IFCI LIMITED
आई एफ सी आई लिमिटेड
(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

No. IFCI/CS/2019- 411

May 21, 2019

BSE Limited
Department of Corporate Services
Phiroze JeeJeebhoy Tower
Dalal Street, Fort
Mumbai – 400 001

CODE: 500106

Dear Sir/Madam,

Re: Outcome of the Board Meeting held on May 21, 2019.

Pursuant to the provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Audited Standalone and Consolidated Financial Results of the Company for the Quarter and Year ended March 31, 2019 along with the Auditor's Report and Statement of Assets and Liability enclosed as **Annexure - I**.

Further, in pursuant to the SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016, a Statement on Impact of Audit Qualifications for the Standalone and Consolidated Financial Results respectively is enclosed at **Annexure - II**.

Thanking You

Yours faithfully
For IFCI Limited

(**Rupa Sarkar**)
Company Secretary

Encls: As above

आई एफ सी आई लिमिटेड
पंजीकृत कार्यालय:
आईएफसीआई टावर, 61 नेहरु प्लेस, नई दिल्ली – 110 019
दूरभाष: +91-11-4173 2000, 4179 2800
फैक्स: +91-11-2623 0201, 2648 8471
वेबसाइट: www.ifciltd.com
सीआईएन: L74899DL1993GOI053677

1948 से राष्ट्र के विकास में

IFCI Limited
Regd. Office:
IFCI Tower, 61 Nehru Place, New Delhi - 110 019
Phone: +91-4173 2000, 4179 2800
Fax: +91-11-2623 0201, 2648 8471
Website: www.ifciltd.com
CIN: L74899DL1993GOI053677

In Development of the Nation since 1948

IFCI
LIMITED
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(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

No. IFCI/CS/2019- 412

May 21, 2019

The National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G Block, Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051

CODE: IFCI

Dear Sir/Madam,

Re: Outcome of the Board Meeting held on May 21, 2019.

Pursuant to the provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Audited Standalone and Consolidated Financial Results of the Company for the Quarter and Year ended March 31, 2019 along with the Auditor's Report and Statement of Assets and Liability enclosed as **Annexure - I**.

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Thanking You

Yours faithfully
For IFCI Limited

रूपा सरकार

(Rupa Sarkar)
Company Secretary

Encls: As above

Annexure - I .

IFCI LTD.
CIN: L74899DL1993GOI053677
REGD. OFFICE : IFCI TOWER
61, NEHRU PLACE, NEW DELHI – 110 019
WEBSITE: www.ifciltd.com

AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

		Particulars	Standalone Results					Consolidated Results	
			Quarter ended 31/03/19 (Unaudited)	Quarter ended 31/12/18 (Unaudited)	Quarter ended 31/03/18 (Unaudited)	Year ended 31/03/19 (Audited)	Year ended 31/03/18 (Audited)	Year ended 31/03/19 (Audited)	Year ended 31/03/18 (Audited)
PART I		(STATEMENT OF AUDITED RESULTS FOR THE YEAR ENDED MARCH 31, 2019)							
1		Revenue from operations							
	a)	Interest Income	43,238	60,430	97,098	2,06,325	2,61,249	2,19,972	2,77,859
	b)	Dividend Income	637	1,164	239	3,914	5,846	7,018	9,238
	c)	Rental Income	846	798	1,461	3,208	3,768	2,559	3,190
	d)	Fees and commission Income	674	474	237	2,276	1,947	3,104	2,930
	e)	Net gain on fair value changes	-	-	20,118	-	71,948	-	61,725
	f)	Sale of products (including Excise Duty)						1,490	2,339
	g)	Sale of services						48,003	48,477
	h)	Other operating revenue (Delayed Payment interest)						-	-
		Total Revenue from operations	**45,395**	**62,866**	**1,19,153**	**2,15,723**	**3,44,758**	**2,82,146**	**4,05,758**
	i)	Other Income	2,006	(3,936)	24,498	30,897	29,241	31,303	30,400
		Total Income	**47,401**	**58,930**	**1,43,651**	**2,46,620**	**3,73,999**	**3,13,449**	**4,36,158**
2		Expenses							
	a)	Finance costs	40,598	43,165	48,364	1,75,614	2,07,430	1,80,270	2,14,446
	b)	Fees and commission expense	-		-	-	-	4,919	6,146
	c)	Net loss on fair value changes	(10,362)	11,637	-	11,281	-	13,247	-
	d)	Impairment on financial instruments	7,648	13,574	(72,225)	1,08,483	93,436	1,14,632	1,00,945
	e)	Cost of materials consumed						4,863	2,172
	f)	Purchases of Stock-in-trade						1,436	2,294
	g)	Employee Benefits Expenses	4,348	2,290	4,635	11,212	10,919	29,341	29,520
	h)	Depreciation and Amortization	808	819	839	3,281	3,365	6,346	6,252
	i)	Others expenses	2,731	799	5,564	5,878	8,823	27,793	30,333
		Total expenses	**45,771**	**72,284**	**(12,823)**	**3,15,749**	**3,23,973**	**3,82,847**	**3,92,108**
3		**Profit/ (loss) before exceptional and tax (1-2)**	**1,630**	**(13,354)**	**1,56,474**	**(69,129)**	**50,025**	**(69,398)**	**44,050**
4		Exceptional items				-	-	166	168
5		**Profit/ (loss) before tax (3-4)**	**1,630**	**(13,354)**	**1,56,474**	**(69,129)**	**50,025**	**(69,564)**	**43,882**
6		Tax expense							
	a)	Income tax	(639)	-	1,053	(639)	1,049	(96)	3,575
	b)	Taxation for earlier years	330	187	-	-	-	(26)	(24)
	c)	Deferred Tax (Net)	5,705	(8,656)	52,319	(24,107)	2,139	(21,843)	(1,312)
		Tax expense [4(a) to 4(c)]	5,396	(8,469)	53,372	(24,746)	3,188	(21,965)	2,239
7		**Profit/(loss) for the period from continuing operations (5-6)**	**(3,766)**	**(4,885)**	**1,03,102**	**(44,383)**	**46,837**	**(47,599)**	**41,643**
8		Profit/(loss) for the period from discontinuing operations				-	-	-	-
9		Tax expense of discontinuing operations				-	-	-	-
10		**Profit/(loss) for the period from discontinuing operations (after tax) (8-9)**	-	-	-	-	-	-	-
11		**Share of net profit of associates and joint ventures**							**151**
11		**Profit/(loss) for the period (7+10)**	**(3,766)**	**(4,885)**	**1,03,102**	**(44,383)**	**46,837**	**(47,599)**	**41,794**
12		Other Comprehensive Income							
	a)	**Items that will not be reclassified to profit or loss**							
		-Fair value changes on FVTOCI - Equity securities	3,737	(3,059)	(36,042)	1,440	(37,175)	3,800	64,760
		-Gain/(loss) on sale of FVTOCI - Equity securities	(2,734)	-	(90)	(11,771)	(90)	(11,771)	(90)
		-Actuarial gain/(loss) on Defined benefit obligation	5,010	(165)	293	5,039	297	4,992	351
		Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-		
		-Tax on Fair value changes on FVTOCI - Equity securities	2,818	1,019	12,652	4,193	14,378	3,252	(9,191)
		-Tax on Actuarial gain/(loss) on Defined benefit obligation	(1,761)		(104)	(1,761)	(104)	(1,778)	(135)
	b)	**Items that will be reclassified to profit or loss**	-	-	-	-	-		
		-Debt securities measured at FVTOCI - reclassified to profit and loss			(4,857)	(35,00)	(4,857)		
		-Fair value changes on FVTOCI - Debt securities	(1,149)	1,725	3,109	(1,617)	2,208	(1,617)	2,208
		-Debt securities measured at FVTOCI - reclassified to profit and loss						(51)	(4,857)

		- Exchange differences in translating the financial statements of a foreign operation							
		Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-		
		-Tax on Fair value changes on FVTOCI - Debt securities	414	(603)	594	577	906	577	906
	Other comprehensive income / (loss) (net of tax)		6,335	(1083)	(24,445)	(3,935)	(24,437)	(2,596)	53,952
13	Total comprehensive income / (loss) (after tax) (11+12)		2,569	(5,968)	78,657	(48,318)	22,400	(50,196)	95,746
14	Paid-up equity share capital (Face Value of ₹ 10/- each)		1,69,599	1,69,599	1,69,599	1,69,599	1,69,599	1,69,599	1,69,599
15	Earnings per share (not annualised for the interim periods):								
	(a)	Basic (₹)	(0.22)	(0.29)	6.08	(2.62)	2.76	(2.81)	2.46
	(b)	Diluted (₹)	(0.22)	(0.29)	6.08	(2.62)	2.76	(2.81)	2.46

PART II (STATEMENT OF ASSETS & LIABILITIES)

(₹ in Lakhs)

Particulars		Standalone		Consolidated	
		As at 31/03/19 (Audited)	As at 31/03/18 (Audited)	As at 31/03/19 (Audited)	As at 31/03/18 (Audited)
I.	ASSETS				
(1)	Financial Assets				
	(a) Cash and cash equivalents	39,554	19,271	72,925	54,315
	(b) Bank Balance other than (a) above	54,421	67,403	93,895	1,07,872
	(c) Derivative financial instruments	1,466	2,093	1,466	2,093
	(d) Receivables	280	1,505	17,514	13,751
	(e) Loans	13,10,949	15,84,485	13,71,352	16,65,271
	(f) Investments	3,46,095	5,32,372	5,58,009	7,35,014
	(g) Other Financial assets	15,981	18,787	92,058	78,561
	Sub-total -Financial Assets	**17,68,746**	**22,25,916**	**22,07,220**	**26,56,878**
(2)	Non-financial Assets				
	(a) Investment in subsidiaries	1,36,781	1,36,178	-	-
	(b) Equity accounted investees	-	4	-	1,286
	Inventories			15,505	19,829
	(c) Current tax assets (Net)	12,668	5,418	20,817	11,418
	(d) Deferred tax Assets (Net)	2,09,391	1,81,758	1,76,782	1,52,469
	(e) Investment property	19,337	19,828	20,958	21,721
	(e) Property, Plant and Equipment	72,470	73,103	1,04,035	1,05,030
	(f) Capital work-in-progress	-	31	120	250
	(g) Other Intangible assets	165	199	451	642
	intangible asset under development			6	-
	Goodwill			44,664	44,664
	(i) Other non-financial assets	1,451	819	7,863	8,371
	Sub-total - Non-financial Assets	4,52,263	4,17,338	3,91,200	3,65,681
	(h) Assets held for sale	4,546	57,199	5,794	57,199
	Total Assets	**22,25,555**	**27,00,453**	**26,04,214**	**30,79,758**
II.	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	Financial Liabilities				
	(a) Trade Payables				
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	2,399	2,436
	(ii) total outstanding dues of creditors other than micro enterprises and	10,727	9,139	22,929	17,187
	Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises				
	(ii) total outstanding dues of creditors other than micro enterprises and			12,640	10,081
	(b) Debt Securities	9,22,679	9,60,528	9,33,196	9,73,073
	(c) Borrowings (Other than Debt Securities)	5,55,371	9,01,812	5,74,899	9,41,955
	(d) Subordinated Liabilities	1,31,330	1,51,456	1,31,330	1,51,456
	(e) Other financial liabilities	1,74,471	1,81,485	2,61,032	2,48,850
	Sub-total -Financial Liabilities	**17,94,578**	**22,04,420**	**19,38,426**	**23,45,038**
(2)	Non-Financial Liabilities				
	(a) Current tax liabilities (Net)				181
	(a) Provisions	8,308	24,035	14,156	29,807
	(c) Deferred tax liabilities (Net)	-	-	-	-
	(b) Other non-financial liabilities	139	171	4,886	5,888
	Sub-total -Financial Liabilities	**8,447**	**24,206**	**19,042**	**35,876**
(3)	Equity				
	(a) Equity Share capital	1,69,599	1,69,599	1,69,599	1,69,599
	(b) Other Equity	2,52,931	3,02,228	3,66,068	4,19,294
	Non controlling interest			1,11,079	1,09,951
	Sub-total -Equity	**4,22,530**	**4,71,827**	**6,46,746**	**6,98,844**
	Total Liabilities and Equity	**22,25,555**	**27,00,453**	**26,04,214**	**30,79,758**

Notes:

1 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder, guidelines issued by the Reserve Bank of India (The RBI') and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been adjusted in the opening reserves as at 1 April 2017 and the corresponding adjustments pertaining to comparative previous period/quarter as presented in these financial results have been restated/reclassified in order to conform to current period presentation.

2 In compliance with Regulation 33 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, a statutory audit of financial results for the year ended 31 March 2019 has been carried out by the Statutory Auditors, M/s KPMR & Associates, Chartered Accountants, New Delhi.

As permitted under circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by SEBI, the Company has opted to avail exemption from submission of Ind AS compliant financial results for the previous year ended 31 March 2018.

3 As required by paragraph 32 of Ind AS 101, the net profit and equity reconciliation between the figures previously reported under Previous GAAP and restated as per Ind AS for period ended 31 March 2018 is as under:

	Particulars	Quarter ended 31/03/18	Year ended 31/03/18
Net Profit after tax as reported under previous GAAP		(56,688)	(1,00,875)
Adjustments resulting in increase/(decrease) in net profit after tax as reported under previous GAAP :			
i)	Adjustment on account of expected credit loss	1,76,380	1,58,301
ii)	Adjustment on account of measurement of financial assets and financial liabilities at amortised cost by application of effective interest rate method / net interest on credit impaired loans	38,501	36,560
iii)	Fair valuation of financial assets at fair value through profit and loss	35,528	35,662
iv)	Adjustment on account of reversal of impairment loss on assets held for sale	(4,987)	(4,540)
vi)	Others	(380)	47
vii)	Tax impact on above adjustments	(84,961)	(78,023)
Profit after tax as reported under Ind AS		**1,03,100**	**46,835**
Other comprehensive income /(loss) (net of tax)		(24,444)	(24,435)
Total comprehensive income (after tax) as reported under Ind AS		**78,657**	**22,400**

	Particulars	Year ended 31/03/18
Equity as reported under Indian GAAP		3,85,914
Adjustments resulting in increase/(decrease) in equity as reported under previous GAAP :		
i)	Adjustment on account of expected credit loss	(2,95,654)
ii)	Adjustment on account of measurement of financial assets and financial liabilities at amortised cost by application of effective interest rate method / net interest on credit impaired loans	84,075
iii)	Fair valuation of financial assets at fair value through profit and loss	1,56,733
iv)	Adjustment on account of reversal of impairment loss on assets held for sale	(30,603)
vi)	Error under provident fund on account of treating the same as defined contribution plan	(4,515)
vii)	Impact on deemed equity on account of preferential rate borrowings	52,852
viii	Fair valuation of investment	(48,758)
x)	Others	105
xi)	Tax impact on above adjustments	2,079
Equity under Ind AS		3,02,228

4 These financial results have been prepared as per Schedule III Division III of the Companies Act, 2013 which has been notified by the Ministry of Corporate Affairs and published in the official Gazette on 11th October 2018. Any application guidance/ clarifications/ directions issued by RBI or other regulators will be implemented as and when they are issued/ applicable.

5 The Company has sanctioned a loan of Rs.100 crore (outstanding Rs.95.90 crore as at March 31, 2019) in a road project for widening of 4 lane highway into 6 lane, as a part of consortium finance. The project could not be completed within the original stipulated time and within three further extensions granted by the consortium of lenders. As per Independent Engineer appointed by NHAI, overall physical progress of the project is 91% upto March, 2019. NHAI vide letter dated January 11, 2019 has clarified that Appointed Date of the project has already been given as October 16, 2012 and Commercial Operations Date (COD) shall be from the Appointed Date. Accordingly, toll collection has already started from October 16, 2012 and the account is standard as per the record of recovery. It has been confirmed by the Lead Bank and all other members of the Consortium that this account has been classified as 'Standard Account' in their respective books of accounts as at March 31, 2019. Considering the overall status of the project and record of recovery, the account has been kept as 'Standard Restructured Account' and classified under Stage-2 and impairment allowance as per ECL has been applied accordingly.

6 The loan account of Jai Prakash Associates has been restructured as per the scheme approved by the consortium of lenders. As per the scheme of restructuring, a portion of overall debt (IFCI share – Rs.235.61 crore) alongwith identified portfolio of real estate assets, is to be transferred to an Special Purpose Vehicle (SPV) which will issue 9.5% Optionally Convertible Debenture (OCDs) in lieu of the debt and the proceeds from the real estate portfolio will be utilized towards servicing of these OCDs. However, pending approval of the demerger plan from National Company Law Tribunal (NCLT), the process of transfer of debt and real estate assets to the SPV is not yet completed. The Company has classified the entire outstanding of Rs.367.19 crore as Stage-3 asset and impairment allowance for ECL has been applied accordingly. As the debt of the SPV shall be backed by real estate assets having sufficient security cover, provision has been made by the Company as per uniformly applied accounting policy for ECL to the entire portfolio for Stage 3 assets.

7 IFCI is carrying the investment in subsidiary companies at cost net of impairment loss (if any) and opted for one time exemption under IndAS 101 for deemed cost being the carrying value of investment as at transition date i.e. April 1, 2017. As on March 31, 2019, the Company had investment in 27,41,54,700 no. of shares in its subsidiary, IFCI Factors Ltd. (IFL), comprising of 19,91,54,700 no. of equity shares and 7,50,00,000 no. compulsorily convertible preference shares (CCPS). There being indications of impairment in these investments, the company got the shares of IFL fair valued by an external expert valuer, registered as Category-I merchant banker, per which, the fair value of investments in shares of IFL was determined at Rs.171.81 crore using the generally accepted valuation methodologies, in line with Indian Accounting Standards and accordingly, the resultant impairment loss has been charged in the books of account.

8 RBI vide letter dated November 20, 2017 allowed the lenders to continue to retain loan exposure to Ratnagari Gas and Power Private Limited (RGPPL) as standard asset upto March 31, 2018; subject to certain conditions. In the aforementioned letter, RBI further clarified that "if the restructuring is not completed by March 31, 2018; the account should be downgraded on March 31, 2018 with retrospective effect." As the account was restructured by March 31, 2018; the management is of the view that no further clarification is required from RBI and accordingly, for the purpose of classification under RBI Guidelines, the account has been treated as 'Standard Restructured Asset' and disclosed accordingly. For the purpose of classification under Ind-AS, the account has been classified under Stage-3 and impairment allowance for ECL has been applied accordingly

9 Stockholding Corporation of India Ltd. (SHCIL) had during the year 2000-01 undertaken a transaction of ₹ 24.45 crore with a client through the Calcutta Stock Exchange (CSE) under the 'Cash on Payout' scheme for the sale of 7,20,000 equity shares of DSQ Industries Limited. The said transaction was confirmed by CSE based on which post-dated cheques were issued. The cheques were stopped for payment before their due date by the Company as the underlying trade transaction was contended to be non-bonafide and disallowed by CSE. A Bank, which had granted financial assistance against the said cheques, issued a notice of demand against the Company under Section 138 of the Negotiable Instrument Act, 1881. The Bank also filed an application in the Debt Recovery Tribunal (DRT) for recovery of the amount alongwith compound interest from the Company and the client. The Company disputed the claim of the Bank. The Bank's application to the DRT was dismissed and only the client was held liable. The Bank and the client had filed an appeal in the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT. The appeals were allowed vide the DRAT order dated September 23, 2011, which stated that the amount would carry compound interest from 1st August 2001 @ 19% p.a. with quarterly rests till realisation and the Bank was entitled to realize the sum from both the client and the Company. The Company filed a Revision Application in High Court, Calcutta on November 30, 2011 which was admitted but no interim relief was granted. Hence, the Company filed a Special Leave Petition (SLP) in the Supreme Court for stay of the High Court Order for not granting interim relief of staying the DRAT order, the Order of the DRAT and the recovery certificate and notice of demand issued by Presiding Officer and recovery officer of DRT respectively. The Supreme Court vide its order dated April 23, 2012 granted stay on the recovery proceedings and requested the Calcutta High Court to dispose off the Revision Application within a period of four months and the Company to deposit ₹ 30.00 crore with the Calcutta High Court Registry within a period of 4 weeks from the date of order by way of a short term deposit in a nationalised bank. Accordingly, the Company had deposited the money with the Calcutta High Court, Registry. The Revision application was dismissed. The Company filed Special Leave Petition (SLP) in the Supreme Court in May 2015. The Supreme Court vide its order dated May 14, 2015 stayed the operation of the execution proceedings and the Company to deposit with the Registrar, Supreme Court of India, a fixed deposit receipt in the name of the Company and endorsed in favour of the Registrar an amount of not less than ₹ 30.00 crore. Accordingly, the Company made the deposit. The amount of ₹ 60.00 crore, deposited by the Company in the High Court (₹ 30.00 crore) and Supreme Court (₹ 30.00 crore) is shown under the heading "Long Term Loans and Advances" under the sub heading "Security and other deposits" in the Statement of Balance Sheet as on March 31, 2018. The bank was granted liberty to withdraw ₹ 30.00 crore along with interest that had been lying as deposit before the High Court of Kolkata which is subject to final decision in the SLP. Accordingly, an amount of ₹ 38.04 crore was released to the Bank. Further by an order dated October 12, 2015, the Supreme Court directed the bank to withdraw an additional amount of ₹ 15.00 crore along with accrued interest from the money deposited with the Supreme Court. Accordingly, an amount of ₹ 15.45 crore was released to the Bank. The case has been converted from Special Leave petition to a Civil Appeal by the Hon'ble Supreme Court. The amounts released to the Bank is subject to the final decision in the matter. In view of the nature of dispute, the amount of contingent liability has not been ascertained. Pending final adjudication of the matter by the Honourable Supreme Court and also in view of the legal opinion obtained by SHCIL,in the opinion of SHCIL management no provision is required to be made in the statement of Profit and Loss for financial year 2017-2018.

10 The preference shares of Rs.225 crore along with the dividend of Rs.0.90 crore has been redeemed in Q2FY19. As per Section 55(2)(c) of the Companies Act 2013, where preference shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account, and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this section, apply as if the Capital Redemption Reserve Account were paid-up share capital of the company. Since there are insufficient profits as at 31st March 2019, the transfer of Rs.225 crores to Capital Redemption Reserve could not be carried out.

As per section 71(4), the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilised by the company except for the redemption of debentures. As per Rule 18(7)(b)(ii), For NBFCs registered with the RBI under section 45-IA of the RBI (Amendment) Act, 1997 and for Housing Finance Companies registered with the National Housing Bank, 'the adequacy' of DRR will be 25% of the value of outstanding debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and no DRR is required in the case of privately placed debentures. Since there are insufficient profits during the year ended 31st March 2019, the transfer of Rs.76.08 crores to Debenture Redemption Reserve could not be carried out

11 There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

6

12. On all the secured bonds and debentures issued by the Company and outstanding as on 31st March 2019, 100% security cover has been maintained against principal and interest, by way of floating charge on receivables of the Company and/or Government Securities owned by the Company.

13. The above results have been reviewed by the Audit Committee of Directors. The Board of Directors have approved the results in their meeting held on 21 May 2019.

By order of the Board

(Dr.E S Rao)
Managing Director &
Chief Executive Officer

Place: New Delhi
Date: 21 May 2019

Annexure A

FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019 AS PER SCHEDULE III DIVISION III OF THE COMPANIES ACT, 2013

(₹ in Lakhs)

		Particulars	Standalone Results					Consolidated Results	
			Quarter ended 31/03/19 (Unaudited)	Quarter ended 31/12/18 (Unaudited)	Quarter ended 31/03/18 (Unaudited)	Year ended 31/03/19 (Audited)	Year ended 31/03/18 (Audited)	Year ended 31/03/19 (Audited)	Year ended 31/03/18 (Audited)
1	Income								
	a)	Revenue from operations	45,395	62,866	1,19,153	2,15,723	3,44,758	2,82,146	4,05,758
	b)	Other income	2,006	(3,936)	24,498	30,897	29,241	31,303	30,400
		Total income	**47,401**	**58,930**	**1,43,651**	**2,46,620**	**3,73,999**	**3,13,449**	**4,36,158**
2	Expenses								
	a)	Finance costs	40,598	43,165	48,364	1,75,614	2,07,430	1,80,270	2,14,446
	b)	Employee benefits expense	4,348	2,290	4,635	11,212	10,919	29,341	29,520
	c)	Depreciation and amortisation expense	808	819	839	3,281	3,365	6,346	6,252
	d)	Other expenses	(7,631)	12,436	5,564	17,159	8,823	52,258	40,945
	e)	Impairment losses on financial assets	7,648	13,574	(72,225)	1,08,483	93,436	1,14,632	1,00,945
	Total expenses		**45,771**	**72,284**	**(12,823)**	**3,15,749**	**3,23,973**	**3,82,847**	**3,92,108**
3	**Profit/ (loss) before exceptional and tax (1-2)**		**1,630**	**(13,354)**	**1,56,474**	**(69,129)**	**50,026**	**(69,398)**	**44,050**
4	Exceptional items							166	168
5	**Profit/ (loss) before tax (3-4)**		**1,630**	**(13,354)**	**1,56,474**	**(69,129)**	**50,026**	**(69,564)**	**43,882**
6	Tax expense								
	a)	Income tax	(639)	-	1,053	(639)	1,049	(96)	3,575
	b)	Taxation for earlier years	330	187	-	-	-	(26)	(24)
	c)	Deferred Tax (Net)	5,705	(8,656)	52,319	(24,107)	2,139	(21,843)	(1,312)
	Tax expense [4(a) to 4(c)]		5,396	(8,469)	53,372	(24,746)	3,188	(21,965)	2,239
7	**Profit/(loss) for the period from continuing operations (5-6)**		**(3,766)**	**(4,885)**	**1,03,102**	**(44,383)**	**46,838**	**(47,599)**	**41,643**
8	Profit/(loss) for the period from discontinuing operations								
9	Tax expense of discontinuing operations								
	Share of net profit of associates and joint ventures							-	151
10	**Profit/(loss) for the period from discontinuing operations (after tax) (8-9)**		-	-	-	-	-	-	-
11	**Profit/(loss) for the period (7+10)**		**(3,766)**	**(4,885)**	**1,03,102**	**(44,383)**	**46,838**	**(47,599)**	**41,794**
12	Other Comprehensive Income								
	a)	**Items that will not be reclassified to profit or loss**							
		-Fair value changes on FVTOCI - Equity securities	3,737	(3,059)	(36,042)	1,440	(37,175)	3,800	64,760
		-Gain/(loss) on sale of FVTOCI - Equity securities	(2,734)	-	(90)	(11,771)	(90)	(11,771)	(90)
		-Actuarial gain/(loss) on Defined benefit obligation	5,010	(165)	293	5,039	297	4,992	351
		Income tax relating to items that will not be reclassified to profit or loss							
		-Tax on Fair value changes on FVTOCI - Equity securities	2,818	1,019	12,652	4,193	14,378	3,252	(9,191)
		-Tax on Actuarial gain/(loss) on Defined benefit obligation						(1,778)	(135)
	b)	**Items that will be reclassified to profit or loss**							
		-Fair value changes on FVTOCI - Debt securities	(1,149)	1,725	3,109	(1,617)	2,208	(1,617)	2,208
		-Debt securities measured at FVTOCI - reclassified to profit and loss						(51)	(4,857)
		Income tax relating to items that will be reclassified to profit or loss							
		-Tax on Fair value changes on FVTOCI - Debt securities	414	(603)	594	577	906	577	906
	Other comprehensive income / (loss) (net of tax)		**8,096**	**(1,083)**	**(19,484)**	**(2,139)**	**(19,476)**	**(2,596)**	**53,952**
13	**Total comprehensive income / (loss) (after tax) (11+12)**		**4,330**	**(5,968)**	**83,618**	**(46,522)**	**27,362**	**(50,197)**	**95,746**
14	Paid-up equity share capital (Face Value of ₹ 10/- each)		1,69,599	1,69,599	1,69,599	1,69,599	1,69,599	1,69,599	1,69,599
15	Earnings per share (not annualised for the interim periods):								
	(a)	Basic (₹)	(0.22)	(0.29)	6.08	(2.62)	2.76	(2.81)	2.46
	(b)	Diluted (₹)	(0.22)	(0.29)	6.08	(2.62)	2.76	(2.81)	2.46

STATEMENT OF ASSETS & LIABILITIES

(₹ in Lakhs)

	Particulars	Standlaone		Consolidated	
		As at 31/03/19 (Audited)	As at 31/03/18 (Audited)	As at 31/03/19 (Audited)	As at 31/03/18 (Audited)
I.	**ASSETS**				
(1)	**Non-current Assets**				
	(a) Property, Plant and Equipment	72,470	73,103	1,04,035	1,05,030
	(b) Investmemt property	19,337	19,828	20,958	21,721
	(c) Goodwill	-		44,664	44,664
	(b) Capital work-in-progress	-	31	127	250
	(c) Other Intangible assets	165	199	451	642
	(d) Equity accounted Investees	-	4	-	1,286
	(e) Investment In Subsidiary	1,36,781	1,36,178		
	Non-current Financial Assets				
	(i) Investments	3,14,703	4,16,485	5,20,149	6,09,719
	(ii) Loans	6,41,343	9,09,719	6,56,412	9,32,183
	(iii) Trade receivables	-	-	-	-
	(iv) Other non-current financial assets	1,949	1,547	68,308	67,803
	(g) Deferred tax Assets (Net)	2,09,391	1,81,758	1,76,782	1,52,469
	(h) Other non-current assets	668	218	3,903	1,166
	(i) Non-current tax assets (Net)	12,668	5,418	19,636	10,715
	Sub-total -Non-current Assets	**14,09,476**	**17,44,489**	**16,15,426**	**19,47,649**
(2)	**Current Assets**				
	(a) Current Financial Assets				
	(i) Investments	31,391	1,15,886	37,859	1,25,295
	(ii) Cash and cash equivalents	39,554	19,271	72,926	54,316
	(iii) Bank Balance other than (ii) above	54,421	67,403	62,829	76,736
	(iv) Loans	6,69,606	6,74,766	7,14,923	7,33,088
	(v) Trade receivables	280	1,505	17,514	13,751
	(v) Derivative instruments	-	-	1,466	2,093
	(vi) Other current financial assets	15,498	19,333	54,815	41,957
	(c) Other current assets	783	601	20,661	27,674
	Sub-total - Current Assets	**8,11,533**	**8,98,765**	**9,82,994**	**10,74,910**
(3)	Assets classified as held for sale	4,546	57,199	5,794	57,199
	Total ASSETS	**22,25,555**	**27,00,453**	**26,04,214**	**30,79,758**
II.	**EQUITY AND LIABILITIES**				
(1)	**Equity**				
	(a) Equity share capital	1,69,599	1,69,599	1,69,599	1,69,599
	(b) Other equity	2,52,931	3,02,228	4,77,147	5,29,245
	Sub-total -equity	**4,22,530**	**4,71,827**	**6,46,746**	**6,98,844**
	Non-current liabilities				
	(a) Non-current Financial liablities				
	(i) Borrowings	13,12,285	16,39,644	13,37,075	16,54,262
	(ii) Trade payables			-	-
	(iii) Other financial liablities	27,771	81,004	27,848	84,962
	(b) Provisions non-current	778	390	12,266	28,331
	(c) Other non-current liablities	43	43	3,388	3,822
	Sub-total -Non-Current Liabilities	**13,40,877**	**17,21,081**	**13,80,578**	**17,71,377**
(2)	**Current Liabilities**				
	(a) Current Financial liablities				
	(i) Borrowings	2,97,095	3,74,152	3,02,350	4,12,221
	(ii) Trade payables	10,727	9,139	37,968	29,705
	(iii) Other financial liablities	1,46,700	1,00,481	2,33,184	1,63,888
	(b) Provisions current	7,530	23,645	1,890	1,475
	(c) Other current liablities	96	128	1,498	2,247
	Sub-total -Current Liabilities	**4,62,148**	**5,07,545**	**5,76,890**	**6,09,537**
	Total EQUITY AND LIABILITIES	**22,25,555**	**27,00,453**	**26,04,214**	**30,79,758**

Auditor's Report on Quarterly Financial Results and Annual Financial Results of IFCI Limited Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant SEBI circulars in this regard

To
The Board of Directors
IFCI Limited

1. We have audited the accompanying quarterly financial results of **IFCI Limited** ('the Company') for the quarter ended March 31, 2019 and the annual financial results for the year April 1, 2018 to March 31, 2019, including the notes thereon ("the statements"), being submitted by the Company pursuant to the requirement of Regulations 33, of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015.

   These quarterly financial results as well as the annual financial results have been prepared on the basis of the related annual Ind AS financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such annual financial statements, which have been prepared in accordance with the India Accounting standards specified under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statements is free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.

3. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.

4. In our opinion and to the best of our information and according to the explanations given to us the Statements:

   (i) are presented in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with relevant SEBI circulars in this regard: and

(ii) give a true and fair view of the net loss including other comprehensive income and other financial information for the quarter ended March 31, 2019 as well as for the year from April 1, 2018 to March 31, 2019 subject to the **qualified opinion** given below:

Qualified Opinion

a) One borrower account has been considered as 'Standard Restructured Account' and classified under Stage-2 by the Company, as at March 31, 2019, for the reasons stated in the note no 5 of financial results In our opinion, as the project could not achieve the COD inspite of three extensions, the account should be considered as non-performing account (NPA) and classified under stage-3. This has resulted in lower impairment allowance (ECL) by Rs.44.06 crore on outstanding loan amount of Rs.95.90 crore. Consequently, the loss of the company is understated to the extent of Rs.44.06 crore and loans (net) are overstated by the same amount.

b) Reference is drawn to note no 6 of the financial results regarding loan exposure to another borrower having outstanding exposure of Rs. 367.19 crore. The account was restructured on January 04, 2018 and an amount of Rs. 235.61 crore was identified as unsustainable debt, which was to be converted into 9.5% Optionally Convertible Debentures (OCDs) of a Special Purpose Vehicle (SPV) backed by portfolio of real estate assets, which has not happened. The Company classified the entire outstanding of Rs.367.19 crore under Stage-3 assets and has applied impairment allowance for ECL. In our opinion, the Company should make 100% provision against unsustainable portion of Rs.235.61 crore. Thus, the loss of the company has been understated by Rs. 93.18 crore and loans (net) are overstated to that extent.

c) In one of the subsidiary companies i.e. IFCI Factors Ltd. (IFL), the Company is holding 27,41,54,700 no. of shares, which are being carried at Rs.171.84 crore as on March 31, 2019, for the reasons stated in note no 7 of the financial results. However, in our opinion, the book value of these investments as at March 31, 2019 be taken at Rs.52.91 crore (excluding Deferred Tax Assets and Intangible Assets), the Company has not recognized further impairment loss of Rs.118.93 crore. This has resulted in understatement of loss by Rs.118.93 crore for the year and overstatement of value of investment in subsidiaries by the same amount.

Overall the loss is understated by Rs 256.17 crore and loans(net) & investment are overstated by Rs 137.24 crores and Rs 118.93 crore, respectively.

Further, following is the **Emphasis of Matter** item:

Reference is drawn to note no 8 of the financial results with regard to outstanding loan of Rs.174.74 crore to one of the borrower which has been classified as Stage-3 account and impairment allowance for ECL applied. In this case, RBI vide its letter dated November 20, 2017 has given dispensation from downgrading upto March 31, 2018. In absence of any further dispensation the borrower account has not been classified as 'Non-Performing Asset'. There is no impact on profitability as the account has been classified under Stage 3 and ECL calculated accordingly. Our report is not modified in respect of this matter.

5. The Statement includes the results for the Quarter ended March 31, 2019, being the balancing figure between audited figures in respect of full financial year ending on that date and the published year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

6. The comparative financial information for the year ended March 31, 2018 included in the statement, are based on the previously issued statutory financial statements prepared in accordance with the Accounting standards specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India, audited by us whose report for the year ended March 31, 2018 dated May 23,2018 expressed an unmodified opinion on those financial statements, as adjusted for the difference in the accounting principles adopted on transition to the Ind AS, which have been audited by us.

For **KPMR & Associates**
Chartered Accountants
Firm Registration No: 02504N

Deepak Jain
Partner
Membership No. 090854

Place: New Delhi
Date: May 21, 2019

Auditor's Report on Consolidated Financial Results of IFCI Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant SEBI circulars in this regard

To
The Board of Directors
IFCI Limited

1. We have audited the accompanying statement of Annual Consolidated Financial Results of IFCI Limited ('the Company'), its subsidiaries (the Company, its subsidiaries constitute "the Group") for the year ended March 31, 2019, including the Notes thereon, ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant SEBI circulars in this regard..

   This information has been prepared on the basis of the related annual Ind AS consolidated financial statements, which is the responsibility of the company's management. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual consolidated financial statements, which have been prepared in accordance with the Indian Accounting Standards specified under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results is free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management.

3. We believe that the audit evidences obtained by us and obtained by the other auditors in terms of their reports referred to paragraph 5 below, is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.

4. In our opinion and to the best of our information and according to the explanations given to us, and on consideration of the reports of the other auditors, the Statement:

   (i) includes the annual financial results of the following entities:

S.No.	Name of the Entity	Relationship
1.	IFCI Limited	Holding Company
2.	IFCI Financial Services Ltd. (IFIN)	Subsidiaries
3.	IFCI Venture Capital Funds Ltd. (IVCF)	Subsidiaries
4.	IFCI Infrastructure Development Ltd. (IIDL)	Subsidiaries
5.	IFCI Factors Ltd. (IFL)	Subsidiaries
6.	MPCON Ltd.	Subsidiaries

S.No.	Name of the Entity	Relationship
7.	Stock Holding Corporation of India Ltd.	Subsidiaries
8.	IFIN Commodities Ltd. (indirect control through IFIN)	Step-down subsidiaries
9.	IFIN Credit Ltd. (indirect control through IFIN)	Step-down subsidiaries
10.	IFIN Securities Finance Limited (indirect control through IFIN)	Step-down subsidiaries
11.	IIDL Realtors Pvt. Ltd. (indirect control through IIDL)	Step-down subsidiaries
12.	SHCIL Services Ltd. (indirect control through SHCIL)	Step-down subsidiaries
13.	Stockholding Document Management Services Limited (indirect control through SHCIL)	Step-down subsidiaries
14.	Stockholding securities IFSC Limited (indirect control through SHCIL)	Step-down subsidiaries

(ii) is presented in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with relevant SEBI circulars in this regard: and

(iii) gives a true and fair view of the consolidated net loss including other comprehensive income and other financial information for the year ended March 31, 2019, subject to the qualified opinion of the holding company and disclaimer reported by Statutory Auditors of one subsidiary company i.e. M/s IFCI Factors Limited which are reproduced herein below:

Basis of Qualified Opinion

a) One borrower account has been considered as 'Standard Restructured Account' and classified under Stage-2 by the Company, as at March 31, 2019, for the reasons stated in the note no 5 of financial results In our opinion, as the project could not achieve the COD inspite of three extensions, the account should be considered as non-performing account (NPA) and classified under stage-3. This has resulted in lower impairment allowance (ECL) by Rs.44.06 crore on outstanding loan amount of Rs.95.90 crore. Consequently, the loss of the company is understated to the extent of Rs.44.06 crore and loans (net) are overstated by the same amount.

b) Reference is drawn to note no 6 of the financial results regarding loan exposure to another borrower having outstanding exposure of Rs. 367.19 crore. The account was restructured on January 04, 2018 and an amount of Rs. 235.61 crore was identified as unsustainable debt, which was to be converted into 9.5% Optionally Convertible Debentures (OCDs) of a Special Purpose Vehicle (SPV) backed by portfolio of real estate assets, which has not happened. The Company classified the entire outstanding of Rs.367.19 crore under Stage-3 assets and has applied impairment allowance for ECL. In our opinion, the Company should make 100%

provision against unsustainable portion of Rs.235.61 crore. Thus, the loss of the company has been understated by Rs. 93.18 crore and loans (net) are overstated to that extent.

c) In one of the subsidiary companies i.e. IFCI Factors Ltd. (IFL), the Company is holding 27,41,54,700 no. of shares, which are being carried at Rs.171.84 crore as on March 31, 2019, for the reasons stated in note no 7 of the financial results. However, in our opinion, the book value of these investments as at March 31, 2019 be taken at Rs.52.91 crore (excluding Deferred Tax Assets and Intangible Assets), the Company has not recognized further impairment loss of Rs.118.93 crore. This has resulted in understatement of loss by Rs.118.93 crore for the year and overstatement of value of investment in subsidiaries by the same amount.

Overall the loss is understated by Rs. 256.17 crore and loans(net) & investment are overstated by Rs. 137.24 crores and Rs. 118.93 crore, respectively.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the issues stated in the "Basis for three Qualified opinions" mentioned above, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS norms, of the state of affairs of the company as at 31st March 2019 and its Loss, its cash flows and the changes in equity for the year ended on that date.

Basis of Disclaimer of Opinion of IFCI Factors Limited

a) We draw attention to Note no. 7 to the financial statements regarding recognition of Deferred Tax Assets on account of provisions of Non-Performing Assets. In case of Deferred Tax Assets of Rs.79.35 Crores as on 31 March 2019, in the opinion of management there is reasonable certainty of availability of future taxable income to realize the deferred tax assets. Considering the past accumulated losses and further stressed standard assets and nature of factoring business, we are unable to comment on the sufficiency of the future taxable profits of the company which can realize the deferred tax assets. As a result of this matter, we have not been able to obtain sufficient appropriate audit evidence on the said matter to state whether any adjustments would be required to the information included in the financial statements and impact thereof.

b) The Company has deviated from its credit policy/ exceeded the limits, though the same has been authorized by the competent authority.

Disclaimer of Opinion

Because of significance of these matter described in the basis of Disclaimer of Opinion paragraph, we are unable to express our opinion for the same.

Emphasis of Matter

a) We did not audit the financial statements of six subsidiaries and seven step-down subsidiaries included in the consolidated annual results, whose consolidated annual financial statements reflect total assets of Rs. 5,381.70 crore as at March 31, 2019, total revenue of Rs. 694.23 crore, total profit/ (loss) after tax (net) of Rs. (19.72) crore and total comprehensive income of Rs. (6.33) crore, for the year ended March 31, 2019. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amount and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors.

b) Reference is drawn to note no. 8 of the financial results with regard to outstanding loan of Rs.174.74 crore to one of the borrower which has been classified as Stage-3 account and impairment allowance for ECL applied. In this case, RBI vide its letter dated November 20, 2017 has given dispensation from downgrading upto March 31, 2018. In absence of any further dispensation the borrower account has not been classified as 'Non-Performing Asset'. There is no impact on profitability as the account has been classified under Stage 3 and ECL calculated accordingly. Our report is not modified in respect of this matter.

c) We draw attention to note no. 9 of the financial results related to litigation with the subsidiary company. Pending adjudication of the matter by the Honourable Supreme Court, in the opinion of the management, no provision or adjustment is required in the books of accounts of the subsidiary company. Our report is not modified in respect of this matter.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of other auditor.

5. The comparative financial information for the year ended March 31, 2018 included in the statement, are based on the previously issued statutory financial statements prepared in accordance with the Accounting standards specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us whose report for the year ended March 31, 2018 dated July 12,2018 expressed an qualified and disclaimer of opinion on those financial statements, as adjusted for the difference in the accounting principles adopted on transition to the Ind AS, which have been audited by us.

For **KPMR & Associates**
Chartered Accountants
Firm Registration No: 02504N

Deepak Jain
Partner
Membership No. 090854

Place: New Delhi
Date: May 21, 2019

Annexure - II

Statement on Impact of Audit Qualifications

Standalone Annual Audited Financial Results for the Financial Year ended March 31, 2019

1. Financial Impact of Audit Qualifications

(Rs. in crore)

S.NO	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	2,466.20	2,466.20
2.	Total Expenditure	3,157.49	3413.66
3.	Net Profit/(Loss) before minority interest	(443.83)	(700)
4.	Total comprehensive income for the year	(483.18)	(739.35)
5.	Earnings Per Share	(2.62)	(4.13)
6.	Total Assets	22,255.55	21,999.38
7.	Total Liabilities	18030.25	18030.25
8.	Net Worth	4,225.30	3969.13

2. Audit Qualifications

The details of audit qualifications reported by our Statutory Auditors are provided below:

Audit Qualification - 1

a. Details of Audit Qualification:

<u>Basis for Qualified opinion</u>

1. One borrower account has been considered as 'Standard Restructured Account' and classified under Stage-2 by the Company, as at March 31, 2019, for the reasons stated in the note no 5 of financial results In our opinion, as the project could not achieve the COD inspite of three extensions, the account should be considered as non-performing account (NPA) and classified under stage-3. This has resulted in lower impairment allowance (ECL) by Rs.44.06 crore on outstanding loan amount of Rs.95.90 crore. Consequently, the loss of the company is understated to the extent of Rs.44.06 crore and loans (net) are overstated by the same amount.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: First time

For Audit Qualification where the impact is quantified by the auditor, Management's view:

The Company has sanctioned a loan of Rs.100 crore (outstanding Rs.95.90 crore as at March 31, 2019) in a road project for widening of 4 lane highway into 6 lane, as a part of consortium finance. The project could not be completed within the original stipulated time and within three further extensions granted by the consortium of lenders. As per Independent Engineer appointed by NHAI, overall physical progress of the project is 91% upto March, 2019. NHAI vide letter dated January 11, 2019 has clarified that Appointed Date of the project has already been given as October 16, 2012 and Commercial Operations Date (COD) shall be from the Appointed Date. Accordingly, toll collection has already started from October 16, 2012 and the account is standard as per the record of recovery. It has been confirmed by the Lead Bank and all other members of the Consortium that this account has been classified as 'Standard Account' in their respective books of accounts as at March 31, 2019. Considering the overall status of the project and record of recovery, the account has been kept as 'Standard Restructured Account' and classified under Stage-2 and impairment allowance as per ECL has been applied accordingly.

Audit Qualification - 2

a. Details of Audit Qualification:

Basis for Qualified opinion

Reference is drawn to note no 6 of the financial results regarding loan exposure to another borrower having outstanding exposure of Rs. 367.19 crore. The account was restructured on January 04, 2018 and an amount of Rs. 235.61 crore was identified as unsustainable debt, which was to be converted into 9.5% Optionally Convertible Debentures (OCDs) of a Special Purpose Vehicle (SPV) backed by portfolio of real estate assets, which has not happened. The Company classified the entire outstanding of Rs.367.19 crore under Stage-3 assets and has applied impairment allowance for ECL. In our opinion, the Company should make 100% provision against unsustainable portion of Rs.235.61 crore. Thus, the loss of the company has been understated by Rs. 93.18 crore and loans (net) are overstated to that extent.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: First time

d. For Audit Qualification where the impact is quantified by the auditor, Management's view:

The loan account of Jai Prakash Associates has been restructured as per the scheme approved by the consortium of lenders. As per the scheme of restructuring, a portion of overall debt (IFCI share – Rs.235.61 crore) alongwith identified portfolio of real estate assets, is to be transferred to an Special Purpose Vehicle (SPV) which will issue 9.5% Optionally Convertible Debenture (OCDs) in lieu of the debt and the proceeds from the real estate portfolio will be utilized towards servicing of these OCDs. However, pending approval of the demerger plan from National Company Law Tribunal (NCLT), the process of transfer of debt and real estate assets to the SPV is not yet completed. The Company has classified the entire outstanding of Rs.367.19 crore as Stage-3 asset and impairment allowance for ECL has been applied accordingly. As the debt of the SPV shall be backed by real estate assets having sufficient security cover, provision has been made by the Company as per uniformly applied accounting policy for ECL to the entire portfolio for Stage 3 assets.

Audit Qualification - 3

a. Details of Audit Qualification:

Basis for Qualified opinion

In one of the subsidiary companies i.e. IFCI Factors Ltd. (IFL), the Company is holding 27,41,54,700 no. of shares, which are being carried at Rs.171.84 crore as on March 31, 2019, for the reasons stated in note no 7 of the financial results. However, in our opinion, the book value of these investments as at March 31, 2019 betaken at Rs.52.91 crore (excluding Deferred Tax Assets and Intangible Assets), the Company has not recognized further impairment loss of Rs.118.93 crore. This has resulted in understatement of loss by Rs.118.93 crore for the year and overstatement of value of investment in subsidiaries by the same amount.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: First time

d. For Audit Qualification where the impact is quantified by the auditor, Management's view:

IFCI is carrying the investment in subsidiary companies at cost net of impairment loss (if any) and opted for one time exemption under IndAS 101 for deemed cost being the carrying value of investment as at transition date i.e. April 1, 2017. As on March 31, 2019, the Company had investment in 27,41,54,700 no. of shares in its subsidiary, IFCI Factors Ltd. (IFL), comprising of 19,91,54,700 no. of equity shares and 7,50,00,000 no. compulsorily convertible preference shares (CCPS). There being indications of impairment in these investments, the company got the shares of IFL fair valued by an external expert valuer, registered as Category-I merchant banker, per which, the fair value of investments in shares of IFL was determined at Rs.171.81 crore using the generally accepted valuation methodologies, in line with Indian Accounting Standards and accordingly, the resultant impairment loss has been charged in the books of account.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the issues stated in the "Basis for three Qualified opinions" mentioned above, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS norms, of the state of affairs of the company as at 31st March 2019 and its Loss, its cash flows and the changes in equity for the year ended on that date.

Overall the loss is understated by Rs 256.17 crore and loans(net) & investment are overstated by Rs 137.24 crores and Rs 118.93 crore, respectively.

(Dr. E S Rao)	**(Prof. Arvind Sahay)**	**(Jhummi Mantri)**	**(Deepak Jain)**
Managing Director & Chief Executive Officer	Audit Committee Chairman	General Manager & CFO	Partner- M No 090854
			KPMR & Associates Firm Reg. 02504N

Place: New Delhi
Dated: May 21, 2019

Statement on Impact of Audit Qualifications

Consolidated Annual Audited Financial Results for the Financial Year ended March 31, 2019

1. Financial Impact of Audit Qualifications

(Rs. in crore)

S.NO	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	3,134.49	3,134.49
2.	Total Expenditure	3,828.46	4,084.63
3.	Net Profit/(Loss) before minority interest	(475.99)	(732.16)
4.	Earnings Per Share	(2.88)	(4.32)
5.	Total Assets	26,042.14	25,785.97
6.	Total Liabilities	19,574.68	19,574.68
7.	Net Worth	6,467.46	6,211.29

2. Audit Qualifications

The details of audit qualifications reported by our Statutory Auditors based on audit report of M/s IFCI Limited (Holding Company) and report of Statutory Auditors of our Subsidiary company i.e. M/s IFCI factors Limited are provided below:

M/s IFCI Limited (Holding Company)

Audit Qualification - 1

a. Details of Audit Qualification:

Basis for Qualified opinion

1. One borrower account has been considered as 'Standard Restructured Account' and classified under Stage-2 by the Company, as at March 31, 2019, for the reasons stated in the note no 5 of financial results In our opinion, as the project could not achieve the COD inspite of three extensions, the account should be considered as non-performing account (NPA) and classified under stage-3. This has resulted in lower impairment allowance (ECL) by Rs.44.06 crore on outstanding loan amount of Rs.95.90 crore. Consequently, the loss of the

company is understated to the extent of Rs.44.06 crore and loans (net) are overstated by the same amount.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: First time

For Audit Qualification where the impact is quantified by the auditor, Management's view:

The Company has sanctioned a loan of Rs.100 crore (outstanding Rs.95.90 crore as at March 31, 2019) in a road project for widening of 4 lane highway into 6 lane, as a part of consortium finance. The project could not be completed within the original stipulated time and within three further extensions granted by the consortium of lenders. As per Independent Engineer appointed by NHAI, overall physical progress of the project is 91% upto March, 2019. NHAI vide letter dated January 11, 2019 has clarified that Appointed Date of the project has already been given as October 16, 2012 and Commercial Operations Date (COD) shall be from the Appointed Date. Accordingly, toll collection has already started from October 16, 2012 and the account is standard as per the record of recovery. It has been confirmed by the Lead Bank and all other members of the Consortium that this account has been classified as 'Standard Account' in their respective books of accounts as at March 31, 2019. Considering the overall status of the project and record of recovery, the account has been kept as 'Standard Restructured Account' and classified under Stage-2 and impairment allowance as per ECL has been applied accordingly.

Audit Qualification - 2

a. Details of Audit Qualification:

Basis for Qualified opinion

Reference is drawn to note no 6 of the financial results regarding loan exposure to another borrower having outstanding exposure of Rs. 367.19 crore. The account was restructured on January 04, 2018 and an amount of Rs. 235.61 crore was identified as unsustainable debt, which was to be converted into 9.5% Optionally Convertible Debentures (OCDs) of a Special Purpose Vehicle (SPV) backed by portfolio of real estate assets, which has not happened. The Company classified the entire outstanding of Rs.367.19 crore under Stage-3 assets and has applied impairment allowance for ECL. In our opinion, the Company should make 100% provision against unsustainable portion of Rs.235.61 crore. Thus, the loss of the company has been understated by Rs. 93.18 crore and loans (net) are overstated to that extent.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: First time

d. For Audit Qualification where the impact is quantified by the auditor, Management's view:

The loan account of Jai Prakash Associates has been restructured as per the scheme approved by the consortium of lenders. As per the scheme of restructuring, a portion of overall debt (IFCI share – Rs.235.61 crore) alongwith identified portfolio of real estate assets, is to be transferred to an Special Purpose Vehicle (SPV) which will issue 9.5% Optionally Convertible Debenture (OCDs) in lieu of the debt and the proceeds from the real estate portfolio will be utilized towards servicing of these OCDs. However, pending approval of the demerger plan from National Company Law Tribunal (NCLT), the process of transfer of debt and real estate assets to the SPV is not yet completed. The Company has classified the entire outstanding of Rs.367.19 crore as Stage-3 asset and impairment allowance for ECL has been applied accordingly. As the debt of the SPV shall be backed by real estate assets having sufficient security cover, provision has been made by the Company as per uniformly applied accounting policy for ECL to the entire portfolio for Stage 3 assets.

Audit Qualification - 3

a. Details of Audit Qualification:

Basis for Qualified opinion

In one of the subsidiary companies i.e. IFCI Factors Ltd. (IFL), the Company is holding 27,41,54,700 no. of shares, which are being carried at Rs.171.84 crore as on March 31, 2019, for the reasons stated in note no 7 of the financial results. However, in our opinion, the book value of these investments as at March 31, 2019 be taken at Rs.52.91 crore (excluding Deferred Tax Assets and Intangible Assets), the Company has not recognized further impairment loss of Rs.118.93 crore. This has resulted in understatement of loss by Rs.118.93 crore for the year and overstatement of value of investment in subsidiaries by the same amount.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: First time

d. For Audit Qualification where the impact is quantified by the auditor, Management's view:

IFCI is carrying the investment in subsidiary companies at cost net of impairment loss (if any) and opted for one time exemption under IndAS 101 for deemed cost being the carrying value of investment as at transition date i.e. April 1, 2017. As on March 31, 2019, the Company had investment in 27,41,54,700 no. of shares in its subsidiary, IFCI Factors Ltd. (IFL), comprising of 19,91,54,700 no. of equity shares and 7,50,00,000 no. compulsorily convertible preference shares (CCPS). There being indications of impairment in these investments, the company got the shares of IFL fair valued by an external expert valuer, registered as Category-I merchant banker, per which, the fair value of investments in shares of IFL was determined at Rs.171.81 crore using the generally accepted valuation methodologies, in line with Indian Accounting Standards and accordingly, the resultant impairment loss has been charged in the books of account.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the issues stated in the "Basis for three Qualified opinions" mentioned above, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS norms, of the state of affairs of the company as at 31st March 2019 and its Loss, its cash flows and the changes in equity for the year ended on that date.

M/s IFCI Factors Limited

Audit Qualification - 4

a. Details of Audit Qualification:

Basis of Disclaimer of Opinion:

We draw attention to Note no. 7 to the financial statements regarding recognition of Deferred Tax Assets on account of provisions of Non-Performing Assets. In case of Deferred Tax Assets of ₹79.35 Crores as on 31 March 2019, in the opinion of management there is reasonable certainty of availability of future taxable income to realize the deferred tax assets. Considering the past accumulated losses and further stressed standard assets and nature of factoring business, we are unable to comment on the sufficiency of the future taxable profits of the company which can realize the deferred tax assets.

As a result of this matter, we have not been able to obtain sufficient appropriate audit evidence on the said matter to state whether any adjustments would be required to the information included in the financial statements and impact thereof.

The Company has deviated from its credit policy/ exceeded the limits, though the same has been authorised by the competent authority.

Disclaimer of Opinion:

Because of significance of these matter described in the basis of Disclaimer of Opinion paragraph, we are unable to express our opinion for the same.

b. Type of Audit Qualification: Disclaimer of opinion

c. Frequency of Qualification: Repetitive, the same was reported in FY 2017-18

d. For Audit Qualification where the impact is not quantified by the auditor:

   i) Management estimation on the impact of audit qualification – Impact not quantifiable.
   ii) If management is unable to estimate the impact, reasons for the same: In the opinion of Management of IFCI Factors Limited, there is reasonable certainty of availability of future taxable income to realize the deferred tax assets.
   iii) Auditors' Comment on (ii) above: We do not agree with the management comments.

Overall the loss is understated by Rs 256.17 crore and loans(net) & investment are overstated by Rs 137.24 crores and Rs 118.93 crore, respectively.

(Dr. E S Rao)	**(Prof. Arvind Sahay)**	**(Jhummi Mantri)**	**(Deepak Jain)**
Managing Director & Chief Executive Officer	Audit Committee Chairman	General Manager & CFO	Partner- M No 090854 KPMR & Associates Firm Reg. 02504N

Place: New Delhi
Dated: May 21, 2019