



**IFCI Venture Capital Funds Ltd.**

IFCI Tower, 61 Nehru Place,

New Delhi-110019

Phone : +91-11-26453343, 26453346

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Website : [www.ifciventure.com](http://www.ifciventure.com)

CIN : U65993DL1988GOI030284

May 08, 2018

BSE Limited  
Department of Corporate Services,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P J Towers, Dalal Street,  
**Mumbai 400001**

Dear Sirs

Sub: Submission Audited Financial Results for the half year/ year ended March 31, 2018.

In terms of circular no. DCS/COMP/28/2016-17 dated March 30, 2017 issued by BSE and other regulations issued by SEBI from time to time including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith, the financials for half year/ year ended March 31, 2018 in a prescribed form along with Audit Report on the audited financial results of IFCI Venture Capital Funds Limited (the Company), duly signed by the Statutory Auditors of the Company.

You are requested to kindly take the same on record and acknowledge the receipt.

Thanking you.

Yours sincerely

For IFCI Venture Capital Funds Limited

  
Company Secretary

**Listing Agreement for Debt Securities**

CIN: U65993DL1988GOI030284

PARTICULARS	6 Months ended	Corresponding 6	Year to Date Figures for	Previous Accounting
	31.03.2018	Months ended in	the Current Period	Year ended
	Unaudited*	previous Year	Ended	31.03.2017
	Unaudited*	31.03.2017	31.03.2018	Unaudited*
			Audited	Audited
<b>1. Interest earned (a)+(b)+(c)+(d)</b>				
(a) Interest/disc. on advances/ bills	500,124,465	439,185,070	874,362,317	940,907,442
(b) Income on investments	362,034,871	362,421,392	675,927,884	778,806,958
(c) Interest on balances with Reserve Bank of India and other inter bank funds	88,087,532	27,295,814	98,317,308	52,099,562
(d) Others	50,002,062	49,467,864	100,117,125	110,000,922
<b>2. Other Income</b>	<b>154,606</b>	<b>1,930,434</b>	<b>263,772</b>	<b>2,081,382</b>
<b>3. Total Income (1+2)</b>	<b>500,279,071</b>	<b>441,115,504</b>	<b>874,626,089</b>	<b>942,988,824</b>
<b>4. Interest Expended</b>	<b>204,435,216</b>	<b>266,735,469</b>	<b>447,801,589</b>	<b>546,785,425</b>
<b>5. Operating Expenses (i)+(ii)</b>				
(i) Employees cost	47,769,890	35,470,558	84,086,850	65,871,079
(ii) Other operating expenses	25,644,015	20,664,348	44,823,119	37,950,463
(All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	13,447,682	6,745,022	21,943,778	11,942,119
(iii) Rent Paid	8,678,192	8,061,188	17,319,952	15,978,497
<b>6. Total Expenditure ((4+5) excluding provisions and contingencies</b>	<b>252,205,106</b>	<b>302,206,027</b>	<b>531,888,439</b>	<b>612,656,505</b>
<b>7. Operating Profit before Provisions and Contingencies (3-6)</b>	<b>248,073,966</b>	<b>138,909,477</b>	<b>342,737,650</b>	<b>330,332,319</b>
<b>8. Provisions (other than tax) and Contingencies</b>	<b>97,516,662</b>	<b>37,781,945</b>	<b>224,220,034</b>	<b>52,696,560</b>
<b>9. Exceptional Items</b>	-	-	-	-
<b>10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>150,557,304</b>	<b>101,127,532</b>	<b>118,517,616</b>	<b>277,635,759</b>
<b>11. Tax expense</b>	<b>79,886,344</b>	<b>25,060,468</b>	<b>66,309,904</b>	<b>82,497,799</b>
<b>12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)</b>	<b>70,670,961</b>	<b>76,067,064</b>	<b>52,207,713</b>	<b>195,137,960</b>
<b>13. Extraordinary items (net of tax expense)</b>	-	-	-	-
<b>14. Net Profit (+)/ Loss (-) for the period (12-13)</b>	<b>70,670,961</b>	<b>76,067,064</b>	<b>52,207,713</b>	<b>195,137,960</b>
<b>15. Paid-up equity share capital (Face Value of Rs. 10 each)</b>	<b>603,710,080</b>	<b>603,710,080</b>	<b>603,710,080</b>	<b>603,710,080</b>
<b>16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)</b>	<b>70,670,961</b>	<b>3,237,515</b>	<b>1,626,214,612</b>	<b>1,574,006,899</b>
<b>17. Analytical Ratios</b>				
(i) Capital Adequacy Ratio	38.63	28.17	38.63	28.17
(ii) Earnings Per Share (EPS)	1.17	1.26	0.86	3.23
<b>18) NPA Ratios:</b>				
a) Net NPA	960,327,331	837,871,137	960,327,331	837,871,137
b) % of Net NPA	25.50%	13.47%	25.50%	13.47%
c) Return on Assets	1.23%	1.02%	0.91%	2.61%
<b>19) Debt Equity Ratio</b>	<b>1.34</b>	<b>2.28</b>	<b>1.34</b>	<b>2.28</b>
<b>20) Net Worth</b>	<b>2,229,924,692</b>	<b>2,177,716,979</b>	<b>2,229,924,692</b>	<b>2,177,716,979</b>

**Notes:**

- The above result have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 8th May, 2018.
- The Non-Convertible Bonds of the Company as on 31st March, 2018 is aggregating to Rs. 119.36 crore.
- The Company has credit rating of "CARE BBB" by Credit Analysis & Research Ltd. and "BWR A- (SO)" from Brickwork Rating for the year 2017-18.
- The details of Non-Convertible Bonds are as follows:

Redeemable Taxable Non-Convertible Bonds	Amount (Rs. crore)	Previous Due Date		Next Due Date	
		Interest	Principal	Interest	Principal
200 Bonds of Rs. 10,00,000 each - Secured	20.00	10th Oct., 2017	-	10th Oct., 2018	10th Oct., 2024
1510 Bonds of Rs. 1,00,000 each - Unsecured	15.10	18th Feb., 2018	-	18th Feb., 2019	18th Feb., 2023
596 Bonds of Rs. 1,00,000 each - Unsecured	5.96	15th March, 2018	-	15th Sep., 2018	16th Oct., 2022
783 Bonds of Rs. 10,00,000 each - Secured	78.30	24th Jan., 2018	-	24th Jan., 2019	24th Jan., 2022

The company has paid all the interest date on or before due date.

- Previous period figures have been re-grouped wherever necessary.

For and on behalf of Board of Directors

 Alex  
 Alok Sabharwal  
 Managing Director  
 DIN 02144568

 Date : May 08, 2018  
 Place : New Delhi

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New Delhi-110 015  
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karampura@lunawat.com



*Lunawat & Co.*  
Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**IFCI Venture Capital Fund Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of **IFCI Venture Capital Fund Limited** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

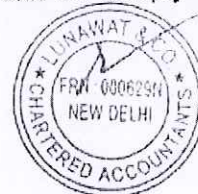
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This Responsibility 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 the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements



and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments the auditors consider internal financial controls relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

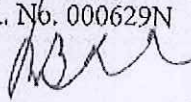
### Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order, 2016 ("the Order") issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under Section 143(5) of the Companies Act, 2013, we enclose herewith, in Annexure "B", our report for the Company on the directions and sub-directions (Part A and Part B, respectively) issued by the Comptroller & Auditor General of India.
3. As required by section 143(3) of the Act and Companies (Audit and Auditors) Rule 2014, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statements 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, read with Rule 7 of the Companies (Accounts) Rule, 2014.
- (e) On the basis of the written representations received from the Directors as on March 31, 2018 taken on record by the board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act 2013.
- (f) With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure "C"**;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
  - ii) The Company has made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Lunawat & Co.  
Chartered Accountants  
F.R. No. 000629N

  
(Ramesh K. Bhatia)  
Partner  
M. No.: 080160  
54, Daryaganj  
New Delhi-110002



Place: New Delhi  
Date: 08.05.2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 3 and 4 of our report of even date

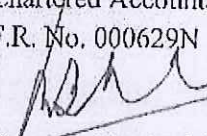
**RE: IFCI Venture Capital Fund Limited**

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) The fixed assets are being physically verified by the management at all its office in a phased manner 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 on the basis of our examination of the records of the Company, the Company does not own any immovable properties.
- 2) The Company is a Non-Banking Financial Company, accordingly it does not hold any inventory. Thus, paragraph 3(ii) of the Order is not applicable.
- 3) In our opinion, and according to the information & explanation given to us, the Company has not granted any unsecured loan to any company, firm, LLP or other parties covered in the register maintained under section 189 of the Companies Act 2013 during the year. Hence clause (iii) (a), (b) & (c) are not applicable.
- 4) In our opinion, and according to the information & explanation given to us, the Company has not granted any loans, not made any investments, not given any guarantees and security covered under section 185 of the Companies Act 2013. The provisions of section 186 of the Companies Act 2013 are not applicable to the Company.
- 5) 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.
- 6) According to the information and explanation given to us, the government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013.
- 7) a) According to the information provided and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, service tax, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities. There are no outstanding statutory dues existing as at the last day of the financial year for a period of more than six months from the day they became payable.  
b) According to the information and explanation given to us, there are no dues on account of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess, which have not been deposited on account of any dispute.
- 8) According to the information provided and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or Government or dues to debenture holders.



- 9) According to the information provided and explanations given to us, no moneys have been raised by way of initial public offer or further public offer (including debt instruments) and the term loans raised from different banks/financial institutions during the year were applied for the purposes for which those are raised.
- 10) According to information and explanations given to us, no fraud by the Company or on the Company by its officer or employees has been noticed or reported during the year.
- 11) 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.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company hence clause (xiii) is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- 14) According to the information and explanation given to us, and in our opinion, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15) According to the information and explanation given to us, and in our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- 16) According to the information provided and explanations given to us, the Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Lunawat & Co  
Chartered Accountants  
F.R. No. 000629N

  
(Ramesh K. Bhatia)  
Partner  
M. No. 080160



54, Daryaganj  
New Delhi-110002

Place: New Delhi  
Date: 08.05.2018

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

### Part A

S. No.	Directions	Auditors' Comment
1	Whether the Company has clear title/lease deed for freehold and leasehold land respectively? If not please state the area of freehold and lease hold land for which title/ lease deeds are not available?	The company does not own any freehold or leasehold land; hence this clause is not applicable to the Company.
2	Whether there are any cases of waiver/write off of debtors/ loans/ interest etc., If yes, the reason there for and amount involved.	According to the information and explanations provided to us by the Company, there was one case of waiver of interest & LD charges of Rs.34.83 lakh to Sunciti Financial Services Pvt. Ltd. wherein OTS was arrived at principal of Rs.81 lakh. It was informed that the waiver was decided after due assessment of the possibility of recovery/realization and the financial position of the borrower considering the fact that there was no security available in this case.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other authorities.	According to the information and explanations provided to us by the Company: (a) Being a Non-Banking Financial Institution, there is no involvement of any inventories; (b) The Company has not received any gift/ grants(s) from government or any other authorities during the year. Therefore, no records are required to be maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt. or other authorities.

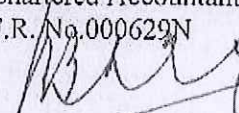




Part B

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

For ~~Lunawat~~ & Co.  
Chartered Accountants  
F.R. No. 000629N

  
(Ramesh K. Bhatia)  
Partner  
M. No. 080160



54, Daryaganj  
New Delhi-110002

Place: New Delhi  
Date: 08.05.2018

## ANNEXURE "C" TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of IFCI Venture Capital Fund Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

#### 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 authorization 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.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lunawat & Co.  
Chartered Accountants  
F.R. No. 000629N



per C.A. Ramesh Kumar Bhatia  
Partner  
M. No. 080160  
54, Daryaganj  
New Delhi-110002

Place: New Delhi  
Date: 08.05.2018