



LIMITED

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ANNUAL REPORT 2013-14

TWENTY-FIRST ANNUAL GENERAL MEETING

DATE : August 27, 2014

DAY : Wednesday

TIME : 10:30 A.M.

PLACE : FICCI Auditorium
1 Tansen Marg
New Delhi - 110 001

- NOTE :**
1. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
 2. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

AN APPEAL

Shareholders are requested to register their email ID with the Company/ Registrar & Transfer Agent at complianceofficer@ifcilttd.com or adminreply@mcsdel.com, admin@mcsdel.com in case the shares are held in physical form and with their depository participants (DPs) in case the shares are held in Dematerialised form to support the Green Initiative taken by the Ministry of Corporate Affairs.

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BOARD OF DIRECTORS

(As on 15.07.2014)

Shri S V Ranganath	Non-Executive Chairman
Shri Malay Mukherjee	CEO & Managing Director
Shri Achal Kumar Gupta	Deputy Managing Director
Shri Anurag Jain	
Shri Alok Tandon	
Shri P G Muralidharan	
Ms Kiran Sahdev	
Prof Omprakash Mishra	
Smt Savita Mahajan	
Shri K S Sreenivasan	
Prof N Balakrishnan	
Shri S N Ananthasubramanian	

PRINCIPAL OFFICERS

(As on 15.07.2014)

EXECUTIVE DIRECTORS

Shri Sudhir Garg	Shri Satpal Arora
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CHIEF GENERAL MANAGERS

Shri B N Nayak (CFO)	Shri D K Jain	Shri V Satyavenkata Rao
Shri S K Vats (deputed to IIDL as MD)	Shri Biswajit Banerjee (CCO)	

GENERAL MANAGERS

Shri Gautam Meour	Shri Sanjeev Kumar Jain	Shri Prasoon	Shri Shivendra Tomar (Deputed to IVCF as MD)
Shri Sachikanta Mishra	Shri Suneet Shukla	Smt Rashmi Sachdev	Smt Pooja S Mahajan
Shri Rajeev Arora (Director Incharge - IIL)	Shri Pawan Kumar	Shri Bikash Kanti Roy (Deputed to IFL as MD)	Shri Atul Saxena
Shri Vijay Pal	Smt Rita Jan	Shri V Subramanian	Shri Harjeet Singh
Shri Rajeev Ahluwalia	Smt Jhummi Mantri	Shri Deepak Mishra	Shri M P Sethi (CVO)
Shri Vijay Kumar Gupta		Shri Gopal Krishna Mishra	

COMPANY SECRETARY

Smt Rupa Sarkar

STATUTORY AUDITORS

Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

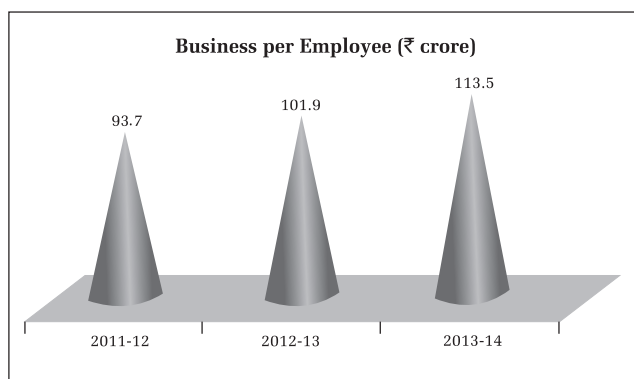
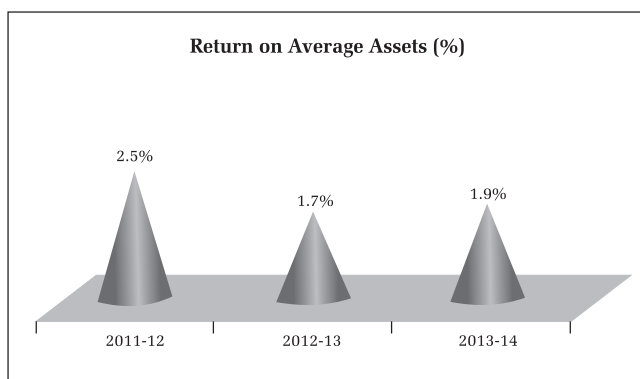
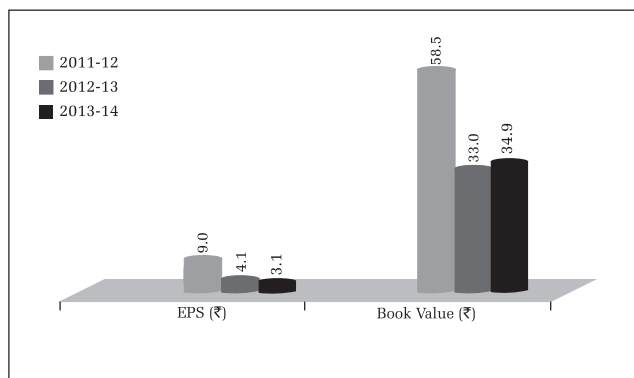
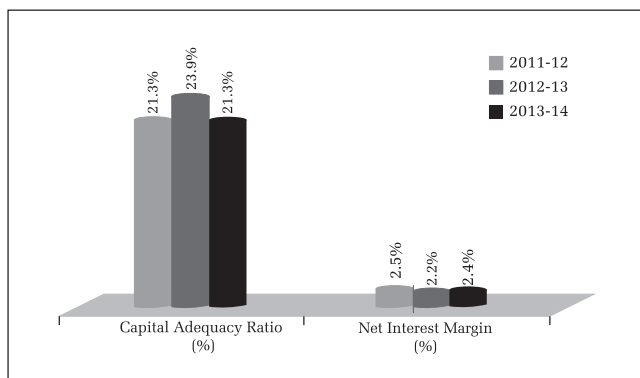
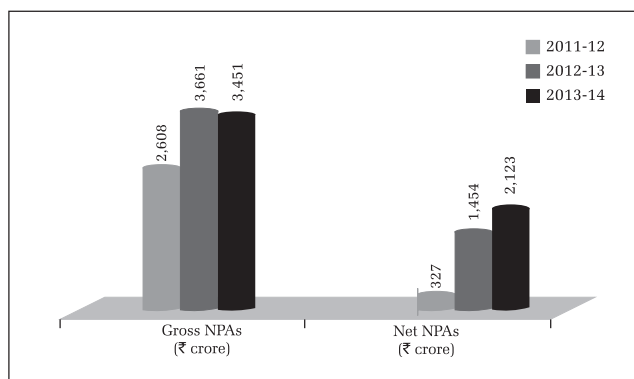
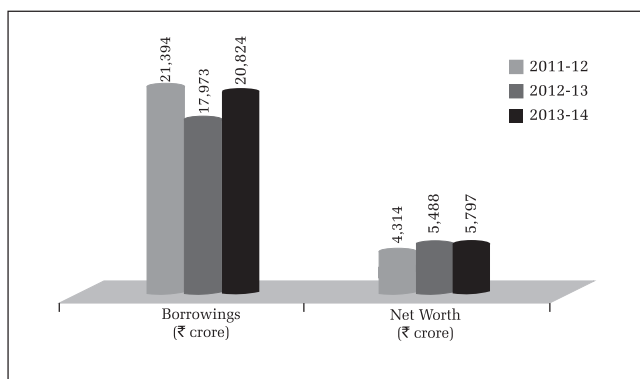
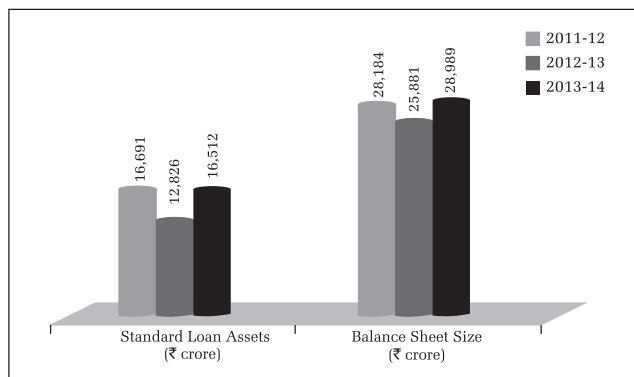
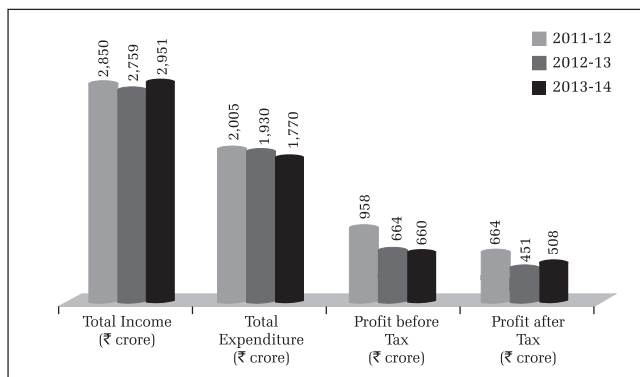
ANDROS & Co.
Chartered Accountants

FINANCIAL HIGHLIGHTS

(₹ crore)

	As at March 31, 2014	As at March 31, 2013
EQUITY & LIABILITIES		
Share Capital	1,924.96	1,924.68
Reserves and Surplus	5,055.64	4,766.28
Non-current Liabilities	17,510.73	14,340.84
Current Liabilities	4,497.98	4,849.61
	28,989.31	25,881.41
APPLICATION		
Fixed Assets	1,147.12	1,172.59
Deferred Tax Assets	682.04	726.79
Non-current Assets	22,538.57	16,718.87
Current Assets	4,621.58	7,263.16
	28,989.31	25,881.41
	2013-2014	2012-2013
EARNINGS		
Total Income (₹ crore)	2,951.26	2,759.30
Profit before tax (₹ crore)	660.45	664.12
Profit after tax (₹ crore)	508.10	450.87
RATIOS		
Capital to Risk Assets Ratio	21.3%	23.9%
Debt-Equity Ratio	3.6	3.3

ANNUAL PERFORMANCE TRENDS



NOTICE

NOTICE is hereby given that the Twenty-first (21st) Annual General Meeting of the Members of IFCI Limited will be held on Wednesday, August 27, 2014 at 10:30 a.m. at FICCI Auditorium, 1 Tansen Marg, New Delhi-110001 to transact the following business:

Ordinary Business

1. To consider and adopt the audited financial statements of the Company including, the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss Account for the year ended March 31, 2014 and the reports of the Board of Directors and Auditors' thereon.
2. To confirm the interim dividend already paid on Preference Shares as Final dividend.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Shri P G Muralidharan (DIN:00960475), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. To fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of Section 139(5) and 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 139(5) and 142 and all other applicable provisions if any of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the Board / Audit Committee of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed by Comptroller and Auditor General of India (CAG) for the Financial Year 2014-15, as may be deemed fit."

Special Business

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Act, and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Professor Omprakash Mishra, (DIN:03068103), Director of the Company whose office was liable to determination by retirement by rotation, be and is hereby appointed as an Independent Director of the Company and shall hold office for a term upto three consecutive years commencing from April 1, 2014."
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Act, and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Savita Mahajan, (DIN:06492679), Director of the Company whose office was liable to determination by retirement by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto three consecutive years commencing from April 1, 2014."

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

"RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Act, and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri S V Ranganath, (DIN:00323799), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, with effect from November 22, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto three consecutive years commencing from April 1, 2014."

9. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Act, and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri K S Sreenivasan, (DIN:05273535), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, with effect from March 31, 2014 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto three consecutive years commencing from April 1, 2014."

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

"RESOLVED that Shri Malay Mukherjee, (DIN:02272425) who was appointed as an Additional Director and Chief Executive Officer & Managing Director by the Board of Directors of the Company w.e.f. December 12, 2013 and who, as per the provisions of Section 161 (1) of the Companies Act, 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act 2013, received a notice in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER that subject to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 (relevant Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956) and Article 162 of Articles of Association of the Company and such other approvals as may be required, and such modifications and conditions, if any, as any authority may impose while according approval, which the Board of Directors is hereby authorized to accept, consent of the Members, be and is hereby accorded for the appointment of Shri Malay Mukherjee, as Chief Executive Officer & Managing Director of the Company for a period of three years w.e.f. December 12, 2013 upto December 11, 2016, and to the payment of remuneration and other terms and conditions as set out hereunder:

- (i) **Pay:** ₹80,000/- p.m.
- (ii) **Dearness Allowance:** Applicable Central Government Dearness Allowance from time to time.
- (iii) **City Compensatory Allowance:** Entitled to City Compensatory Allowance in accordance with the following admissible rate:

Delhi, Mumbai, Chennai and Kolkata	₹300/- per month
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- (iv) **Housing:**
- (a) Rent free furnished accommodation to be provided by the Company. The cost of furniture/furnishings shall not exceed ₹3.00 lakh.

Or

In case the stay is in own accommodation or private arrangements are made for stay, then entitled to a compensation comprising 10% of the pay and admissible House Rent Allowance @30% of actual pay drawn p.m. (If the stay is in Delhi).

- (b) Charges incurred for water, electricity and fuel consumed is to be borne by self. The expenditure incurred on providing Security Guards, Servants, Gardner shall be borne by the Company.

- (v) **Conveyance:** Entitled to free use of the Company's car for official and personal purpose.
- (vi) **Travelling, Boarding and Lodging:** Actual expenditure to be reimbursed for outstation journeys undertaken for official work, as per rules of IFCI.
- (vii) **Medical Benefits:** Actual expenses incurred for self and dependent family members, in India. For expenditure to be/incurred relating to treatment abroad, specific approval of the Board will be required.
- (viii) **Personal Accident Insurance:** Forms part of Group Insurance of the Company, covering accidents also.
- (ix) **Leave Travel Concession:** Entitled to travel for self and family, by any mode, once in a block of two years for visiting any place in India as per entitled class as applicable for official tour.
- (x) **Entertainment:** Actual entertainment expenses subject to ceiling of ₹6,000/- p.a. (membership fee(s) of Club(s) adjustable within the above ceiling).
- (xi) **Gratuity:** At the rate of half-months' pay for every completed year of service or more than six months of service as CEO&MD.
- (xii) **Leave:** As per Staff Regulations of the Company.
- (xiii) **Encashment of Leave on completion of tenure:** Entitled to encash Earned Leave at the time of completion of tenure/exit, which may be lying to his credit. The amount of leave salary shall be calculated on the basis of last pay drawn.
- (xiv) **Telephone:** The Company shall provide telephone at residence for office use. Mobile shall also be provided as per Company's rules.
- (xv) **Performance Linked Incentive:** As decided by the Board of Directors/Nomination & Remuneration Committee of Directors, from time to time.
- (xvi) **Retirement Fare Concession/Shifting of Household Goods:** Single fare journey by entitled Class for self and family and cost of shifting of household goods to hometown at the time of completion of tenure/exit from IFCI.
- (xvii) **Reimbursement of Travelling/Transportation Expenses:** Entitled to reimbursement of traveling expenses for himself and family members from the place of residence to the place of posting at the time of taking up the board level assignment and similarly from the place of posting to the place where he and his family is to settle down permanently (even if it is other than the declared home town).
- (xviii) **Reimbursement of Newspaper/Magazine etc:** Entitled for reimbursement as per actual expenditure.
- (xix) **Book Grant:** Entitled for reimbursement as per actual expenditure for purchase of Books.

- (xx) **Other Perquisites:** Other benefits and like amounts to be paid as per rules of IFCI.
- (xxi) **Provident Fund:** Provident Fund will be as per Company rules.
- (xxii) **Foreign Visits:** To be undertaken with the prior approval of the Board.
- (xxiii) The Contract of employment can be terminated by either side by giving one month's notice or one month's basic pay in lieu thereof.
- (xxiv) Subject to the above, in all other matters, he will be governed by the Staff Regulations of IFCI and other rules and regulations, Administration/HR Circulars and Office Orders, as may be in force from time to time in IFCI.

RESOLVED FURTHER that in the event of absence or inadequacy of profit in any financial year during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to compliance of provisions of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof as in force from time to time.

RESOLVED FURTHER that the Board of Directors/ Nomination and Remuneration Committee of Directors be and is hereby authorized to alter and vary the aforesaid terms as to remuneration (including perquisites) within the ceiling limits in that behalf as laid down in schedule V to the Companies Act, 2013 as in force from time to time.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit."

11. To consider and if thought fit, to pass, with or without modifications, the following resolution(s), as Ordinary Resolution(s):

"RESOLVED that Shri Achal Kumar Gupta, (DIN: 02192183), who was appointed as an Additional Director and Deputy Managing Director by the Board of Directors of the Company w.e.f. December 12, 2013 and who, as per the provisions of Section 161 (1) of the Companies Act, 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act 2013, received a notice in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER that subject to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 (relevant Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956) and Article 162 of Articles of Association of the Company

and such other approvals as may be required, and such modifications and conditions, if any, as any authority may impose while according approval, which the Board of Directors is hereby authorized to accept, consent of the Members, be and is hereby accorded for the appointment of Shri Achal Kumar Gupta, as Deputy Managing Director of the Company for a period of three years w.e.f. December 12, 2013 upto December 11, 2016, and to the payment of remuneration and other terms and conditions as set out hereunder:

- (i) **Pay:** ₹78,000 p.m.
- (ii) **Dearness Allowance:** Applicable Central Government Dearness Allowance from time to time.
- (iii) **City Compensatory Allowance:** Entitled to City Compensatory Allowance in accordance with the following admissible rate:

Delhi, Mumbai, Chennai and Kolkata	₹300/- per month
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- (iv) **Housing:**
- a) Rent free furnished accommodation to be provided by the Company. The cost of furniture/ furnishings shall not exceed ₹3 lakh.
- Or
- In case the stay is in own accommodation or private arrangements are made for stay, then entitled to a compensation comprising 10% of the pay and admissible House Rent Allowance @30% of actual pay drawn p.m. (If the stay is in Delhi).
- b) Charges incurred for water, electricity and fuel consumed is to be borne by self. The expenditure incurred on providing Security Guards, Servants, Gardner shall be borne by the Company.

- (v) **Conveyance:** Entitled to free use of the Company's car for official and personal purpose.
- (vi) **Travelling, Boarding and Lodging:** Actual expenditure to be reimbursed for outstation journeys undertaken for official work, as per rules of IFCI.
- (vii) **Medical Benefits:** Actual expenses incurred for self and dependent family members, in India. For expenditure to be/incurred relating to treatment abroad, specific approval of the Board will be required.
- (viii) **Personal Accident Insurance:** Forms part of Group Insurance of the Company, covering accidents also.
- (ix) **Leave Travel Concession:** Entitled to travel for self and family, by any mode, once in a block of two years for visiting any place in India as per entitled class as applicable for official tour.
- (x) **Entertainment:** Actual entertainment expenses subject to ceiling of ₹6000/-p.a. (membership fee(s) of Club(s) adjustable within the above ceiling).

- (xi) **Gratuity:** At the rate of half-months' pay for every completed year of service or more than six months of service as Deputy Managing Director.
- (xii) **Leave:** As per Staff Regulations of the Company.
- (xiii) **Encashment of Leave on Completion of tenure:** Entitled to encash Earned Leave at the time of completion of tenure / exit, which may be lying to his credit. The amount of leave salary shall be calculated on the basis of last pay drawn.
- (xiv) **Telephone:** The Company shall provide telephone at residence for office use. Mobile phone shall also be provided as per Company's rules.
- (xv) **Performance Linked Incentive:** As decided by the Board of Directors / Nomination and Remuneration Committee of Directors, from time to time.
- (xvi) **Retirement Fare Concession / Shifting of household goods:** Single fare journey by entitled Class for self and family and cost of shifting of household goods to hometown at the time of retirement / exit from IFCI.
- (xvii) **Reimbursement of travelling / transportation expenses:** Entitled to reimbursement of traveling expenses for himself and family members from the place of residence to the place of posting at the time of taking up the board level assignment and similarly from the place of posting to the place where he and his family is to settle down permanently (even if it is other than the declared home town).
- (xviii) **Reimbursement of Newspaper / Magazine etc:** Entitled for reimbursement as per actual expenditure.
- (xix) **Book Grant:** Entitled for reimbursement as per actual expenditure for purchase of Books.
- (xx) **Other Perquisites:** Other benefits and like amounts to be paid as per rules of IFCI.
- (xxi) **Provident Fund:** Provident Fund will be as per Company rules.
- (xxii) **Foreign Visits:** To be undertaken with the prior approval of the Board.
- (xxiii) The Contract of employment can be terminated by either side by giving one month's notice or one month's basic pay in lieu thereof.
- (xxiv) Subject to the above, in all other matters, he will be governed by the Staff Regulations of IFCI and other rules and regulations, Administration/HR Circulars and Office Orders, as may be in force from time to time in IFCI.

RESOLVED FURTHER that in the event of absence or inadequacy of profit in any financial year during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to compliance of provisions of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof as in force from time to time.

RESOLVED FURTHER that the Board of Directors/ Nomination and Remuneration Committee of Directors

be and is hereby authorized to alter and vary the aforesaid terms as to remuneration (including perquisites) within the ceiling limits in that behalf as laid down in schedule V to the Companies Act, 2013 as in force from time to time.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit."

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

"RESOLVED that pursuant to the provisions of Section 149, 161, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Kiran Sahdev, (DIN:06718968), who was appointed as a Director of the Company in casual vacancy on October 24, 2013 in place of Smt Usha Sangwan and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a Notice from a Member in writing under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED that pursuant to the provisions of Section 149, 161, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Prof. N Balakrishnan, (DIN:00181842), who was appointed as an Additional Director of the Company on June 26, 2014 and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED that pursuant to the provisions of Section 149, 161, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri S N Ananthasubramanian, (DIN:00001399), who was appointed as an Additional Director of the Company on July 04, 2014 and who holds office upto the date of