
8.	Mr. Gauri Shankar** 06764026	Non-Executive Director (09.10.2023)	2	2	-	4	1 (PNC Infrat-ech)	1 (Paisalo Dig. Ltd)

* Mr. Rahul Bhave, appointed as Nominee Director of the Company w.e.f. January 04, 2024.

** Mr. Gauri Shankar, was appointed as Non- Executive Director w.e.f. October 09, 2023.

Details of change in composition of the Board during the current and previous financial year. *

S.No	Name of Director	Capacity (i.e. Executive/Non Executive/Chairman/Promoter Nominee/Independent)	Nature of Change (Resignation, Appointment)	Effective Date
1.	Mr. Rahul Bhave	Nominee Director	Appointment	04.01.2024
2.	Mr. Gauri Shankar	Non-Executive Director	Appointment	09.10.2023

*Pursuant to RBI Circular No. RBI/2022-23/26 DOR. ACC. REC. No.20/21.04.018/2022-23 dated April 19, 2022 w.r.t disclosure in Corporate Governance Report by NBFC-ML.

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/Chairmanship 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 hold any shares or non-convertible instruments of the Company.
6. None of the Directors held directorship in more than 10 Public Limited Companies.
7. 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.
8. Necessary disclosures regarding the positions in other public companies as on March 31, 2024 have been made by the Directors.
9. Chart/ Matrix setting out the skills/expertise / competence of Board of Directors & name of Directors who have such skills/ expertise/ competence.

1.	Educational Qualification	1. Possess any Graduation/ Post Graduation/ M. Phil / Doctorate/such other qualification as may be deemed fit. 2. Possess any other Professional Qualification / Degree/ Diploma/such other qualification as may be deemed fit.
2.	Experience / Expertise	1. Possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business. 2. Preferably have undergone requisite training programme or mid-career Professional Development trainings which would have enabled him/her to adapt to changing dynamics of business environment.

B. Number of Board Meetings held and dates:

During the Financial year 2023-24, the Board of Directors met 4 (four) times, the dates of the Meetings were May 18, 2023, August 07, 2023, November 06, 2023 and February 06, 2024.

3. AUDIT COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of Audit Committee broadly includes (a) To review with the management, the annual financial statements before submission to the board for approval; (b) To review, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.; (c) To review the adequacy of internal audit function; (d) The recommendation of appointment, remuneration and terms of appointment of Auditors of the Company; (e) To ensure that an Information Systems Audit of the Internal Systems and processes are conducted; (f) The adequacy of internal controls including computerized information system controls and security.; (g) Review and monitor the auditor's independence and performance, and effectiveness of audit process; and (h) To consider internal audit reports, reviews internal controls and verify that the system for internal control are adequate and are operating effectively and provides guidance and direction to the internal audit function. To review the corporate accounting and reporting practices. Review with the management the quarterly/ half yearly financial statements of the Company and Auditors reports, before submission to the Board for approval; (i) To review all related party transactions in the Company; (j) To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors; (k) Scrutiny of inter-corporate loans and investments; (l) Fraud review and reporting.

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. 2023-24 is shown below:

S. No.	Name of Member	Category	No. of Meetings		Member of Committee since
			Held	Attended	
1.	Ms. Tripti Somani (C)	Non-Executive Director	4	3	24.01.2023
2.	Mr. Arvind Kumar Jain	Non-Executive Director	4	4	14.10.2021
3.	Mr. Prasoon	Nominee Director	4	4	31.10.2022
4.	Mr. Gauri Shankar*	Non-Executive Director	2	2	13.10.2023

* The Committee was re-constituted and introduced Mr. Gauri Shankar w.e.f October 13, 2023.

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 2023-24, the Audit Committee met 4 (four) times, the dates of the Meetings were May 18, 2023, August 07, 2023, November 06, 2023 and February 06, 2024.

4. NOMINATION AND REMUNERATION COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of Nomination and Remuneration Committee broadly include: (a) to Identify persons who are qualified to become directors (excluding Independent Directors and IFCI's Nominee Directors) and who may be appointed in Senior Management as per the criteria laid down and recommending to the Board their appointment and removal; (b) To formulate the criteria for evaluation of performance of Independent Directors and the Board; (c)

To decide on the annual bonus/ variable pay pool and policy for its distribution across the executives; (d) Formulation/ Review of Policy on HR matters, including career management and succession planning; (e) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

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. 2023-24, is shown below:

S. No.	Name of Member	Category	No. of Meetings		Member of Committee since
			Held	Attended	
1.	Mr. Prasoon (C)	Nominee Director	1	1	24.01.2023
2.	Mr. Arvind Kumar Jain	Non-Executive Director	1	1	14.10.2021
3.	Ms. Tripti Somani	Non-Executive Director	1	1	31.10.2022
4.	Mr. Ajay Kumar Kapur*	Non-Executive Director	0	0	13.10.2023

* The Committee was re-constituted and introduced Mr. Ajay Kumar Kapur in place of Ms. Tripti Somani w.e.f October 13, 2023.

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 2023-24, the Nomination and Remuneration Committee of Directors met 1 (one) time, the date of the Meeting was May 17, 2023.

5. EXECUTIVE COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of Nomination and Remuneration Committee broadly include: (a) To review the affairs of assisted concerns and/or to note/approve merger/amalgamation/ change of controlling interest /management/hiving of divisions/one time settlement / negotiated settlement of dues/ conversion of loans into equity/ rehabilitation package/ restructuring/ rescheduling of terms of financial assistance to all concerns with outstanding principal amount and to approve consequential waiver of dues; (b) To consider all other MIS/Periodical reports by the management in which no policy issues are involved.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Executive Committee and attendance of Directors at the Meetings, during FY 2023-24, is shown below:

S. No.	Name of Member	Category	No. of Meetings		Member of Committee since
			Held	Attended	
1.	Mr. Prasoon (C)	Nominee Director	3	3	31.10.2022
2.	Mr. Arvind Kumar Jain	Non-Executive Director	3	3	14.10.2021
3.	Mr. Ajay Kumar Kapur	Non-Executive Director	2	2	14.10.2021 till 13.10.2023
4.	Mr. V. Anish Babu	Managing Director	3	3	04.04.2022
5.	Mr. Gauri Shankar*	Non-Executive Director	1	1	13.10.2023

* The Committee was re-constituted and introduced Mr. Gauri Shankar in place of Mr. Ajay Kumar Kapur w.e.f. October 13, 2023.

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 2023-24, the Executive Committee of Directors met 3 (three) times, the date of the Meeting were May 17, 2023, August 04, 2023 and November 03, 2023.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of the Corporate Social Responsibility (CSR) Committee are (a) to recommend the aggregate amount of expenditure to be incurred on the prescribed activities; (b) to approve the CSR Activities involving the prescribed limit as approved by the Board; (c) to look into projects/programs to be undertaken in areas and the manner of execution/implementation of such projects/programs; (d) 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 2023-24, is shown below:

S. No.	Name of Member	Category	No. of Meetings		Member of Committee since
			Held	Attended	
1.	Ms. Tripti Somani (C)	Non-Executive Director	2	2	31.10.2022
2.	Mr. V. Anish Babu	Managing Director	1	1	04.04.2022 till 13.10.2023
3.	Mr. Arvind Kr. Jain	Non-Executive Director	1	1	28.07.2023 till 13.10.2023
4.	Mr. Ajay Kr. Kapur*	Non-Executive Director	1	1	13.10.2023
5.	Mr. Gauri Shankar*	Non-Executive Director	1	1	13.10.2023

*The Committee was re-constituted and introduced Mr. Ajay Kumar Kapur in place of Mr. Arvind Kumar Jain w.e.f October 13, 2023 and Mr. Gauri Shankar in place of Mr. V. Anish Babu w.e.f October 13, 2023.

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 2023-24, the Corporate Social Responsibility (CSR) Committee of Directors met 2 (two) times, the dates of the meeting were August 04, 2023 and February 19, 2024.

7. IT STRATEGY COMMITTEE OF DIRECTORS

A. TERMS OF REFERENCE

The terms of reference of the IT-Strategy Committee includes (i) To review IS Audit and oversee the streamlining operation of the IT in the organization; (ii) To review, report on and make recommendations for the improvement of the IT infrastructure and IT systems; (iii) Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place; (iv) To guide IT Department of the Company to develop and implement all IT policies and procedures, including those for architecture, security, disaster recovery; (v) To oversee the deployment of long-term strategic plans for acquiring and enabling efficient and cost-effective information processing and communication technologies; (vi) To oversee the acquiring, deployment, monitoring, maintenance, development, and support of all hardware and software based on department needs; (vii) To seek IT solutions that support business operations; (viii) Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business; (ix) Ensuring IT investments represents a balance of risks and benefits and that budgets are acceptable; (x) Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources; (xi) Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the IT Strategy Committee of Directors and attendance of Directors at the Meetings, during the FY 2023-24, is shown below:

S. No.	Name of Member	Category	No. of Meetings		Member of Committee since
			Held	Attended	
1.	Mr. Ajay Kumar Kapur (C)	Non-Executive Director	3	3	31.10.2022
2.	Mr. Prasoon	Nominee Director	3	3	31.10.2022
3.	Ms. Tripti Somani	Non-Executive Director	3	2	31.10.2022

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 2023-24 the IT Strategy Committee of Directors met 3 (three) times and the dates of meetings were May 17, 2023, August 05, 2023 and February 29, 2024.

8. RECOVERY AND NPA MANAGEMENT COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of Recovery and NPA Management Committee is (a) to have more effective control on the recovery of both Standard Accounts as well as NPA Accounts; (b) to monitor the recovery efforts in all accounts; (c) to ensure that all accounts are properly identified for classification as NPA; (d) Periodic review of Non-Performing Assets / Investments; (e) Review of SMA Accounts.

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 2023-24, is shown below:

S. No.	Name of Member	Category	No. of Meetings		Member of Committee since
			Held	Attended	
1.	Mr. Prasoon* (C)	Nominee Director	1	1	31.10.2022
2.	Mr. V. Anish Babu*	Managing Director	1	1	04.04.2022 till 13.10.2023
3.	Mr. Arvind Kumar Jain	Non-Executive Director	1	1	14.10.2021
4.	Mr. Gauri Shankar (C)	Non-Executive Director	0	0	13.10.2023

* The Committee was re-constituted and introduced Mr. Gauri Shankar in place of Mr. V. Anish Babu w.e.f. October 13, 2023 and designate him as Chairman of the Committee.

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 2023-24, the Recovery and NPA Management Committee of Directors met 1 (one) time, the date of the meeting was April 11, 2023.

9. RISK MANAGEMENT COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of Risk Management Committee broadly includes: (a) To formulate a detailed risk management policy including review of the same and satisfying itself that policies and procedures are in place to manage risks and critically assessing the institution's business strategies and plans from a risk perspective and advising the Board suitably; (b) Review Cyber Security and the Risk associated with it.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Risk Management Committee and attendance of Directors at the Meeting, during the FY 2023-24, is shown below:

S. No.	Name of Member	Category	No. of Meetings		Member of Committee since
			Held	Attended	
1.	Mr. Arvind Kumar Jain (C)	Non-Executive Director	3	3	24.01.2023
2.	Mr. Ajay Kumar Kapur	Non-Executive Director	3	3	14.10.2021
3.	Ms. Tripti Somani	Non-Executive Director	3	3	31.10.2022

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 2023-24, the Risk Management Committee of Directors met 3 (three) times the date of meetings were May 17, 2023, August 04, 2023 and November 03, 2023.

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 2023-24.

11. GENERAL BODY MEETINGS

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

AGM Date	Venue	Time
30/09/2021	IFCI Tower, 61 Nehru Place, New Delhi-110019	2:30 P.M.
30/09/2022	IFCI Tower, 61 Nehru Place, New Delhi-110019	3:00 P.M.
27/09/2023	IFCI Tower, 61 Nehru Place, New Delhi-110019	3:00 P.M.

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

AGM DATE	Particulars of Special Resolution
30/09/2021	No special resolution was passed by the shareholders of IFCI Venture.
30/09/2022	No special resolution was passed by the shareholders of IFCI Venture.
27/09/2023	No special resolution was passed by the shareholders of IFCI Venture.

12. DISCLOSURES

(i) Remuneration to other Directors: -

(in Rs)

Sl. No.	Name of the Directors	Sitting Fee for attending Board/ Committee meetings	Conveyance Charges	Total
1.	Ms. Tripti Somani	237000	-	237000
2.	Mr. Ajay Kumar Kapur	231000	-	231000
3.	Mr. Arvind Kumar Jain	291000	-	291000
4.	Mr. Gauri Shankar	108000	-	108000

* No Commission was paid during the year.

(ii) Transaction with the related party (as per IND AS) during the period ended March 31, 2024:-

Nature of Relationship	Name of the Related Party
Holding Company	IFCI Ltd.
Key Managerial Personnel (S. No. ii on deputation from IFCI Ltd)	i) Sh. Manoj Mittal – Non-Executive Chairman ii) Sh.V. Anish Babu (MD) iii) Sh. Rahul Bhave – Nominee Director iv) Sh. Prasoon _ Nominee Director v) Sh. Ajay Kapur – NED vi) Sh. Arvind Jain – NED vii) Smt. Tripti Somani – NED viii) Sh. Gauri Shankar viii) Mrs. Indu Gupta- (CFO) ix) Mr. Rachit Tandon- (CS)
Fellow Subsidiaries	IFCI Financial Services Ltd. (IFIN) IFIN Securities Finance Ltd. (Indirect control through IFIN)) IFCI Factors Ltd. (IFL) Stock Holding Corporation of India Ltd. IFCI Social Foundation (Trust) MPCON Ltd IFCI Holding Document Management Services Ltd
Associates	VCFBC VCFST SAGE Venture Fund Associates held for sale -Sharon Solution Ltd -Titan Energy System Ltd

Type of Transaction – 1. IFCI	**Current Year (Rs. in lakh)**	**Previous Year (Rs. in lakh)**
Rent & Maintenance paid to IFCI Ltd.(Exclusive of taxes and cess)	165.98	167.10
Salaries paid to IFCI for employees deputed by IFCI Ltd.	98.29	59.19
Paid towards other expenses	1.38	1.14
Paid towards IT Services taken from IFCI.(Exclusive of taxes)	17.50	17.50
Salaries received for employees deputed to IFCI Ltd	43.41	18.79
2.IFCI Social Foundation – CSR contribution	--	16.05
3. IFCI Financial Services Ltd.		
Brokerage/Professional fee paid	0.11	0.34
4.Stock Holding Corporation of India Ltd.		
Brokerage/Professional fee paid	0.01	0.09
5. IFCI Factors Ltd (IFL)	29.03	16.34
6. MPCON Ltd Salaries paid for employees deputed	41.14	11.31
7. IFCI Holding Document Management Services Ltd Digitization of Documents	3.61	--
8. Associates: VCF BC – Management Fee SAGE Fund – Management Fee VCFST	 225.22 53.81 16.42	 186.27 31.11 --

Balance Outstanding with the related party during the period: -

Outstanding Balances –	Current Year (in Lakhs)	Previous Year (in Lakhs)
IFCI Payable to IFCI towards salary of employees deputed by IFCI	4.16	9.11
Interest accrued on Bonds - IFCI Ltd.	1274.29	1076.65
Bonds Subscribed& outstanding	1000.00	1000.00
IT Services from IFCI	2.76	2.76
Receivable from IFCI towards salary of employees deputed to IFCI	--	11.96
Other Payables	1.33	--
IFCI Factors Ltd- Payable to IFCI towards salary of employees deputed by IFCI	2.93	4.35
Management fee- VCFBC	6.19	4.85

The transactions entered with the related parties are 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/Promoter Group, Directors or the management, their subsidiaries or relatives etc. which holds 10% or more of shareholding in the entity that may potentially conflict with the interests of the Company at large.

(iii) 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.

(iv) There were no penalties, strictures imposed by the stock exchange/RBI on the listed entity/its directors during the F.Y. 2023-24.

(v) The company had complied with the mandatory requirement of SEBI (LODR) 2015 w.r.t compliances pertaining to the non-convertible securities and provisions of Companies Act, 2013 and Secretarial Standard.

(vi) There were no instances where the Board of Directors has not accepted the recommendation of the Audit Committee/other committee of Directors.

(vii) The total fees being paid to the Statutory Auditor for the F.Y. 2023-24 has being disclosed in the Financial Statements forming part of this Annual Report.

(viii) The disclosure in respect to the Sexual Harassment of Women at Workplace has being disclosed in the Annual Report.

(ix) There were no transaction w.r.t 'Loans and advances' where any of the directors are interested.

(x) IFCI Venture, being a NBFC had complied with the covenants w.r.t debt securities issued which are listed on BSE.

(xi) As IFCI Venture is not under obligation to comply with the mandatory clauses w.r.t obtaining of certificates by PCS, on disqualification of directors and compliance of various conditions of corporate governance, this report is being prepared as a Good Corporate Governance Practice.

13. 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, uploaded on company website www.ifciventure.com. and informed the Stock Exchange through the listing center.

14. GENERAL SHAREHOLDERS INFORMATION

As per the notice attached to this Annual Report, the Annual General Meeting of the Company will be held on (September 24, 2024).

a) The Financial Year of IFCI Venture is from April 1, 2023 to March 31, 2024.

b) Listing on Stock Exchanges and Listing Fees:

The Non-Convertible Redeemable Bonds of the Company on private placement basis are listed on BSE Limited having address at P. J. Towers, Dalal Street, Mumbai 400 001. The Company had paid the listing fee to BSE Ltd for the F.Y. 2023-2024 within its due date. The bonds are privately placed and rarely/not frequent tradeable in the market.

No equity shares of the company are listed on any recognised stock exchange(s).

c) Rating assigned by credit ratings agencies and migration of ratings during the year:

Credit Rating Agency	**31/03/2024**
CARE	CARE BB; Negative (Double B; Outlook; Negative) Reaffirmed
Brickwork	BWR B+/Negative/Reaffirmation)

d) Shareholding Pattern as on March 31, 2024 and March 31, 2023 are given as under:-

	As on March 31, 2024		**As on March 31, 2023**	
	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 the 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. Nitin Bagga	1	IFCI LIMITED
Mr. Praveen Kumar Vishwakarma	1	IFCI LIMITED
Mr. Amit Joshi	1	IFCI LIMITED

e) 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: 41732511, 41732525

E-mail: cs@ifciventure.com

Website: www.ifciventure.com

f) Registrar to the Issue and Share Transfer Agent:

Name and Address: MCS Share Transfer Agent Ltd.
F-65, 1st floor
Okhla Industrial Area,
Phase I, New Delhi-110020

Telephone: (011) 4140 6148

Fax No: (011) 5170 988

E-mail: admin@mcsdel.com

g) Declaration of Compliance with the Code of Conduct for Board Members and Senior Management Personnel.

This is to confirm that the Company has adopted a Code of Conduct for Board Members and its employees. The Code of Conduct as adopted is available on the Company's website. It is further confirmed that the Company has, in respect of the Financial Year ended March 31, 2024, received from the Members of the Board and Senior Management, a declaration of Compliance with the Code of Conduct as applicable to them.

Sd/-

Date: August 06, 2024
Place: New Delhi

V. Anish Babu
(Managing Director)
DIN: 02830575

INDEPENDENT AUDITOR'S REPORT

To
The Members of
IFCI VENTURE CAPITAL FUNDS LIMITED

Report on the audit of Ind AS Financial Statement

This revised Independent Auditor's Report is being issued in supersession of our earlier Independent Auditor's Report dated 22nd April 2024, at the instance of Comptroller and Auditor General (C&AG) of India. The revised report is issued in view of certain modification in Annexure 'B' –Statements on the matter Specified in directions issued by the Comptroller and Auditor General of India in accordance with Section 143(5) of the companies Act, 2013 as pointed out by C&AG of India in our earlier report, Annexure –A of Independent Auditors Report pertaining to the regulatory requirement of the auditor as required by the Companies (Auditor's Report) Order, 2020 (CARO) issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013 and Report on Other Legal and Regulatory Requirements of Independent Auditor's Report. Further, we confirm that these changes do not affect true & fair view and our opinion as expressed earlier.

Opinion

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

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

Basis for Opinion

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter

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

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

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

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

Our opinion is not modified in this matter.

Responsibility of Management for the Financial Statements

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the operating effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the Order) issued by the central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143 (5) of the Act, we have considered the directions & sub-directions issued by the Comptroller & Auditor General of India. We give our report in the attached **Annexure "B"**.
3. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
   (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) As per notification no. G.S.R 463(E) dated 05 June, 2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Companies Act is not applicable to a Government Company. Thus, no reporting is made under this point.
   (f) Reporting on the adequacy of Internal Financial Controls with reference to financial statements of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act, Refer to our Separate report in **Annexure "C."**

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

(h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies Act (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has two pending litigations with the Income Tax Department for the Assessment Year 2017-18 and 2018-19. The amount disputed under these cases are Rs. 53.04 Lakhs and Rs. 505.07 Lakhs respectively. The cases are currently pending before the Commissioner of Income Tax (Appeals) [CIT (A)]. However, the impact of the same on financial position cannot be ascertained at present.

(ii) The Company did not have any long-term contracts including derivatives contracts causing any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement

(v) The company has neither declared nor paid any dividend during the current period.

(vi) As per the notification no. G.S.R. 235(E), Dated: 31.03.2022, the MCA has implementation of audit trail software commencing from financial year 2023-24. Based on our examination which include test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tempered with.

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

Sd/-
G L Agrawal
Partner
Membership No. 087454
UDIN: 24087454BKALWA3929

Place: New Delhi
Date: July 11, 2024

IFCI VENTURE

ANNEXURE- A TO THE INDEPENDENT AUDITORS REPORT

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

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

a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment & Intangible Assets.

b) PPE were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the PPE at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us, the company doesn't hold any immovable properties of land and buildings which are either freehold or leasehold as at the balance sheet date. Accordingly, reporting under clause (i) (c) of paragraph 3 of the Order is not applicable.

d) According to the information and explanation given to us and the records examined by us, the company has not revalued its property plant and equipment & intangible asset during the year. Accordingly, reporting under clause (i)(d) of the Order is not applicable.

e) According to the information and explanation given to us and the records examined by us, no any proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (prohibition) Act, 1988 and the rules made thereunder. Accordingly, reporting under clause (i)(e) of the Order is not applicable.

(ii) In respect of Inventory & Working Capital:

a) As the company is engaged in providing of Services and does not have any inventory. Accordingly, reporting under clause (ii) of paragraph 3 of the Order is not applicable.

b) According to the information and explanation given to us and the records examined by us, the company has not been sanctioned any working capital loan. Accordingly, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.

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

a) According to the information and explanations given to us, the company has not granted any loan, secured or unsecured to companies, firm, limited liabilities partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clause (iii)(a) of paragraph 3 of the Order is not applicable.

b) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 48B to the Financial Statements for summarized details of such loans.

d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days are as under. The Company takes steps for recovery of the principal and interest as per its defined procedures,, which in our opinion are reasonable.

No. of borrowers	Principal amount overdue (₹ in Lakhs)	Interest overdue (₹ in Lakhs)	Total overdue (₹ in Lakhs)
9	10,317.19	357.66	10,674.85

e) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(e) of the Order is not applicable to it.

f) In our opinion and according to information and explanation given to us, there are no loans given which are repayable on demand or without specifying the terms. Accordingly, the provision of clause 3(iii)(f) is not applicable to it.

(iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.

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

(vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under Section 148 (1) of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, reporting under clause (vi) of paragraph 3 of the Order is not applicable.

(vii) According to the information and explanations given to us,

a) The Company has generally been regular in depositing undisputed statutory dues including goods and service tax, provident Fund, employee state insurance, income-tax, duties of custom, cess and other material statutory dues applicable to it with appropriate authorities. There were no undisputed amounts payable in respect of aforesaid dues outstanding for a period of more than six months from the date they become payable as on March 31, 2024, as per the accounts of the company.

b) Wherever any dues/demand has been raised by any statutory authority and has been disputed by the Company, the same has been duly deposited under contest except in following cases:

Name of the statute	Nature of dues	Disputed Amount (in Lakhs)	Amount Paid/ Adjusted (in Lakhs)	Year to which demand relates	Forum, where dispute is pending
Income Tax Act, 1961	Income Tax	53.04	53.04	AY 2017-18	CIT(A), New Delhi
Income Tax Act, 1961	Income Tax	505.07	559.90	AY 2018-19	CIT(A), New Delhi

 # The department has withheld excess amount than the demand raised, and the company has filed a writ petition before the Delhi High Court for refund of excess amount.

(viii) In our opinion, according to the information and explanation given to us, there is no any unrecorded income surrendered or disclosed in the income tax assessment during the year. Accordingly, reporting under clause (viii) of paragraph 3 of the Order is not applicable.

(ix) Reporting under this clause is below;

a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings or payment of Interest to any lender.

b) According to the information and explanations given to us, the company is not declared willful defaulter by any bank or financial institution or any other lender.

c) According to the information and explanations given to us, the company has not taken any term loan during the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.

d) According to the information and explanations given to us, the company has not raised any funds on short term basis which have been utilized for long term purposes. Accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order is not applicable.

e) The company has associates, however, no funds were raised for fulfilling the obligation of its associates. Accordingly, reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable.

f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associate, or joint ventures. Accordingly, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable.

(x) Reporting under this clause is below;

a) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, reporting under clause (ix) (a) of paragraph 3 of the Order is not applicable.

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

(xi) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year. Accordingly, reporting under clause (xi)(a) of paragraph 3 of the Order is not applicable.

b) On the basis of information and explanations given to us, there were no frauds by the company or on the company by its employees or management which was identified during the course of audit. Accordingly, reporting under clause (xi)(b) of paragraph 3 of the Order is not applicable.

c) On the basis of information and explanations given to us, no whistle-blower complaints were received during the year. Accordingly, reporting under clause (xi)(c) of paragraph 3 of the Order is not applicable.

(xii) In our opinion, the Company is not a Nidhi company. Accordingly, reporting under sub clause (a), (b) and (c) of clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) The Company is a subsidiary of a government company and hence the provisions of Section 177 of the Act are applicable to the Company. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) The company has an internal audit system commensurate with the size and nature of its business;

(b) The reports of the Internal Auditors for the period under audit were considered by the Statutory Auditor and no material discrepancies were noticed in the internal audit report.

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

(xvi) Reporting under this clause is below;

a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company has obtained the registration certificate from RBI.

b) In our opinion and according to the information and explanations given to us, the company has conducted Non-Banking Financial or Housing Finance activities with a valid certificate of registration from the Reserve Bank of India (RBI) as per the RBI Act, 1934.

c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company as defined in the regulations made by the RBI. Accordingly, reporting under clause (xvi) (c) of paragraph 3 of the Order is not applicable.

d) In our opinion and according to the information and explanations given to us, the company is not part of a group CIC. Accordingly reporting under clause (xvi) (d) of paragraph 3 of the Order is not applicable.

(xvii) In our opinion and according to the information and explanations given to us, the company has Not incurred any cash losses during the immediately preceding financial year. Accordingly, reporting under clause (xvii) of paragraph 3 of the Order is not applicable.

(xviii) In our opinion and according to the information and explanations given to us, there is no resignation of statutory auditors during the year. Accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, the company has an unspent Corporate Social Responsibility (CSR) amount of INR 16.05 Lakhs for FY 2022-23. The allocated Unspent amount of INR 16.05 Lakhs could not get spent during the F.Y. 2023-24 and since the project is an ongoing project, the same has been transferred to Unspent CSR Account for F.Y. 2022-23 in April 2023 and will be spent by IFCI Social Foundation (ISF), a registered trust, based on the achievement of milestones.

(xxi) The Company has no subsidiary hence preparation of consolidated financial statement is not applicable to the company. Accordingly, reporting under clause (xxi) of paragraph 3 of the Order is not applicable.

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

Sd/-
G L Agrawal
Partner
Membership No. 087454
UDIN: 24087454BKALWA3929

Place: New Delhi
Date: July 11, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

Statements on the matters Specified in directions issued by the Comptroller and Auditor General of India in accordance with Section 143(5) of the Companies Act, 2013

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

S NO	Directions	Auditors' Comment
1	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 Comment
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 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. Also, no restructuring of existing loans were made by IFCI Venture Capital Funds Limited as in the capacity of a Lender.
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.
4	**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.
5	**Loans:** In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realizable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard, if any, may be suitably commented upon along with financial impact	Yes, there is a system of periodical assessment of realizable value of securities available against all such loans in place. Also, provision in the form of Expected Credit Loss as mandated by Indian Accounting Standards has been created during the year against these loans.

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

Sd/-
G L Agrawal
Partner
Membership No. 087454
UDIN: 24087454BKALWA3929

Place: New Delhi
Date: July 11, 2024

ANNEXURE "C" TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (f) of Sub-section 3 of Section143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Sd/-
G L Agrawal
Partner
Membership No. 087454
UDIN: 24087454BKALWA3929

Place: New Delhi
Date: July 11, 2024

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

BALANCE SHEET AS AT 31st MARCH, 2024

(₹ in lakh)

	PARTICULARS	Note No.	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and Cash Equivalents	2	846.55	461.19	11.44
(b)	Bank Balances other than (a) above	3	5,812.09	428.61	442.59
(c)	Receivables	4			
	(I) Trade Receivables		8.59	18.36	12.43
	(II) Other Receivables		704.58	25.28	22.74
(d)	Loans	5	3,980.61	7,641.07	8,506.02
(e)	Investments	6	3,058.37	2,887.79	3,136.71
(f)	Other Financial Assets	7	39.18	18.09	8.01
			14,449.98	**11,480.39**	**12,139.94**
(2)	**Non Financial Assets**				
(a)	Current tax assets (Net)	8	687.82	744.86	606.32
(b)	Deferred tax assets (Net)	9	3,629.25	4,914.64	4,863.39
(c)	Property, plant and equipment	10	9.10	12.12	17.54
(d)	Other Intangible assets	11	0.00	0.00	0.00
(e)	Other non-financial assets	12	3.15	3.61	2.31
			4,329.33	**5,675.24**	**5,489.57**
	Assets classified as held for sale	13	-	750.00	750.00
	Total Assets		**18,779.30**	**17,905.62**	**18,379.50**
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Payables	14			
	(I)Trade Payables				
	(i) Total outstanding dues of MSME		-	-	-
	(ii) Total outstanding dues of creditors other than MSME		-	-	-
	(II) Other Payables				
	(i) Total outstanding dues of MSME		-	-	-
	(ii) Total outstanding dues of creditors other than MSME		329.16	38.64	25.25
(b)	Debt Securities	15	220.81	220.75	1,305.20
(c)	Borrowings (Other than Debt securities)		-	-	-
			549.97	**259.39**	**1,330.45**
(2)	**Non Financial Liabilities**				
(a)	Current Tax Liabilities (Net)		-	-	-
(b)	Provisions	16	277.35	298.06	358.54
(c)	Deferred tax liabilities (Net)		-	-	-
(d)	Other non-financial Liabilities	17	607.37	125.14	16.30
			884.72	**423.20**	**374.84**
	Total Liabilities		**1,434.69**	**682.59**	**1,705.29**
(3)	**Equity**				
(a)	Equity share capital	18	6,037.10	6,037.10	6,037.10
(b)	Other equity	19	11,307.51	11,185.93	10,637.11
	Total Equity		**17,344.61**	**17,223.03**	**16,674.21**
	Total Liabilities and Equity		**18,779.30**	**17,905.62**	**18,379.50**

Notes 1 to 51 form an integral part of financial statements
As per our report of even date attached

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

Sd/-
G L Agrawal
Partner

M. No. 087454

Place : New Delhi
Date: April 22, 2024

Sd/-
Prasoon
Director
(DIN:03599426)

Sd/-
V.Anish Babu
Managing Director
(DIN:02830575)

Sd/-
Indu Gupta
Chief Financial Officer

Sd/-
Rachit Tandon
Company Secretary

IFCI VENTURE

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2024

(₹ in lakh)

	Particulars	Note No.	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
	Revenue From Operations			
(i)	Interest Income	20	1,513.56	1,422.51
(ii)	Dividend Income	21	0.17	1.10
(iii)	Fees Income	22	1,391.68	1,266.74
(iv)	Net Gain on Fair Value Changes	23	2,225.03	-
A.	**Total Revenue from Operations**		**5,130.44**	**2,690.35**
B.	**Other Income**	24	4,726.48	1,406.40
C.	**Total Income (A+B)**		**9,856.92**	**4,096.75**
	Expenses			
(i)	Finance costs	25	22.74	98.93
(ii)	Net loss on fair value changes	26	-	284.21
(iii)	Employee Benefit expenses	27	679.08	547.80
(iv)	Impairment on financial instruments	28	-	-
(v)	Depreciation, amortization and impairment	9,10	4.59	10.76
(vi)	Other expenses	29	7,769.06	2,667.14
D.	**Total Expenses**		**8,475.47**	**3,608.83**
E.	**Profit / (loss) before exceptional items and tax (C-D)**		**1,381.45**	**487.92**
F.	**Exceptional Items**			**-**
G.	**Profit / (loss) before tax (E-F)**		**1,381.45**	**487.92**
H.	**Tax Expense:**			
	1. Current Tax		-	-
	2. MAT Credit entitlement		-	-
	3. Deferred Tax		1,278.29	(53.93)
I.	**Profit / (loss) for the period from continuing operations (After Tax) (G-H)**		**103.16**	**541.85**
J.	**Profit / (loss) for the period from discontinuing operations (After Tax)**			**-**
K.	**Profit/(loss) for the period (I+J)**		**103.16**	**541.85**
L.	**Other comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or (loss) -Remeasurement of the net defined benefit Plans		25.52	9.65
	(ii) Income tax relating to items that will not be reclassified to profit or loss		7.10	2.69
	Subtotal (A)		**18.42**	**6.97**
	(B) (i) Items that will be reclassified to profit or loss			-
	(ii) Income tax relating to items that will be reclassified to profit or loss			-
	Subtotal (B)			**-**
	Other Comprehensive Income (A+B)		**18.42**	**6.97**
M.	**Total Comprehensive Income for the period (K+L) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**121.58**	**548.81**
N.	**Earnings per equity share (for continuing operations)**			
	Basic (Rs.)		0.20	0.91
	Diluted (Rs.)		0.20	0.91

Notes 1 to 51 form an integral part of financial statements
As per our report of even date attached

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

Sd/-
G L Agrawal
Partner

M. No. 087454

Place : New Delhi
Date: April 22, 2024

Sd/-
Prasoon
Director
(DIN:03599426)

Sd/-
V. Anish Babu
Managing Director
(DIN:02830575)

Sd/-
Indu Gupta
Chief Financial Officer

Sd/-
Rachit Tandon
Company Secretary

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

(₹ in lakh)

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

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

Notes 1 to 51 form an integral part of financial statements

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

Sd/-
G L Agrawal
Partner

M. No. 087454

Place : New Delhi
Date: April 22, 2024

Sd/-
Prasoon
Director
(DIN:03599426)

Sd/-
V. Anish Babu
Managing Director
(DIN:02830575)

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

A. Equity share capital

(1) Current reporting period

(₹ in lakh)

Balance at the beginning of the 01/04/2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the period	Balance at the end on 31.03.2024
6,037.10	-	-	-	6,037.10

(2) Previous reporting period

(₹ in lakh)

Balance at the beginning of the 01/04/2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the period	Balance at the end on 31.03.2023
6,037.10	-	-	-	6,037.10

B. Other Equity

(1) Current reporting period

(₹ in lakh)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Other items of Other Comprehensive Income	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserve		Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Remeasurements of the defined benefit plans		
					Special Reserve under Section 36(1)(viii) of the I.T Act, 1961	(Statutory Reserve u/s 45IC of RBI Act)									
Balance at the beginning of the 01/04/2023	-	-	-	4,747.90	5.20	3,173.89	3,258.07	-	-	-	-	-	0.87	-	11,185.93
"Changes in accounting policy/ prior period errors"	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
"Restated balance at the beginning of the current reporting period"	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-	103.16	-	-	-	-	-	18.42	-	121.58
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	24.32	(24.32)	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end on 31.03.2024	-	-	-	4,747.90	5.20	3,198.20	3,336.92	-	-	-	-	-	19.29	-	11,307.51

(2) Previous reporting year

(₹ in lakh)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Other items of Other Comprehensive Income	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserve		Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Remeasurements of the defined benefit plans		
					Special Reserve under Section 36(1)(viii) of the I.T Act, 1961	(Statutory Reserve u/s 45IC of RBI Act)									
Balance at the beginning of the 01/04/2022	-	-	-	4,747.90	5.20	3,173.89	2,709.26	-	-	-	-	-	0.87	-	10,637.11
"Changes in accounting policy/ prior period errors"	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
"Restated balance at the beginning of the previous reporting period"	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the previous year	-	-	-	-	-	-	541.85	-	-	-	-	-	6.97	-	548.81
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	109.76	(109.76)	-	-	-	-	-	-	-	0.00
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end on 31.03.2023	-	-	-	4,747.90	5.20	3,283.65	3,141.34	-	-	-	-	-	7.84	-	11,185.93

Foot Note 1 :The reserve fund is created as per section 45IC of RBI Act, 1934
Foot Note 2 : Security Premium Account represents the amount received on equity share over & above its face value.

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

Sd/-
G L Agrawal
Partner

M. No. 087454

Place : New Delhi
Date: April 22, 2024

Sd/-
Prasoon
Director
(DIN:03599426)

Sd/-
V. Anish Babu
Managing Director
(DIN:02830575)

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, 2024 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 22nd April 2024.

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 recognized prospectively.

A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognized 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 organization' 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 organization' 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 31st March 2024 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 categorisation 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/Modification of 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 gain or 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. The income /expenses directly attributable have been allocated in respective operations and the un-allocable income/ expenses have been distributed in the ratio of 74:26 funds vs NBFC.

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 recognized interest on effective interest rate for all financial assets whether credit-impaired or nor credit-impaired. For credit-impaired financial assets, interest was being recognized on the carrying amount remaining after deducting loss allowance. The Company has changed its accounting policy whereby interest income on stage 3 assets (except on the assets which are standard under IRAC norms) shall not be recorded in the books of accounts with effect from 1st April,2021.

However, the company has now changed its accounting policy with retrospective effect from April 01, 2021.

The company recognizes interest on an effective interest rate (EIR) for all financial assets whether credit-impaired or nor credit-impaired. For credit-impaired financial assets, interest is recognized on the carrying amount remaining after deducting loss allowance (Gross Assets – ECL). Further, write off of the increase in gross carrying amount of Stage 3 assets to the extent of above interest income where there is no reasonable expectation of recovery.

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 value of security shall be discounted value of Fair Market value or Reserve Price whichever is lower where Reserve Price is available.

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.

1(A). Restatement of Financial Statements due to Changes in Accounting Policy

The company has modified its accounting policy regarding the recognition of stage 3 income, effective April 1, 2021. This change alignswith the recommendations of the Comptroller and Auditor General of India (CAG), the Reserve Bank of India (RBI), the Institute of Chartered Accountants of India (ICAI), and IFCI Ltd., the company's holding company.

The Management has considered that the aforesaid changes are material and as a result the financials of 31.3.2023 are to be restated. The relevant extracts of the Ind AS financial statements after the incorpoartion of the afforesaid accounting policy is as given below.

(Amount in Lakh)

Extract from statement of Profit and Loss	**As at 31/03/2023 (Original)**	**As at 31/03/2023 (Restated)**	**Adjustment**
Interest Income (Refer note no. 20)			
Interest on Loans	32.80	1,196.21	1,163.40
Other Expense (Refer Note No. 29)			
Bad Debts Written off	1185.89	2,349.29	1,163.40

Other Expense (Refer Note No. 29)

Bad Debts Written off1185.89 2,349.29 1,163.40

Interest income for FY 2022-23 and 2021-22 has increased by INR 1,163.41 Lakhs and INR 1,266.84 Lakhs respectively. Since there is no expectation of recovery, the same has been written off as bad debts respectively. Hence, there is no impact on Net Profit/ Net loss of these years respectively. The opening Balance sheet as on 01.04.2022 has not changed as there is no change in Retained earnings.

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

(Amount in Lakh)

Particulars	**As at 31st March, 2023 (Restated)**	**As at 1st April, 2022**
Gross Loan Book (Refer Note No. 5)	18,950.39	21,125.39
Add: Interest accrued on stage 3	1,163.41	1,266.84
Less: Writeoff of Interest accrued on stage 3	(1,163.41)	(1,266.84)
Gross Loan Book after adjustement	18,950.39	21,125.39

The necessary disclosures concerning this policy change have been incorporated into the financial statements' sections on interest income, bad debt write-off, and loans.

2. Cash and Cash Equivalents

(₹ in lakh)

	Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
1	Cash in hand (including postage stamps)	0.26	0.13	0.06
2	Balances with Banks			
	-Bank Balance	310.79	8.79	11.38
	-Bank Deposits with original maturity of less than three months	535.49	452.27	-
	Total	**846.55**	**461.19**	**11.44**

3. Balances with Banks

(₹ in lakh)

	Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
1	Bank Balances	5,812.09	428.61	442.59
	Total (I)	**5,812.09**	**428.61**	**442.59**

4. Receivables

(₹ in lakh)

	Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
(I)	Trade Receivables			-
	Fees receivable - considered good	8.59	18.36	12.43
		8.59	**18.36**	**12.43**
(II)	Other receivables			
	Unsecured - considered good	694.15	14.81	12.94
	Unsecured - doubtful	-	-	-
	Others	10.43	10.48	9.80
		704.58	**25.28**	**22.74**
	Less :Allowance for Impairment loss	-	-	-
		704.58	25.28	22.74
	Total	**713.18**	**43.64**	**35.17**

5. Loans

(₹ in lakh)

Particulars	As at 31st March, 2024					
	Amortised Cos	At Fair Value			Subtotal	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)						
(i) Term Loans						
-Loans and Advances (Considered good)	-	-	-	-	-	-
- Loan and Advances (Doubtful)	10,674.85					**10,674.85**
(ii) Others (to be specified)						-
Total (A) Gross	**10,674.85**					**10,674.85**
Less: Impairment loss allowance	6,694.25	-	-	-	-	**6,694.25**
Total (A) Net	**3,980.61**					**3,980.61**
(B)						-
(i) Secured by tangible assets and intangible assets	8,864.12	-	-	-	-	**8,864.12**
(ii) Covered by Bank/Government Guarantee	-	-	-	-	-	-
(iii) Unsecured	1,810.73	-	-	-	-	**1,810.73**
Total (B) Gross	**10,674.85**	**-**	**-**	**-**	**-**	**10,674.85**
Less: Impairment loss allownace	6,694.25	-	-	-	-	**6,694.25**

Particulars	As at 31st March, 2024					
	Amortised Cos	At Fair Value			Subtotal	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
Total (B) Net	**3,980.61**	-	-	-	-	**3,980.61**
(C) Loans in India						-
(i) Public Sector	-	-	-	-	-	-
(ii) Others	10,674.85	-	-	-	-	**10,674.85**
Total (C) Gross	**10,674.85**					**10,674.85**
Less: Impairement loss allowance	6,694.25	-	-	-	-	**6,694.25**
Total (C) Net	**3,980.61**					**3,980.61**

(₹ in lakh)

Particulars	As at 31st March, 2023 (Restated)					
	Amortised Cos	At Fair Value			Subtotal	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)						
(i) Term Loans						
-Loans and Advances (Considered good)	-	-	-	-	-	-
- Loan and Advances (Doubtful)	18,950.39					**18,950.39**
(ii) Others (to be specified)						-
Total (A) Gross	**18,950.39**					**18,950.39**
Less:Impairment loss allowance	11,309.31	-	-	-	-	**11,309.31**
Total (A) Net	**7,641.07**					**7,641.07**
(B)						-
(i) Secured by tangible assets and intangible assets	14,180.61	-	-	-	-	**14,180.61**
(ii) Covered by Bank/Government Guarantee	-	-	-	-	-	-
(iii) Unsecured	4,769.78	-	-	-	-	**4,769.78**
Total (B) Gross	**18,950.39**	-	-	-	-	**18,950.39**
Less: Impairment loss allownace	11,309.31	-	-	-	-	**11,309.31**
Total (B) Net	**7,641.07**	-	-	-	-	**7,641.07**
(C) Loans in India						-
(i) Public Sector	-	-	-	-	-	-
(ii) Others	18,950.39	-	-	-	-	**18,950.39**
Total (C) Gross	**18,950.39**					**18,950.39**
Less: Impairement loss allowance	11,309.31	-	-	-	-	**11,309.31**
Total (C) Net	**7,641.07**					**7,641.07**

(₹ in lakh)

Particulars	As at 1st April, 2022					
	Amortised Cos	At Fair Value			Subtotal	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)						
(i) Term Loans						
-Loans and Advances (Considered good)	580.16	-	-	-	-	**580.16**
- Loan and Advances (Doubtful)	20,545.23					**20,545.23**
(ii) Others (to be specified)						-
Total (A) Gross	**21,125.39**					**21,125.39**
Less:Impairment loss allowance	12,619.37	-	-	-	-	**12,619.37**
Total (A) Net	**8,506.02**					**8,506.02**
(B)						-

Particulars	As at 1st April, 2022					
	Amortised Cos	At Fair Value			Subtotal	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(i) Secured by tangible assets and intangible assets	15,411.23	-	-	-	-	**15,411.23**
(ii) Covered by Bank/Government Guarantee	-	-	-	-	-	**-**
(iii) Unsecured	5,714.16	-	-	-	-	**5,714.16**
Total (B) Gross	**21,125.39**	**-**	**-**	**-**	**-**	**21,125.39**
Less: Impairment loss allownace	12,619.37	-	-	-	-	**12,619.37**
Total (B) Net	**8,506.02**	**-**	**-**	**-**	**-**	**8,506.02**
(C) Loans in India						**-**
(i) Public Sector	-	-	-	-	-	**-**
(ii) Others	21,125.39	-	-	-	-	**21,125.39**
Total (C) Gross	**21,125.39**					**21,125.39**
Less: Impairement loss allowance	12,619.37	-	-	-	-	**12,619.37**
Total (C) Net	**8,506.02**					**8,506.02**

Foot Note

The Company has changed its accounting policy whereby interest income on stage 3 assets (except on the assets which are standard under IRAC norms) shall be recorded in the books of accounts with effect from 1st April,2021. Accordingly, Interest income for the financial year 2022-23 and 2021-22 will be reinstated and increased by Rs.1163.41 lakh and Rs.1266.84 lakh respectively. Since there is no reasonable expectation of recovery, company has decided to be written off this amount in respective years. Accordingly, carrying amount of loans receivable is same as reported in previous financial statement.

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

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

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

6. Investments

(₹ in lakh)

Particulars	As at 31st March, 2024						
	Amortised Cos	At Fair Value			Subtotal	Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
Government Securities	-	-	-	-	-	-	**-**
Other approved securities	-	-	-	-	-	-	**-**
Debt securities							
-Inter Group Balances							
-Bonds - Taxable bonds of IFCI Ltd of Rs.1000 each	2,274.29	-	-	-	-	-	**2,274.29**
Equity instruments							
-Biotech Consortium Ltd.	-	-	-	-	-	-	**-**
-Jangipur Bengal Mega Food Park Ltd	-	-	47.88	-	47.88	-	**47.88**
-Him Teknoforge Ltd			1.22		1.22		**1.22**
- 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	-	-	557.93	-	557.93		**557.93**
'- Sage Venture fund	-	-	52.50	-	52.50		**52.50**
'- Venture Capital fund for Scheduled Tribes	-	-	52.50	-	52.50		**52.50**
Joint Ventures	-	-	-	-	-		**-**
Others (Specify)	-	-	-	-	-		**-**
Mutual Funds					-		**-**
Investment in Liquid Funds	-	-	72.05	-	72.05		**72.05**
Total Gross (A)	**2,274.29**	**-**	**784.08**	**-**	**784.08**	**-**	**3,058.37**
(i) Overseas Investments	-	-	-	-	-	-	**-**
(ii) Investments in India	2,274.29	-	784.08	-	784.08	-	**3,058.37**
Total (B)	**2,274.29**	**-**	**784.08**	**-**	**784.08**	**-**	**3,058.37**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	**-**
Total Net D= (A)- (C)	**2,274.29**	**-**	**784.08**	**-**	**784.08**	**-**	**3,058.37**

(₹ in lakh)

Particulars	As at 31st March, 2023 (Restated)						
	Amortised Cos	At Fair Value			Subtotal	Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
Government Securities	-	-	-	-		-	
Other approved securities	-	-	-	-		-	
Debt securities							
-Inter Group Balances							
-Bonds - Taxable IFCI Ltd of Rs. 1000 each	2,076.65	-	-	-		-	**2,076.65**
Equity instruments							**-**
-Biotech Consortium Ltd.	-	-	-	-		-	**-**
-Jangipur Bengal Mega Food Park Ltd	-	-	47.88	-	47.88	-	**47.88**
-Him Teknoforge Ltd			122.60		122.60		**122.60**
- 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	-	-	544.97	-	544.97	-	**544.97**
'- Sage Venture fund	-	-	52.50	-	52.50	-	**52.50**
Joint Ventures	-	-	-	-		-	**-**
Others (Specify)	-	-	-	-		-	**-**
Mutual Funds							**-**
Investment in Liquid Funds	-	-	43.19	-	43.19	-	**43.19**
Total Gross (A)	**2,076.65**	**-**	**811.14**	**-**	**811.14**	**-**	**2,887.79**
(i) Overseas Investments	-	-	-	-	-	-	**-**
(ii) Investments in India	2,076.65	-	811.14	-	811.14	-	**2,887.79**
Total (B)	**2,076.65**	**-**	**811.14**	**-**	**811.14**	**-**	**2,887.79**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	**-**
Total Net D= (A)- (C)	**2,076.65**	**-**	**811.14**	**-**	**811.14**	**-**	**2,887.79**

(₹ in lakh)

Particulars	As at 1st April, 2022						
	Amortised Cos	At Fair Value			Subtotal	Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
Government Securities	-	-	-	-		-	
Other approved securities	-	-	-	-		-	
Debt securities							
-Inter Group Balances							
-Bonds - Taxable IFCI Ltd of Rs. 1000 each	1,898.22	-	-	-		-	**1,898.22**
Equity instruments							**-**
-Biotech Consortium Ltd.	-	-	-	-		-	**-**
-Jangipur Bengal Mega Food Park Ltd	-	-	324.66	-	324.66	-	**324.66**
-Him Teknoforge Ltd			378.96		378.96		**378.96**
- Deltronix India Ltd			-		-		**-**

Particulars	As at 1st April, 2022						
	Amortised Cos	At Fair Value			Subtotal	Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
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	-	-	534.87	-	534.87	-	**534.87**
Joint Ventures	-	-	-	-		-	-
Others (Specify)	-	-	-	-		-	-
Mutual Funds							-
Investment in Liquid Funds	-	-	-	-	-	-	-
Total Gross (A)	**1,898.22**	**-**	**1,238.49**	**-**	**1,238.49**	**-**	**3,136.71**
(i) Overseas Investments	-	-	-	-	-	-	-
(ii) Investments in India	1,898.22	-	1,238.49	-	1,238.49	-	**3,136.71**
Total (B)	**1,898.22**	**-**	**1,238.49**	**-**	**1,238.49**	**-**	**3,136.71**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total Net D= (A)- (C)	**1,898.22**	**-**	**1,238.49**	**-**	**1,238.49**	**-**	**3,136.71**

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, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
Loan to others			
-Loans to Staff	29.61	14.53	7.15
-Others (Unsecured and considered good)	1.06	0.86	0.86
GST Credit	8.51	2.70	-
Total	**39.18**	**18.09**	**8.01**

8. Current Tax Assets (Net)

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
Current tax assets (Net)	687.82	744.86	606.32
Total	**687.82**	**744.86**	**606.32**

9. Deferred Tax Assets (Net)

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
Deferred tax assets (Net)	3,629.25	4,914.64	4,863.39
Total	**3,629.25**	**4,914.64**	**4,863.39**

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 as at 01/04/2022	**30.96**	**-**	**6.65**	**-**	**-**	**-**	**37.61**
Additions	5.28	0.07	0.00	-	-	-	**5.35**
Acquisitions	-	-	-	-	-	-	**-**
Revaluation adjustment, if any	-	-	-	-	-	-	**-**
Disposals	0.26	-	-	-	-	-	**0.26**
Reclassification from/to held for sale	-	-	-	-	-	-	**-**
Other adjustments (please specify)	-	-	-	-	-	-	**-**
At cost or fair value at the end of the year at 31/03/2023	**35.97**	**0.07**	**6.65**	**-**	**-**	**-**	**42.69**
Additions	0.70	-	0.86	-	-	-	**1.57**
Acquisitions	-	-	-	-	-	-	**-**
Revaluation adjustment, if any	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	**-**
Reclassification from/to held for sale	-	-	-	-	-	-	**-**
Other adjustments (please specify)	-	-	-	-	-	-	**-**
At cost or fair value at the Year ended at 31/03/2024	**36.68**	**0.07**	**7.52**	**-**	**-**	**-**	**44.26**

(₹ 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 01/04/2022	**17.79**	**-**	**2.28**	**-**	**-**	**-**	**20.07**
Depreciation for the period	10.14	0.00	0.68	-	-	-	**10.81**
Disposals	0.26	-	-	-	-	-	**0.26**
Impairment/(reversal) of impairment	-	-	-	-	-	-	**-**
Reclassification from/to held for sale	-	-	-	-	-	-	**-**
Other adjustments (prior period adjustment)	0.06	-	-	-	-	-	**0.06**
Accumulated depreciation and impairment as at the end of the year 31/03/2023	**27.61**	**0.00**	**2.96**	**-**	**-**	**-**	**30.57**
Depreciation for the period	3.84	0.01	0.74	-	-	-	**4.59**
Disposals	-	-	-	-	-	-	**-**
Impairment/(reversal) of impairment	-	-	-	-	-	-	**-**
Reclassification from/to held for sale	-	-	-	-	-	-	**-**
Other adjustments (prior period adjustment)	-	-	-	-	-	-	**-**
Accumulated depreciation and impairment as at the Year ended 31/03/2024	**31.45**	**0.02**	**3.70**	**-**	**-**	**-**	**35.16**

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
Net carrying amount at the beginning of the year as at 01/04/2022	13.17	-	4.37	-	-	-	17.54
Net carrying amount as at the end of the year as at 31/03/2023	8.37	0.06	3.69	-	-	-	12.12
Net carrying amount as at the end of the quarter as at 31/03/2024	5.23	0.05	3.82	-	-	-	9.10

11. Other Intangible assets

(₹ in lakh)

Particulars	Computer Software	Total
At cost or fair value at the beginning of the year as at 01/04/2022	**0.21**	**0.21**
Additions	-	-
Acquisitions	-	-
Revaluation adjustment, if any	-	-
Disposals	-	-
At cost or fair value at the Year ended at 31/12/2022	**0.21**	**0.21**
Additions	-	-
Acquisitions	-	-
Revaluation adjustment, if any	-	-
Disposals	-	-
At cost or fair value at the end of the year at 31/03/2023	**0.21**	**0.21**
Additions	-	-
Acquisitions	-	-
Revaluation adjustment, if any	-	-
Disposals	-	-
At cost or fair value at the Year ended at 31/03/2024	**0.21**	**0.21**

(₹ in lakh)

Particulars	Accumulated Dep. On Computer Software	Total
Accumulated depreciation and impairment as at the beginning of the year as at 01/04/2022	**0.21**	**0.21**
Depreciation for the period	-	-
Disposals	-	-
Impairment/(reversal) of impairment	-	-
Accumulated depreciation and impairment as at the Year ended 31/12/2022	**0.21**	**0.21**
Depreciation for the period	-	-
Disposals	-	-
Impairment/(reversal) of impairment	-	-
Accumulated depreciation and impairment as at the end of the year 31/03/2023	**0.21**	**0.21**
Depreciation for the period	-	-
Disposals	-	-
Impairment/(reversal) of impairment	-	-
Accumulated depreciation and impairment as at the Year ended 31/03/2024	**0.21**	**0.21**
Net carrying amount at the beginning of the year as at 01/04/2022	**-**	**-**
Net carrying amount as at the end of the year as at 31/03/2023	**-**	**-**
Net carrying amount as at the end of the quarter as at 31/03/2024	**-**	**-**

12. Other Non-Financial Assets

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
(a) Pre-paid Expenses	3.15	3.61	2.31
Total	**3.15**	**3.61**	**2.31**

13. Assets classified as held for sale

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
Investment in Associates	-	750.00	750.00
Total	**-**	**750.00**	**750.00**

14. Assets classified as held for sale

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
(1)Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(2) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	329.16	38.64	25.25
Total	**329.16**	**38.64**	**25.25**

Note: There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at all the reporting dates. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the status of such parties identified on the basis of information available with the Company.

15. Debt Securities

(₹ in lakh)

Particulars	As at 31st March, 2024			
	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				
480 Bonds of Rs. 1,00,000 each unsecured	-	-	-	-
21 Bonds of Rs. 10,00,000 each secured	220.81	-	-	220.81
Total (A)	**220.81**	**-**	**-**	**220.81**
Debt securities in India	220.81	-	-	220.81
Debt securities outside India	-	-	-	-
Total (B)	**220.81**	**-**	**-**	**220.81**

(₹ in lakh)

Particulars	As at 31st March, 2023 (Restated)			
	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				
480 Bonds of Rs. 1,00,000 each unsecured	-	-	-	-
21 Bonds of Rs. 10,00,000 each secured	220.75	-	-	220.75
Total (A)	**220.75**	**-**	**-**	**220.75**
Debt securities in India	220.75	-	-	220.75
Debt securities outside India	-	-	-	-
Total (B)	**220.75**	**-**	**-**	**220.75**

(₹ in lakh)

Particulars	As at 1st April, 2022			
	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				
596 Bonds of Rs. 1,00,000 each unsecured	598.85	-	-	598.85
480 Bonds of Rs. 1,00,000 each unsecured	485.61	-	-	485.61
21 Bonds of Rs. 10,00,000 each secured	220.75	-	-	220.75
Total (A)	**1,305.20**	**-**	**-**	**1,305.20**
Debt securities in India	1,305.20	-	-	1,305.20
Debt securities outside India	-	-	-	-
Total (B)	**1,305.20**	**-**	**-**	**1,305.20**

Foot-notes

1	**Issuer**	**IFCI Venture Capital Funds Ltd.**
	Issue size	Up to Rs. 15.10 Crores including green shoe option of Rs. 0.10 Crores
	Face Value	Rs. 1,00,000.00 (Rupees One Lac) per bond
	Tenure	10 Years
	Put Call	At par at the end of 5th year from the date of allotment
	Redemption	At par at the end of 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 on18th February
2	**Issuer**	**IFCI Venture Capital Funds Ltd.**
	Issue size	Rs. 20 Crores
	Face Value	Rs. 1,000,000.00 (Rupees Ten Lac) per bond
	Tenure & Redemption	At end of 10 Years from date of allotment i.e. 10th October, 2024
	Coupon Rate	10.80% p.a. annual
	Security	Pari-pasu charge on Book Debts
	Interest Payment	Interest shall be made annually on10th October

16. Provisions

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
Provision for Standard Assets	-	-	-
Provision for Employee benefits	277.35	298.06	281.94
General Provision (COVID-19)			76.60
Total	**277.35**	**298.06**	**358.54**

17. Other Non Financial Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
Other Payables			
-Tax and other deduction/collection payable	14.47	8.54	10.33
'-other payables			5.97
Advance Received from Parties	592.89	116.60	-
Total	**607.37**	**125.14**	**16.30**

18. Equity Share Capital

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
Note: I SHARE CAPITAL			
AUTHORISED:			
Equity Shares of Rs.10/- each	15,000.00	15,000.00	15,000.00
Total	**15,000.00**	**15,000.00**	**15,000.00**
ISSUED, SBSCRIBED & PAID UP:			
Equity Shares of Rs.10/- each fully paid up.	6,037.10	6,037.10	6,037.10
Total	**6,037.10**	**6,037.10**	**6,037.10**

Foot Notes:

i. Reconciliation of the number of shares outstanding.

(₹ in lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023 (Restated)		As at 1st April, 2022	
	Number	Amount	Number	Amount	Number	Amount
Number of equity shares at the beginning of the Year	60,371,008	6,037.10	60,371,008	6,037.10	60,371,008	6,037.10
Equity shares issued during the year	-	-	-	-	-	-
Number of equity shares at the end of the Year	**60,371,008**	**6,037.10**	**60,371,008**	**6,037.10**	**60,371,008**	**6,037.10**

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

Name of the Shareholder	As at 31st March, 2024		As at 31st March, 2023 (Restated)		As at 1st April, 2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares of Rs.10/- each Fully Paid						
IFCI Limited (Holding Company)	59,521,008	98.59	59,521,008	98.59	59,521,008	98.59
Total	**59,521,008**	**98.59**	**59,521,008**	**98.59**	**59,521,008**	**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, 2024		As at 31st March, 2023 (Restated)		As at 1st April, 2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares of Rs.10/- each Fully Paid						
IFCI Limited	59,521,008	98.59	59,521,008	98.59	59,521,008	98.59
Total	**59,521,008**	**98.59**	**59,521,008**	**98.59**	**59,521,008**	**98.59**

iv. **Refer note 1 and 46 for Objectives, policies and processes for managing capital.**

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023 (Restated)	As at 1st April, 2022
Retained Earnings	3,336.92	3,141.34	2,709.25
Securities Premium Account	4,747.90	4,747.90	4,747.90
Statutory Reserve (Reserve u/s 45IC of RBI Act, 1934)	3,198.20	3,283.65	3,173.89
Special Reserve under Section 36(1)(viii) of the I.T Act, 1961	5.20	5.20	5.20
OCI- Resmeasurment of defined benefit plan	19.29	7.84	0.87
Total	**11,307.51**	**11,185.93**	**10,637.11**

19. Other Equity

(1) Current reporting period

(₹ in lakh)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus											Other items of Other Comprehensive Income	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserve		Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Remeasurements of the defined benefit plans		
					Special Reserve under Section 36(1)(viii) of the I.T Act, 1961	(Statutory Reserve u/s 45IC of RBI Act)									
Balance at the beginning of the 01/04/2023	**-**	**-**	**-**	**4,747.90**	**5.20**	**3,173.89**	**3,258.07**	**-**	**-**	**-**	**-**	**-**	**0.87**	**-**	**11,185.93**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-	103.16	-	-	-	-	-	18.42	-	**121.58**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	24.32	(24.32)	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end on 31.03.2024	**-**	**-**	**-**	**4,747.90**	**5.20**	**3,198.20**	**3,336.92**	**-**	**-**	**-**	**-**	**-**	**19.29**	**-**	**11,307.51**

(2) Previous reporting year

(₹ in lakh)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Other items of Other Comprehensive Income	Money received against share warrants	Total
					Other Reserve										
			Capital Reserve	Securities Premium	Special Reserve under Section 36(1)(viii) of the I.T Act, 1961	(Statutory Reserve u/s 45IC of RBI Act)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Remeasurements of the defined benefit plans		
Balance at the beginning of the 01/04/2022	-	-	-	**4,747.90**	**5.20**	**3,173.89**	**2,709.26**	-	-	-	-	-	**0.87**	-	**10,637.11**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the previous year	-	-	-	-	-	-	541.85	-	-	-	-	-	6.97	-	**548.81**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	109.76	(109.76)	-	-	-	-	-	-	-	**0.00**
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end on 31.03.2023	-	-	-	**4,747.90**	**5.20**	**3,283.65**	**3,141.34**	-	-	-	-	-	**7.84**	-	**11,185.93**

Foot Note 1 : The reserve fund is created as per section 45IC of RBI Act, 1934

Foot Note 2 : Security Premium Account represents the amount received on equity share over & above its face value.

20. Interest income

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024		
	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	-	1,117.10	-
Interest income from investments	-	197.64	-
Interest on Deposits with Banks	-	198.81	
Total	**-**	**1,513.56**	

(₹ in lakh)

Particulars	For the Year ended 31st March, 2023 (Restated)		
	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	-	1,196.21	-
Interest income from investments	-	178.43	-
Interest on Deposits with Banks	-	47.88	-
Total	-	1,422.51	-

The Company has changed its accounting policy whereby interest income on stage 3 assets (except on the assets which are standard under IRAC norms) shall be recorded in the books of accounts with effect from 1st April,2021. Accordingly, Interest income for the financial year 2022-23 and 2021-22 will be reinstated and increased by Rs.1163.41 lakh and Rs.1266.84 lakh respectively.

21. Dividend Income

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
Dividend income	0.17	1.10
Total	**0.17**	**1.10**

22. Fee Income

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
Management fee	1,391.68	1,266.74
Total	**1,391.68**	**1,266.74**

23. Net Gain on fair value changes

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
A. Net Gain on financial instruments at fair value through profit and loss account :-		
a) On trading portfolio		
- Investments	2,225.03	-
- Derivatives	-	-
- Others	-	-
b) On financial instruments designated at fair value through profit and loss account	-	-
B. Others	**-**	**-**
Total	**2,225.03**	**-**
Fair Value changes		
-Realised	2,223.04	-
-Unrealised	2.00	-
Total	**2,225.03**	**-**

24. Other income

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
Bad Debt Recovered	-	-
Provision no longer required	-	76.60
Reversal of Expected Credit Loss	4,615.07	1,310.06
Other incomes	111.41	19.74
Total	**4,726.48**	**1,406.40**

25. Finance costs

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on Bonds and borrowings	-	22.74
Other interest expense	-	-
Total	**-**	**22.74**

(₹ in lakh)

Particulars	For the Year ended 31st March, 2023	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on Bonds and borrowings	-	98.93
Other interest expense	-	-
Total	**-**	**98.93**

26. Net loss on fair value changes

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
A. Net loss on financial instruments at fair value through profit and loss account :-		
a) On trading portfolio		
- Investments	-	284.21
- Derivatives	-	-
- Others	-	-
b) On financial instruments designated at fair value through profit and loss account	-	-
B. Others	-	-
Total	**-**	**284.21**
Fair Value changes		
-Realised	-	(17.49)
-Unrealised	-	301.70
Total	**-**	**284.21**

27. Employee Benefit expenses

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
Salaries and wages including bonus	633.05	502.52
Contribution to provident and others fund	39.11	32.73
Staff welfare expenses	6.92	12.55
Total	**679.08**	**547.80**

28. Impairment on financial instruments

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost
Loans and Advances	-	-
Other Receivable	-	-
Total	**-**	**-**

(₹ in lakh)

Particulars	For the Year ended 31st March, 2023	
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost
Loans and Advances	-	-
Other Receivable	-	-
Total	**-**	**-**

29. Other expenses

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
Rent, taxes and energy costs	178.52	179.92
Repairs and maintenance	51.09	42.77
Printing & Stationery	3.07	3.98
CSR Expenses	12.86	16.05
Postage & Telephone	1.98	2.27
Advertisement and publicity	2.25	1.45
Travelling & Conveyance	3.69	3.26
Director's fees, allowances and expenses	14.29	13.68
Auditor's fees and expenses*	7.33	7.17
Legal and Professional charges	58.97	41.54
Insurance	-	0.29
Bad Debts Written Off	7,427.86	2,349.29
Other expenditures	7.15	5.46
Total	**7,769.06**	**2,667.14**

** Refer note 34 for details on payment to auditors.*

Bad Debts written off –

The Company has changed its accounting policy whereby interest income on stage 3 assets (except on the assets which are standard under IRAC norms) shall be recorded in the books of accounts with effect from 1st April,2021. Accordingly, Interest income for the financial year 2022-23 and 2021-22 will be reinstated and increased by Rs.1163.41 lakh and Rs.1266.84 lakh respectively. Since there is no reasonable expectation of recovery, company has decided to write off this amount in respective years. Accordingly, Bad debts written off these years shall increase by respective amounts in each financial year.

Note 30. DISCLOSURES IN ACCORDANCE WITH GUIDELINES ON LIQUIDITY RISK MANAGEMENT FRAMEWORK AND LIQUIDITY COVERAGE RATIO AS PER RBI'S MASTER DIRECTION- NON -BANKING FINANCIAL COMPANY- SYSTEMICALLY IMPORTANT NON - DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016.

(i) Funding Concenration based on Significant Counterparty(both deposits & borrowings)

S. No.	No. of Significant Counterparties	Amount (in Lakh)	% of Total Deposits	% of Total Liabilites
1	14	210.00	N.A.	100%

(ii) Top 20 Large Deposits

S. No.	Counterparty	Amount (in Lakh)	% of Total Deposits
1	Nil	-	-

(iii) Top 20 Borrowings

S. No.	Name of the Lender / Investor	Amount (in Lakh)	% of Total Deposits
1	JYOTI GULABSINH GAJARIA	40.00	19%
2	GULABSINH B GAJARIA HUF	30.00	14%
3	HITESH A GALANI	20.00	10%
4	MODY CHEMI PHARMA LIMITED	20.00	10%
5	RITEN M MUNI	10.00	5%
6	JAVNIKA PRADIP THAKKAR	10.00	5%
7	SHABBIR KANCHWALA	10.00	5%
8	SADHANA MUKESH PADWAL	10.00	5%
9	VISHWAS GAJANAN MHAMBREY	10.00	5%
10	MAHENDRA DAMODARDAS MUNI ALIAS SHAH	10.00	5%
11	TARUN MOHTA	10.00	5%
12	VIDHI BHARAT SHAH	10.00	5%
13	SIYA RITWIK NEMANI	10.00	5%
14	MUKESH YESHWANT PADWAL	10.00	5%
	Total	**210.00**	**100%**

(iv) Funding Concentration based on significant instrument/ product

S. No.	Name of the Instrument / product	Amount (in Lakh)	% of Total Liabilities
1	Private Placemnet Bonds	210.00	100%

(v) Stock Ratios

	Particulars	%
a (i)	Commercial Papers as a % of total public funds	N.A
a (ii)	Commercial Papers as a % of total liabilities	N.A
a (iii)	Commercial Papers as a % of total assets	N.A
b (i)	Non-Convertible Debentures (Original Maturity less than 1 year) as a % of total public funds	N.A
b (ii)	Non-Convertible Debentures (Original Maturity less than 1 year) as a % of total liabilities	N.A
b (iii)	Non-Convertible Debentures (Original Maturity less than 1 year) as a % of total assets	N.A
c (i)	Other Short-Term Liabilities as a % of total public Funds	N.A
c (ii)	Other Short-Term Liabilities as a % of total Liabilities	80.67%
c (iii)	Other Short-Term Liabilities as a % of total Assets	6.16%

*Principal outstanding has been considered while calculating Stock Ratios

31(a). Trade Receivables aging schedule

(₹ in lakh)

Particulars	Outstanding For the Year ended 31st March, 2024					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8.59	-	-	-	-	8.59
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
"(vi) Disputed Trade Receivables – credit impaired"	-	-	-	-	-	-

(₹ in lakh)

Particulars	Outstanding For the Year ended 31st March, 2023					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	18.36	-	-	-	-	18.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

31(b). Trade Payable aging schedule

(₹ in lakh)

Particulars	Outstanding For the Year ended 31st March, 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

(₹ in lakh)

Particulars	Outstanding For the Year ended 31st March, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

32. Corporate Social Responsibility (CSR)

Where the company covered under section 135 of the companies act, the following shall be disclosed with regard to CSR activities:-

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a) amount required to be spent by the company during the year,	12.86	16.05
(b) amount of expenditure incurred *	12.86	NIL
(c) shortfall at the end of the year	NIL	16.05
(d) total of previous years shortfall	NIL	Refer Note
(e) reason for shortfall #	N.A.	N.A.
(f) nature of CSR activities	'Installation of Arsenic Free Tubewells in various schools of District North 24 Parganas, West Bengal.	The project "PRERNA" for creating entrepreneurship awareness among selected schools in Western Uttar Pradesh and capacity building of its teachers
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	NA	-
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.		

* The allocated Unspent amount of Rs. 16,05,100 could not get spent during the F.Y. 2023-24 and since the project is an ongoing project, the same has been transferred to Unspent CSR Account for F.Y. 2022-23 in April 2023 and will be spent by IFCI Social Foundation (ISF), a registered trust, based on the achievement of milestones.

The unspent CSR amount Rs. 16,05,100/- contributed by IVCF to ISF for FY 2022-23 has been allocated for CSR programme under the project "PRERNA" for creating entrepreneurship awareness among selected schools in Western Uttar Pradesh and capacity building of its teachers . The project will be implemented in phases and is being executed by EDII, Ahmedabad. The disbursement shall be made on the achievement of milestone set out.

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, 2024	As at 31st March, 2023 (Restated)
Deferred tax assets	3,629.25	4,914.64
Deferred tax liabilities	-	-
Deferred Tax Asset / (Liabilities) (Net)	3,629.25	4,914.64

(₹ in lakh)

Particulars	As at 1st April 2022	Movement Recognised in Statement of Profit and Loss	Movement Recognised in other comprehensive income	As at 31st March, 2023 (Restated)
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment and Intanigble Assets	(0.32)	1.51	-	1.19
Fair value of Investments	(134.49)	234.61	-	100.12
Defined benefit obligation	78.44	7.17	(2.69)	82.92
Impairment on Financial Instuments	3,510.71	(364.46)	-	3,146.25
Tax Losses	1,297.68	196.41	-	1,494.10
MAT Credit	90.06	-		90.06
Provision of Covid-19	21.31	(21.31)	-	-
Deferred Tax Asset / (Liabilities) (Net)	**4,863.39**	**53.93**	**(2.69)**	**4,914.64**

Particulars	As at 1st April 2023	Movement Recognised in Statement of Profit and Loss	Movement Recognised in other comprehensive income	As at 31st March, 2024
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment and Intanigble Assets	1.19	(0.61)	-	0.58
Fair value of Investments	100.12	8.40	-	108.52
Defined benefit obligation	82.92	1.34	(7.10)	77.16
Impairment on Financial Instuments	3,146.25	(1,283.91)	-	1,862.34
Tax Losses	1,494.10	(3.50)	-	1,490.59
MAT Credit	90.06	-		90.06
Deferred Tax Asset / (Liabilities) (Net)	**4,914.64**	**(1,278.29)**	**(7.10)**	**3,629.25**

Note: Recognition of deferred tax assets: The Company has recognized deferred tax assets/ (liabilities) and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time. The company does not recognize deferred tax assets (DTAs) for current year losses. This treatment is consistent with accounting standards, as the recoverability of DTAs from current losses is uncertain until future profits are generated. Therefore, the company defers recognizing a DTA for current year losses until they have a clearer picture of their future profitability through a Long Term Business Plan.

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, 2024	As at 31st March, 2023 (Restated)
Opening Balance Assets/(Liabilities)	**744.86**	**606.32**
Provision made during the year	-	-
Adjustments / Refund	(225.58)	(0.82)
Income tax paid during the year	168.54	139.36
Closing Balance Assets/(Liabilities)	**687.82**	**744.86**

34. Payment to Auditors (Excluding GST)

(₹ in lakh)

	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
Audit Fees	4.16	3.83
Certification and other services	2.19	2.39
Reimbursement of Expenses	0.39	0.37
Total	**6.74**	**6.58**

35. Details of corporate social responsibility expenditure

(₹ in lakh)

	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
a) Gross amount required to be spent by the company for respective financial year	**12.86**	**16.05**
Amonut Spent by IFCI Venture	12.86	-
Amount Transfer to IFCI Social foundation	-	16.05

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

(₹ in lakh)

	As at 31st March, 2024	As at 31st March, 2023 (Restated)
A. Contingent Liabilities		
(i) Claims not acknowledged as debts	NIL	NIL
(ii) Income Tax Matter	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, 2024		
B. Commitments		
(i) Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)		
(ii) Undrawn Commitments	717.07	1,125.00
Total	**717.07**	**1,125.00**
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 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
Contribution to Provident Fund	8.43	8.28

ii. Defined Benefit plan

A. Gratuity

Gratuity liablity has been determined and accounted on the basis acturial valuation carried out as at March 31, 2024

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 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
Net defined benefit liability	88.11	129.10

(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.

The expected contributions to gratuity plan for the year ending 31 March 2025 is INR 28.27 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)

Particulars	For the Year ended 31st March, 2024			For the Year ended 31st March, 2023 (Restated)		
	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	**246.98**	**117.88**	**129.10**	**225.82**	**108.60**	**117.22**
Included in profit or loss						
Current service cost	21.13	-	21.13	14.36	-	14.36
Past service cost including curtailment Gains/Losses	-	-	-	-	-	-
Interest cost (income)	18.23	(8.51)	9.71	16.37	(7.95)	8.42
	39.36	**(8.51)**	**30.84**	**30.73**	**(7.95)**	**22.79**
Included in Other comprehensive income						
Remeasurements loss (gain)	-	-	-	-	-	-
– Actuarial loss (gain) arising from:	-	-	-	-	-	-
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	2.39	-	(25.52)	(3.04)	-	(9.65)
- experience adjustment	(28.10)	-	(0.19)	(6.54)	-	0.07
– on plan assets	-	-	-	-	-	-
	(25.71)	**-**	**(25.71)**	**(9.58)**	**-**	**(9.58)**
Other						
Contributions paid by the employer	-	46.12	(46.12)	-	1.33	(1.33)
Benefits paid directly	-	-	-	-	-	-
Misc.	-	-	-	-	-	-
	-	**46.12**	**(46.12)**	**-**	**1.33**	**(1.33)**
Balance at the end of the year	**260.62**	**172.52**	**88.11**	**246.98**	**117.88**	**129.10**

(c) Plan assets

	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
Investment with Life insurance Corporation	100%	100%

(d) Actuarial assumptions

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

	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
Discount rate	7.12%	7.38%
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 31st March, 2024		For the Year ended 31st March, 2023 (Restated)	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.50% movement)	(4.51)	4.91	(12.43)	(11.58)
Future salary growth (0.50% movement)	4.82	(4.47)	11.61	(12.00)

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 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
1 year	4.45	5.78
Between 2-5 years	107.89	69.70
6 year onwards	148.29	171.50
Total	260.62	246.98

As at 31st March 2024, the weighted-average duration of the defined benefit obligation was 13.84 years (31st March 2023: 14.53 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 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
Amount recognised in Statement of Profit and Loss		
Leave encashment	31.03	37.03
Leave fare concession	34.61	-

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)
		MPCON Ltd.
		Stock Holding Corporation of India Ltd.
		Stock Holding Document Management Services Ltd.
	Associates	Venture Capital Fund for Backward Classes (VCFBC)
		Venture Capital Fund for Scheduled Tribes (VCFST)
		SAGE Venture Fund
		Associates held for sale
		Sharon Solutions Ltd
		Titan Energy System Ltd
	Key Managerial Personnel	(i) Shri Shivendra Tomar - Managing Director (w.e.f 10 June 2020 - 3 April 2022)
		(ii) Shri V. Anish Babu - Managing Director (w.e.f 4th April 2022)
		(iii) Smt. Indu Gupta - Chief Financial Officer
		(iv) Rachit Tandon- Company Secretary
	Directors	(i) Shri Manoj Mittal - Chairman
		(ii) Shri Rahul Bhave – Nominee Director
		(iii) Shri Prasoon - Nominee Director
		(iv) Smt. Tripti Somani- Non-Executive Director
		(v) Shri Arvind Kumar Jain- Non-Executive Director
		(vi) Shri Ajay Kumar Kapur- Non-Executive Director
		(vii) Shri Gauri Shankar – Non-Executive Director

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

	Name of related party	Nature of transaction		For the Year ended 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
A.	**Holding**				
	IFCI Ltd.	(i)	Rent & Maintenance expenses (Exclusive of taxes and cess)	165.98	167.10
		(ii)	Salaries expense for employees deputed by IFCI Ltd.	98.29	59.19
		(iii)	IT Services expense(Exclusive of taxes)	17.50	17.50
		(iv)	Other expenses	1.38	1.14

		(i)	Salaries received for employee deputed to IFCI Ltd.	43.41	18.79
		(ii)	Interest accrued on Bonds subscribed	197.64	178.43
B.	**(i) Fellow Subsidiaries**				
	IFCI Financial Services Ltd.	(i)	Brokerage/ Professional fee paid	0.11	0.34
	Stock Holding Corporation of India Ltd.	(i)	Brokerage/ Professional fee paid	0.01	0.09
	IFCI Factors Ltd. (IFL)	(i)	Salaries paid for employees deputed	29.03	16.34
	MPCON Ltd.	(i)	Salaries paid for employees deputed	41.14	11.31
	Stock Holding Document Management Services Ltd.	(i)	Digitalisation of documents	3.61	-
	(ii) Associates				
	VCFBC	(i)	Management Fee	225.22	186.27
	SAGE Venture Fund	(i)	Management Fee	53.81	31.11
	VCFST	(i)	Management Fee	16.42	-
C	**Trust incorporated for CSR activity:**				
	IFCI Social Foundation	(i)	CSR contribution	-	16.05
D.	**Key Managerial Personnel : Managerial renumeration**				
	(i) Shri Shivendra Tomar - Managing Director (w.e.f 10 June 2020 - 3 April 2022)			-	-
	(ii) Shri V. Anish Babu - Managing Director (w.e.f 4th April 2022)			55.10	41.38
	(iii) Smt. Indu Gupta - Chief Financial Officer			41.06	37.01
	(iv) Rachit Tandon- Company Secretary			24.45	20.63
	Directors - sitting fees				
	(i) Smt Anjali Kaushik			-	0.61
	(ii) Shri Anil Kumar Bansal			-	0.73
	(iii) Shri Ravindra Nath			-	1.42
	(iv) Shri Arvind Kumar Jain			2.91	1.96
	(v) Shri Ajay Kumar Kapur			2.31	1.39
	(vi) Smt Tripti Somani			2.37	1.23
	(vii) Shri Gauri Shankar			1.08	-
E.	**Balance Outstanding with the related party during the period: -**				
	IFCI Ltd.	(i)	Payable to IFCI towards salary of employees deputed by IFCI	4.16	9.11
		(ii)	Interest accrued on Bonds - IFCI Ltd.	1,274.29	1,076.65
		(iii)	Bonds Subscribed & outstanding	1,000.00	1,000.00
		(iv)	IT Services from IFCI	2.76	2.76
		(v)	Receivable from IFCI towards salary of employee deputed to IFCI	-	11.96
		(vi)	Other Payable	1.33	-
	IFCI Factors Ltd. (IFL)	(i)	Payable to IFCI towards salary of employees deputed by IFCI	2.93	4.35
	VCFBC	(i)	Management Fees Receivable	6.19	4.85
	SAGE Venture Fund	(i)	Management Fees Receivable	-	-
	Total			**2,291.66**	**2,109.68**

F.	Key management personnel compensation		
	Short-term employee benefits	120.61	99.02
	Post-employment defined benefit	-	-
	Compensated absences	-	-
	Total Compensation	120.61	99.02

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 31st March 2024, rental expenses of ₹ 178.52 lakhs (31st March 2023: ₹ 179.92 lakhs) have been recognised in profit and loss statement.

41 Earnings per share (EPS)

		Units	As at 31st March, 2024	As at 31st March, 2023 (Restated)
(a)	Profit Computation for Equity shareholders			
	Net profit as per Statement of Profit & Loss	₹ in lakh	121.58	548.81
	Net profit for Equity Shareholders	₹ in lakh	121.58	548.81
(b)	Weighted Average Number of Equity Shares outstanding	Nos in lakh	603.71	603.71
	Earnings Per Share (Weighted Average)			
	Basic	₹	0.20	0.91
	Diluted	₹	0.20	0.91

*There are no potential equity shares outstanding as on 31st March 2024.

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, 2024 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 and they 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 31st March, 2024	For the Year ended 31st March, 2023 (Restated)
1	Venture Capital Fund for Scheduled Castes	1,096.22	1,049.35

d. **Segment Information**

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.

Particulars	For the Year ended 31st March, 2024			For the Year ended 31st March, 2023 (Restated)		
	Business segments		Total	Business segments		Total
	Financing Activity	Fund Management		Financing Activity	Fund Management	
Revenue	3,738.76	1,391.68	5,130.44	1,423.62	1,266.74	2,690.35
Inter-segment revenue	-	-	-	-	-	-
Total	**3,738.76**	**1,391.68**	**5,130.44**	**1,423.62**	**1,266.74**	**2,690.35**
Allocable Exp	7,632.31	843.16	8,475.47	2,870.49	738.34	3,608.83
Segment result	**(3,893.55)**	**548.52**	**(3,345.03)**	**(1,446.87)**	**528.39**	**(918.48)**
Unallocable expenses (net)	-	-	-	-	-	-
Operating income	**(3,893.55)**	**548.52**	**(3,345.03)**	**(1,446.87)**	**528.39**	**(918.48)**
Other income (net)	4,725.83	0.65	4,726.48	1,405.92	0.48	1,406.40
Profit before taxes	**832.28**	**549.17**	**1,381.45**	**(40.96)**	**528.87**	**487.92**
Tax expense			1,278.29			(53.93)
Net profit after Tax			**103.16**			**541.85**

Particulars	For the Year ended 31st March, 2024			For the Year ended 31st March, 2023 (Restated)		
	Business segments		Total	Business segments		Total
	Financing Activity	Fund Management		Financing Activity	Fund Management	
Segment assets	15,132.36	8.59	15,140.95	12,960.51	18.35	12,978.86
Unallocable assets	-	-	3,638.35	-	-	4,926.76
Total assets	**-**	**-**	**18,779.30**	**-**	**-**	**17,905.62**
Segment liabilities	18,171.93	-	18,171.93	17,780.48	-	17,780.48
Unallocable liabilities	-	-	607.37	-	-	125.14
Total liabilities			**18,779.30**			**17,905.62**
Other information						
Capital expenditure (allocable)		-	-		-	-
Capital expenditure (unallocable)	1.57	-	1.57	5.35	-	5.35
Depreciation and amortisation (allocable)	-	-	-	-	-	-
Depreciation and amortisation (unallocable)	4.59	-	4.59	10.76	-	10.76
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)

Particulars	As at 31st March, 2024		
	Note. No.	FVTPL	Amortised cost
Financial assets:			
Cash and cash equivalents	2	-	846.55
Bank balance other than above	3	-	5,812.09
Receivables	4	-	713.18
Loans	5	-	3,980.61
Investments	6	784.08	2,274.29
Other financial assets	7	-	39.18
		784.08	**13,665.90**
Financial liabilities:			
Trade payables	14	-	329.16
Debt securities	15	-	220.81
Borrowings (other than debt securities)		-	-
Other financial liabilities			
		-	**549.97**

(₹ in lakh)

Particulars	As at 31st March, 2023 (Restated)		
	Note. No.	FVTPL	Amortised cost
Financial assets:			
Cash and cash equivalents	2	-	461.19
Bank balance other than above	3	-	428.61
Receivables	4	-	43.64
Loans	5	-	7,641.07
Investments	6	811.14	2,076.65
Other financial assets	7	-	18.09
		811.14	**10,669.25**
Financial liabilities:			
Trade payables	14	-	38.64
Debt securities	15	-	220.75
Borrowings (other than debt securities)		-	-
Other financial liabilities			
		-	**259.39**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

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

(₹ in lakh)

As at 31st March, 2024	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments				
-Mutual Funds	72.05	-	-	72.05
-Equity Instruments-(Listed)	1.22	-	-	1.22
-Equity Instruments-(Non Listed)	-	-	47.88	47.88
-CCD/OCD/OCPS instruments	-	-	-	-
-Units of Venture Funds	-	-	662.93	662.93
	73.27	**-**	**710.81**	**784.08**

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

(₹ in lakh)

As at 31st March, 2024	Note. No.	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:						
Cash and cash equivalents	2	846.55	-	-	846.55	846.55
Bank balance other than above	3	5,812.09	-	-	5,812.09	5,812.09
Receivables	4	713.18	-	-	713.18	713.18
Loans	5	3,980.61	-	-	3,980.61	3,980.61
Investments	6	2,274.29	-	-	2,274.29	2,274.29
Other financial assets	7	39.18	-	-	39.18	39.18
		13,665.90	**-**	**-**	**13,665.90**	**13,665.90**
Financial liabilities:						
Trade payables	14	329.16	-	-	329.16	329.16
Debt securities	15	220.81	-	-	220.81	220.81
Borrowings (other than debt securities)		-	-	-	-	-
Other financial liabilities						
		549.97	**-**	**-**	**549.97**	**549.97**

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

(₹ in lakh)

As at 31st March, 2023 (Restated)	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments				
-Mutual Funds	43.19	-	-	43.19
-Equity Instruments-(Listed)	122.60	-	-	122.60
-Equity Instruments-(Non Listed)	-	-	47.88	47.88
-CCD/OCD/OCPS instruments	-	-	-	-
-Units of Venture Funds	-	-	597.47	597.47
	165.79	**-**	**645.35**	**811.14**

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

(₹ in lakh)

As at 31st March, 2023 (Restated)	Note. No.	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:						
Cash and cash equivalents	2	461.19	-	-	461.19	461.19
Bank balance other than above	3	428.61	-	-	428.61	428.61
Receivables	4	43.64	-	-	43.64	43.64
Loans	5	7,641.07	-	-	7,641.07	7,641.07
Investments	6	2,076.65	-	-	2,076.65	2,076.65
Other financial assets	7	18.09	-	-	18.09	18.09
		10,669.25	**-**	**-**	**10,669.25**	**10,669.25**
Financial liabilities:						
Trade payables	14	38.64	-	-	38.64	38.64
Debt securities	15	220.75	-	-	220.75	220.75
Borrowings (other than debt securities)	14	-	-	-	-	-
Other financial liabilities						
		259.39	**-**	**-**	**259.39**	**259.39**

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 beyon 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.846.55 lakh at 31st March 2024 (31st March 2023: Rs.461.19 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.8.59 lakh as on 31st March 2024, Rs.18.36 lakh as at 31st March 2023 Other Receivable stands at Rs.704.58 lakh as on 31st March 2024 Rs.25.28 lakh as at 31st March 2023.

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 31st March, 2024 and 31st March, 2023 (Paragraph 35H and 35I 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 / 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 2022 (a)	**2.25**	**-**	**12,617.12**	**-**	**-**	**12,619.37**
Add:						
Increase due to financial assets originated or acquired during the year ended 31 March 2023 (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)	2.25	-	-	-	-	**2.25**
Due to write off of loans (f)	-	-	1,185.89	-	-	**1,185.89**
Transfer from one category to another (g)	-	-	-	-	-	-
Change in ECL for other than Recovery on loans outstanding on 01 April 2022 and on 31 March 2023 (h) = (b + c + d - e - f - g)	**(2.25)**	**-**	**(1,185.89)**	**-**	**-**	**(1,188.13)**
ECL after increase / decrease on loans outstanding on 01 April 2022 and on 31 March 2023 (i) = (a + h)	**-**	**-**	**11,431.23**	**-**	**-**	**11,431.23**
Other Changes including changes in rating, changes in security value, recovery on regular basis etc. (j)	-	-	(121.92)	-	-	**(121.92)**
ECL as on 31 March 2023 (k) = (i) + (j)	**-**	**-**	**11,309.31**	**-**	**-**	**11,309.31**
Add:						
Increase due to financial assets originated or acquired during the year ended 31 March 2024 (l)	-	-	-	-	-	-
Due to Modification of Cash Flows (m)	-	-	-	-	-	-
Transfer from one category to another (n)	-	-	-	-	-	-
Less:						-
Decrease due to loans derecognised on full payment and no loan commitment (o)	-	-	-	-	-	-
Due to write off of loans (p)	-	-	3,830.48	-	-	**3,830.48**
Transfer from one category to another (q)	-	-	-	-	-	-

Change in ECL for other than Recovery on loans outstanding on 31 March 2023 and on 31 March 2024 (r) = (l + m + n - o - p - q)	**-**	**-**	**(3,830.48)**	**-**	**-**	**(3,830.48)**
ECL after increase / decrease on loans outstanding on 31 March 2023 and 31 March 2024 (s) = (k + r)	**-**	**-**	**7,478.83**	**-**	**-**	**7,478.83**
Other Changes including Recovery on regular basis for the year ended 31 March 2024 (t)	-	-	(784.59)	-	-	**(784.59)**
ECL as on 31 March 2024 (u) = (s) + (t)	**-**	**-**	**6,694.25**	**-**	**-**	**6,694.25**

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

Particulars	As on 31 March 2022 (A)	As on 31 March 2023 (B)	Impairment Loss / -Gain for the year ended 31 March 2023 (C) = (A) - (B)	As on 31 March 2024 (C)	Impairment Loss / -Gain for the year ended 31 March 2024 (D) = (C) - (B)
Maximum exposure to credit risk before considering collateral for financial assets subject to impairment as per ECL (a)	20,554.46	18,950.39	1,604.07	10,674.85	(8,275.53)
Present Value of Collateral net of present value of legal costs for financial assets subject to impairment as per ECL (b)	8,950.27	7,946.40	1,003.88	3,980.61	(3,965.79)
Maximum exposure to credit risk of financial assets on which no loss allowance has been recognised because of colllateral (c)	1,094.20	1,087.22	6.98	-	(1,087.22)
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)	2,109.39	1,392.54	716.84	-	(1,392.54)
Maximum exposure to credit risk before consdering collateral on financial assets on which loss allowance has been recognised (e) = (a) - (c)	19,460.26	17,863.17	1,597.09	10,674.85	(7,188.32)
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)	6,840.89	6,553.86	287.03	3,980.61	(2,573.25)
Total (g) = (e) - (f)	**12,619.37**	**11,309.31**	**1,310.06**	**6,694.25**	**(4,615.07)**

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)	2,825.27	1,185.89

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 2022 (a)	580.16	-	20,545.23	-	-	**21,125.39**
As on 31 March 2023 (b)	-	-	18,950.39	-	-	**18,950.39**
Increase / -Derease in Gross Exposure for the year ended 31 March 2023 (c) = (b) - (a)	**(580.16)**	**-**	**(1,594.84)**	**-**	**-**	**(2,175.00)**
As on 31 March 2024 (d)	-	-	10,674.85	-	-	**10,674.85**
Increase / -Derease in Gross Exposure for the year ended 31 March 2024 (e) = (d) - (b)	**-**	**-**	**(8,275.53)**	**-**	**-**	**(8,275.53)**

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, 2024)	Rs. 89.47 crores
Carrying amount of collateral obtained (31st March, 2023)	Rs. 177.80 crores
Carrying amount of collateral obtained (31st March, 2022)	Rs. 206.65 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.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial labilities 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, 2024	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	220.81	-	220.81	-	-	-
Issued loan commitments	-	-	-	-	-	-
TOTAL	**220.81**	**-**	**220.81**	**-**	**-**	**-**
Non-derivative financial assets						
Cash and cash equivalents	6,658.64	2,684.64	3,974.00	-	-	-
Loans and advances	3,980.61	-	-	-	-	3,980.61
Investment securities	3,058.37	1.22	2,274.29	72.05	-	710.81
TOTAL	**13,697.62**	**2,685.86**	**6,248.29**	**72.05**	**-**	**4,691.42**

As at 31st March, 2023 (Restated)	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	220.75	-	10.75	210.00	-	-
Issued loan commitments	-	-	-	-	-	-
TOTAL	**220.75**	**-**	**10.75**	**210.00**	**-**	**-**
Non-derivative financial assets						
Cash and cash equivalents	889.79	461.18	428.61	-	-	-
Loans and advances	7,641.07	-	-	-	-	7,641.07
Investment securities(incl. "Held for sale")	3,637.79	20.00	794.00	2,135.25	43.19	645.35
TOTAL	**12,168.66**	**481.18**	**1,222.61**	**2,135.25**	**43.19**	**8,286.42**

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:

Particulars	Note Ref	31 March 2024	31 March 2023
Fixed rate instruments			
Financial assets	5,6	7,038.98	10,528.86
Financial liabilities	15	220.81	220.75
Variable rate instruments		-	-
Financial assets		-	-
Financial liabilities		-	-

3 Currency risk

The functional currency of the Company is Indian Rupees (Rs).The Company is not exposed to foreign currency risk. Further, there is no Unhedged foreign currency exposure.

4 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	FY 2023-24	FY 2022-23
Investment in Mutual Funds and Equity shares	784.08	811.14

Sensitivity analysis

Particulars	FY 2023-24	FY 2022-23
Increase or decrease in price by 2%	15.68	16.22

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.

Refer Note 1 for objective and policies

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)

	Note Ref. No.	As at 31st March, 2024	As at 31st March, 2023 (Restated)
Common equity Tier I (CET1) capital			
Ordinary share capital	20	6,037.10	6,037.10
Share premium	21	4,747.90	4,747.90
Retained earnings	21	3,336.92	3,141.34
Other reserves (including u/s 45 IC of RBI Act)	21	3,222.70	3,296.69
Deductions:			
Intangible assets	11	-	-
Deferred tax other than temporary differnces	9	(3,629.25)	(4,914.64)
Adjustment of Bonds with Group Company		(902.75)	(845.81)
		12,812.60	11,462.57
Tier 2 capital instruments			
General Provision including provision for standard assets		-	-
		-	-
Total regulatory capital		12,812.60	11,462.57
Tier I capital		12,812.60	11,462.57
Risk weighted assets		7,229.76	11,058.48
CRAR (%)		177.22%	103.65%
CRAR -Tier I Capital (%)		177.22%	103.65%
CRAR -Tier II Capital (%)		0.00%	0.00%

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.

		As at 31st March, 2024			As at 31st March, 2023 (Restated)		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I.	**ASSETS**						
(1)	**Financial Assets**						
	(a) Cash and cash equivalents	846.55	-	846.55	461.19	-	461.19
	(b) Bank Balance other than (a) above	5,812.09	-	5,812.09	428.61	-	428.61
	(c) Derivative financial instruments	-	-	-	-	-	-
	(d) Receivables	701.62	11.56	713.18	32.03	11.61	43.64
	(e) Loans	-	3,980.61	3,980.61	-	7,641.07	7,641.07
	(f) Investments	2,275.51	782.86	3,058.37	64.00	2,823.79	2,887.79
	(g) Other Financial assets	14.55	24.63	39.18	-	18.09	18.09
	Total financial assets	**9,650.32**	**4,799.66**	**14,449.98**	**985.83**	**10,494.56**	**11,480.39**
(2)	**Non-financial Assets**						
	(a) Investment in subsidiaries	-	-	-	-	-	-
	(b) Equity accounted investees	-	-	-	-	-	-
	(c) Current tax assets (Net)	687.82	-	687.82	744.86	-	744.86
	(d) Deferred tax Assets (Net)	-	3,629.25	3,629.25	-	4,914.64	4,914.64
	(e) Investment Property	-	-	-	-	-	-
	(f) Property, Plant and Equipment		9.10	9.10		12.12	12.12

		As at 31st March, 2024			As at 31st March, 2023 (Restated)		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	(g) Capital work-in-progress	-	-	-	-	-	-
	(h) Other Intangible assets		0.00	0.00		0.00	0.00
	(i) Other non-financial assets	3.15	-	3.15	3.61	-	3.61
	Total non-financial assets	**690.98**	**3,638.35**	**4,329.33**	**748.47**	**4,926.76**	**5,675.24**
	Assets held for sale	-	-	-	750.00	-	750.00
	Total assets	**10,341.29**	**8,438.01**	**18,779.30**	**2,484.30**	**15,421.32**	**17,905.62**
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	329.16	-	329.16	38.64	-	38.64
	(b) Debt Securities	220.81	-	220.81	-	220.75	220.75
	(c) Borrowings (Other than Debt Securities)	-	-	-	-	-	-
	(d) Subordinated Liabilities	-	-	-	-	-	-
	(e) Other financial liabilities	-	-	-	-	-	-
	Total financial liabilities	**549.97**	**-**	**549.97**	**38.64**	**220.75**	**259.39**
(2)	**Non-Financial Liabilities**						
	(a) Current tax liabilities (Net)	-	-	-	-	-	-
	(a) Provisions	-	277.35	277.35	-	298.06	298.06
	(c) Deferred tax liabilities (Net)	-	-	-	-	-	-
	(b) Other non-financial liabilities	607.37	-	607.37	125.14	-	125.14
	Total non-financial liabilities	**607.37**	**277.35**	**884.72**	**125.14**	**298.06**	**423.20**
	Total Liabilities	**1,157.34**	**277.35**	**1,434.69**	**163.79**	**518.81**	**682.59**
	Net	**9,183.95**	**8,160.66**	**17,344.61**	**2,320.51**	**14,902.51**	**17,223.03**

RBI DISCLOSURES

NOTE-48 A

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

(a) Capital :

(₹ in lakh)

Particulars		As on 31/03/2024	As on 31/03/2023
Capital			
(a)	Capital to Risk Assets Ratio (CRAR)	177.22%	103.65%
(b)	CRAR – Tier I capital (%)	177.22%	103.65%
(c)	CRAR – Tier II capital (%)	0.00%	0.00%
(d)	Subordinated debt raised, outstanding as Tier II Capital (Rs.)	NIL	NIL
(e)	Risk-weighted assets (Rs.):		
	(i) On-Balance Sheet Items	6871.22	10,495.98
	(ii) Off-Balance Sheet Items	358.54	562.50

(b) Details of investment and movement in provision

(₹ in lakh)

Particulars		As on 31/03/2024	As on 31/03/2023
Value of Investment			
Gross Value of Investments		2,668.31	3997.69
Provisions for Depreciation		(390.06)	(359.88)
Net Value of Investments		3,058.37	3,637.81
Movement of prov. held towards dep. on investments			
(i)	Opening balance	(359.88)	(245.04)
(ii)	Add : Provisions made during the year	(30.18)	
(iii)	Less : Write-off /write-back of excess prov. during the year		114.84
(iv)	Closing balance	(390.06)	(359.88)

(c) Maturity Pattern of assets and liabilities

(₹ in lakh)

As on	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	-	-	-	-	220.81	-	-	-	220.81
Total	**-**	**-**	**-**	**-**	**220.81**	**-**	**-**	**-**	**220.81**
Assets									
Advances	-	-	-	-	-	-	-	3980.61	3980.61
Investments (incl held for sale)	-	-	-	1.22	2274.29	72.05	-	710.81	3,058.37
Total	**-**	**-**	**-**	**1.22**	**2274.29**	**72.05**	**-**	**4,691.42**	**7038.98**

(d) Exposures : Exposure to Real Estate Sector

(₹ in lakh)

Category			As on 31/03/2024	As on 31/03/2023
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	1,333.33	1,333.33
	(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	972.22	972.22
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures: a) Residential b) Commercial Real Estate	Nil	Nil
b)	Indirect Exposure			
	(i)	Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	Nil	Nil
		Total Exposure to Real Estate Sector	**2305.55**	**2305.55**

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

(₹ in lakh)

Particulars	As on 31/03/2024		As on 31/03/2023	
	O/s	Overdue	O/s	Overdue
(a) Bank Loans	--	--	--	--
(b) Bonds	220.81	--	220.75	--
TOTAL	**220.81**	**--**	**220.75**	**--**

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 31/03/2024	As on 31/03/2023
Provision for depreciation on Investment*	-	-
Provision towards NPA	6,694.25	11,297.91
General Provision for COVID-19	-	-
Provision for Standard Assets	-	-
Provision for Reversal of Interest on Interest	-	-
Provision for Re-structured Standard Assets	-	-
Provision for Employee Benefits	277.35	298.06

*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 31/03/2024	As on 31/03/2023
Total Advances to twenty largest borrowers	10,317.19	13,308.23
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 31/03/2024	As on 31/03/2023
Total Exposure to twenty largest borrowers / customers	10,317.19	13,308.23
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 31/03/2024	As on 31/03/2023
Total Exposure to top four NPA accounts	6,111.17	6,952.21

(h) Sector-wise NPAs

₹ in lakh)

Sl. No.	Sector	Percentage of NPAs to Total Advances in that Sector	
		As on 31/03/2024	As on 31/03/2023
1	Agriculture & allied activities	Nil	Nil
2	MSME	Nil	Nil
3	Corporate borrowers	100.00%	100.00%
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 31/03/2024	As on 31/03/2023
(i)	Net NPAs to Net Advances (%)		100.00%	91.34%
(ii)	**Movement of NPAs (Gross)**			
	(a)	Opening balance	13,308.23	14,777.50
	(b)	Additions during the year	-	-
	(c)	Reductions/write-offs during the year	2,991.04	1,469.27
	(d)	Closing balance	10,317.19	13,308.23
(iii)	**Movement of NPAs (Net)**			
	(a)	Opening balance	5,681.39	5,921.30

Particulars			As on 31/03/2024	As on 31/03/2023
	(b)	Additions during the year	-	-
	(c)	Reductions/write-offs during the year	1864.80	239.91
	(d)	Closing balance	3,816.58	5,681.39
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**			
	(a)	Opening balance	7,626.85	8,856.21
	(b)	Provisions made during the year	-	56.26
	(c)	Write-off / write-back of excess provisions	1,126.24	1,285.62
	(d)	Closing balance	6,500.61	7,626.85

(j) Details of Loan Assets subjected to Restructuring : NIL

(k) Details of Borrower Limit-Single & Group exceeded by the NBFC because of Gross Exposure: NIL

(l) Disclosure of restructured assets

Type of restructuring		Other			
Asset classification		**Standard**	**Sub standard**	**Doubtful**	**Loss**
Restructured accounts as on April 1, 2023	No. of borrowers	-	-	1	-
	Amount outstanding	-	-	1,527.83	-
	Provision thereon	-	-	954.47	-
Fresh restructuring during FY 2023-24	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Upgradations to restructured standard category during FY 23-24	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-		-	-
Restructured standard advances which cease to attract higher prov. 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	-	-	14.98	-
Restructured accounts as on March 31, 2024	No. of borrowers	-	-	1.00	-
	Amount outstanding	-	-	1,527.83	-
	Provision thereon	-	-	969.45	-

*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	2978.74	3400.20
(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	972.22	972.22
(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)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
(ix)	Financing to stockbrokers for margin trading	Nil	Nil
(x)	All exposures to Alternative Investment Funds Category II	662.93	597.47
Total exposure to capital market		**4,613.89**	**4,969.89**

(n) Schedule to the Balance Sheet of a NBFC

(₹ in lakh)

Particulars						
Liability Side			**31/03/2024**		**31/03/2023**	
(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	220.81		220.75	
		:Unsecured	-		-	
		(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

Particulars						
Liability Side			**31/03/2024**		**31/03/2023**	
Assets						
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:					
	(a)	Secured	8,864.12		14,180.61	
	(b)	Unsecured	1,810.73		4,769.78	
(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	--		2.89	
		(b) Preference				
		(ii) Debentures and Bonds	--		747.11	
		(iii) Units of Mutual Funds	-		-	--
		(iv) Government Securities				--
		(v) Other				--
	Long Term Investments					
	1.	Quoted				
		(i) Shares	1.22		122.60	--
		(ii) Debentures and Bonds	2,274.29		2,076.65	--
	2.	Unquoted				
		(i) Shares				
		(a) Equity	47.88	-	47.88	-
		(b) Preference	-	-	-	-
		(ii) Debentures and Bonds	-	-	-	-
		(iii) Units of Mutual Funds	-	-	-	-
		(iv) Government Securities	-	-	-	-
		(v) Units of Venture Funds	662.93	-	597.47	-
(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	10,317.19		13,308.23	
	Total		10,317.19		13,308.23	
(7)	**Investor group wise classification of all investments (Current & Long term) in shares and securities (both Quoted & Unquoted)**					
			31/03/2024		**31/03/2023**	
	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	2,274.29	-	2,076.65	-
		(c) Other related parties	-	-	-	-

Particulars						
Liability Side			**31/03/2024**		**31/03/2023**	
	2.	Other than related parties	784.08	-	1,561.14	
	Total		**3,058.37**		**3,637.79**	**-**
(8)	**Other Information**					
	Particulars		**31/03/2024**		**31/03/2023**	
	(i)	Gross NPA				
		(a) Related parties				
		(b) Other than related parties	10,317.19		13,308.23	
	(ii)	Net NPA				
		(a) Related parties				
		(b) Other than related parties	3,816.58		5,681.38	
	(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	**31/03/2024**	**31/03/2023**
CARE	CARE BB; Negative (Double B; Outlook: Negative)	CARE BB; Negative (Double B; Outlook: Negative)
Brickwork	BWR B+/ Negative	BWR B+/ Negative (Downgraded with change in outlook from Stable to Negative)

p) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No		**Particulars**	**Current Year**	**Previous Year**
		Complaints received by the NBFC from its customers		
1.		Number of complaints pending at beginning of the year		
2.		Number of complaints received during the year		
3.		Number of complaints disposed during the year		
	3.1	Of which, number of complaints rejected by the NBFC		
4.		Number of complaints pending at the end of the year		
		Maintainable complaints received by the NBFC from Office of Ombudsman		
5.*		Number of maintainable complaints received by the NBFC from Office of Ombudsman	Nil	
	5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman		
	5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman		
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC		
6.*		Number of Awards unimplemented within the stipulated time (other than those appealed)		

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.
** It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021*

2) Top five grounds[2] of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	Current Year				
Ground - 1	Nil				
Ground - 2					
Ground - 3					
Ground - 4					
Ground - 5					
Others					
Total					
	Previous Year				
Ground - 1	Nil				
Ground - 2					
Ground - 3					
Ground - 4					
Ground - 5					
Others					
Total					

2 The list of grounds of complaints given below are indicative only.

1. Credit Cards	2. Difficulty in operation of accounts	3. Mis-selling	4. Recovery Agents/ Direct Sales Agents
5. Loans and advances	6. Levy of charges without prior notice/ excessive charges/ foreclosure charges	7. Non-observance of fair practices code	8. Staff behaviour
9. Facilities for customers visiting the office/ adherence to prescribed working hours, etc.	10. Others		

Note 48 q) Sectoral Exposure

	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakh)	Gross NPAs (₹ Lakh)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ Lakh)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities						
2. Industry						
(i) Auto Ancillaries	-	-		-	-	
(ii) Infrastructure	5,046.80	5,046.80	100%	5,046.80	5,046.80	100%
(iii) Miscellaneous	964.83	964.83	100%	3,055.88	3,055.88	100%
(iv) Power	2,000.00	2,000.00	100%	2,000.00	2,000.00	100%
(v) Real Estate	2,305.56	2,305.56	100%	2,305.56	2,305.56	100%
(vi) Textiles	-	-		900.00	900.00	100%
Total of Industry (i+ii+iii+iv+v+vi)	**10,317.19**	**10,317.19**	**100%**	**13,308.23**	**13,308.23**	**100%**
3. Services						
4. Personal Loans						
5. Others, if any (please specify)						

Note:

i. The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.

ii. In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

Note 48 r) Intra-group exposures

Particulars	**Current Year**	**Previous Year**
Total amount of intra-group exposures	-	-
Total amount of top 20 intra-group exposures	-	-
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-

Note: No Loan and Advances given to intragroup

Note 48 s) Related Party Disclosure

(₹ in lakh)

Related Party / Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel@		Relatives of Key Management Personnel@		Others*		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous Year	Current year	Previous year
Borrowings#													-	-
Deposits#													-	-
Placement of deposits#													-	-
Advances#													-	-
Investments#	2,274.29	2,076.65											2,274.29	2,076.65
"Purchase of fixed/other assets"													-	-
Sale of fixed/other assets													-	-
Interest paid	-												-	-
Interest received	-	-											-	-
Rent & Maintenance expenses	165.98	167.10											165.98	167.10
Salaries expense for employees deputed	98.29	59.19			70.17	27.65							168.45	86.85
IT Services expense	17.50	17.50											17.50	17.50
Interest accrued on Bonds subscribed Receivable	197.64	178.43											197.64	178.43
Salaries income for employee deputed	43.41	18.79											43.41	18.79
Brokerage/ Professional Expenses					0.12	0.43							0.12	0.43
Salary Expenses							120.61	99.02					120.61	99.02
Management Fees Income	-	-			295.46	217.38							295.46	217.38
Other expenses	1.38	1.14			3.61	-							5.00	1.14

Note 48B

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
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Subtotal		-	-	-	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	972.22	570.76	401.46	291.67	279.10
More than 3 years	Stage 3	9,702.63	6,123.48	3,579.15	5,577.85	545.63
Subtotal for doubtful		**10,674.85**	**6,694.25**	**3,980.61**	**5,869.52**	**824.73**
Loss	Stage 3	-	-	-	-	
Subtotal for NPA		**10,674.85**	**6,694.25**	**3,980.61**	**5,869.52**	**824.73**
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**	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	10,674.85	6,694.25	3,980.61	5,869.52	824.73
	Total	**10,674.85**	**6,694.25**	**3,980.61**	**5,869.52**	**824.73**

49. Disclosure in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Ratios	As at 31st March, 2024	As at 31st March, 2023 (Restated)
Debt Equity Ratio(Times)	0.01	0.01
Capital redemption Reserve / DRR	N/A	N/A
Debt Service Coverage Ratio	N/A	N/A
Interest Service Coverage Ratio	N/A	N/A
Net Worth (Rs. in Lakh)	17,344.61	17,223.03
Net Profit After Tax	103.16	541.85
Earnings Per Share (EPS)	0.20	0.91
Current ratio	13.40	24.15
Long term debt to working capital;	N/A	N/A
Bad debts to Account receivable ratio	N/A	N/A
Current liability ratio;	0.60	0.15
Total debts to total assets;	0.03	0.01
Debtors turnover;	N/A	N/A
Inventory turnover;	N/A	N/A
Operating margin (%);	N/A	N/A
Net profit margin (%);	1.23%	13.40%
Sector specific equivalent ratios,	-	-
Capital Adequacy Ratio	1.77	1.04
NPA Ratios	-	-
a) Gross NPA/Net NPA(Times)	2.68	2.48
b) % of Gross NPA/Net NPA	268.17%	248.01%
c) Return on Assets (PBT/Total Assets)	0.07	0.03

50. The Cut off date for event after reposting period is considered as 15th April 2024 in prepration of these financial statement.

51. Figures of the previous year have been regrouped/rearranged wherever necessary, in order to make them comparable.

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

Sd/-
G L Agrawal
Partner
M. No. 087454

Place : New Delhi
Date: April 22, 2024

Sd/-
Prasoon
Director
(DIN:03599426)

Sd/-
V. Anish Babu
Managing Director
(DIN:02830575)

Sd/-
Indu Gupta
Chief Financial Officer

Sd/-
Rachit Tandon
Company Secretary

Registered Office

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

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