Public Disclosure Authorized

From the Chairman's Desk

Ladies and Gentlemen,

It is my privilege to welcome you on the occasion of the 11th Annual General Meeting of your company.

The year 2015-16 marks an important landmark for your company as it has completed 10 years of successful operations on 5th January 2016. The occasion was celebrated by organising a National Summit on 'Sustainable Infrastructure for India: The Way Ahead' which was inaugurated by the Hon'ble Finance Minister, Shri Arun Jaitley.

I am pleased to inform that during the year even with challenging business environment, your company has posted a net profit of ` 468 crore.

Owing to a weak flow of commercially viable projects across the infrastructure sector, Gross sanctions during FY16 fell to ` 9,701 crore, as against ` 13,928 crore during last year. However, your company made record incremental disbursements of ` 9,449 crore during the year, based on sanctions made in earlier years, registering a growth of 29% in disbursements over last year.

Your company was able to achieve around 17% y-o-y growth in its outstanding infrastructure advances,which increased to ` 31,971 crore (excluding Guarantees sanctioned under Credit Enhancement) as at 31st March 2016. This growth is in contrast with around 9% credit growth registered by banks, which lend along with IIFCL as part of consortium. For the first time in the infrastructure sector, your company was able to successfully launch the credit enhancement product in the market. The first bond issue credit enhanced by your company was successfully placed by a wind power project in September 2015, which enabled freeing up of ` 451 crore worth of bank debt. The second bond issue of ` 126.7 crore was completed in December 2015 by a solar power project.

We expect that this would not only attract insurance and pension funds in the infrastructure sector, but would also contribute to development of bond markets in the country.

Moving ahead in its role as an independent appraising institution and a lead lender, as allowed by the government in March 2015, your company sanctioned 6 projects based on its own appraisal and acted as lead lender with gross sanctions of over ` 1,200 crore during 2015-16.Your company is continually engaging in capacity building programmes to further develop its appraisal capabilities and expand its knowledge base, thereby enabling it to enhance its contribution to the development of infrastructure in the country.

Expanding its reach to foreign funds, your company signed a loan agreement with Japan International Cooperation Agency (JICA) in March 2016 for line of credit of JPY 50 billion. Till March, 2016, IIFCL has drawn about USD 1,784 million and 125 million euros from various multilateral agencies, of which, about USD 287 million and 75 million euros was utilised in 2015-16.

As you are aware that Government has set up National Investment and Infrastructure Fund (NIIF) with the objective to maximize economic inpact mainly through infrastructure development in commercially viable projects, both greenfield and brownfield, including stalled projects. It could also consider other nationally important projects, for example, in manufactring, if commercially viable. I am pleased to inform that your company has been appointed as the investment advisor to the NIIF Ltd., which is the investment manager to NIIF Fund.

State of the Economy

The Indian economy has emerged strongly in the world, growing at a rate of 7.6 per cent in 2015-16, the fastest pace amongst large economies in the world, up from 7.2 per cent in 2014-15.

Inflation has remained under control during the year and eased to 4.83 percent in March 2016 as compared to 5.17 percent in March 2015. This has provided room for the Reserve Bank of India (RBI) to reduce repo rates by 150 bps since January 2015. Current account deficit has declined and stood at 1.1 per cent of GDP in FY16. While most currencies in the world, including the rupee, have depreciated against US Dollar, the fall in rupee has been less as compared to other currencies, according to the Economic Survey 2016-17.

Amid global uncertainties, India emerged as an attractive investment destination amongst the emerging markets riding on the back of government initiatives such as ‘Make in India’, ‘Smart Cities’, ‘Digital India’, improved Foreign Direct Investment (FDI) policy, ‘Ease of Doing Business’, etc. These measures have resulted in increased FDI inflows at USD 55.46 billion during 2015-16, as against USD 36.04 billion during 2013-14. This is the highest ever FDI inflow in India during any financial year. All these factors point to renewed economic momentum in the country.

Stress in the Banking Sector

Notwithstanding the improved macro-economic fundamentals, banks in India are facing high levels of non-performing assets and stressed profitability. According to the Financial Stability Report published by the RBI in June 2016, the gross non performing advances (GNPAs) ratio of Scheduled Commercial Banks (SCBs) increased sharply to 7.6 per cent of gross advances at the end of March 2016, up from 5.1 per cent in September 2015. Meanwhile, the overall stressed advances ratio of SCBs increased to 11.5 per cent at the end of March 2016. Public Sector Banks (PSBs) were the most stressed,with their stressed asset ratio touching 14.5 per cent at the end of March 2016, as against 4.5 per cent for both private sector banks and foreign banks. It may be noted that the stressed advances ratio of the infrastructure sector declined to 16.7 per cent from 21.8 per cent between September 2015 and March 2016.

The banking sector has also witnessed a slowdown in credit growth. After growing at a rate of over 20 per cent at the end of March 2011, credit growth by banks slipped to around 9 per cent at the end of March 2016.

RBI has taken several measures during 2015-16 to overcome the stress in the banking sector. Under its Asset Quality Review (AQR) exercise initiated in December 2015, RBI directed banks to classify certain critical accounts as bad loans and make accelerated provisions on them. Subsequent to AQR, the banking sector GNPAs showed a sharp increase of 79.7 per cent y-o-y in March 2016. While such a measure has impacted banks’ profitability, it is expected to fix the problems of the banking sector to an extent in the long run.

Further, in June 2016, RBI introduced a scheme for sustainable structuring of stressed assets, which bifurcates outstanding debt of a stressed project into sustainable debt and equity/quasi-equity instruments and allows banks to convert up to half the loans held by project into equity or equity-like structures. The move is intended to help restore the flow of credit to crucial sectors such as infrastructure, reduce stress on corporate borrowers and restrict bad loans across banks.

A new Insolvency and Bankruptcy law was passed in May 2016 that will, among other things, ensure time-bound settlement of insolvency. In addition, government has moved amendments to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, and the Debt Recovery Tribunal (DRT) Act to make debt recovery more effective.

Government has also allocated ` 25,000 crore towards recapitalisation of PSBs in the Union Budget 2016-17 and there are plans for consolidation and reducing government stake in PSBs. Further, an autonomous Bank Board Bureau (BBB) has been established with a view to improve the governance of PSBs and help them develop capital raising plans through innovative financial methods. The above measures are expected to address the problem of stressed assets in the banking sector, thereby boosting investor sentiment.

Infrastructure Sector Crucial for Sustainable Growth

As we all know, development of infrastructure sector is critical to sustain high growth rates of any economy. However, infrastructure sector in India is marred by several issues, both structural and financial. Infrastructure projects often face delays in approvals and clearances and involve a lengthy process for land acquisition.In addition, lack of adequate due diligence leads to aggressive bidding and there is often improper allocation of risks that discourages the private sector from investing into infrastructure.

Further, there is a huge gap between requirement and availability of finances for the sector. The sector is hugely dependent on banks for its financing and banks' exposure to infrastructure sector has reached around 15% of total bank credit as on March 2016.Bank financing may not be sustainable in the future owing to exhausting exposure limits as well as due to higher capital requirements under Basel III norms. India's public sector banks, which have been the key financiers of infrastructure so far, are also reeling under huge losses amidst increased non-performing assets.

It may be noted that the flow of infrastructure projects, particularly PPP projects has slowed over the past few years. According to a World Bank 2015 Global PPI Update, PPP investments in India stood at a decade low during 2015.

In view of the limited public resources and a slowdown in private investment, it becomes necessary to resolve the issues of infrastructure sector to attract the interest of investors and explore new and innovative financing mechanisms to meet the huge funding gap.

Over the past two years, Government has introduced several policy reforms and funding mechanisms aimed at attracting the private sector to invest in the infrastructure sector.

Government has set up the National Investment and Infrastructure Fund (NIIF) in 2015 to attract investment from both domestic and international sources for infrastructure development. Further, government has eased norms governing Infrastructure Investment Trusts (InvITS) that were launched in 2014 but have not picked up pace as expected. Government has, in the Union Budget 2015-16, allowed InvITS to be exempted from Dividend Distribution Tax (DDT), thereby making them an attractive investment option for investors.

In order to resolve the issues being faced in PPP projects and to attract investments from the private sector, the finance minister in Budget Speech 2016-17 announced the creation of a Public Utility for infrastructure for Resolution of Disputes and a Renegotiation framework for PPP contracts, based on the recommendations of the Kelkar Committee on Revisiting and Revitalizing the PPP model of Infrastructure Development. Other recommendations that are in the works include setting up independent regulators for certain infrastructure sub sectors, especially for Road Sector, changes in MCA and proper allocation of risks among various parties in a PPP contract. Recently, RBI has also allowed Indian companies to issue rupee-denominated bonds in the offshore market giving them access to alternative sources of funds.

Such measures are expected to play a key role in supporting the financial markets and boosting the much needed investment in the infrastructure space.

Roads and Highways

A slew of policy measures, including faster environment clearances, award of projects only after at least 80% right of way (RoW) has been secured, focus on quick resolution of stalled projects, have increased the interest of developers and contractors in road projects. This is reflected in the over 42% increase in kilometre lengths awarded by NHAI during 2015-16 which rose to 4,368 km as compared to 3,067 km in 2014-15.

Government is also introducing new bidding models such as the Hybrid Annuity Model and Toll Operate Transfer (TOT) Model to realign risks in order to attract private capital. Till June 2016,14 projects worth over ` 12,000 crore and totalling 538 km have been awarded under the Hybrid Annuity Model. Under the Toll Operate Transfer (TOT) model, the government plans to monetize operational road assets. This model is expected to attract long-term investors who are more comfortable in investing in operational projects.

Further, in order to fast-track development of highway projects, government has, in November 2015 empowered the Ministry of Road Transport and Highways (MORTH) to decide mode of delivery of projects and approve projects with a civil construction cost of up to ` 1,000 crore, without requiring approval of the Cabinet Committee on Economic Affairs (CCEA). Government has also increased the target of awarding national highways in 2016-17 to 25,000 km (as against 10,000 km awarded in 2015-16).

Such measures are expected to encourage higher investment in the road sector, reduce the burden on banking system, and unlock the tied-up capital of developers for investment into new projects.

Power

The year 2015-16 marks an eventful year for the power sector. The country's installed generation capacity touched 302 GW at the end of March 2016. Coal output, which was stagnant for years, has increased significantly. Energy deficit has reduced during the year and for the first time in history, the Central Electricity Authority (CEA) estimates the country to experience a peak surplus of 2.6% and energy surplus of 1.1% in 2016-17.

While the generation side has seen several positive developments, the precarious health of Discoms in the country continues to remain a cause of concern, particularly given the banking sector's exposure to these utilities. Your company is also experiencing considerable delays in obtaining payments from developers with exposure to these stressed discoms in several states, even in the renewable energy sector. In order to fix the financial health of discoms, government has come out with a new financial restructuring scheme called UDAY (Ujwal DISCOM Assurance Yojana) in November 2015. The scheme involves reducing the interest cost of discoms through takeover of 75% of Discom debt and reducing the interest rate for the balance 25%, in addition to improving the operational efficiencies of Discoms via reduction in AT&C losses.While the scheme is a positive development for the distribution sector, timely implementation of the scheme is key for its success. In addition to the above, government is also working on improving the transmission sector and is exploring private participation into the sector.

Government has provided a renewed thrust to the development of Renewable Energy. Its plan to develop175 GW from Renewable Energy by 2022 has gathered the interest of several investors. Solar power tariffs have also fallen as companies from across the world are participating in bidding for solar power projects. You would be pleased to know that out of its commitment of ` 20,000 crore for the development of 4000 MW of renewable energy by 2019, your company has sanctioned about ` 2,600 crore for Renewable Energy projects (with a combined capacity of over 1900 MW) under Direct Lending and Takeout Finance Schemes till March 2016. In addition, your company has also sanctioned credit enhancement to 5 renewable energy projects to enable bond issuance of over ` 1,700 crore.

Ports and Shipping

Fiscal year 2015-16 has been significant for the Port sector in the country. During the year, the government announced its flagship Sagarmala project, which aims to develop port infrastructure, including improving connectivity of ports to the hinterland through the development of road and rail networks, along the country's 7,500 km coastline. More than 150 projects have been identified as part of the National Perspective Plan (NPP) under the Sagarmala Programme. These projects are expected to mobilize more than ` 4 lakh crore of investment. As part of the Sagarmala project, coastal shipping and inland water transportation are also expected to get a big boost because of benefits from lower logistics cost. Government envisages increasing the share of waterways in transportation modes from the present level of 7% to 10% by 2020.

During the year 2015-16, 94 MTPA of port capacity was added through 34 capital investment projects, which is the highest capacity addition in major ports' history. Government has also set up a new company, Indian Port Rail Corporation Limited, to provide efficient rail evacuation systems to major ports and thereby improving their handling capacity and turnaround time.

Further, the Shipyard Industry has been granted infrastructure status recently. This is expected to boost the availability of flexible long-term funding at lower costs for the sector.

Railways

Railways carry a major part of both passenger and freight traffic in India. The sector has seen increased activity during the year 2015-16, with the government's focus shifting towards improving the quality of services, provision of high speed rail networks, passengers' safety, etc.

Government is also exploring options to invite private sector participation (both domestic and foreign) into the Railways sector. The Railway Budget 2016 has laid emphasis on PPPs to implement initiatives such as rail connectivity for ports, station-redevelopment etc. It has announced plans to revamp 400 railway stations across the country under the PPP mode and is working on making the terms lucrative for private companies. Government has also allowed 100% FDI under automatic route in certain railway activities. An independent regulator for the Railways is also under consideration.

Airports

During the year 2015-16, passenger traffic increased to 224 million from 190 million in the last fiscal, registering a y-o-y growth of 17.6 per cent. During the same period, the total freight traffic increased to 2.7 million MT in 2015-16, up from 2.5 million MT in 2014-15. Number of aircraft movements in 2015-16 increased to 1,794 thousand movements, as compared with 1,603 thousand movements during the last fiscal, showing a growth of 11.9 per cent y-o-y.

The Finance Minister in the Budget Speech 2016-17 announced that the government is drawing up an action plan for revival of un-served and under-served airports. It plans to work with state governments to develop some of these airports for regional connectivity.

Government has also given a renewed attention to PPPs in Airport development. The Kelkar Committee on Revisiting and Revitalising PPP development has also made several recommendations to promote PPPs in the airport sector.

These initiatives are expected to further boost air traffic in the country and promise a better environment for the aviation industry.

Social and Urban Infrastructure

Rapid Urbanization is a major challenge facing the urban infrastructure sector. As per the 2011 census, while population in urban areas has grown at a rate of about 32% since 2001 to 377 million, the growth in case of rural population has only been 12% during the same period. The supply of urban infrastructure has not kept pace with the increasing demand for services such as urban transport, water supply, sanitation, waste management, etc. The Government's ambitious plan to create 100 smart cities across India by 2022 aims to accommodate India's growing urban population, increase employment and attract FDI. India has signed MOU with various countries, including Germany, US, France for the development of smart cities.

During the year 2015-16, government has made swift progress on several flagship initiatives such as the Swachh Bharat Abhiyan, Smart Cities, Ganga Rejuvenation project etc. After implementing Swachh Bharat Cess at the rate of 0.5% on all taxable services since November 2015, government has announced allocation of ` 11,300 crore for Swachh Bharat Abhiyan in the Union Budget 2016-17.

IIFCL's Performance

Against this backdrop, I would now like to state the key highlights of your company's performance during the year 2015-16:

I. Direct Lending:

- **Gross Sanctions during the year:** During 2015-16, your company made incremental gross sanctions of ` 5,939 crore for 40 projects under direct lending, as against ` 7,737 crore to 33 projects during 2014-15. The cumulative gross sanctions under direct lending stand at ` 67,823 crore to 389 infrastructure projects at the end of March 2016, as against ` 61,885 crore as on 31st March 2015.

- **Financial Closure:** As on 31st March 2016, out of 318 net sanction projects under direct lending, 280 projects i.e. 88% have achieved financial closure.

- **Disbursements:** During 2015-16, your company made incremental disbursements of ` 5,152 crore under direct lending, as against ` 3,111 crore during 2014-15. The cumulative disbursements under direct lending stand at ` 30,251 crore at the end of March 2016, as against ` 25,099 crore as on 31st March 2015.

II. Takeout Finance

- **Sanctions**: Under Takeout Finance Scheme, IIFCL sanctioned ` 3,187 crore in 7 projects during the year, taking cumulative gross sanctions under the scheme to ` 14,432 crore to 60 projects, as against ` 11,260 crore to 53 projects as at March 2015.

- **Disbursements**: During the year, your company disbursed ` 4,297 crore under the Takeout Finance Scheme, as compared to ` 4,208 crore in the previous fiscal. Cumulative disbursements under the Scheme stood at ` 12,325 crore at the end of March 2016, as against ` 8,028 crore at the end of March 2015.

III. Total Disbursements: Total incremental disbursements during the year rose to ` 9,449 crore, which is the highest in any financial year by IIFCL, taking cumulative disbursements at the end of March 2016 to ` 48,832 crore, as against ` 39,383 crore at the end of March 2015.

IV. Net Profit: Your company recorded a net profit of ` 468 crore for the year ended 31st March 2016, as compared to a net profit of ` 753 crore during the year ended 31st March 2015. The lower net profit was mainly on account of increase in loan amount written off by ` 319 crore during 2015-16 (15 loan accounts of ` 474 crore were written off during the year), increase in foreign exchange fluctuation expense (including corresponding gain on swap deals) by ` 520 crore and increase in marked-to-market derivatives by ` 19 crore.

V. NPAs: As on 31st March 2016, IIFCL has been able to contain its Gross NPAs at 3.11% and Net NPAs at 2.24%.

CSR initiatives

IIFCL is a socially responsible organisation and has implemented its CSR policy in all earnest. Projects implemented under the CSR initiative of IIFCL are reaching out to 22 states in the country and cover diverse areas/beneficiaries requiring social intervention, including building toilets, installation of solar street lightening systems, development of sports etc.

During the year 2015-16, as part of its CSR activities, IIFCL has constructed 252 toilet blocks under the flagship Swachh Vidhayala Abhiyaan of the Government of India, installed 1,500 solar home lightening systems at homes of Below Poverty Line families, undertook placement-linked skill development of 500 unemployed youth and 200 tribal women, artisans and distributed assistive aids and appliances to Persons with Disabilities.

IIFCL is among the few PSUs which have completely utilised their allocated CSR budget. As per the provisions of the Companies Act 2013, the entire amount of ` 24.44 crore allocated with approval from the Board of Directors as budget under the CSR initiative of IIFCL for the FY2015-16 was utilized during the year.

Subsidiaries' highlights

India Infrastructure Finance Company (UK) Limited

IIFCL's wholly-owned subsidiary in London, IIFC (UK) Ltd. made cumulative loan sanctions (net of cancellations) of USD 4.13 billion and cumulative disbursements of USD 1.88 billion till 31st March 2016. The company has raised USD 2.1 billion from the RBI till 31st March 2016. Its net profit stood at USD 20.23 million for the year ended 31st March 2016. IIFC (UK) has paid a dividend of USD 20 million to IIFCL for the year 2015-16.

IIFCL Projects Limited (IPL)

IIFCL Projects Limited (IPL), the advisory and project appraising arm of IIFCL, has ramped up its activities during the year and has achieved significant visibility with central government, various state governments as well as the private sector.

It executes various government as well as private sector mandates, like incorporation and operationalization of a new SPV, Indian Port Rail Corporation Limited (IPRCL) under the Ministry of Shipping, for undertaking last mile rail connectivity projects; providing consultancy to National Mission for Clean Ganga under the Ministry of Water Resources etc.

IIFCL Asset Management Company Limited (IAMCL)

IIFCL's wholly-owned subsidiary IIFCL Asset Management Company Ltd (IAMCL) launched its maiden IDF scheme through a private placement route in February 2014, which was fully subscribed and it successfully raised ` 300 crore.

IAMCL is currently in the process of launching two new schemes, both rated "AAA MF-IDF" by two domestic credit rating agencies, with one focused on infrastructure sectors with a fund of up to ` 1,500 crore and the other focused on Green initiative (Solar and wind energy, waste-to-energy, water and sanitation etc.) with a fund size of upto ` 1,000 crore.

Way forward

The year 2015-16 marks an important milestone for IIFCL as the company completed 10 years of successful operations. Over a period of time, IIFCL has grown into a significant player in the infrastructure financing space. IIFCL is continuously evolving to meet the increasing and changing needs of the infrastructure sector. IIFCL's newly found role as a lead lender and a specialist appraisal institution is expected to lead to improved business opportunities and enhanced capacities.

Acknowledgement

At the outset, I would like to take this opportunity to thank Hon'ble Prime Minister, Hon'ble Finance Minister, Vice Chairman, NITI Aayog, Minister of State for Finance, Secretary, Department of Economic Affairs and Secretary, Department of Financial Services, Ministry of Finance for their continued guidance. I would also like to express my sincere gratitude to the officials of the Department of Financial Services and Department of Economic Affairs in the Finance Ministry, NITI Aayog, and other Ministries for extending their invaluable support throughout the year.

I would also like to extend a vote of thanks to the Comptroller and Auditor General of India, Reserve Bank of India and the Statutory Auditors for their inputs and guidance. My sincere thanks to the members of the Board for their enormous support and contribution to the company's growth. Finally, I thank all the employees and staff of IIFCL whose continuous and untiring efforts have led the company to new heights.

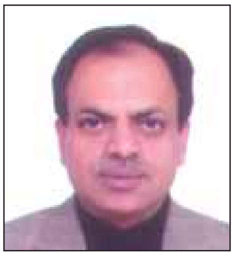
(S. B. Nayar)
Chairman and Managing Director
(DIN No. - 02175871)

Place : New Delhi
Date : 8th September 2016

Board of Directors

Shri S.B. Nayar
Chairman & Managing Director

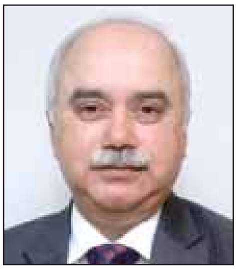
Shri Sanjeev Kaushik
Deputy Managing Director



Shri Yudhvir Singh Malik
Additional Secretary
NITI Aayog

Ms. Sharmila Chavaly
Joint Secretary (I & E)
Govt. of India, Ministry of Finance
Department of Economic Affairs

Shri Pankaj Jain
Joint Secretary (FS) Govt. of India
Ministry of Finance
Department of Financial Services



Shri Rajeev Rishi
CMD, Central Bank of India

Shri Animesh Chauhan
MD & CEO, Oriental Bank of Commerce

Shri V. K. Bhasin
Ex-Secretary
Legislative Department
Ministry of Law and Justice

Shri J. Venkateswarlu
Member, Central Council, ICAI

Chief General Managers

Shri Sanjeev Ghai

Dr. Emandi Sankara Rao

Shri Rajeev Mukhija

Shri P.R. Jaishankar

Shri C. M. Khurana

Contents

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8th Floor, Hindustan Times House, 18 & 20, Kasturba Gandhi Marg, New Delhi-110001
Phone: 91-11-23708263-64 Fax: 91-11-23766256, 23730251

BANKERS
• Punjab National Bank • State Bank of Travancore
• Oriental bank of Commerce • IDBI Bank • IndusInd Bank

TRUST
Vistra ITCL (India) Limited
(*formerly* IL&FS Trust Company Limited)
The IL&FS Financial Centre, Plot C-22, G-Block, BandraKurla Complex,
Bandra (E), Mumbai -400051, Phone: +91-22-26593215

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17R, Kamani Marg Ballard Estate,
Mumbai-400001, Phone: +91-22-40807000

STATUTORY AUDITORS
M/S K.M. Agarwal & Co. Chartered Accountants
36 Netaji Subhash Marg, Daryaganj, New Delhi-110002
Phone: +91-11-23277049, 2373738

Sub: Notice of 11th Annual General Meeting

Dear Sir(s)

This is to inform that the 11th Annual General Meeting of the members of India Infrastructure Finance Company Limited will be held on Friday, the 30th day of September 2016 at IIFCL Board Room, 8th Floor, Hindustan Times House, 18&20, K G Marg, New Delhi at 11.00 a.m.*

The detailed notice of the meeting, Directors' Report, Secretarial Audit Report, Auditors' Report and Audited Accounts of the Company for the period ended on 31st March 2016 are attached herewith.

Kindly make it convenient to attend the same.

Thanking you.

Yours sincerely,

For India Infrastructure Finance Company Limited

(S.B.Nayar)
Chairman and Managing Director
(DIN No. 02175871)

TO:

1. Authorised representative on behalf of the Hon'ble President of India
2. Shri Ashok Kumar Dogra, Deputy Secretary, Department of Financial Services, Ministry of Finance, Govt. of India, Sansad Marg, New Delhi-110001
3. Shri Anshuman Sharma, Deputy Secretary, Department of Financial Services, Ministry of Finance, Govt. of India, Sansad Marg, New Delhi-110001
4. Shri S.R. Mehar, Deputy Secretary, Department of Financial Services, Ministry of Finance, Govt. of India, Sansad Marg, New Delhi-110001
5. Shri Sanjay Kumar, Deputy Secretary, Department of Financial Services, Ministry of Finance, Govt. of India, Sansad Marg, New Delhi-110001
6. Shri Manoj Kumar Mishra, Under Secretary, Department of Financial Services, Ministry of Finance, Govt. of India, Sansad Marg, New Delhi-110001
7. Shri V.V.S. Kharayat, Under Secretary, Department of Financial Services, Ministry of Finance, Govt. of India, Sansad Marg, New Delhi-110001
8. Shri Soumyajit Ghosh, Under Secretary, Department of Financial Services, Ministry of Finance, Govt. of India, Sansad Marg, New Delhi-110001

* *The venue of the meeting was subsequently shifted to Conference Hall, Department of Financial Services, Ministry of Finance, Government of India, Jeevan deep Building, Sansad Marg, New Delhi-110001.*

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

(A Govt. of India Enterprise)
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Tel.: +91-11-23730270, 23708263-64; Fax: +91-11-23766256, 23730251
Website: www.iifcl.org

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED WILL BE HELD ON FRIDAY, THE 30TH DAY OF SEPTEMBER 2016 AT IIFCL BOARD ROOM, 8th FLOOR, HINDUSTAN TIMES HOUSE, 18&20, K G MARG, NEW DELHI AT 11.00 A.M.* TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS:

1) To receive, consider and adopt the audited standalone financial statements and consolidated financial statements of the company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.

2) Pursuant to Section 139(5) of Companies Act, 2013, the Auditors of a Government Company are appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in terms of Section 142(1) of the Companies Act, 2013, their remuneration has to be fixed by the Company in General Meeting or in such manner as the company in a General Meeting may determine.

The Members of the Company in the 10th Annual General Meeting held on 30th September 2015 had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the financial year 2015-16. Accordingly, the Board of Directors had fixed audit fee of ` 7.2 lacs (Rupees Seven lacs Twenty Thousand only) plus service tax for audit of the standalone annual accounts of the company for the Financial Year 2015-16 and ` 1.80 lacs (Rupees One Lac Eighty Thousand only) (plus service tax) @ 25% of the proposed audit fees of ` 7.2 lacs (Rupees Seven Lacs Twenty Thousand only) towards audit of consolidated annual accounts of company for the year 2015-16 for the Statutory Auditors aggregated as the Statutory Audit fee of ` 9 lakh plus service tax. The Office of the Comptroller and Auditor General of India vide letter no. CA.V/COY/Central Government/IIFCL(1)/372 dated 13th July, 2016, has appointed M/s K.M. Aggarwal & CO. (FRN 000853N), Chartered Accountants as Statutory Auditors of IIFCL for the financial year 2016-17, pursuant to the provision of section 139 of the Companies Act 2013. The members may authorize the Board of Directors to fix an appropriate remuneration of Auditors as may be deemed fit by the Board, for the financial year 2016-17.

SPECIAL BUSINESS:

3) ISSUE OF UNSECURED/SECURED NON-CONVERTIBLE BONDS/DEBENTURES THROUGH PRIVATE PLACEMENT AS PER THE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES MADE THERE UNDER:-

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT in accordance with the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) (Amendment) Notification, 2012 and other applicable SEBI regulations and guidelines, the provisions of the Memorandum and Articles of Association of the Company, SIFTI and subject to the receipt of necessary approvals as may be applicable and such other approvals, permissions and sanctions, as may be necessary, the Board of Directors of IIFCL be and is hereby authorized to raise funds through Private Placement of Unsecured/Secured Non-Convertible Bonds/Debentures, taxable/tax free/infrastructure bonds/ Offshore INR bonds/any other bonds upto ` 10,000 crore during the period of one year commencing from date of passing the special resolution thereof; in one or more tranches, at such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.

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* *The venue of the meeting was subsequently shifted to Conference Hall, Department of Financial Services, Ministry of Finance, Government of India, Jeevan deep Building, Sansad Marg, New Delhi-110001.*

RESOLVED FURTHER THAT for the purpose of giving effect to Private Placement of unsecured/secured non-convertible bonds/debentures, as mentioned above, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as approved by the Board, be and is hereby authorized to determine the terms of the Issue, including the size, class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration / undertaking etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force."

By Order of the Board of Directors
FOR INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

Place : New Delhi
Date : 8th September 2016

Manjari Mishra
Company Secretary
(Memebership No. F6204)

REGISTERED OFFICE
8th Floor, HT House,
18 & 20 Kasturba Gandhi Marg,
New Delhi-110001

ANNEXURE TO NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3: ISSUE OF UNSECURED/SECURED NON-CONVERTIBLE BONDS/DEBENTURES THROUGH PRIVATE PLACEMENT AS PER THE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES MADE THERE UNDER:-

Given the Company's future growth plans, the Board considers it necessary to augment the long term resources of the Company through issuance of Unsecured/Secured Non-Convertible Bonds/Debentures which has better acceptability in the market and is very competitive. In view of the same, the Board of Directors in its meeting held on 22nd July 2016 considered and approved, subject to the approval of shareholders, the resource raising plan of the company to the tune of ` 5,500 Crore for FY 2016-17. The Board is authorized to approve the resource raising plan of ` 10,000 Crore [` 5,500 Crore for FY 2016-17 and ` 4500 Crore (50% of Resource expected to be raised for FY 2017-18)] by IIFCL for approval by the shareholders. Thus, the Board of IIFCL is authorized to raise funds through Private Placement of Unsecured/Secured, Non-Convertible Bonds /Debentures taxable/tax free/infrastructure bonds/Offshore INR bonds/any other bonds upto ` 10,000 Crore during the period of one year commencing from date of passing the special resolution thereof, in one or more tranches, at such terms as terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as approved by the Board. The NCDs to be issued, from time to time, in terms of the said Resolution will be within the overall borrowing limits as may be approved by shareholders, from time to time, under Section 180(1)(c) of the Companies Act 2013. In terms of Section 42 and 71 of the Companies Act 2013 and Companies (Share Capital and Debentures), Rules 2014 any offer or invitation for subscription of NCDs to be issued by the Company on private placement basis requires prior approval of the shareholders by way of special resolution. Approval of the shareholders will be valid for one year for all the offers or invitations for NCDs to be made during the said year.

The Board of Directors believes that the proposed offer will be in the best interest of the company.

None of the Directors, Key Managerial Personnel (KMP) of the company and their relatives are concerned or interested in the proposed resolution.

Your Directors recommend the resolution at Item No. 3 in the notice, for your approval.

NOTES: -

1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

2) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business mentioned above is annexed hereto and forms part of the notice.

3) Members may also note that the Notice of AGM will be available on the Company's website www.iifcl.org. The Notice and all other documents referred to in the Notice will also be available at the Company's Registered Office for inspection during the normal business hours on working days.

Board's Report

To

The Shareholders of IIFCL

Your Directors have great pleasure to present the 11th Annual Report on performance of your company for the financial year ended 31st March 2016 alongwith Audited Standalone Financial Statements and Consolidated Financial Statements and report of the Auditors, Secretarial Auditor and the Comptroller and Auditor General of India thereon.

FINANCIAL HIGHLIGHTS

The summary of audited financial results of the company for the financial year ended 31st March 2016 is as under:

(` in crore)

Particulars	**Year ended 31st March, 2016**	**Year ended 31st March, 2015**
Total Revenue	4,659	4,062
Total Expenditure	3,695	2,845
Profit before Tax	**964**	**1,217**
Provision For Taxation	496	464
Net Profit available for Appropriation	**468**	**753**
Net Profit available for Distribution	**419**	**367**
Interim Dividend (including dividend distribution tax)	-	339
Net Profit after Distribution	**49**	**28**
Earning per equity share of face value of `10 each (Weighted Average)	1.20	2.13

LENDING OPERATIONS

DIRECT LENDING

During 2015-16, with further gross sanctions of ` 5,938.59 crore to 40 projects, the cumulative gross sanctions of the company increased to ` 67,823.45 crore in 389 infrastructure projects. The sector-wise distribution of cumulative gross sanctions of your company is as under:

Cumulative Gross Sanctions under Direct Lending (as on 31st March 2016)

(` in crore)

Sector	**No. of Projects**	**Project Cost**	**Gross Sanctions**
Road	211	2,30,492.65	30,836.49
Power	113	3,06,251.09	28,427.46
Airport	2	25,801.00	2,150.00
Port	12	14,141.97	1,782.08
Urban Infra	10	47,327.08	3,600.16
Railway	2	2,593.69	518.54
PMDO*	38	8,602.13	258.72
Telecomm.	1	3,750.00	250.00
Total	**389**	**6,38,959.61**	**67,823.45**

* *Pooled Municipal Debt Obligations*

Further, as at 31st March, 2016, sector-wise distribution of net sanctions of your company amounting to ` 45,725.96 Crore to 318 projects is as under:

Cumulative Net Sanctions under Direct Lending (as on 31st March 2016) #

(` in crore)

Sector	No. of Projects	Project Cost	Net Sanctions
Road	174	1,88,160.59	20,611.76
Power	89	2,12,346.31	20,974.07
Airport	2	25,801.00	848.00
Port	10	12,679.47	1,343.04
Urban Infra	6	18,077.50	1,210.16
Railway	1	1,197.69	239.54
PMDO	35	8,307.79	249.39
Telecomm.	1	3,750.00	250.00
Total	**318**	**4,70,320.35**	**45,725.96**

 # Net Sanction amount is allocated amount in case of projects which have achieved financial closure and gross sanction amount where financial closure is yet to be achieved

TAKEOUT FINANCE

To facilitate incremental lending to the infrastructure sector by addressing bank's exposure and asset-liability mismatch constraints, IIFCL has implemented the Takeout Finance Scheme. IIFCL operationalized its Modified Takeout Finance Scheme in December 2011 subsequent to suitable modifications. IIFCL's Takeout Finance Scheme follows a transparent non-discriminatory and non-discretionary external project rating based pricing mechanism for the takeout of infrastructure loans.

During the year 2015-16, IIFCL further sanctioned ` 3,186.91 crore under the Takeout Finance Scheme, taking cumulative gross sanctions to ` 19,659.56 crore in 90 projects. The sector-wise distribution of cumulative gross sanctions of your company is as under:

Cumulative Gross Sanctions under Takeout Finance (as on 31st March 2016)

(` in crore)

Sector	No. of Projects	Project Cost	Gross Sanctions
Road	47	53,159.63	6,972.38
Power	31	68,545.88	7,661.40
Airport	2	15,777.00	1,745.05
Port	8	13,952.39	3,254.28
Urban Infra	2	107.11	26.45
Total	**90**	**1,51,542.01**	**19,659.56**

Further, as at 31st March, 2016, sector-wise distribution of net sanctions under Takeout Finance of your company amounting to ` 14,432.18 crore to 60 projects is as under:

Cumulative Net Sanctions under Takeout Finance (as on 31st March 2016) #

(` in crore)

Sector	No. of Projects	Project Cost	Net Sanctions
Road	26	31,938.95	4,572.52
Power	24	34,318.20	5,941.01
Airport	2	15,777.00	1570.05
Port	6	9,880.95	2,322.15
Urban Infra	2	107.11	26.45
Total	**60**	**92,022.21**	**14,432.18**

 # Net Sanction amount is allocated amount in case of projects which have achieved financial closure; and gross sanction amount where financial closure is yet to be achieved

DISBURSEMENTS

With further disbursements of ` 9,449.20 crore during 2015-16, the Cumulative disbursements at the end of March 2016 stood at ` 48,832.10 crore, including Refinance of ` 6,256.00 crore, Takeout Finance of ` 12,324.82 crore.

Sector-wise Cumulative Disbursements (as on 31st March 2016)

(` in crore)

Sector	No. of Projects	Project Cost	Amount disbursed
Direct Lending			
Road	166	1,73,833.34	15,171.96
Power	65	1,87,503.44	12,970.30
Airport	2	25,801.00	845.54
Port	8	7,823.11	655.79
Urban Infrastructure	4	1,466.69	208.57
PMDO	27	4,744.21	151.11
Telecomm.	1	3,750.00	248.00
Total (A)	**273**	**4,04,921.79**	**30,251.28**
Takeout Finance			
Road	19	26,860.97	3,556.87
Power	18	33,180.80	5,268.98
Airport	5	15,777.00	1,484.90
Port	5	8,952.08	1,987.62
Urban Infrastructure	2	107.11	26.45
Total (B)	**49**	**84,877.96**	**12,324.82**
Sub Total (A+B)			**42,576.10**
Refinance			**6,256.00**
Grand Total			**48,832.10**

POOLED MUNICIPAL DEBT OBLIGATION (PMDO) FACILITY

Pooled Municipal Debt Obligations (PMDO) facility was set up in 2008 by 4 sponsors IL&FS, IIFCL, IDBI Bank and Canara Bank along with other lenders, to finance urban infrastructure projects on PPP basis. The projects include development of common infrastructure for SMEs, solid waste management, power generation, waste water treatment and other urban infrastructure facilities such as city bus transport, etc. The PMDO facility is instrumental for structuring requirement of resources for projects in a bankable format and providing credit for setting-up mandated projects at reasonable rate of interest.

The present corpus of PMDO is ` 5,000 crore committed by 16 lenders with ` 391 crore committed from your company as its share in the facility. As at 31st March, 2016, cumulative net sanctions of your company, under the facility, has increased to ` 249 crore and cumulative disbursement stood at ` 151 crore.

PRIORITY TO PUBLIC PRIVATE PARTNERSHIP (PPP) PROJECTS

In line with the mandate your company provides overriding priority to Public Private Partnership (PPP) infrastructure projects. Your company's firm commitment of achieving its objective of providing financial support to infrastructure projects with overriding priority to PPP projects reflects in the number of PPP projects supported by it. Till 31st March, 2016, under Direct Lending, financial assistance has been sanctioned for setting up 276 PPP projects constituting 79% of 351 projects sanctioned (excluding those under PMDO) by the company.

Sector wise No. of Projects Gross Sanctioned under Direct Lending (excluding PMDO) as on 31st March 2016

Sector	PPP	Non- PPP	PSU
Road	210	Nil	1
Power	46	62	5
Airport	2	Nil	Nil
Port	11	1	Nil
Urban Infra & Water Supply	6	1	3
Others	1	1	1
Total	**276**	**65**	**10**

GEOGRAPHICALLY DIVERSIFIED PRESENCE

Your company continues to support development of infrastructure projects spread across various states/Union Territories (UT) and enhanced its footprint across the country. Till 31st March, 2016, under Direct Lending and Takeout Finance, your company has sanctioned (net) ` 60,158.15 crore to 378 projects and has disbursed ` 42,576.10 crore in 322 projects.

Cumulative State-wise Net Sanctions and Disbursements under Direct Lending and Takeout Finance (as on 31st March 2016)

(` in crore)

State/UT	Net Sanctions	Disbursements
Andhra Pradesh	4,258.65	3,319.86
Arunachal Pradesh	1,897.39	34.98
Bihar	1,612.13	1,181.91
Chhattisgarh	1,179.45	1,162.93
Delhi	1,373.75	1,373.75
Gujarat	7,296.93	5,437.56
Haryana	1,837.45	938.45
Himachal Pradesh	462.86	333.60

State	Net Sanctions	Disbursements
Jammu & Kashmir	375.00	186.67
Jharkhand	1,482.08	1,381.96
Karnataka	1,650.95	1,074.27
Kerala	190.52	155.09
Madhya Pradesh	5,202.27	3,944.96
Maharashtra	8,197.09	6,132.10
Orissa	825.18	698.31
Pondicherry	179.21	179.22
Punjab	1,500.46	750.76
Rajasthan	1,721.33	1,249.48
Sikkim	1,130.26	1,078.51
Tamil Nadu	3,493.47	2,030.90
Telangana	2,679.06	1,395.08
Uttar Pradesh	9,086.49	6,274.82
Uttarakhand	455.88	405.24
West Bengal	2,070.29	1,855.67
Total	**60,158.15**	**42,576.10**

Achievement of Financial Closure under Sanctioned Project

As on 31st March 2016, out of 318 net sanction projects under Direct Lending, 280 projects i.e. 88% have achieved financial closure. Sector-wise details of financial closure achieved projects are as under:

Financial Closure Achieved Projects (as on 31st March 2016)

(` in crore)

Sector	No. of Projects	Project Cost	Net Sanctions
Road	169	1,78,225.57	19,128.16
Power	68	1,92,167.17	15,831.75
Airport	2	25,801.00	848.00
Port	8	7,823.11	800.04
Urban Infrastructure	4	1,466.69	227.00
PMDO	28	4,776.03	183.68
Others	1	3,750.00	250.00
Total	**280**	**4,14,009.57**	**37,268.63**

Achievement of Commercial Operation Date (COD)

At the end of March 2016, amongst 283 projects in which your company has provided financial assistance by Direct Lending mode (excluding PMDO), COD has been achieved in 146 projects which included 102 road projects, 37 power projects, 3 port projects, 2 airports and 2 urban infrastructure Projects. Sector-wise details of COD achieved projects are as under:

COD Achieved Projects (as on 31st March 2016)

(` in Crore)

Sector	No. of Projects	Project Cost	Net Sanctions
Road	102	98,473.13	10,341.59
Power	37	100,610.20	9,239.69
Airport	2	25,801.00	848.00
Port	3	2,736.45	310.08
Urban Infrastructure	2	818.36	163.00
Total	**146**	**2,28,439.14**	**20,902.36**

CREDIT ENHANCEMENT

The Credit Enhancement Scheme was launched by IIFCL in the year 2012, with the objective of enabling infrastructure projects to raise funds from alternative resources like capital debt markets.

FY 2015-16 has been particularly important for IIFCL as the year saw first ever successful bond issuance in infrastructure sector which was credit enhanced by IIFCL. During the year, the first bond issue for a wind power project, amounting to ` 451 crore was completed in September 2015. This was followed by a second bond issue of ` 126.7 crore in December 2015 for a solar power project. The total cumulative guarantee from IIFCL for these transactions was ` 163 crore. Asian Development Bank has participated as a back-stop guarantor to IIFCL in both these transactions. This has facilitated in reducing the cost of funding for such projects as the pricing mechanism is market-linked, based on credit rating of the issuer.

During the year, IIFCL has sanctioned 6 projects under its Credit Enhancement Scheme with a cumulative bond size of upto ` 2,131 crore and proposed IIFCL Guarantee of ` 575 crore.

Essar Bulk Terminal (Salaya) Limited

Clean Wind Power (Ratlam) Pvt. Ltd.

INDIA INFRASTRUCTURE FINANCE INITIATIVE

The company had entered into MoU with IDFC and Citigroup on 15th February, 2007, to set up an India dedicated Infrastructure Fund wherein IIFCL had agreed to contribute US$ 25 million (subject to a maximum of ` 100 crore) while IDFC & Citigroup committed to contribute US$ 100 million each as promoter sponsors. During 2015-16, under India Infrastructure Fund (IIF), IIFCL has received 2 redemption amounting to ` 2.41 crore.

Till 31st March, 2016, out of total capital commitment of ` 100 crore to IIF, IIFCL has contributed ` 92.34 crore, IIF has redeemed capital amounting to ` 17.67 crore till 31st March, 2016. Outstanding amount of IIFCL's investment in IIF is ` 74.67 crore as on 31st March 2016.

RESOURCE MOBILIZATION

DOMESTIC RESOURCES

The company has so far raised ` 32,573 crore (out of which amount of ` 19,049.18 crore raised through bond is outstanding as on 31st March 2016) from domestic markets through a mix of instruments comprising of domestic Taxable Bonds, Tax-Free Bonds and Tax-Saving Infrastructure Bonds and long term loans from LIC & NSSF.

EXTERNAL RESOURCES

IIFCL has also established strong relationships with multilateral institutions like Asian Development Bank, World Bank , KfW and European Investment bank (EIB) and has committed lines of credit to the extent of USD 1.9 billion, USD 195 million, Euro 50 million and Euro 200 million respectively. Of the USD 1.9 billion from ADB, IIFCL has drawn USD 1.6 billion till 31st March 2016.

Of the World Bank line of credit of USD 195 million, IIFCL has fully availed the amount of USD 195 million. The Euro 50 million line of credit from KfW has been availed fully by your company against disbursements in two hydro power projects and three solar power projects as approved by KfW. IIFCL had also executed a Financing Contract agreement of Euro 200 million with EIB on March 31, 2014, under which Euro 75 million has been drawn as on March 2016. In addition of the above, a line of credit of JPY 50 billion has been signed with Japan International Cooperation Agency (JICA) which is yet to be effected. These relationships with multilateral institutions have helped IIFCL in raising long-term resources.

IT INITIATIVES

In the year 2015-16, IIFCL has adopted a holistic and integrated IT Program for next 5 years, to build upon and improvise the existing IT Systems by implementing SAP-ERP (Enterprise Resource Planning) System across IIFCL Group. The company has already adopted a Document Management System with a vision to support the digitization and paperless office which is a step towards Digital India campaign by the Government of India. In continuity, the company has a plan to adopt a digital platform for Information and Communication on a reliable and secure IT Network to enhance IIFCL's Productivity and Quality of Service to all the Stakeholders. For a high level of IT Service, the implementation of SAP-ERP System is being supported through a Tier IV Data Centre and Disaster Recovery sites in Noida and Mumbai respectively.

ADOPTION OF PRUDENTIAL NORMS

The Reserve Bank of India has issued a Certificate of Registration (CoR) No. N-14.03288 dated 9th September 2013 to IIFCL, permitting the Company to carry on the business of Non-Banking Financial Company-Non Deposit-Infrastructure Finance Company (NBFC-ND-IFC).

The company vide letter dated 21st November 2014, submitted road map to RBI giving specific time lines for complying with various elements of RBI regulations for NBFC-IFC. Accordingly during 2015-16, IIFCL complied with RBI Regulations applicable to it.

RESTRUCTURED LOANS, NPAs AND RECOVERY

During the year 2015-16, 2 accounts have been sold to Asset Reconstruction Companies. As on 31st March 2016, 14 accounts have been classified as NPA with an outstanding amount of ` 984.20 crore. The percentage of Gross NPA stood at 3.11% as on 31st March 2016. The percentage of Net NPA stood at 2.24% as on 31st March 2016. All the accounts are being followed up closely for recovery/ resolution in consultation with lead bank and other lenders and efforts are being made for recovery of dues by way of securitization, sale to Asset Reconstruction Companies, and legal recourse to protect the lenders' interest.

RISK MANAGEMENT

Your company is implementing Integrated Risk Management System (IRMS) in a phased manner to make the Risk Management Framework more effective and coherent with the regulatory requirements and industry best practices. The Board through its Risk Management Committee reviews the progress of IRMS of the Company as comprehensive risk parameters and profile of company at regular intervals.

Your company is using Risk Assessment Model (RAM) Software for risk assessment and rating of infrastructure projects taking into account the sector specific Policies, Regulations and Business Risk Parameters. The Internal Risk Rating of the projects is approved by the Rating Committee, which consist of members of the senior management. During FY 2015-16 IIFCL has procured Large Corporate Model (LCM) to cover additional sectors included in Harmonized List of Infrastructure as a process of capacity and capability building of Risk Management.

Your company had a Board approved quantitative and qualitative Risk appetite limits for the Assets and Liabilities and these limits are supervised and analyzed by Risk Department on quarterly basis and presented to the Board Level Risk Management Committee (BL-RMC).

IIFCL qualitative Risk Appetite Statement is "IIFCL shall have zero tolerance for non-compliance of regulatory norms and evaluate the Quantitative Risk Appetite parameters to maintain the highest IIFCL Credit Rating and follow the Environmental and Social Safeguards norms wherever applicable".

In line with compliance of RBI guidelines your company has to maintain a Capital to Risk (Weighted) Assets Ratio (CRAR) of 15%. As a special dispensation case from RBI, IIFCL has to maintain CRAR at 12%. However IIFCL had maintained a CRAR of 20.30% as on 31st March 2016. Credit Risk is evaluated on a quarterly basis by way of Asset Portfolio Analysis, Portfolio Spread Analysis and Portfolio Stress Testing under different scenarios like Sectoral, Group, Single Party, NPA Stress analysis. The Portfolio Risk Assessment Report is reported to Board Level Risk Management Committee (BL-RMC) on quarterly basis .

As part of IRMS, your company also evaluates Asset Liability Management (ALM) Function as per the RBI norms. The Three ALM reports are prepared in compliance with regulatory guidelines and submitted periodically to RBI within the stipulated timelines. The ALM Reports along with Liquidity Stress Testing and Net Interest Income Sensitivity analysis are reported to Board Level Asset Liability Management Committee (BL-ALCO) periodically.

Operational Risk Team is engaged in assimilating data to estimate operational risks at various business units. Risk Control Self-Assessment (RCSA), Key Risk Indicators and Loss Data Capturing activities are performed periodically to highlight critical Operational Risk Areas. IIFCL is also estimating Operational Risk Capital - using Basic Indicator Approach. The Comprehensive Operational Risk Management is supervised by Credit and Operational Risk Management Committee. IRMS ensures cohesive risk evaluation and mitigations in line with the IIFCL's risk vision and appetite statements. This enables your company to retain the highest Credit Rating which is currently AAA by all the domestic credit rating agencies and BBB- by S&P which is at par with sovereign rating.

ENVIRONMENT AND SOCIAL SAFEGUARDS

IIFCL has set up an in-house Environment and Social Safeguard Management Unit (ESMU) comprising of Environmental & Social Safeguards specialists. IIFCL staff is regularly trained/ exposed to training programme on sustainable developments/ safeguard related issues. As a part of IIFCL's commitment to safeguards, ESMU team has been further strengthened during the reporting period. ESMU team has also participated in formulation of Draft Guidelines for Responsible Financing for banking sector which are being developed by Working Group under the aegis of IBA. IIFCL has lines of credit from World Bank, ADB, Kfw and EIB etc., for this purpose. IIFCL periodically, conducts Stakeholder workshops and sensitize the participants about sustainable development and related issues.

HUMAN RESOURCE MANAGEMENT

The human resources play a vital role in the growth of any organization. IIFCL continues to be a lean organization with total staff strength of eighty eight employees. In order to develop human resources of the company, various initiatives were taken during the year which include imparting training in the areas of Credit Appraisal, Risk Management, Resources & Treasury Management, HR Management, Legal aspect and IT etc. at various renowned Indian and foreign institutions. To keep the workforce motivated and engaged several initiatives were taken including Staff welfare Initiative. All Government policies on reservation/relaxation/exemption to the reserved categories candidates are being complied with. In order to automate the HR function, Human Resources Management System (HRMS) has been implemented and is fully operational. The Employee relations during the year remained peaceful and cordial.

CORPORATE SOCIAL RESPONSIBILITY

IIFCL, as per the provisions of the Companies Act 2013, has a Corporate Social Responsibility (CSR) policy in place that has been duly approved by the Board of Directors. IIFCL's CSR policy is closely linked with the principles of sustainable economic development and entails a two-tier structure to implement and monitor CSR activities Board level committee headed by CMD and an Implementation Committee with Senior Officers of Company.

IIFCL's CMD Shri. S B Nayar receives the award for IIFCL's contribution in the field of CSR for uplifting the status of Safai Karamcharis, Scavengers and their Dependents from Shri. Thawar Chand Gehlot, Hon'ble Minister of Social Justice and Empowerment

IIFCL CMD Shri. S B Nayar distributed assistive aids and appliances to Persons with Disabilities. A total of 389 individuals PwDs have been provided with various assistive aids and appliances.

To ensure transparency, IIFCL has been using the expertise of independent bodies / agencies and approaches the Department of Social Work, University of Delhi for the analysis of proposals received for funding under its CSR initiative. IIFCL has also internally evolved a Risk based template for evaluating CSR projects.

IIFCL through its CSR during FY 2015-16, has successfully constructed 252 toilet blocks under the flagship Swachh Vidhayala Abhiyaan of Government of India, installed 1,500 solar home lightening systems at homes of BPL families, undertook placement linked skill development of 500 unemployed youth and 200 tribal women artisans and distributed assistive aids and appliances to Persons with Disabilities. IIFCL has also contributed to the Health Minister's Cancer Patient Fund (HMCPF) of the Ministry of Health and Family Welfare, Government of India to provide financial assistance for treatment of BPL patients suffering from cancer and National Cultural Fund (NCF) of the Ministry of Culture, Government of India for conservation of cultural heritage of India

An amount of ` 24.45 crore was allocated with approval from the Board of Directors as budget under the CSR initiatives of IIFCL for the FY2015-16. During the FY2015-16, IIFCL has implemented projects that are reaching out to 22 states in the Country and covers diverse areas/beneficiaries requiring social intervention.

The CSR expenditure for the FY2015-16 stands at ` 24.45 crore. The Company was able to achieve its targets as per the provisions of the Companies Act, 2013.

IIFCL has also empanelled agencies to undertake impact evaluation of projects completed under its CSR initiative.

INTERNAL CONTROL

Your company has devised strong internal control mechanism involving systems, safeguards & procedures commensurate with its size and operations. The internal audit is regularly carried out to ensure compliance of process, procedures and provisions laid down by the company for respective action. Prompt action is taken on the observations of the Internal Auditor's report and the same along with the action taken are placed before the Audit Committee of the Board at regular intervals.

RATINGS OF THE COMPANY

During the year, ratings assigned to the company were affirmed by Standard & Poor's as BBB-/Stable/A-3 which are at par with sovereign ratings. IIFCL's various domestic long term borrowings (bonds) have been rated 'AAA/ AAA (SO)' by various rating agencies.

ISO 9001 CERTIFICATION

IIFCL is an ISO 9001:2008 certified company with established, documented, implemented Quality Policy & Quality Manual and maintains a Quality Management System (QMS) as a means of ensuring that the services of IIFCL conform to specified requirements and continually improve its effectiveness in accordance with the requirements.

IIFCL management lays strong emphasis on quality standards and these are deliberated in periodic Management review meetings. IIFCL has successfully carried out annual surveillance audit for ISO certification in the month of January 2016.

BUSINESS DEVELOPMENT

During 2015-16, IIFCL participated in several conferences and seminars inter -alia identified by its Business Development Cell for undertaking Business Development Activities. IIFCL also organized awareness about its various offerings and to gather feedback. IIFCL also signed a MoU with PFS for mutual cooperation in financing of infrastructure projects in India. Further, IIFCL Projects Limited, wholly owned subsidiary of IIFCL also supported IIFCL in Business Development activities. The Company has also organized four stakeholder meets during the year i.e. one each at Kolkata, Mumbai, Chennai & New Delhi.

SUBSIDIARIES

- **India Infrastructure Finance Company (UK) Limited**

  In April 2008, IIFCL had set up a wholly owned subsidiary at London with the objective of lending in foreign currency to Indian companies implementing infrastructure projects in India specifically for import of capital equipment. The Reserve Bank of India (RBI) has extended line of credit of USD 5 billion from foreign exchange reserves for the same. With further disbursements of USD 200 million during 2015-16, IIFC (UK) has made cumulative disbursements of USD 1879.93 million till March 2016.

- **IIFCL Asset Management Company Limited (IAMCL)**

  IIFCL formed a 100% subsidiary viz IIFCL Asset Management Company Ltd (IAMCL) to manage the IIFCL Mutual Fund based Infrastructure Debt Fund (IDF). IIFCL Mutual Fund launched its maiden IDF scheme through a private placement route in the name of "IIFCL Mutual Fund Infrastructure Debt Fund Series I" on 31st December 2013. The maiden scheme was fully subscribed and it successfully raised ` 300 crore. The Asset Under Management (AUM) of the maiden IDF scheme has grown to ` 374.40 crore as on 31st March, 2016 and has given annual return of 10.92% (since inception) to its investors. During the financial year 2015-16, IAMCL's total revenue grew to ` 5.15 crore (by 8.20 per cent from FY 2014-15 of ` 4.76 crore) and the Balance Sheet Size of IAMCL as on 31st March, 2016 is ` 16.55 crore

  IAMCL is currently in the process of launching two new schemes, both rated "AAA MF-IDF" by two domestic credit rating agencies, with one focused on infrastructure sectors with a fund of up to ` 1,500 crore and the other focused on Green initiative (Solar and wind energy, waste-to-energy, water and sanitation etc.) with a fund size of upto ` 1,000 crore.

- **IIFCL Projects Limited (IPL)**

  IIFCL Projects Limited (IPL) was set up in February 2012 as a 100% subsidiary of IIFCL with the objective of providing advisory, project appraisal and syndication services to Central/State Government, local bodies and other stakeholders for promotion and development of infrastructure in India. IPL has significantly ramped up its activities during the financial year 2015-16 and has achieved significant visibility with central government, various state governments as well as the private sector.

Currently, IPL executes various government as well as private sector mandates. In one of its latest endeavours IPL was appointed as Consultant to National Mission for Clean Ganga under Ministry of Water Resources for incorporation and operationalization of new SPV for setting up Sewerage Treatment Plants (STPs) in the Ganga Basin.

During the FY 2015-16, IPL successfully assisted private developers in achieving financial closure for infrastructure projects under PPP mode to the tune of ` 1257.46 crore. In a landmark assignment IPL also carried out a financial appraisal / Project review for augmentation of existing STP for Hitachi India Private Limited. Recently IPL signed an MOU with Energy Efficiency Services Limited for Technical and Financial Advisory. During FY 2015-16 (based on audited financials), IPL earned advisory fee of ` 6.49 crore (` 4.66 crores during FY2014-15) and PAT of ` 2.35 crore (` 1.90 crore during FY2014-15).

ASSOCIATES

- **Irrigation and Water Resources Finance Corporation Limited (IWRFC)**

In the Budget speech of 2008-09, the Hon'ble Finance Minister announced that massive investments were required to be made in Irrigation Projects and hence Irrigation and Water Resources Finance Corporation (IWRFC) was established as a Company under the Companies Act, 1956 with an initial capital of ` 100 Crores, contributed by the Central Government on March 29, 2008. The intention was to mobilize the very large resources that will be required to fund major and medium Irrigation Projects.

Subsequently in the Budget speech of 2012-13, the Hon'ble Finance Minister announced that the Company would start its operations in 2012-13 by focusing on financing sub-sectors like micro-irrigation, contract farming, waste water management and sanitation.

In line with the budget announcement the Ministry of Finance advised IIFCL to operationalize the IWRFC. Accordingly, IWRFC had commenced its operations in the financial year 2012-13.

During the year 2015-16, IWRFC disbursed term loans to the tune of ` 4.18 crore. The gross sanctions by the company till 31st March 2016 are ` 88 crore, and the outstanding disbursement as on 31st March 2016 is ` 37.12 crores.

During 2013-14 Government of India *vide* letter no. 19/08/2012-IF-1 dated 4th January, 2013 conveyed in-principle approval for merger of IWRFC with IIFCL and subsequently the Government of India vide letter no. 19/8/2012-IF-I (Vol.2) dated 15th April, 2015 conveyed final approval for merger of IWRFC with IIFCL.

Pursuant to receipt of approvals from creditors viz. Bondholders (Trustees-IDBI Trusteeship Services Limited & IL&FS Trust Company Limited), Domestic Institution/Authorities viz. NSSF, Life Insurance Corporation of India and Multilateral Institutions viz. Asian Development Bank (ADB), World Bank, KFW & European Investment Bank, the application with respect to the proposed Merger of IWRFC with IIFCL was jointly filed by IWRFC and IIFCL with the Central Government (Ministry of Corporate Affairs) u/s 396 of the Companies Act, 1956 read with circular no 16 dated 20th April 2011 in January 2016.

Ministry of Corporate Affairs (MCA) vide order dated 21stJuly 2016 conveyed sanction of the Central Government to the Scheme of Amalgamation of IWRFC with IIFCL under Section 391 (2) read with section 394 of the Companies Act, 1956. The scheme of amalgamation is binding with effect from 1stApril, 2016, being appointed date for coming into force of the said Scheme. Consequent to the amalgamation of companies and the Scheme becoming effective, the Transferor Company i.e IWRFC shall stand dissolved without the process of winding up.

Share Capital

As on 31st March 2016, the authorised share capital stood at ` 5,000 crore and the paid –up share capital of your company was ` 3,900 crore consisting of 390 Crore equity shares of ` 10 each of which 100% are held by Government of India. Pursuant to Ministry of Corporate Affairs (MCA) order dated 21st July 2016 conveying sanction of the Central Government to the Scheme of Amalgamation of IWRFC with IIFCL the authorized share capital of IIFCL stood at ` 6,000 crore (Rupees Six Thousand Crore) divided into 600 crore (Six Hundred Crore) Equity Shares of ` 10 each. Post issue of 10,23,16,230 equity shares of ` 10 each to Government of India aggregating ` 100,23,16,230 in consideration of transfer of undertaking of IWRFC, the paid up share capital of your company stood at ` 4000.23 crore consisting of 400.02 crore equity shares of ` 10 each of which 100 % are held by Government of India.

Dividend

During the year under review, your directors do not recommend any dividend. Department of Investment & Public Asset Management (DIPAM), Ministry of Finance vide Office Memorandum (OM) F. No. 5/2/2016-Policy dated 27th May 2016 issued Guidelines on Capital Restructuring of CPSEs.As per these guidelines, every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions. IIFCL vide letter dated 14th January 2016 has requested Government for exemption from payment of dividend for at least 3 years.

Particulars of Loan, Guarantees or Investment under section 186 of the Companies Act 2016

Your company being Non-Banking Financial Company engaged in business of financing infrastructure is exempt from the relevant provision of Section 186 of the Companies Act 2013.

BOARD OF DIRECTORS

The composition of Board of Directors of your company as on date is as under:

Name and Designation	Category	Date of appointment
Shri S. B. Nayar Chairman & Managing Director	Whole Time Director	12th December, 2013
Shri Sanjeev Kaushik Deputy Managing Director	Whole Time Director	2nd February 2015
ShriYudhvir Singh Malik *(Refer Note 1)* Additional Secretary, NITI Aayog	Government Nominee Director	4th December 2015
Ms. Sharmila Chavaly *(Refer Note 1)* Joint Secretary (I & E) Department of Economic Affairs Government of India, Ministry of Finance	Government Nominee Director	4th December 2015
Shri Pankaj Jain *(Refer Note 2)* Joint Secretary, Department of Financial services Government of India, Ministry of Finance	Government Nominee Director	1st January 2016
Shri Rajeev Rishi CMD, Central Bank of India, New Delhi	Scheduled Commercial Banks Nominee Director	13th March, 2015
Shri Animesh Chauhan MD & CEO, Oriental Bank of Commerce, New Delhi	Scheduled Commercial Banks Nominee Director	13th March, 2015
Shri. V.K. Bhasin Ex-Secretary Legislative Department Ministry of Law and Justice	Part-Time Non-Official Director	27th January 2014
Shri. J. Venkateswarlu Chartered Accountant	Part-Time Non-Official Director	10th March 2014

Note 1 : Government of India, Ministry of Finance, Department of Financial Services vide Letter No. F. No. 3/1/2010/1F-1 dated 4th December 2015 has communicated the appointment of Shri Yudhvir Singh Malik, Additional Secretary NITI Aayog and Ms. Sharmila Chavaly, Joint Secretary, Department of Economic Affairs, Ministry of Finance as Government Nominee Directors on the Board of Directors of IIFCL with immediate effect until further orders.

Note 2: Government of India, Ministry of Finance, Department of Financial Services vide letter No. F. No. 3/2/2011/1F-1dated 1stJanuary 2016 has communicated the appointment of Shri Pankaj Jain, Joint Secretary, Department of Financial Services, Ministry of Finance, as Government Nominee Director on the Board of India Infrastructure Finance Company Ltd. (IIFCL) in place of Ms. Anna Roy, Joint Secretary, Department of Financial Services until further orders. Ms. Anna Roy was Government Nominee Director on the Board of IIFCL from 4th September 2015 to1st January 2016.

Individuals who ceased to be Directors from the Board of IIFCL during the Financial Year is indicated below:-

Name and Designation	Category	Tenure
Dr. Hasmukh Adhia	Govt. Nominee Director	11th November 2014 – 4th September 2015
Ms. Anna Roy	Govt. Nominee Director	4th September 2015 – 1st January 2016
Shri. U.K Sharma	Govt. Nominee Director	11th December 2014 – 4th December 2015
Ms. Sharmila Chavaly	Govt. Nominee Director	21st October 2012 – 4th December 2015

The Board wishes to place on record its appreciation of their contribution to the company.

Directors' Responsibility Statement

Pursuant to the requirement under section 134(5) of the Companies Act, 2013, it is hereby confirmed:

(a) That in the preparation of Annual Accounts for the financial year ended 31st March 2016 the applicable accounting standards had been followed and no material departures have been made from the same.

(b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review.

(c) That the Directors had taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(d) That the Directors had prepared the accounts for the Financial Year ended 31st March, 2016 on a going concern basis.

(e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance

Corporate Governance is a set of accepted principles by management of the inalienable rights of the shareholders as a true owner of the corporation and of their own role as trustees on behalf of the shareholders. Corporate Governance ensures transparency and accountability which ensures strong and balanced economic development of company and society. Accordingly, there is strong realization in corporate world for adopting and strengthening the Corporate Governance practices.

Your company continues to focus on evolving corporate structure, conduct of business and disclosure practices aligned to such Corporate Governance Philosophy. In line with the Best Practices on Corporate Governance, your Company's Board comprises of nine (9) Directors out of which two (2) are Whole Time Director i.e. the Chairman and Managing Director and Deputy Managing Director, three (3) are Government Nominee Directors, two (2) Directors representing the Scheduled Commercial Banks and two (2) are Part-Time Non-Official Directors. Further, your Company has a qualified and an Independent three member Audit Committee chaired by a Part-Time Non-Official Director. Your Company prepares the Consolidated Financial Statements as per the applicable Accounting Standards in relation to the Consolidation of Financial Statements. The management makes disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the company. Reports on the economy, performance of the company and other operational matters are regularly reviewed by the Board of Directors.

Board Meetings during the year

The Board of Directors of the company provides leadership and strategic direction and brings forth their objective judgment, so as to exercise control over the functioning of the company, ensuring accountability to stakeholders through an efficient management. During the year under review, the Board of Directors met 5 times on 12th May 2015, 12th August 2015, 9th November 2015, 8th December 2015 and 23rd February 2016.

Committees of the Board of Directors

The Board functions as full Board or through various Committees constituted to oversee specific operational areas. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the committee. The Committees meet at regular intervals and focus on specific areas and make informed decisions within the autority delegated to them.

As on 31st March 2016, the Board had the following committes:

1. Audit Committee
2. Manegement & Investment Committee
3. Risk Management Committee
4. Asset Liability Management Committee
5. Corporate Social Responsibility Committee
6. Remuneration and Nomination Committee
7. Stakeholders Relationship Committee

Audit Committee of the Board

The Audit Committee was constituted in 3rd Board Meeting held on 29th May, 2006 which was again reconstituted in 78th Board Meeting held on 9th November 2015. The Constitution of the Audit Committee as on date is as under:

Name	**Designation**
Shri Sanjeev Kaushik	Deputy Managing Director
Shri V.K. Bhasin	Part-Time Non-Official Director
Shri J. Venkateswarlu	Part-Time Non-Official Director, Chairman of the Committee

During the year 2015-16, the Audit Committee of the Board met 5 times on 12th May 2015, 12th August 2015, 9th November 2015, 4th December 2015, 22nd February 2016

Management & Investment Committee (MIC)

The MIC was constituted in 60th Board Meeting held on 20th February, 2013 which was reconstituted in the 80th Board Meeting held on 23rd February 2016. The constitution of the Management and Investment Committee as on date, is as under:

Name	**Designation**
Shri S. B. Nayar	Chairman & Managing Director, Chairman of the Committee
Shri Sanjeev Kaushik	Deputy Managing Director
Ms. Sharmila Chavaly	Government Nominee Director
Shri Animesh Chauhan	Scheduled Commercial Banks Nominee Director
Shri J. Venkateswarlu	Part-Time Non-Official Director

During the year 2015-16, the Management & Investment Committee of the Board met 8 times on 28th April 2015, 29th June 2015, 14th August 2015, 30th September 2015, 21st December 2015, 3rd February 2016, 1st March 2016 and 29th March 2016

Risk Management & ALCO Committee

The Board of Directors of IIFCL in 21st Meeting held on 14th November 2008 constituted the Risk Mitigation & Management Committee of the Board. In light of IIFCL being registered as NBFC-IFC with RBI and implementation of Integrated Risk Management Framework at IIFCL, the Board Level-Risk Mitigation & Management Committee was reconstituted as the Board Level-Risk Management & ALCO Committee in 68th Board Meeting held on 3rd February 2014 to give overall guidance to IIFCL Risk Management and to the Assets & Liabilities Management. Subsequently, the Board of Directors of IIFCL in 73rd Meeting held on 26th November 2014 approved the proposal that existing Risk Management & ALCO Committee of IIFCL be segregated into two Committees namely Risk Management Committee & ALCO Committee in view of Regulation 3 of the Master Circular-Corporate Governance issued by Reserve Bank of India vide reference no DNBS (PD) CC No. 390/03.10.001/ 2014-15 date 1st July, 2014, stipulating that every NBFC with Public Deposit of ` 20 crore and above or having an asset size of ` 100 crore or above shall constitute a Risk Management Committee to manage integrated risk, in addition to the Asset Liability Management Committee (ALCO). The members in both Committees were to be the same.The Risk Management Committee and Asset Liability Management Committee were reconstituted in the 78th Board meeting held on 9th November 2015.

The constitution of the Risk Management Committee as on date is as under:

Name	Designation
Shri Sanjeev Kaushik	Deputy Managing Director, Chairman of the Committee
Shri V.K. Bhasin	Part-Time Non-Official Director
Shri J. Venkateswarlu	Part-Time Non-Official Director

During the year 2015-16, Risk Management Committee of the Board met 4 times on 12th May 2015, 12th August 2015, 9th November 2015 and 22nd February 2016.

Asset Liability Management Committee (ALCO)

The constitution of the Asset Liability Committee as on date is as under:

Name	Designation
Shri Sanjeev Kaushik	Deputy Managing Director, Chairman of the Committee
Shri V.K. Bhasin	Part-Time Non-Official Director
Shri J. Venkateswarlu	Part-Time Non-Official Director

During the year 2015-16, Asset Liability Management Committee of the Board met 4 times on 12th May 2015, 12th August 2015, 9th November 2015 and 22nd February 2016.

Corporate Social Responsibility (CSR) Committee

The CSR Committee was constituted in 51st Board Meeting held on 23rd April, 2012 as per guidelines of Department of Public Enterprises which was reconstituted in 79th Board Meeting held on 8th December 2015. The constitution of the CSR Committee as on date is as under:

Name	Designation
Shri S.B. Nayar	Chairman & Managing Director, Chairman of the Committee
Shri Yudhvir Singh Malik	Government Nominee Director
Ms. Sharmila Chavaly	Government Nominee Director

During the year 2015-16, CSR Committee of the Board met 4 times on 29th June 2015, 14th August 2015, 31st December 2015 and 1st March 2016.

Remuneration and Nomination Committee

The Remuneration Committee was constituted in the 25th Board Meeting held on 14th July 2009 which was later renamed as the Remuneration and Nomination Committee in 71st Board Meeting held on 11th August, 2014 as per requirement of Companies Act 2013. The Remuneration and Nomination Committee was reconstituted in the 80th Board Meeting held on 23rd February 2016.

The constitution of the Remuneration and Nomination Committee as on date is as under:

Name	**Designation**
Shri Yudhvir Singh Malik	Government Nominee Director
Shri Pankaj Jain	Government Nominee Director, Chairman of the Committee
Shri V.K. Bhasin	Part-Time Non-Official Director

During the year 2015-16, Remuneration and Nomination Committee of the Board met 2 times on 22nd May 2015 and 12th August 2015.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted in 71st Board Meeting held on11thAugust, 2014 as per requirement of Companies Act, 2013 which was reconstituted in the 79th Board Meeting held on 8th December 2015.

The constitution of the Stakeholders Relationship Committee as on date is as under:-

Name	**Designation**
Shri S.B. Nayar	Chairman & Managing Director, IIFCL
Shri. Sanjeev Kaushik	Deputy Managing Director
Shri. Rajeev Rishi	Scheduled Commercial Bank Nominee Director
Shri V.K. Bhasin	Part-Time Non-Official Director, Chairman of the Committee

During the year 2015-16, Stakeholders Relationship Committee of the Board met 4 times on 12th May 2015, 12th August 2015, 9th November 2015 and 22nd Februray 2016.

Companies' policies on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Companies Act 2013.

In terms of notification dated 5th June 2015 issued by Ministry of Corporate Affairs, your Company being a Government Company is not required to comply with provisions of Section 134 (3) (e) of the Companies Act, 2013 pertaining to companies' policies on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of Companies Act, 2013.

Statement on declaration given by independent directors under sub-section (6) of section 149

The Directors on Board of IIFCL, being a wholly owned Government Company, are nominated by Department of Financial Services (DFS), Ministry of Finance, Government of India except Independent Directors to be appointed as per provisions of Companies Act, 2013. IIFCL has initiated the process of appointment of Independent Directors on its Board.

Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

Your Company being Government company, the evaluation of all the members of the Board is to be undertaken by Administrative Ministry i.e. Ministry of Finance, Government of India.

Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company. Ministry of Corporate Affairs vide order dated 21st July, 2016 conveyed sanction of the Central Government to the scheme of amalgamation of IWRFC with IIFCL. This scheme is binding with effect from 1st April 2016.

Significant and material orders passed by the regulators/Courts/Tribunals impacting the going concern statusand company's operations in future

No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and company's operations in future.

Adequacy of internal financial controls with reference to the Financial Statements

The Board of Directors of IIFCL in 71st Board Meeting held on 11th August 2014 had assigned preparation of Internal Financial Control required vide Directors Responsibility Statement stated in Section 134 (5) (e) of the Companies Act 2013 to Statutory Auditors of IIFCL. The Report on Internal Financial Controls as per the Companies Act 2013 dated 29th January 2015 given by M/s. K.M. Aggrawal & Co., Statutory Auditors of IIFCL along with IIFCL's comments on observations in the report has been reviewed by Audit Committee and the Board of IIFCL in meeting held on 9th February 2015.

Details of establishment of vigil mechanism for directors and employees

The Board of Directors of IIFCL in 71st Board Meeting held on 11th August 2014 approved the proposal that Vigilance Mechanism as per Central Vigilance Commission (CVC) guidelines of IIFCL would suffice for vigil mechanism of directors and employees to report genuine concern required under the Companies Act 2013. The Board further resolved that vigil mechanism of IIFCL shall also provide adequate safeguard against victimization of persons and provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases as provided under CVC guidelines. The Board thereafter, approved the proposal for disclosing the details of establishment of such vigil mechanism on company's website and in the Board Report as per requirement of Section 177 of the Companies Act 2013.Your Company has hosted the Vigil mechanism on company's website. Your Company also has a formal whistle blower policy in force which is also displayed on company's website.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition &Redressal) Act 2013

There is a well-placed mechanism in IIFCL to prevent sexual harassment at workplace. There is an internal committee, which looks after cases of sexual harassments at workplace. Also, cases of sexual harassment have been mentioned as misconduct in IIFCL staff Service Regulation. IIFCL is constantly making efforts to ensure that the work environment is safer for all the employees including women irrespective of their number, which can be emphasized by the fact that till date no complaint in this regard has been reported in IIFCL.

Right to Information Act, 2005 (RTI Cell)

During the year under review, the Company had received Eight RTI applications under the Right to Information Act, 2005. The Company has disposed of all the applications and no application/appeal is pending.

Deposits

During the year under review, the Company has not accepted any deposits under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014

Particulars regarding Conservation of energy, technology absorption and Foreign Exchange Earnings and outgo

1. **Conservation of energy / Technology Absorption**

   The Company is not required to disclose particulars relating to conservation of energy and technology absorption as your company does not undertake manufacturing activity. However, company has taken adequate measures to conserve energy in the office premises.

   The Company is engaged in providing financial assistance to infrastructure projects, which does not involve any technology absorption.

2. **Foreign exchange earnings and outgo**

   During the year 2015-16 foreign exchanges used/earned is as under:- (` in crore)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Total Foreign exchange used	70.10	52.67
Total Foreign exchange earned	134.15	28.55

Particulars of Employees

Your Company being a Government Company is not required to give particulars of employees in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 the Companies (Appointment & Remuneration of Managerial Personnel Rules), 2014.

Statutory Auditors

M/s K. M. Agarwal & Co. Chartered Accountants, (FRN 000853N) were appointed as Statutory Auditor of IIFCL for the Financial Year 2015-16 by the office of Comptroller & Auditor General of India. The Statutory Auditor have audited the Financial Statement of the company for the Financial Year ended March 31, 2016

Secretarial Auditor

M/s Amit Agrawal & Associates, Company Secretaries, was appointed as the Secretarial Auditor of the Company for carrying out Secretarial Audit for the Financial Year 2015-16 by Board of Directors of the Company in meeting held on 23rd February 2016. In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder they have issued Secretarial Audit Report for the Financial Year 2015-16 and the same is annexed to this Report.

Comments of the Statutory Auditors/ Comptroller & Auditor General of India on Annual Accounts

The audited statement of accounts along with the report of auditors is appended with comments of the Comptroller & Auditor General of India required under the Companies Act, 2013, as an annexure to this Report.

Information and explanation on qualifications in Auditor’s Report as required under the Companies Act, 2013, is given in addendum annexed herewith.

Official Language

Efforts were made during the year towards encouraging use of Hindi in official transactions as also to ensure compliance of provisions of Official Language Act, 1963.

Statutory and other Information Requirement

Information required to be furnished as per the Companies Act, 2013 is annexed to this report as under:

S. No.	Particulars	Annexure
1	Secretarial Audit Report	I
2	Extract of Annual Return in Form No. MGT 9	II
3	Annual Report on CSR activities	III
4	Amount, if any carried to any Reserves	IV

Acknowledgement

The Board of Directors is thankful to Central Government specially the Ministry of Finance, NITI Aayog, State Governments, Banks, Financial Institutions, Multilateral and Bilateral partners, Employees, Customers and all other Shareholders for their continued support and cooperation. The Board is also thankful to the Auditors of the Company, the Comptroller and Auditor General of India for their valuable guidance and advice.

The Board of Directors wishes to place on record its appreciation for dedication, hard work and the efforts of the employees of the company.

By Order of the Board of Directors
FOR INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

Place : New Delhi
Date : 8th September 2016

S.B. NAYAR
Chiarman and Managing Director
(DIN No. - 02175871)

ADDENDUM TO THE BOARD'S REPORT

INFORMATION AND EXPLANATION ON QUALIFICATION IN SECRETARIAL AUDIT REPORT AS REQUIRED UNDER SECTION 134 OF COMPANIES ACT, 2013

1. SECRETARIAL AUDITORS OBSERVATIONS:

a) The requirement of at least one-third of total number of directors, as Independent Director i.e. 3 out of 9, as on 31.03.2016 as laid down in section 149(4) of the Companies Act, 2013 is not met, the composition of Board Committees-Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee as on 31.03.2016 does not fulfill the requirement of section 177, 178, 135 of the Act, respectively as regards Independent Directors.

b) The Company has passed resolution for increasing its Authorized Shares Capital in its AGM held on 30th September, 2015 but prescribed e-form has not been filed with the Registrar of Companies. The management explained that the prescribed e-form has not been filed due to non-receipt of approval of Ministry of Finance, Government of India for increase of the Capital until now.

MANAGEMENT COMMENTS:

a) IIFCL is in process of appointment of Independent Directors on its Board.

b) Department of Financial Services (DFS), Ministry of Finance (MoF), vide letter no. F.No. 18/18/2008-IF-I (Vol. III) dated 24th October 2011 communicated that the Union Cabinet in its meeting held on 13th October 2011 has granted its approval *inter alia* for the proposal that the authorized capital of IIFCL may be increased from ` 2000 crore to ` 5000 crore with a proviso that it may be further increased to ` 8000 crore with the approval of the Finance Minister.

In order to strengthen Equity Share Capital for expanding business activities, the Board of Directors of IIFCL in its meeting held on 12th August 2015 approved the proposal to increase Authorized Share Capital of IIFCL from ` 5000 crore to ` 8000 crore. Further, the Board of Directors also approved the proposal to request Department of Financial Services (DFS), Ministry of Finance, Government of India, to seek and convey approval of the Hon'ble Finance Minister for increasing the Authorized Share Capital of IIFCL from ` 5000 crore to ` 8000 crore. Subsequently, IIFCL vide letter no. IIFCL/BRD/07/2015-16/10814 dated 20th August 2015 and 30th October 2015 requested DFS to seek approval of the Hon'ble Finance Minister for increasing the Authorized Share Capital of IIFCL from ` 5000 crore to ` 8000 crore. Reply from DFS is awaited.

2. Statutory Auditor and Comptroller and Auditor General of India have not given any adverse remarks/comments in their respective reports on the financial statements of IIFCL for the year ended 31st March 2016.

CMD Shri. S B Nayar along with the Hon'ble Prime Minister of India Shri. Narendra Modi at the eve of the National Sports Award

CMD Shri. S B Nayar receiving the coveted "Rashtriya Khel Protsahan Puruskar 2016"

IIFCL summit on 'Sustainable Infrastructure for India: The Way Ahead'

Sh. S B Nayar, CMD, IIFCL Felicitating Ms. P V Sindhu, Silver Medalist, Rio Olympics 2016

Press Meet on the event of "India's first bond issuance in infrastructure sector credit enhanced by IIFCL"

Indo American Chamber of commerce annual convention
DMD, IIFCL seen receiving token of appreciation from Shri Nitin Gadkari, Cabinet Minister, Ministry of Road Transport and Highways

Annexure - I

AMIT AGRAWAL & ASSOCIATES
(Company Secretaries)

H-63, Vijay Chowk,
Laxmi Nagar, Delhi-110092
Phone No. 011-22024525
Email i.d.: amitagcs@gmail.com

To,
The Members
India Infrastructure Finance Company Limited
8th Floor, HT House 18&20, Kasturba Gandhi Marg
New Delhi-110001

Sir/Madam

Our report in form no. MR-3 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on audit.

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

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The secretarial Audit report is neither an assurance as to the viability of the company.

7. Nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Amit Agrawal & Associates
(Companies Secretaries)

Place : Delhi
Date : 21st July 2016

CS Amit Agrawal
(Proprietor)
M. No. F5311, CP: 3647

AMIT AGRAWAL & ASSOCIATES
(Company Secretaries)

H-63, Vijay Chowk,
Laxmi Nagar, Delhi-110092
Phone No. 011-22024525
Email i.d.: amitagcs@gmail.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

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

To,
The Members,
India Infrastructure Finance Company Limited
8th Floor, HT House 18&20, Kasturba Gandhi Marg
New Delhi-110001

We, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. India Infrastructure Finance Company Limited** (hereinafter called the Company) having its registered office at 8th Floor, HT House 18&20, Kasturba Gandhi Marg, New Delhi-110001. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **M/s. India Infrastructure Finance Company Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. India Infrastructure Finance Company Limited** for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Secretarial Standards issued by The Institute of Company Secretaries of India.

(iii) Foreign Exchange Management Act, 1999 and rules and regulation made there under to the extent applicable on Overseas Direct Investment.

(iv) The Listing Agreement for Bond Listing with Stock Exchanges;

(v) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder

(vi) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder

(vii) Other laws applicable specifically to the Company namely:

   a) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952

   b) Payment of Gratuity Act

   c) Payment of Wages Act and Minimum wages Acts

   d) The Reserve Bank of India Act, 1934 to the extent applicable on NBFC, rule and regulation made there under

   e) Right to Information Act, 2005

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

(a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ix) The Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013.

The Company spent ` 24.4457 crore as against the eligible amount of ` 24.4457 crore on Corporate Social Responsibility measures during the financial year 2015-16.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to our below observation.

a. *The requirement of at least one-third of total number of directors, as Independent Director i.e. 3 out of 9, as on 31.03.2016 as laid down in section 149(4) of the Companies Act, 2013 is not met, the composition of Board Committees-Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee as on 31.03.2016 does not fulfill the requirement of section 177, 178, 135 of the Act, respectively as regards Independent Directors.*

b. *The Company has passed resolution for increasing its authorized shares capital in its AGM held on 30th September, 2015 but prescribed e-form has not been filed with the Registrar of Companies. The management opined that the prescribed e-form has not been filed due to non-receipt of approval of Ministry of Finance, Government of India for increase of the Capital until now.*

However, during the period under review, provisions of the following regulations were not applicable to the Company. Hence, comments are not required to be made in respect of these clauses:

I. The Rules, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as no issue of bond has been made during the year under scrutiny.

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and Rules made there under as no issue of bond has been made during the year;

III. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

IV. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

V. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

VI. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

VII. The Securities and Exchange Board of India (Delisting of Equity Shares) regulations, 2009;

VIII. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, women director except Independent Directors given in observation below.

The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Subject to our observations given below:

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

Our Observation:

a. *The requirement of at least one-third of total number of directors, as Independent Director i.e. 3 out of 9, as on 31.03.2016 as laid down in section 149(4) of the Companies Act, 2013 is not met, the composition of Board Committees-Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee as on 31.03.2016 does not fulfill the requirement of section 177, 178, 135 of the Act, respectively as regards Independent Directors.*

b. *The Company has passed resolution for increasing its authorized shares capital in its AGM held on 30th September, 2015 but prescribed e-form has not been filed with the Registrar of Companies. The management opined that the prescribed e-form has not been filed due to non-receipt of approval of Ministry of Finance, Government of India for increase of the Capital until now.*

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

We further report that the compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional.

We further report that during the audit period the company has provide details of specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For Amit Agrawal & Associates
(Companies Secretaries)

Place : Delhi
Date : 21st July 2016

CS Amit Agrawal
(Proprietor)
M. No. F5311, CP: 3647

Annexure - II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS

1.	**CIN**	**U67190DL2006GOI144520**
2.	Registration Date	5th January 2006
3.	Name of the Company	India Infrastructure Finance Company Limited
4.	Category/Sub-category of the Company	Government of India Enterprise
5.	Address of the Registered office & contact details	8th Floor, Hindustan Times Building 18 & 20, Kasturba Gandhi Marg, New Delhi-110 001 Phone: 91-11- 23708263,23708264 Fax : 91-11-23766256,23730251 email: info@iifcl.org
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N/A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service*	% to total turnover of
1	Infrastructure Financing**	649-Other financial service activities, except insurance and pension fundingactivities	100%

** As per National Industrial Classification – Ministry of Statistics and Programme Implementation*

IIFCL was set up by the Government of India in 2006 with the main objective of channelizing long-term finance to viable infrastructure projects through the Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called India Infrastructure Finance Company Ltd (IIFCL), broadly referred to as SIFTI. The sectors eligible for financial assistance from IIFCL are the Harmonized list of infrastructure sub-sectors as approved by the Cabinet Committee on Infrastructure on 1st March 2012. These include transportation, energy, water, sanitation, communication, social and commercial infrastructure

IIFCL has been registered as a NBFC-ND-IFC with RBI since September 2013.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable section
1	IIFC(UK) Limited	Third Floor 72 King William Street London EC4N 7HR United Kingdom Telephone & Email General: +44-20-7776 8950 info@iifc.org.uk	06496661*	Subsidiary	100%	2(87)(ii)
2	IIFCL Projects Limited	3rd Floor, 14, Ambadeep Building Kasturba Gandhi Marg New Delhi-110 001 Phone: 91-11-23708263, 23708264 Fax : 91-11-23766256, 23730251 Email id: contact@iifclprojects.com	U74999DL2012GOI231473	Subsidiary	100%	2(87)(ii)
3	IIFCL Asset Management Company Limited	3rd Floor,301-312, Ambadeep Building Kasturba Gandhi Marg, New Delhi – 110001 Phone: 011 4371 71 25/26 Email:cio@iifclmf.com	U65991DL2012GOI233601	Subsidiary	100%	2(87)(ii)
4.	Irrigation and Water Resources Finance Corporation Limited	3rd Floor,301-312, Ambadeep Building Kasturba Gandhi Marg, New Delhi – 110001 Phone: 011 23445100 Email:rupesh@ifrfc.org	U45400DL2008GOI176096	Associate	NA	2(6)

***** India Infrastructure Finance Company (UK) Limited was incorporated within the Register of Companies of England and Wales at London on February 7,2008 [Company No. 649666] under the UK Companies Act 1985

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									-
(1) **Indian**	-								
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	**390 crore**	**390 crore**	**100%**	-	**390 crore**	**390 crore**	**100%**	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A) (1)	-	**390 crore**	**390 crore**	**100%**	-	**390 crore**	**390 crore**	**100%**	-
(2) Foreign	-								
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any other	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)(1) + (A)(2)	-	390 crore	390 crore	100%	-	390 crore	390 crore	100%	-
B. Public Shareholding	-								
1. Institutions	-								
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-								
a) Bodies Corp.	-								
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-								
i. QFIs	-	-	-	-	-	-	-	-	-
ii. NRIs	-	-	-	-	-	-	-	-	-
iii. Clearing Member	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
iv. Shares held by Subsidiary Companies on which novoting rights are exercisable	-	-	-	-	-	-	-	-	-
v. Unclaimed Shares SuspenseAccount	-	-	-	-	-	-	-	-	-
vi. Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**390 crore**	**390 crore**	**100%**	-	**390 crore**	**390 crore**	**100%**	-

ii. Shareholding of Promoter

Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholder's Name	Shareholding at the end of the year (As on 31-03-2016)			% change in sharehold-ing during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares					
The Hon'ble President of India	389,99,50,000	100	-	The Hon'ble President of India	389,99,50,000	100	-	-
Representative share holding*	50,000			Representative share holding*	50,000			
	390,00,00,000	100%			390,00,00,000	100%		

* Includes 7 shareholders holding as representative on behalf of the Government of India.

IIFCL
(ISO:9001:2008)

iii. **Change in Promoters' Shareholding (please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year (As on 01-04-2015)		Cumulative Shareholding during the year (As on 31-03-2016)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	------------- NO CHANGE -------------			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
At the end of the year				

iv. **Shareholding Pattern of top ten Shareholders:**
(Other than Directors, Promoters and Holders of GDRs and ADRs):

For each of the top 10 Shareholders	Shareholding at the beginning of the year (As on 01-04-2015)		Cumulative Shareholding during the year (As on 31-03-2016)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	-	-	-	-
At the end of the year	-	-	-	-

v. **Shareholding of Directors and Key Managerial Personnel:**

Shareholding of each Directors and each key Managerial Personnel	Shareholding at the beginning of the year (As on 01-04-2015)		Cumulative Shareholding during the year (As on 31-03-2016)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
At the end of the year	-	-	-	-

V. Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(In `)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	149,730,232,000	154,644,904,393	1,027,815,656	305,402,952,049
ii) Interest due but not paid				
iii) Interest accrued but not due		7,315,798,245		7,315,798,245
Total (i+ii+iii)	**149,730,232,000**	**161,960,702,638**	**1,027,815,656**	**312,718,750,294**
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change	**(238,395,000)**	**8,566,287,942**	**15,974,995,305**	**24,302,888,247**
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	149,491,837,000	162,934,485,172	17,002,810,961	329,429,133,133
ii) Interest due but not paid				
iii) Interest accrued but not due		7,592,505,408		7,592,505,408
Total (i+ii+iii)	**149,491,837,000**	**170,526,990,580**	**17,002,810,961**	**337,021,638,541**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In `)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	**S.B.Nayar**	**Sanjeev Kaushik**	
	Designation	**CMD**	**DMD**	
1	Gross salary	36,16,246	30,85,824	67,02,070
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,44,801	29,14,145	64,58,946
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	71,445	1,71,679	2,43,124
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**36,16,246**	**30,85,824**	**67,02,070**

B. Remuneration to other directors

(In `)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	**Independent Directors**					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**-**	**-**	**-**	**-**	**-**
2	**Other Non-Executive Directors** (Part-Time Non-Official Directors)	V.K. Bhasin	J. Venkateswarlu			
	Fee for attending board committee meetings	2,80,000	2,57,000	-	-	5,37,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	**2,80,000**	**2,57,000**	**-**	**-**	**5,37,000**
	Total (B)=(1+2)	**2,80,000**	**2,57,000**	**-**	**-**	**5,37,000**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In `)

SN.	Particulars of Remuneration	Key Managerial Personnel		Total
	Name	**Rajeev Mukhija**	**Manjari Mishra**	
	Designation	**CFO**	**CS**	
1	Gross salary	25,69,081	13,64,179	39,33,260
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,25,820	9,65,821	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,43,261	3,98,358	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit Others, specify…	- - -	- - -	- - -
5	Others, please specify	-	-	-
	Total			**39,33,260**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure - III

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   India Infrastructure Finance Company Limited (IIFCL), a Government of India Enterprise has taken its obligation to the society and the people in need, especially in under developed areas of the country under its Corporate Social Responsibility (CSR) policy. IIFCL as per the provisions of the Companies Act, 2013 has a Corporate Social Responsibility (CSR) policy in place that has been duly approved by the Board of Directors. The policy entails a two-tier structure to implement and monitor CSR activities (Board level committee headed by Chairman &Managing Director (CMD) and an Implementation Committee comprising of the senior officers of the Company).

   IIFCL CSR initiatives during FY2015-16 have focused on construction of toilets in schools, skill development,promotion of green and energy efficient technologies, promotion of sports, development of backward regions, and upliftment of the marginalized and under-privileged sections of the society. IIFCL under its CSR initiative will further like to participate/ contribute and makes its presence in development initiatives for augmenting the quality of life of people across the country.

   Details of IIFCL CSR initiative are also available at:-http://www.iifcl.co.in/Content/CSR%20Inititatives.aspx

2. **The Composition of the CSR Committee.**

   In terms of Section 135 of Companies Act, 2013, a Board level Committee for CSR with the following members has been constituted at IIFCL:

   - Chairman & Managing Director, IIFCL - Chairman of the Committee
   - Two Govt. Nominee Directors

   Further, a CSR implementation Committee has been constituted consisting of the following members:

   - Chief General Manager – CSR (Nodal Officer)
   - Chief General Manager (Credit)
   - Chief Financial Officer

3. **Average net profit of the company for last three financial years**

Particulars	**Amount (In Rupees lakhs)**
Financial year 2012-2013	151,454.49
Financial year 2013-2014	93,539.04
Financial year 2014-2015	121,691.26
Total	*366,684.79*
Average Net Profit	**122,228.26**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**
   ` 2444.57 lakhs

5. **Details of CSR spent during the financial year.**

a) *Total amount to be spent for the financial year;* ` 2444.57 lakh

b) *Amount unspent, if any;* NIl

c) Manner in which the amount spent during the financial year is detailed below.

Amount in Rs. Crore

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub–heads : (1) Direct expenditure on projects or programs(2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
1	Skill Development Training Programmes for Poor & Unemployed Youths of Safai Karamcharis, Scavengers & their Dependents.	Skill Development	Nagpur (Maharashtra)	0.25	0.20	0.25	0.25 (National Safai Karamcharis Finance & Development Corporation (NSKFDC))
2	To provide aids and appliances to Persons with Disabilities (PwDs)	Upliftment of the Deprived and Marginalised communities	MehbubNagar (Telangana) and Aizawl (Mizoram)	0.33	0.2577508	0.33	0.33 (Artificial Limbs Manufacturing Company (ALIMCO)
3	Distribution of 35000 solar street lights in backward districts of India	Promotion of Green and Energy Efficient Technologies	Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Bihar, Uttar Pradesh, Jharkhand, Uttrakhand, West Bengal	4.2	2.1	2.1	2.1 (Solar Energy Corporation of India)
4	Special Placement linked Skill Development training program for 500 youths.	Skill Development	Chittoor (Andhra Pradesh) and Palakkad (Kerala)	1.11	0.5459550	1.11	1.11 (ITCOT Consultancy and Services Ltd)
5	Social Upliftment by providing basic needs of Energy (lighting) and Drinking Water	Promotion of Green and Energy Efficient Technologies	Jaisalmer (Rajasthan)	4.58	3.6632	4.58	4.58 (Central Electronics Limited)
6	Skill Upgradation and Economic Empowerment of 200 tribal handloom artisans in North Eastern states.	Skill Development	All the 08 North Eastern States	1.5	1.275	1.42	1.42 (National Scheduled Tribes Finance and Development Corporation)
7	Village Adoption–Village Borsimaluguri, Baksa District, Assam.	Development of Backward Regions	Baksa (Assam)	1.66	1.0556125	1.47455	1.47455 (Himachal Consultancy Organization Limited (HIMCON)

Amount in Rs. Crore

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
8	Contribution to the National Cultural Fund of Ministry of Culture, Government of India	Protection of National Heritage, Art and Culture	-	5.00	5.00	5.00	5.00 (National Cultural Fund, Ministry of Culture)
9	Contribution to the Health Minister Cancer Patient Fund of Ministry of Health and Family Welfare, Government of India	OP/IP treatment including operations at hospitals	-	7.50	6.9171535	6.9171535	6.9171535 (Ministry of Health and Family Welfare, Government of India)
10	Construction of 252 toilet units under Swachh Vidhayala Abhiyaan of Government of India	Safe Drinking Water, Health care & Sanitation	Palwal (Haryana) and Meghalaya	2.1809182	2.1809182	2.1809182	2.1809182 (Government of Meghalaya and Hindustan Prefabs Limited)
11	Movement for creation of drop out free zone	Reducing the drop-out rate of students and absenteeism through counseling & other means	Nagpur and Amravati (Maharashtra)	0.10	0.04	0.04	0.04 (Apeksha Homeo Society)
12	Construction of 114 toilet units in Government aided School	Safe Drinking Water, Health care & Sanitation	Thiruvarur (Tamil Nadu)	1.85	0.55611	0.55611	0.55611 (Sulabh International Social Service Organization)
13.	Installation of Solar Street Lighting System	Promotion of Green and Energy Efficient Technologies	Pratappur (Uttar Pradesh)	1.09	0.654	0.654	0.654 (Rajasthan Electronics and Instruments Ltd.)

*Give details of implementing agency.

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

   IIFCL has utilized its allocated CSR budget for FY 2015-16.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

   CSR Committee of the Board of Directors in its meeting held on 13th May, 2016 has issued responsibility statement that the implementation and monitoring of CSR Policy during FY 2015-16, is in compliance with CSR objectives and Policy of the Company.

(SanjeevKaushik)
Deputy Managing Director
(DIN No. - 02842527)

(S.B. Nayar)
Chairman and Managing Director
Chairman of the CSR Committee
(DIN No. - 02175871)

Annexure IV

**STATEMENT OF AMOUNT TRANSFER FROM/TO RESERVE
FOR THE YEAR 2015-16**

` in lac

Particulars	**Year ended 31st March 2016**	**Year ended 31st March 2015**
Profit after Tax for the current year	46,849.91	75,339.88
Add: Transfer from Reserve for Loan Assets	-	-
Add: Transfer from Staff Welfare Reserve	30.45	18.32
Add: Transfer from Corporate Social Responsibility Reserve	-	-
Less: Transfer from Staff Welfare Reserve	65.00	-
Less: Transfer to Corporate Social Responsibility Reserve	-	-
Less: Transfer to Debenture redemption Reserve	17,117.63	18465.21
Less: Transfer to Special Reserve u/s 36(1)(vii) of Income Tax Act, 1961	24,749.51	20,224.66
Less: Adjustment of carrying amount of fixed assets (applying transitional provisions)	-	3.21
Less: Interim Dividend	-	28,254.25
Less: Dividend Distribution Tax	-	5,649.20
Balance c/f to balance sheet	**4948.22**	**2761.67**

REVISED INDEPENDENT AUDITOR'S REPORT

To the Members of India Infrastructure Finance Company Limited

This Revised Report is issued, in supersession of our earlier Audit Report dated 22nd July, 2016, at the instance of Comptroller & Auditor General (C&AG) of India in order to make it more clarificatory. Further, we confirm that there is no change in the true and fair view of the financial statements as expressed in our earlier report.

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **India Infrastructure Finance Company Limited** ("the company") which comprises the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Standalone 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 and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that are 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 the 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 specified under section 143(10) of the Act. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures 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 control system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by Company's Directors 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 on the Standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2016, its profit and its cash flows for the year ended on that date.

Other Matters

(i) As per Office Memorandum dated 05.01.2016 of Ministry of Finance, Government of India, CPSEs need to pay minimum

annual dividend of 30 percent of profit after tax or 5 percent of net worth of CPSEs, whichever is higher along with Dividend Distribution Tax. Accordingly, a sum of ` 437.18 crores (` 363.23 crores dividend and ` 73.95 crores dividend distribution tax) should have been provided on account of dividend payable. Dividend payable for the current year has not been provided.

(ii) There are changes in accounting policies viz. (i) Accounting for Foreign Exchange borrowings (to the extent hedged) (ii) Accounting for Financial Instrument – Recognition and Measurement (AS-30) (iii) Accounting of provision for Medical Assistance Scheme (iv) Provisioning in case of termination of contracts and the impact of the same on the financial statements have been disclosed vide note no 24(B)(2).

Our opinion is not Qualified / Modified in respect of this matter

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 Act, we give in the Annexure I a statement on the matters specified in paragraph 3 & 4 of the order to the extent applicable.

2. As required by section 143(3) of the Act, we report that :-

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) The requirement of sub section(2) of section 164 of the Companies Act, 2013 relating to the disqualification of the Directors are not applicable to the Company being a Government Company in term of notification no G.S.R.463 (E) dated 5th June,2015 issued by the Ministry of Corporate Affairs.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in Annexure II.

   g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014.

      i. The Company does not have any pending litigation which would impact its financial position.

      ii. The Company has made provisions as required under the applicable law or accounting standards for material foreseeable losses on long term contracts including derivative contracts.

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

3. The Directions/ Sub Directions issued by C & AG under section 143(5) of Companies Act, 2013 have been verified during the audit of annual accounts of the company for the year 2015-16 and compliance to the directions is enclosed in Annexure III.

For K. M. Agarwal & Co.
(Chartered Accountants)
FRN No. 000853N

C.P.Mishra
(Partner)
M. No. 073009

Place: New Delhi
Date: 24th August, 2016

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

Reference to in Paragraph-1 under "Report on Other Legal and Regulatory Requirements" of our report of even date.

i. In respect of its fixed assets:

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

   b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.

   c) This clause is not applicable.

ii. The nature of business of the company does not require it to hold inventories as such clause 3(ii) of Companies (Auditor's Report) Order 2016 is not applicable to the company.

iii. The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there were no transactions which attract the provisions of Section 185 and 186 of the Companies Act, 2013.

v. According to the information and explanations given to us, the company has not accepted any deposit from the public.

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

vii. a) According to the information and explanations given to us, and on the basis of our examination of books of account, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax and other statutory dues as applicable with the appropriate authorities.

   b) According to the information and explanations given to us, there are no dues outstanding on account of Income tax/ Service Tax that have not been deposited on account of dispute except Income Tax demand of ` 159.00 lac for assessment year 2008-09 against which an appeal has been filed before Income Tax Appellate Tribunal. Further, ` 159.00 lac has been adjusted by Income Tax Authorities against refund for A.Y.2010-11 and 2011-12.

viii. According to the information and explanations given to us, and on the basis of examination of the books of account, the company has not defaulted in repayment of loans or borrowings to any financial institution, Bank, Government or bond holders.

ix. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the company were, prima facie, applied by the company during the year for the purpose for which loans were obtained except for temporary deployment in deposits with banks pending application. Further, during the year no money has been raised by way of public offer(including debt instrument).

x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

xi. Being a Government Company, this clause is not applicable.

xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. 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 Companies Act, 2013 and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standard.

xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on the examination of the records of the company, the company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The company is registered under section 45-IA of the Reserve Bank of India Act, 1934 vide Certificate No. N-14.03288 dated September 09, 2013.

For K. M. Agarwal & Co.
(Chartered Accountants)
FRN No. 000853N

C.P.Mishra
(Partner)
M. No. 073009

Place: New Delhi
Date: 24th August, 2016

IIFCL
(ISO:9001:2008)

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

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 **India Infrastructure Finance Company Limited (IIFCL)** ("the company"), as at 31st March 2016, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Companies Act, 2013.

Auditor's 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 the Institute of Chartered Accountants of India (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 the ethical requirements and plan and perform the audit to obtain reasonable assurance that whether adequate internal financial control 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 the internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Control 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 preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of its 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 internal financial controls over financial reporting to future periods are subject to the risk that 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 material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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 K. M. Agarwal & Co.
(Chartered Accountants)
FRN No. 000853N

C.P.Mishra
(Partner)
M. No. 073009

Place: New Delhi
Date: 24th August 2016

Annexure III

Directions / Sub-Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of India Infrastructure Finance Company Limited for the year 2015-16 issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013.

Sr. No.	Directions	Auditor's Comments
(1)	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	As company does not hold any free/lease hold land, this para is not applicable.
(2)	Please report whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons there for and the amount involved.	We are informed that during the year ended 31st March 2016, the Company had written off 18 loan accounts amounting to ` 55,724.69 lac referred in Note No. 24(B) (23).The following accounts were written off:- Amt ( ` In lac) 1. Gwalior Jhansi Expressway Ltd. 9275.12 2. KMP Expressway Ltd.-M1 13524.51 3. AbhijeetHazaribagh Toll Road Ltd. 3411.22 4. JAS Infrastructure Capital Pvt. Ltd. 1413.00 5. Maadurga Thermal Power Co. Ltd 853.76 6. Abhijeet Toll Road (Karnataka) Ltd. 907.00 7. Transstroy Karnataka-Kerela-Kannur Tollways Pvt. Ltd. 2052.00 8. BhilaiDurg Waste Management Pvt. Ltd 1260.73 9. Raipur Waste Management Pvt. Ltd. 1359.07 10. ConcastAmbha Road Project Pvt Ltd 2799.84 11. ConcastDhaneta Road Project Pvt. Ltd. 2174.25 12. ConcastJawasa Road Projects 1197.00 13. ConcastMorena Road Projects Pvt.Ltd 1475.00 14. Transstroy Bhopal Berasia Sironj Tollways Pvt. Ltd. 2129.77 15. Mora Tollways Limited 3590.89 16. Corporate Power Limited 7273.08 17. SrinivasaGayithri 237.83 18. Raipur Expressway Limited 790.61 Reason:The above mentioned accounts from S.No 1 to 15 were NPA as on 31.03.2016. The company did not have any securities in respect to these accounts. Therefore, these accounts have been written off in accordance with the accounting policy no. 24(A) (3.4) (iv).
(3)	Whether proper records are maintained for inventories lying with the third parties & assets received as gift/ grant(s) from the Government or other authorities.	We are informed that the company is not required to hold any inventories for the year ended 31^{st} March, 2016. Further, during the year ended 31^{st} March 2016, no assets as gift were received from Government or other authorities. However, as informed to us, proper records has been maintained by the company for funds received as grantsfrom World Bank amounting to ` 185.70 lac during the year ended 31^{st} March, 2016.

For K. M. Agarwal & Co.
(Chartered Accountants)
FRN No. 000853N

C.P.Mishra
(Partner)
M. No. 073009

Place: New Delhi
Date: 24^{th} August 2016

Annexure IV

Compliance Certificate

We have conducted the audit of accounts of **India Infrastructure Finance Company Limited** for the year ended 31st March, 2016 in accordance with the directions/sub-directions issued by the C & AG of India under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For K. M. Agarwal & Co.
(Chartered Accountants)
FRN No. 000853N

C.P.Mishra
(Partner)
M. No. 073009

Place: New Delhi
Date: 24th August, 2016

IIFCL
(ISO:9001:2008)

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
BALANCE SHEET AS AT 31ST MARCH 2016
CIN No. U67190DL2006GOI144520

` in Lac

S. No.	PARTICULARS	Note No.	Year ended 31st March 2016	Year ended 31st March 2015
I	**EQUITY AND LIABILITIES**			
	(1) Shareholders' Funds			
	(a) Share capital	1	390,000.00	390,000.00
	(b) Reserves and Surplus	2	336,468.27	289,618.36
	SUB-TOTAL (1)		**726,468.27**	**679,618.36**
	(2) Non-current liabilities			
	(a) Long-term borrowings	3	3,046,109.35	2,917,339.83
	(b) Deferred tax liabilities (Net)	4	26,817.14	21,510.03
	(c) Other long term liabilities	5	31,075.00	19,100.61
	(d) Long-term provisions	6	67,697.44	52,086.43
	SUB-TOTAL (2)		**3,171,698.93**	**3,010,036.90**
	(3) Current liabilities			
	(a) Short-term borrowings	7	170,028.11	10,278.16
	(b) Trade payables	8	16.70	28.53
	(c) Other current liabilities	9	156,557.28	201,601.18
	(d) Short-term provisions	10	2,629.54	4,848.59
	SUB-TOTAL (3)		**329,231.63**	**216,756.46**
	TOTAL (1)+(2)+(3)		**4,227,398.83**	**3,906,411.72**
II	**ASSETS**			
	(1) Non-current assets			
	(a) Fixed Assets	11		
	(i) Tangible assets		265.22	93.19
	(ii) Intangible assets		40.85	62.63
	(iii) Capital Work in Progress		9,120.84	30.01
	(b) Non-current investments	12	89,830.36	78,505.65
	(c) Long term loans and advances	13	3,063,182.47	2,554,831.09
	(d) Other non-current assets	14	131,109.29	5,633.18
	SUB-TOTAL (1)		**3,293,549.03**	**2,639,155.75**
	(2) Current assets			
	(a) Trade Receivables	15	25.53	-
	(b) Cash and Bank Balances	16	739,889.18	1,015,620.94
	(c) Short term loans and advances	17	6,623.79	6,475.38
	(d) Other current assets	18	187,311.30	245,159.65
	SUB-TOTAL (2)		**933,849.80**	**1,267,255.97**
	Significant accounting policies and other notes to the financial statements	24		
	TOTAL (1)+(2)		**4,227,398.83**	**3,906,411.72**

Notes from 1 to 24 form integral part of Accounts.

In terms of our Report of even date
For K M Agarwal & Co
Chartered Accountants
(Firm Regn. No: 000853N)

For and on behalf of Board of Directors of
India Infrastructure Finance Company Limited

C P Mishra
Partner
Membership No.: 073009

Sanjeev Kaushik
(Deputy Managing Director))
DIN No.: 02842527

S.B. Nayar
(Chairman & Managing Director)
DIN No.: 02175871

Place: New Delhi
Dated: 22.7.2016

Manjari Mishra
(AGM & Company Secretary)

Rajeev Mukhija
(Chief General Manager-CFO)

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016
CIN No. U67190DL2006GOI144520

` in Lac

S. No.	PARTICULARS	Note No.	Year ended 31st March 2016	Year ended 31st March 2015
I.	**Revenue from operations**	19	421,097.06	400,739.47
II.	**Other Income**	20	44,847.59	5,438.26
III.	**Total Revenue (I+II)**		465,944.65	406,177.73
IV.	**Expenses**			
	Finance Costs	21	266,094.93	243,913.25
	Employee Benefits Expense	22	2,131.74	1,323.55
	Provision for Loan Assets	24(B)(9)	12,368.25	12,284.32
	Marked to Market Losses on Derivatives	24(B)(15)(a)	422.56	(1,482.24)
	Depreciation and amortisation expense	11	26.11	214.80
	CSR Expenditure	24(B)(24)(a)	2,444.57	2423.34
	Other Expenses	23	86,003.90	25,849.68
	Total Expenses		369,492.06	284,526.70
V.	**PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)**		**96,452.59**	**121,651.03**
VI.	**Exceptional Items**		**-**	**-**
VII.	**PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V+VI)**		**96,452.59**	**121,651.03**
VIII.	**Extraordinary Items**		**-**	**-**
IX.	**PROFIT BEFORE TAX (VII-VIII)**		**96,452.59**	**121,651.03**
X.	**Tax Expense:**			
(1)	Current Tax			
	- Current Year		(44,295.57)	(44,040.22)
	- Earlier Year		-	(15.10)
(2)	Deferred Tax			
	- Current Year	4	(5,307.11)	(2,255.83)
	- Earlier Year		-	-
XI	**Profit for the year from continuing operations (IX-X)**		46,849.91	75,339.88
XII	**Earnings per equity share (face value of ` 10/- each)**	24(B)(7)		
(1)	Basic		1.20	2.13
(2)	Diluted		1.20	2.13
	Significant accounting policies and other notes to the financial statements	24		

Notes from 1 to 24 form integral part of Accounts.

In terms of our Report of even date
For K M Agarwal & Co
Chartered Accountants
(Firm Regn. No: 000853N)

For and on behalf of Board of Directors of
India Infrastructure Finance Company Limited

C P Mishra
Partner
Membership No.: 073009

Sanjeev Kaushik
(Deputy Managing Director))
DIN No.: 02842527

S.B. Nayar
(Chairman & Managing Director)
DIN No.: 02175871

Place: New Delhi
Dated: 22.7.2016

Manjari Mishra
(AGM & Company Secretary)

Rajeev Mukhija
(Chief General Manager-CFO)

IIFCL
(ISO:9001:2008)

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016
CIN No. U67190DL2006GOI144520

` in Lac

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
(i)	Net Profit before Tax	96,452.59	121,651.03
	Adjustments for:		
(ii)	Depreciation and amortisation expense	26.11	214.80
(iii)	Provision/write offs	68,653.01	34,675.01
(iv)	Provisions/ Amounts written back	(391.97)	(99.84)
(v)	Foreign Exchange Fluctuation Loss / (Profit) on borrowings	33,149.63	8,846.53
(vi)	(Profit)/ Loss on sale of fixed assets	0.40	1.30
(vii)	Income tax for previous year adjusted on submission of return	-	(15.10)
(x)	Dividend received from subsidiary company	(13,229.50)	-
(viii)	Adjustment of carrying amount of fixed assets (applying trasitional provisions)	-	(3.21)
(ix)	Interest accrued and due on loans and advances	(4,050.36)	(7,569.46)
(x)	Interest accrued but not due on borrowings	2,767.08	646.98
(xi)	Stamp Duty on issue of Share Capital	-	60.00
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**183,376.99**	**158,408.04**
(i)	Cash Flow From Lending Operations	(517,539.43)	(335,266.65)
(ii)	Sale of/ (Addition) to Investments	(11,702.77)	(9,171.88)
(iii)	(Increase)/decrease in Trade Receivables	(25.53)	-
(iii)	(Increase)/decrease in Current Assets, Loans and Advances	(110,262.45)	(6,925.49)
(iv)	(Increase)/decrease in other bank balances	270,539.89	317,633.08
(v)	Increase/(decrease) in other current liabilities	1,114.81	(1,239.07)
	CASH FLOW FROM OPERATIONS BEFORE TAX	**(184,498.49)**	**123,438.03**
(i)	Taxes paid (Net)	(44,295.57)	(48,740.24)
(ii)	Increase/(decrease) in non-current liablities	12,287.55	18,960.22
	NET CASH FROM OPERATIONS	**(216,506.51)**	**93,658.00**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
(i)	(Purchase of)/ Sale for Fixed Assets	(176.76)	(50.27)
(ii)	(Increase)/decrease in Capital Work in progress	(9,090.83)	-
(iii)	Investments in Venture Capital Units	-	163.25
(iv)	Redemption of Investments in Venture Capital Units	240.55	(213.70)
(v)	Dividend received from subsidiary company	13,229.50	-
	NET CASH FROM INVESTING ACTVITIES	**4,202.46**	**(100.72)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
(i)	Proceeds from Issue/ Allotment of Share Capital	-	60,000.00
(ii)	Proceeds from Long term Borrowings	95,619.89	(16,624.48)
(iii)	Proceeds/ (Repayment) from Short term Borrowings	159,749.95	(198,114.01)
(iv)	Proceeds from Current Maturities of Long term debt	(48,257.66)	103,940.42
(v)	Stamp Duty on issue of Share Capital	-	(60.00)
(vi)	Interim Dividend paid (including dividend distribution tax)	-	(33,903.45)
	NET CASH FROM FINANCING ACTIVITIES	**207,112.18**	**(84,761.52)**
	NET CHANGE IN CASH & CASH EQUIVALENT (A+B+C)	**(5,191.87)**	**8,795.76**
	Add: Opening Cash and Cash Equivalents	10,622.72	1,826.96
	Closing Cash and Cash Equivalents	5,430.85	10,622.72
	Closing Cash and Cash Equivalent Comprises of :-		
(i)	Cash in hand	0.02	0.35
(ii)	Current Accounts	5,430.83	8,806.87
(iii)	Flexi Deposit Accounts	-	1,815.50
	TOTAL	**5,430.85**	**10,622.72**

1) Figures of previous period (s) have been re-grouped /re-arranged wherever necessary to make them comparable to the reporting period presentation.
2) The following bank balances are not available for free use by the company:
   a) (Increase)/ decrease in other bank balances of ` 2,70,539.89 lac (3,17,633.08 lac as on 31st March 2015) includes ` 8,000 lac (` 8,000 lac as on 31st March 2015) on which lien has been marked for interest payment of bonds.
   b) Balance in current accounts includes ` 31.25 lac (` 81.04 lac as on 31st March 2015) on account of grant received from Work Bank to be utilized for Building Capacity and Strengthening Monitoring, which has been reflected in "Other bank balances".

In terms of our Report of even date
For K M Agarwal & Co
Chartered Accountants
(Firm Regn. No: 000853N)

For and on behalf of Board of Directors of
India Infrastructure Finance Company Limited

C P Mishra
Partner
Membership No.: 073009

Sanjeev Kaushik
(Deputy Managing Director))
DIN No.: 02842527

S.B. Nayar
(Chairman & Managing Director)
DIN No.: 02175871

Place: New Delhi
Dated: 22.7.2016

Manjari Mishra
(AGM & Company Secretary)

Rajeev Mukhija
(Chief General Manager-CFO)

NOTES TO THE FINANCIAL STATEMENTS
Note 1 : SHARE CAPITAL

` in Lac

PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
Authorized Share Capital 5,000,000,000 equity shares of ` 10/- each	500,000.00	500,000.00
Issued, Subscribed & Fully Paid up 3,900,000,000 (3,900,000,000 as at 31st March 2015) equity shares of ` 10/- each	390,000.00	390,000.00

Footnotes:

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

PARTICULARS	Year ended 31st March 2016		Year ended 31st March 2015	
	No. of Shares	` in Lac	No. of Shares	` in Lac
Shares outstanding at the beginning of the reporting period	3,900,000,000	390,000	3,300,000,000	330,000.00
Shares Issued during the reporting period	-	-	600,000,000	60,000.00
Shares outstanding at the end of the reporting period	3,900,000,000	390,000	3,900,000,000	390,000.00

b) Entire equity share capital of the company is held by Government of India and its nominees.

IIFCL
(ISO:9001:2008)

Note 2 : RESERVES & SURPLUS

` in Lac

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(a)	**CAPITAL RESERVE (PROFIT ON SALE OF NON CURRENT SECURITIES)**		
	Opening Balance	585.14	585.14
	Add: Transfer from Surplus in Statement of Profit and Loss	-	-
	Closing Balance	**585.14**	**585.14**
(b)	**SECURITIES PREMIUM ACCOUNT (ON BONDS)**		
	Opening Balance	235.50	235.50
	Add: For the year	-	-
	Closing Balance	**235.50**	**235.50**
(c)	**DEBENTURE/ BOND REDEMPTION RESERVE**		
	Opening Balance	28,390.04	9,924.83
	Add: Transfer from Surplus in Statement of Profit and Loss	17,117.63	18,465.21
	Closing Balance	**45,507.67**	**28,390.04**
(d)	**OTHER RESERVES**		
(i)	**SPECIAL RESERVE U/S 36(1)(viii) OF INCOME TAX ACT, 1961 (Footnote 1)**		
	Opening Balance	78,589.25	58,364.59
	Add: Transfer from Surplus in Statement of Profit and Loss (Net)	24,749.51	20,224.66
	Closing Balance	**103,338.76**	**78,589.25**
(ii)	**STAFF WELFARE RESERVE (Footnote 2)**		
	Opening Balance	34.39	52.71
	Add: Transfer from Surplus of Profit & Loss Account	65.00	-
	Less: Amount utilized during the year and transferred to Surplus in Statement of Profit and Loss	30.45	18.32
	Closing Balance	**68.94**	**34.39**
(iii)	**CORPORATE SOCIAL RESPONSIBILITY RESERVE (Footnote 3)**		
	Opening Balance	2,497.42	2,497.42
	Closing Balance	**2,497.42**	**2,497.42**
(e)	**SURPLUS IN STATEMENT OF PROFIT AND LOSS**		
	Opening Balance	179,286.62	176,524.95
	Add: Profit for the current year	46,849.91	75,339.88
	Add: Transfer from Staff Welfare Reserve	30.45	18.32
	Less: Transfer to Staff Welfare Reserve	65.00	-
	Less: Transfer to Debenture Redemption Reserve	17,117.63	18,465.21
	Less: Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	24,749.51	20,224.66
	Less: Adjustment of carrying amount of fixed assets (applying trasitional provisions)	-	3.21
	Less: Interim Dividend	-	28,254.25
	Less: Dividend Distribution Tax	-	5,649.20
	Closing Balance	**184,234.84**	**179,286.62**
	TOTAL	**336,468.27**	**289,618.36**

Footnotes:

1 Special Reserve is the statutory reserve required to be maintained u/s 36(1)(viii) of Income Tax Act, 1961 by companies providing long term finance for development of infrastructure facility in India.

2 Staff Welfare Reserve is created to promote, among the staff, sports, cultural and other welfare activities.

3 From the year ended 31st March 2015, IIFCL has not created CSR Reserve towards CSR expenditure required to be incurred as per provisions of the Companies Act, 2013 and vide letter dated 3rd July 2015, has referred the issue to Department of Public Enterprises (DPE) for clarification on continuation of creating CSR Reserve and its utilization in addition to the amount required to be spent under CSR as per the provisions of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014. The reply from DPE is still awaited.

Note 3 : LONG TERM BORROWINGS

` in Lac

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**SECURED BONDS**		
(i)	500 9.36% Bonds of face value ` 10 lac each, redeemable on 27/07/2042	5,000.00	5,000.00
(ii)	10,500 9.41% Bonds of face value ` 10 lac each, redeemable on 27/07/2037	105,000.00	105,000.00
(iii)	12,59,825 (13,34,080 as at 31st March 2015) 8.55% Tax Free Bonds Tranche III Series 3A of face value ` 1000 each, redeemable on 27/03/2034	12,598.25	13,340.80
(iv)	13,24,163 (13,38,526 as at 31st March 2015) 8.80% Tax Free Bonds Tranche III Series 3B of face value ` 1000 each, redeemable on 27/03/2034	13,241.63	13,385.26
(v)	88,618 (NIL as at 31st March 2015) 8.55% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2034	886.18	-
(vi)	3,27,721 (NIL as at 31st March 2015) 8.66% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2034	3,277.21	-
(vii)	75,43,989 (77,95,796 as at 31st March 2015) 8.66% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2034	75,439.89	77,957.96
(viii)	56,31,276 (57,07,190 as at 31st March 2015) 8.91% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2034	56,312.76	57,071.90
(ix)	1,19,541 (NIL as at 31st March 2015) 8.50% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2033	1,195.41	-
(x)	18,68,982 (19,40,921 as at 31st March 2015) 8.50% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2033	18,689.82	19,409.21
(xi)	24,60,080 (25,07,682 as at 31st March 2015) 8.75% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2033	24,600.80	25,076.82
(xii)	265 8.37% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2033	2,650.00	2,650.00
(xiii)	20 8.19% Tax Free Bonds Series V of face value ` 10 lac each, redeemable on 23/08/2033	200.00	200.00
(xiv)	28,822 (25,906 as at 31st March 2015) 7.08% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2033	288.22	259.06
(xv)	2,04,343 (2,07,259 as at 31st March 2015) 7.58% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2033	2,043.43	2,072.59
(xvi)	1,00,83,588 (1,00,40,286 as at 31st March 2015) 7.40% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2033	100,835.88	100,402.86
(xvii)	14,80,636 (15,23,938 as at 31st March 2015) 7.90% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2033	14,806.36	15,239.38
(xviii)	210 7.41% Tax Free Bonds Series IV-C of face value ` 10 lac each, redeemable on 21/11/2032	2,100.00	2,100.00
(xix)	3,400 7.41% Tax Free Bonds Series III-C of face value ` 10 lac each, redeemable on 15/11/2032	34,000.00	34,000.00
(xx)	55,433 8.55% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2029	554.33	-
(xxi)	1,59,58,486 (1,59,92,613 as at 31st March 2015) 8.55% Tax Free Bonds Tranche III Series 2A of face value ` 1000 each, redeemable on 27/03/2029	159,584.86	159,926.13
(xxii)	27,78,436 (27,99,742 as at 31st March 2015) 8.80% Tax Free Bonds Tranche III Series 2B of face value ` 1000 each, redeemable on 27/03/2029	27,784.36	27,997.42
(xxiii)	34,333 (NIL as at 31st March 2015) 8.48% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2029	343.33	-
(xxiv)	27,98,922 (28,22,366 as at 31st March 2015) 8.48% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2029	27,989.22	28,223.66
(xxv)	14,44,525 (14,55,414 as at 31st March 2015) 8.73% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2029	14,445.25	14,554.14
(xxvi)	38,388 (NIL as at 31st March 2015) 8.38% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2028	383.88	-

` in Lac

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(xxvii)	30,35,330 (30,55,835 as at 31st March 2015) 8.38% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2028	30,353.30	30,558.35
(xxviii)	16,21,932 (16,39,815 as at 31st March 2015) 8.63% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2028	16,219.32	16,398.15
(xxix)	11,297 8.48% Tax Free Bonds Series VII of face value ` 10 lac each, redeemable on 05/09/2028	112,970.00	112,970.00
(xxx)	11,597 8.46% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2028	115,970.00	115,970.00
(xxxi)	6,303 8.26% Tax Free Bonds Series V of face value ` 10 lac each, redeemable on 23/08/2028	63,030.00	63,030.00
(xxxii)	3,54,029 (3,50,340 as at 31st March 2015) 7.02% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2028	3,540.29	3,503.40
(xxxiii)	1,11,589 (1,15,278 as at 31st March 2015) 7.52% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2028	1,115.89	1,152.78
(xxxiv)	67,05,758 (66,88,288 as at 31st March 2015) 7.36% Tax Feee Bonds of face value ` 1,000 each, redeemable on 22/01/2028	67,057.58	66,882.88
(xxxv)	9,03,795 (9,21,265 as at 31st March 2015) 7.86% Tax Free Bonds of face value ` 1,000 each, redeemable at 22/01/2028	9,037.95	9,212.65
(xxxvi)	500 7.38% Tax Free Bonds Series IV-B of face value ` 10 lac each, redeemable on 21/11/2027	5,000.00	5,000.00
(xxxvii)	1,000 7.38% Tax Free Bonds Series III-B of face value ` 10 lac each, redeemable on 15/11/2027	10,000.00	10,000.00
(xxxviii)	38,58,714 (38,78,417 as at 31st March 2015) 8.16% Tax Free Bonds Tranche III Series 1A of face value ` 1000 each, redeemable on 27/03/2024	38,587.14	38,784.17
(xxxix)	13,03,644 (13,01,996 as at 31st March 2015) 8.41% Tax Free Bonds Tranche III Series 1B of face value ` 1000 each, redeemable on 27/03/2024	13,036.44	13,019.96
(xL)	18,055 (NIL as at 31st March 2015) 8.16% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2024	180.55	-
(xLi)	1,14,165 (NIL as at 31st March 2015) 8.41% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2024	1,141.65	-
(xLii)	79,57,885 (80,13,598 as at 31st March 2015) 8.41% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2024	79,578.85	80,135.98
(xLiii)	41,47,184 (42,05,636 as at 31st March 2015) 8.66% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2024	41,471.84	42,056.36
(xLiv)	17,26,340 (17,35,954 as at 31st March 2015) 8.01% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2023	17,263.40	17,359.54
(xLv)	12,45,503 (12,49,844 as at 31st March 2015) 8.26% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2023	12,455.03	12,498.44
(xLvi)	13,955 (NIL as at 31st March 2015) 8.01% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2023	139.55	-
(xLvii)	50 8.11% Tax Free Bonds Series VII of face value ` 10 lac each, redeemable on 05/09/2023	500.00	500.00
(xLviii)	100 8.01% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2023	1,000.00	1,000.00
(xLix)	19,21,694 (19,21,155 as at 31st March 2015) 6.86% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2023	19,216.94	19,211.55
(L)	1,03,943 (1,04,482 as at 31st March 2015) 7.36% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2023	1,039.43	1,044.82
(Li)	84,96,641 (84,77,893 as at 31st March 2015) 7.19% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2023	84,966.41	84,778.93

` in Lac

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(Lii)	11,68,351 (11,87,099 as at 31st March 2015) 7.69% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2023	11,683.51	11,870.99
(Liii)	2,140 7.21% Tax Free Bonds Series IV-A of face value ` 10 lac each, redeemable on 21/11/2022	21,400.00	21,400.00
(Liv)	600 7.20% Tax Free Bonds Series III-A of face value ` 10 lac each, redeemable on 15/11/2022	6,000.00	6,000.00
(Lv)	1,30,407 8.30% Bonds of face value ` 1000 each, redeemable on 28/3/2026 with earliest buyback on 29/3/2018	1,304.07	1,304.07
(Lvi)	5,40,816 (7,79,211 as at 31st March 2015) 8.15% Bonds of face value ` 1000 each, redeemable on 28/3/2021 with earliest buyback on 29/3/2016	5,408.16	7,792.11
	SUB-TOTAL (A)	**1,494,918.37**	**1,497,302.32**
(B)	**UNSECURED BONDS^**		
(i)	10,000 8.55% Bonds of face value `10 lac each, redeemable on 03/11/2024 #	100,000.00	100,000.00
(ii)	4,000 8.12% Bonds of face value ` 10 lac each, redeemable on 24/08/2024 #	40,000.00	40,000.00
(iii)	6,000 8.12% Bonds of face value ` 10 lac each, redeemable on 12/08/2024 #	60,000.00	60,000.00
(iv)	5,000 7.90% Bonds of face value ` 10 lac each, redeemable on 28/04/2024 #	50,000.00	50,000.00
(v)	5,000 8.10% Bonds of face value ` 10 lac each, redeemable on 08/04/2024 #	50,000.00	50,000.00
(vi)	2,000 8.68% Bonds of face value ` 10 lac each, redeemable on 18/12/2023 #	20,000.00	20,000.00
(vii)	2,000 9.35% Bonds of face value ` 10 lac each, redeemable on 17/11/2023 #	20,000.00	20,000.00
(viii)	2,000 8.82% Bonds of face value ` 10 lac each, redeemable on 19/12/2022 #	20,000.00	20,000.00
(ix)	5,000 8.70% Bonds of face value ` 10 lac each, redeemable on 02/09/2016 #	-	50,000.00
	SUB-TOTAL (B)	**360,000.00**	**410,000.00**
(C)	**UNSECURED TERM LOANS FROM OTHER PARTIES**		
(i)	Life Insurance Corporation of India (LIC)*~	-	65,000.00
(ii)	National Small Savings Schemes Fund (NSSF)@	-	150,000.00
(iii)	Asian Development Bank (ADB)*	977,095.04	716,160.02
(iv)	IBRD (World Bank)*	129,349.16	50,625.12
(v)	European Investment Bank (EIB)*	56,321.63	33.76
(vi)	Kreditanstalt für Wiederaufbau (KFW)*	28,425.15	28,218.61
	SUB-TOTAL (C)	**1,191,190.98**	**1,010,037.51**
	TOTAL (A)+(B)+(C)	**3,046,109.35**	**2,917,339.83**

#Unsecured Bonds are Guaranteed by Government of India [including ` 50,000 Lac as on 31st March 2016 (` Nil as on 31st March 2015) being the amount due within 1 year from the end of reporting period and shown as "Other Current Liabilties" in Note 9]	410,000.00	410,000.00
*Unsecured Term loans from other parties are Guaranteed by Government of India [including ` Nil, ` 23,592.58 Lac and ` 4,561.30 Lac as on 31st March 2016 (` 1,10,000 Lac, ` 12,509.50 Lac and ` 3,902.04 Lac as on 31st March 2015) being the amount due to LIC , ADB and KFW respectively within 1 year from the end of reporting period and shown as "Other Current Liabilties" in Note 9].	1,219,344.86	986,449.05

^All secured and unsecured bonds issued by IIFCL are non convertible and redeemable at par. Further, the secured bonds are secured on pari passu basis by all rights, titles, interests, benefit, claims and demands whatsoever of the Company's accounts including receivables of the Company of whatsoever nature, present and future.

~The loan amount of ` 1,00,000 Lac for which notice vide letter dated 23rd February 2015 has been given for prepayment on 22nd May 2015. As per original repayment schedule, the amount was repayable to LIC on 1st February 2027. Further, the entire outstanding loan amount of ` 70,000 Lac has been prepaid on 13th January 2016. As per original repayment schedule, the amount was repayable upto LIC on 1st August 2022.

@The amount of ` 1,50,000 Lac outstanding to NSSF has been prepaid on 26th November 2015, along with prepayment penalty @ 0.25%. As per original repayment schedule, the amount was repayable to NSSF on 31st March 2023.

TERMS OF REPAYMENT OF LONG TERM LOANS

i) Life Insurance Corporation of India (LIC)

Tranche	Loan Amount (including current maturities of long term debt disclosed in Note 9) (` in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
I	100000	8.56%	1.02.2013	13.01.2016#	Semi-Annual	Entire outstanding loan amount on 13th January 2016#
II	100000	9.36%	22nd May 2015*		Bullet basis	Entire loan amount on 22nd May 2015*

The entire outstanding loan amount of ` 70,000 Lac has been prepaid on 13th January 2016. As per original repayment schedule, the amount was repayable upto LIC on 1st August 2022.

* The loan amount of ` 1,00,000 Lac has been prepaid on 22nd May 2015. As per original repayment schedule the amount was repayable to LIC on 1st February 2027.

ii) National Small Savings Schemes Fund (NSSF)

Loan Amount (` in Lac)	Rate of Interest	Date of repayment	Frequency of repayment	Amt of repayment
150000	9.00%	26th November 2015*	Bullet basis	Entire loan amount of ` 150,000 lac

*The loan amount of ` 1,50,000 Lac has been prepaid on 26th November 2015. As per original repayment schedule, the amount was repayable to NSSF on 31st March 2023.

iii) Asian Development Bank

Tranche	Loan Amount (including short term) as per Agreement ($ in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
I	3000	6M USD LIBOR +20bps	15.12.2012	15.06.2032	Semi-Annual	Each instalment of 2.50% of loan amount
II	2000	6M USD LIBOR +20bps	15.06.2014	15.12.2033	Semi-Annual	Each instalment of 2.50% of loan amount
III	2100	6M USD LIBOR +20bps	15.12.2014	15.06.2034	Semi-Annual	Ballooning instalments starting from 0.827816% to upto 5.550311% of loan amount
IV	2500	6M USD LIBOR +30bps	15.12.2015	15.06.2035	Semi-Annual	
V	2400	6M USD LIBOR +40bps	15.12.2016	15.06.2036	Semi-Annual	
VI	4000	6M USD LIBOR +40bps	15.03.2018	15.03.2033	Semi-Annual	Ballooning instalments starting from 2.173900% to upto 4.559913% of loan amount
Total	**16000**					

iv) IBRD (World Bank)

Loan Amount as per Agreement ($ in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
1950*	6M USD LIBOR +variable spread	15.04.2017	15.04.2037	Semi-Annual	Instalment (s) of 2.44% of loan amount upto 15.10.2036 and 2.40% on 15.04.2037

* The loan amount of IBRD (World Bank) has reduced to $ 1,950 lac due to restructuring of its line of credit dated 18th December 2013 giving details of cancellation of loan amount of $ 10,000 lac.

v) Kreditanstalt für Wiederaufbau (KFW)

Tranche	Loan Amount as per Agreement (Euro in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
Portion-I	165.89	0.75%	30.06.2020	30.06.2050	Semi-Annual	- Euro 271,000 from 30.06.2020 to 30.12.2021 - Euro272,000 from 30.06.2022 to 30.12.2049 and Euro 272581.03 on 30.06.2050
Portion-II	334.11	4.99%	30.06.2015	30.06.2020	Semi-Annual	- Euro 3,037,000 from 30.06.2015 to 30.06.2018 - Euro 3,038,000 from 30.12.2018 to 30.12.2019 and Euro 3,038,418.97 on 30.06.2020
Total	**500.00**					

vi) European Investment Bank

Tranche	Loan Amount as per Agreement (Euro in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
Portion-I	350.00	6M EURIBOR +All-in spread of 0.275%	22.06.2020	20.12.2034	Semi-Annual	Each instalment of Euro 11,66,666.67
Portion-II	400.00	6M EURIBOR +All-in spread of 0.436%	21.06.2021	20.12.2034	Semi-Annual	Each instalment of Euro 14,28,571.43
Total	**750.00**					

IIFCL
(ISO:9001:2008)

Note 4 : DEFERRED TAX LIABILITIES (NET) (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(I)	**Deferred tax Liability on account of:**		
(i)	Special Infrastructure Reserve created under section 36(1)(viii) of Income Tax Act, 1961	35,763.48	26,067.96
(ii)	Depreciation	3.78	-
(iii)	Provision for Leave Fare Concession	21.29	-
(iv)	Deduction claimed for standard loan assets	1,511.95	1,484.95
	Deferred Tax Liability	**37,300.50**	**27,552.91**
(II)	**Deferred tax Assets on account of:**		
(i)	Depreciation	-	21.89
(ii)	Interest credited to Sundry Liabilities Account (Interest Capitalisation) offered for tax	9,232.87	4,998.07
(iii)	Provision for Leave Encashment	16.86	12.41
(iv)	Provision for Leave Fare Concession	-	17.98
(v)	Provision for Sick Leave	21.17	6.67
(vi)	Expenses on which TDS not deducted	3.98	33.77
(vii)	Provision for Performance Linked Incentive to Wholetime Directors	10.11	25.13
(viii)	Provision for Medical Assistance Scheme	108.31	-
(ix)	Provision for contingencies*	1,090.06	926.96
	Deferred Tax Assets	**10,483.36**	**6,042.88**
	Deferred Tax Liability (Net)	**26,817.14**	**21,510.03**

*Created in respect of marked to market losses on derivatives

Note 5 : OTHER LONG TERM LIABILITIES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(a)	**Trade payables**	**-**	**-**
(b)	**Others:**		
(i)	Security deposit received	6.65	6.20
(ii)	Sundry Liabilities Account (Interest Capitalisation)	31,068.35	19,094.41
	TOTAL	**31,075.00**	**19,100.61**

Note 6 : LONG TERM PROVISIONS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Provision for Employee Benefits [See note 24 (B) (9)]**		
(i)	Leave Encashment	153.30	116.14
(ii)	Sick Leave	103.39	62.80
(iii)	Post-retirement medical benefit	306.37	-
(iv)	Leave Fare Concession	11.42	8.44
(v)	Performance Linked Incentive to Wholetime Directors	-	73.94
	SUB-TOTAL (A)	**574.48**	**261.32**
(B)	**Others [See note 24 (B) (9)]**		
(i)	Marked to market losses on derivatives	3,149.73	2,727.17
(ii)	Contingent Provisions against Standard Assets	8,849.79	6,369.78
(iii)	Provisions against Sub-standard Assets	18,742.91	5,767.12
(iv)	Provisions against Doubtful Assets	8,048.66	16,243.24
(v)	Provisions against Restructured Assets	19,188.64	20,717.80
(vi)	Provisions against Strategic Debt Restructured Assets	9,143.23	-
	SUB-TOTAL (B)	**67,122.96**	**51,825.11**
	TOTAL (A)+(B)	**67,697.44**	**52,086.43**

Note 7 : SHORT TERM BORROWINGS (` in Lac)

PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
Loans repayable on demand from banks* (Secured by pledge of fixed deposit receipts of ` 3,51,078.78 Lac (` 32,487.91 Lac as at 31st March 2015))	170,028.11	10,278.16
TOTAL	**170,028.11**	**10,278.16**
*Net of debit balance	-	-

Note 8 : TRADE PAYABLES (` in Lac)

PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
Miscellaneous Liabilities	16.70	28.53
TOTAL	**16.70**	**28.53**

Note 9 : OTHER CURRENT LIABILITIES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Current maturities of long term debt (See footnotesof Note 3):**		
(i)	Life Insurance Corporation of India (LIC) #	-	110,000.00
(ii)	Asian Development Bank (ADB)	23,592.58	12,509.50
(iii)	Kreditanstalt für Wiederaufbau (KFW)	4,561.30	3,902.04
(iv)	5,000 8.70% Bonds of face value `10 lac each, redeemable on 02/09/2016	50,000.00	-
	SUB-TOTAL (A)	**78,153.88**	**126,411.54**
(B)	**Interest accrued but not due on borrowings**		
	On bonds and term loans	75,925.05	73,157.97
	SUB-TOTAL (B)	**75,925.05**	**73,157.97**
(C)	**Income received in advance**		
(i)	Amount pending appropriation*	2,159.05	1,532.24
(ii)	Grants received from World Bank	17.99	77.42
	SUB-TOTAL (C)	**2,177.04**	**1,609.66**
(D)	**Other payables**		
(i)	Duties & Taxes payable	97.75	88.06
(ii)	PF deducted on behalf of employees/ whole time directors	6.52	18.14
(iii)	Unclaimed Interest on Bonds	1.38	2.25
(iv)	Commitment Charges payable	-	7.40
(v)	Payable to Employees/ Wholetime Directors	4.77	4.27
(vi)	Contribution towards gratuity fund payable to LIC	36.72	9.91
(vii)	Rent Adjustable Account	-	55.57
(viii)	Others	154.17	236.41
	SUB-TOTAL (D)	**301.31**	**422.01**
	TOTAL (A)+(B)+(C)+(D)	**156,557.28**	**201,601.18**

* Amount pending appropriation is adjustible in loan accounts towards interest/ principal on due date and/or prepayment in loan accounts.

Out of ` 1,10,000 Lac, ` 1,00,000 Lac (Tranche II of loan from LIC) for which notice vide letter dated 23rd February 2015 has been given for prepayment on 22nd May 2015. As per original repayment schedule the amount was repayable to LIC on 1st February 2027. In addition, out of ` 10,000 Lac pertaining to Tranche I of loan from LIC, ` 5000 Lac has been repaid on due date and balance loan outstanding of ` 70,000 Lac has been prepaid on 13th January 2016. As per original repayment schedule, the amount was repayable upto LIC on 1st August 2022.

Note 10 : SHORT TERM PROVISIONS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Provision for Employee Benefits [See note 24 (B) (9)]**		
(i)	Leave Encashment	20.63	14.49
(ii)	Sick Leave	3.55	2.60
(iii)	Leave Fare Concession	1.02	0.81
(iv)	Performance Linked Incentive to Wholetime Directors	91.80	-
(v)	Post-retirement medical benefit	6.69	-
(vi)	Wage Revision [See note 24(B)(17)]	459.15	276.95
	SUB-TOTAL (A)	**582.84**	**294.85**
(B)	**Others [See note 24 (B) (9)]**		
(i)	Contingent Provisions against Standard Assets	237.83	345.26
(ii)	Provisions against Sub-standard Assets	895.56	1,288.98
(iii)	Provisions against Doubtful Assets	32.98	1,736.77
(iv)	Provisions against Restructured Assets	880.33	1,182.73
	SUB-TOTAL (B)	**2,046.70**	**4,553.74**
	TOTAL (A)+(B)	**2,629.54**	**4,848.59**

Note 11 : FIXED ASSETS

` in Lac

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Addition	Disposals/ Adjustments	As at 31.03.2016	As at 01.04.2015$	For the Period$	Deductions/ Reversals	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS										
FURNITURE & FITTINGS	35.13	99.07	0.25	**133.95**	20.32	20.87	0.19	**41.00**	**92.95**	14.81
VEHICLES	76.07	38.45	18.55	**95.97**	51.95	17.54	31.26	**38.23**	**57.74**	24.12
OFFICE EQUIPMENTS	30.12	6.31	0.77	**35.66**	21.31	4.42	0.73	**25.00**	**10.66**	8.81
PLANT & MACHINERY	7.02	0.79	-	**7.81**	1.67	0.98	-	**2.65**	**5.16**	5.35
COMPUTER HARDWARE	277.89	35.16	3.32	**309.73**	237.79	50.25	77.02	**211.02**	**98.71**	40.10
TOTAL	**426.23**	**179.78**	**22.89**	**583.12**	**333.04**	**94.06**	**109.20**	**317.90**	**265.22**	**93.19**
Previous Year	387.08	59.28	20.13	**426.23**	153.72#	192.35	13.03	**333.04**	**93.19**	233.36
INTANGIBLE ASSETS*										
COMPUTER SOFTWARE*	98.26	0.37	-	**98.63**	35.63	22.77	0.62	**57.78**	**40.85**	62.63
TOTAL	**98.26**	**0.37**	**-**	**98.63**	**35.63**	**22.77**	**0.62**	**57.78**	**40.85**	**62.63**
Previous Year	98.26	-	-	**98.26**	13.19	23.30	0.86	**35.63**	**62.63**	85.07

$ The amount of total depreciation as on 1st April 2015 was ` 368.67 lac including excess depreciation of ` 90.72 lac charged in FY 2014-15 inadvertently computed in Fixed Assets Management Software used by IIFCL. The excess depreciation of ` 90.72 lac charged during FY 2014-15 has been reversed during FY 2015-16. (Refer Note 24(B)(1)).

As per Note 7 to Part C of Schedule II of the Companies Act 2013, carrying amount of the asset as on 1st April 2014 i.e. from the date this schedule comes into effect-

(a) shall be depreciated over the remaining useful life of the asset as per this Schedule;

(b) after retaining the residual value, (may be recognised) in the opening balance of retaining earnings where the remaining useful life of an asset is Nil.Accordingly, amount of accumulated depreciation as on 1st April 2014 excludes ` 3.21 lac transferred to Surplus in Statement of Profit and Loss in compliance with the Note 7 to Part C of Schedule II of the Companies Act 2013.

* Intangible Assets held by company are other than internally generated intangible assets.

Note 12 : NON-CURRENT INVESTMENTS

` in Lac

S. No.	PARTICULARS	Year ended 31st March 2016			Year ended 31st March 2015		
		Number of Shares	Face Value		Number of Shares	Face Value	
(A)	**TRADE INVESTMENTS**						
(a)	**Investment in Equity Instruments - Unquoted (Fully Paid) (See footnotes b and d)**						
	Wholly owned Subsidiaries						
(i)	India Infrastructure Finance Company (UK) Ltd.	50,000,000	US $ 1	23,394.80	50,000,000	US $ 1	23,394.80
(ii)	IIFCL Asset Management Company Ltd.	12,500,000	` 10	1,250.00	12,500,000	` 10	1,250.00
(iii)	IIFCL Projects Ltd.	500,000	` 10	50.00	500,000	` 10	50.00
				24,694.80			**24,694.80**
(b)	**Investment in Equity Instruments - Unquoted (Fully Paid) (See footnotes b and d)**						
	Delhi Mumbai Industrial Corridor Development Corporation Ltd.	4,100,000	` 10	411.03	4,100,000	` 10	411.03
				411.03			**411.03**
(c)	**Investment in Venture Capital Units (Unquoted) (Fully Paid) (See footnotes b and d)**	Number of Shares	Face Value		Number of Shares	Face Value	
	IDFC Project Equity Domestic Investors Trust II (Fully Paid)	7,467,022	` 100	7,467.02	7,707,577	` 100	7,707.58
				7,467.02			**7,707.58**
(d)	**Investment in Bonds (Quoted) (Fully Paid) (See footnote a,c and d)**	Number of Bonds	Face Value		Number of Bonds	Face Value	
(i)	8.90% PNB 2019	200	` 10 lac	1984.03	200	` 10 lac	1,984.03
(ii)	10.60% IRFC 2018	50	` 10 lac	500.22	50	` 10 lac	500.31
(iii)	11.00% PFC 2018	50	` 10 lac	478.11	50	` 10 lac	514.26
(iv)	11.25% PFC 2018	100	` 10 lac	959.23	100	` 10 lac	1,036.23
				3,921.59			**4,034.83**
	SUB-TOTAL (A)			**36,494.44**			**36,848.24**
		Number of Units	Face Value		Number of Units	Face Value	
(B)	**OTHER INVESTMENTS**						
(a)	**Investment in Government Securities (Unquoted) (See footnote b and d)**						
(i)	6.05% GOI 2019	2,000,000	` 100	1,980.00	2,000,000	` 100	1,980.00
(ii)	6.35% GOI 2020	7,500,000	` 100	6,834.51	7,500,000	` 100	6,834.51
(iii)	6.90% GOI 2019	2,000,000	` 100	1,952.09	2,000,000	` 100	1,952.09
(iv)	7.76% SL (Karnataka) 2019	500,000	` 100	505.81	500,000	` 100	507.81
(v)	7.85% SL (Andhra Pradesh) 2019	1,000,000	` 100	1,001.06	1,000,000	` 100	1,001.38
(vi)	8.27% SL (Kerala) 2019	1,000,000	` 100	1,003.69	1,000,000	` 100	1,004.94
(vii)	8.43% SL (West Bengal) 2019	1,500,000	` 100	1,535.99	1,500,000	` 100	1,548.25
(viii)	8.48% SL (Tamil Nadu) 2019	2,500,000	` 100	2,524.85	2,500,000	` 100	2,533.31
				17,338.00			**17,362.29**
(b)	**Investment in Bonds (Quoted) (Fully Paid) (See footnote a and d)**	Number of Bonds	Face Value		Number of Bonds	Face Value	
	8.83% Neyveli Lignite Corp. Ltd. 2019	100	` 10 lac	965.92	100	` 10 lac	965.92
				965.92			**965.92**
(c)	**Investment in Mutual Funds (Unquoted) (Fully Paid) (See footnote b and d)**	Number of Units	Face Value		Number of Units	Face Value	
	IIFCL Mutual Fund IDF Series I (Subscribed units of IIFCL Mutual Fund-Infrastructure Debt Fund Series- I managed by IIFCL Asset Management Company Limited as Strategic Investor as per SEBI (Mutual Funds) Regulation 1996)*	1300	` 10 lac	13,000.00	1300	` 10 lac	13,000.00
				13,000.00			**13,000.00**

` in Lac

S. No.	PARTICULARS	Year ended 31st March 2016			Year ended 31st March 2015		
		Number of Security Receipts	Face Value		Number of Security Receipts	Face Value	
(d)	**Investment in Security Receipts (Unquoted) (Fully Paid) (See footnote b and d)***						
(i)	Edelweiss Asset Reconstruction Company Ltd. (EARC Trust-SC 135-Series I)	42500	` 1000	425.00	42500	` 1000	425.00
(ii)	Edelweiss Asset Reconstruction Company Ltd. (EARC Trust-SC 207-Series I)	923780	` 1000	9,237.80	-	-	-
(iii)	Asset Reconstruction Company (India) Ltd. (Arcil-AST-VIII-Trust)	990420	` 1000	9,904.20	990420	` 1000	9,904.20
(iv)	Phoenix ARC Private Limited (Phoenix Trust FY 16-20)	246500	` 1000	2,465.00	-	-	-
				22,032.00			**10,329.20**
	SUB-TOTAL (B)			**53,335.92**			**41,657.41**
	TOTAL (A)+(B)			**89,830.36**			**78,505.65**

Footnotes:

(a) **Aggregate amount of quoted investments:**

		2016	2015
(i)	Cost/ Book Value	4,887.51	5,000.75
(ii)	Market Value	5,211.39	5,225.12

(b) **Aggregate amount of unquoted investments - Cost/ Book Value** 84,942.85 73,504.88

(c) During the financial year 2011-12, these investments were shifted from current investments to non- current investments with the approval of Board of Directors of the company at cost or fair value, whichever is lower as on closing of 31st March 2012 resulting in adjustment of dimunition in value of investments amounting to ` 222 lac in carrying amount of these investments. Consequently, the amount of investment in bonds (Quoted)(fully paid) is stated net of diminution in value of investments on transfer from current investments to non- current investments in the year 2011-12, of ` 181.24 lac as on 31st March 2016.

(d) Refer Note 24(A)(5) for valuation of individual investments.

(e) **Ratings assigned by credit rating agencies and migration of ratings during the year:**

The domestic debt instruments of IIFCL have “AAA” rating- the highest rating assigned by CRISIL, CARE, India Ratings & Research, ICRA and Brickworks- Credit Rating Agencies.The ratings assigned to the company were affirmed by Standard and Poor’s as BBB-/ Negative/A-3 which are at par with the sovereign ratings. There has been no migration of ratings during the year.

*NAV per unit of the following investmets is under:

(i)	IIFCL Mutual Fund IDF Series I	1,248,010.25	1,112,687.50
(ii)	EARC Trust-SC 135-Series I	1,000.00	N.A.
(iii)	EARC Trust-SC 207-Series I	N.A.	-
(iv)	Arcil-AST-VIII-Trust	1,000.00	N.A.
(v)	Phoenix Trust FY 16-20	NA.	-

The fluctuation in NAV is considered as temporary.

Note 13: LONG TERM LOANS AND ADVANCES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**SECURITY DEPOSIT** (Unsecured, Considered good)	706.77	456.10
	SUB-TOTAL (A)	**706.77**	**456.10**
(B)	**LOANS AND ADVANCES TO RELATED PARTIES**		
	Secured, Considered good		
	Loan to employees*	10.33	12.43
	SUB-TOTAL (B)	**10.33**	**12.43**
(C)	**OTHER LOANS AND ADVANCES**		
(I)	**Secured, Considered good**		
(i)	**Infrastructure Loans: Standard Assets**		
	Direct Lending	2,105,730.19	1,754,336.36
	Pooled Municipality Debt Obligation (PMDO) Scheme	8,313.15	9,944.34
	Takeout financing Scheme	857,836.01	668,238.21
(ii)	**Loan to employees**	252.50	214.46
(II)	**Secured, Others**		
	Infrastructure Loans:Sub-standard Assets		
	Direct Lending	68,779.65	18,162.72
	Pooled Municipality Debt Obligation (PMDO) Scheme	696.90	183.43
	Takeout financing Scheme	4,252.45	5,490.50
(III)	**Unsecured, Considered good**		
(i)	Infrastructure Loans: Standard Assets		
	Refinancing Scheme	-	64,300.00
(ii)	Advance recoverable from employees	12.04	9.89
(IV)	**Doubtful**		
	Infrastructure Loans (Doubtful Assets)		
	Direct Lending	15,254.85	32,173.65
	Pooled Municipality Debt Obligation (PMDO) Scheme	1,337.63	1,309.00
	SUB-TOTAL (C)	**3,062,465.37**	**2,554,362.56**
	TOTAL (A) + (B) + (C)	**3,063,182.47**	**2,554,831.09**

Footnote:

Sector	Particulars of Security #	Amount (` in Lac)	
Power and Other Sectors	Mortgage: First parri-passu charge by way of mortgage of Borrower's all immovable properties, present and future. Hypothecation: First parri-passu charge by way of hypothecation of all the Borrower's movable assets including plant and machinery etc. Pledging of shares minimum of 51% Escrow account and all rights and titles and interest of borrowers rank parri- passu	1,986,856.44	1,478,417.63
Road and Airport (PPP)	Right to receive annuity and toll collections of the project Escrow account and all rights and titles and interest of borrower rank pari passu Hypothecation: First parri-passu charge by way of hypothecation of all the Borrower's movable assets.	1,174,498.87	1,156,822.94
Financial Institutions under Refinancing Scheme	Unsecured	-	64,300.00
TOTAL#		**3,161,355.31**	**2,699,540.57**

#The Infrastructure loan amount in Footnote giving particulars of security above includes ` 99,154.48 lac as on 31st March 2016 (` 1,45,402.36 lac as on on 31st March 2015) being amount of loans due within a year and principal overdue amount which are shown in Note 18. Further, aggregate provisions of ` 66,019.93 Lac has been made against these advances till 31st March 2016 (` 53,651.68 Lac till 31st March 2015) as per RBI norms.

*Pursuant to applicability of provisions of The Companies Act, 2013 w.e.f. 1st April 2014 and approval of the Board of Directors in the meeting held on 11th November 2014, Chief General Manager- Chief Financial Officer is considered as Key Managerial Personnel. Accordingly, House Building Loan extended to him is classified as loans and advances to related parties as on 31st March 2016. The amount of loan was ` 12.43 lac as on 31st March 2016 (` 14.53 lac as on 31st March 2015).

Note 14: OTHER NON CURRENT ASSETS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(i)	Amortizable Shortfall in amount of provision due to sale of NPA's	-	5,633.18
(ii)	Notional amount recoverable from hedging counterparties	131,109.29	-
	TOTAL	**131,109.29**	**5,633.18**

Note 15: TRADE RECEIVABLES (` in Lac)

PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
Unsecured, considered good: Dues not exceeding six months Guarantee Fees Receivable	25.53	-
TOTAL	**25.53**	**-**

Note 16: CASH AND BANK BALANCES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**CASH AND CASH EQUIVALENTS**		
(i)	Balances with banks	5,430.83	8,806.87
(ii)	Cash on hand	0.02	0.35
(iii)	Flexi Deposits with banks	-	1,815.50
	SUB-TOTAL (A)	**5,430.85**	**10,622.72**
(B)	**OTHER BANK BALANCES**		
(i)	Earmarked balances with banks for unclaimed interest on bonds	1.38	1.38
(ii)	Earmarked balances with banks on account of grant received from World Bank	31.25	81.04
(iii)	Funds under remittance	30,176.00	13,252.45
(iv)	Fixed Deposits with banks (Unencumbered) (original maturity more than three and upto twelve months)	336,070.92	919,956.44
(v)	Fixed Deposits with banks (Encumbered): (original maturity more than three and upto twelve months)		
(a)	Held as security against Interest Payment of Bonds	17,100.00	39,219.00
(b)	Pledged to avail overdraft facility from banks	351,078.78	32,487.91
	SUB-TOTAL (B)	**734,458.33**	**1,004,998.22**
	TOTAL (A)+(B)	**739,889.18**	**1,015,620.94**

Note 17: SHORT TERM LOANS & ADVANCES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Loans and advances to related parties (Unsecured, considered good)**		
(i)	Expenses Incurred on behalf of subsidiary companies	9.11	25.07
(ii)	Expenses Incurred on behalf of associate company i.e.Irrigation & Water Resources Finance Corporation Limited	1.21	0.19
(iii)	Loan to employees*	2.10	2.10
	SUB-TOTAL (B)	**12.42**	**27.36**
(B)	**Others**		
(I)	**Secured, considered good**		
	Loan to employees	54.50	41.80
(II)	**Unsecured, considered good**		
(i)	Security deposit	16.20	602.20
(ii)	Advances recoverable from employees	17.37	12.83
(iii)	Advance Tax paid (Net)	860.52	4,830.37
(iv)	Income Tax Recoverable	5,617.99	911.35
(v)	Service Tax Recoverable (CENVAT)	-	10.61
(vi)	Prepaid Expenses	28.40	23.78
(vii)	Other advances	16.39	15.08
	SUB-TOTAL (C)	**6,611.37**	**6,448.02**
	TOTAL (A)+(B)+(C)	**6,623.79**	**6,475.38**

*Pursuant to applicability of provisions of The Companies Act, 2013 w.e.f. 1st April 2014 and approval of the Board of Directors in the meeting held on 11th November 2014, Chief General Manager- Chief Financial Officer is considered as Key Managerial Personnel. Accordingly, House Building Loan extended to him is classified as loans and advances to related parties as on 31st March 2016. The amount of loan was ` 12.43 lac as on 31st March 2016 (` 14.53 lac as on 31st March 2015).

Note 18: OTHER CURRENT ASSETS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Infrastructure Loans (See Footnote in Note 13)**		
(I)	**Secured, Considered Good**		
	Standard Assets:		
	Direct lending	49,649.91	97,913.78
	Pooled Municipality Debt Obligation (PMDO) Scheme	1,757.57	1,332.35
	Takeout financing Scheme	39,648.45	37,248.58
(II)	**Secured, Others**		
	Sub-standard Assets:		
	Direct lending	2,887.92	4,188.75
	Pooled Municipality Debt Obligation (PMDO) Scheme	45.94	9.85
	Takeout financing Scheme	1,330.61	1,129.00
(III)	**Doubtful**		
	Doubtful Assets:		
	Direct lending	3,563.50	3,416.60
	Pooled Municipality Debt Obligation (PMDO) Scheme	270.58	163.45
	SUB-TOTAL (A)	**99,154.48**	**145,402.36**
(B)	**Interest accrued and due on loans and advances**	**35,700.39**	**31,650.03**
	SUB-TOTAL (B)	**35,700.39**	**31,650.03**
(C)	**Interest accrued but not due on:**		
(i)	Fixed Deposits with Banks	15,721.84	35,201.08
(ii)	Bonds	145.35	144.01
(iii)	Government Securities	204.88	204.89
(iv)	Loans & Advances	30,709.34	24,875.80
	SUB-TOTAL (C)	**46,781.41**	**60,425.78**
(D)	**Others**	**5,675.02**	**7,681.48**
	SUB-TOTAL (D)	**5,675.02**	**7,681.48**
	TOTAL (A)+(B)+(C)+(D)	**187,311.30**	**245,159.65**

Note 19: REVENUE FROM OPERATIONS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Interest**		
(i)	Interest on Loans and Advances under Direct Lending	255,064.54	220,678.29
(ii)	Interest on Loans under PMDO Scheme	1,156.55	773.87
(iii)	Interest on Loans and Advances under Refinancing Scheme	4,492.89	11,395.46
(iv)	Interest on Loans and Advances under Takeout Financing Scheme	80,728.16	42,889.13
(v)	Penal Interest	682.48	772.32
(vi)	Interest on Government Securities	1,273.69	1,273.66
(vii)	Interest on Bonds	488.75	499.88
(viiI)	Interest on Deposits with Banks	74,118.79	119,920.38
	SUB-TOTAL (A)	**418,005.85**	**398,202.99**
(B)	**Other Financial Services**		
(i)	Upfront Fee	1,576.55	1,333.98
(ii)	Processing fee	329.22	280.42
(iii)	Pre-Payment Charges	335.30	544.02
(iv)	Commission Received	364.49	138.00
(v)	Commitment Charges	-	0.26
(vi)	Fees from Credit Enhancement	115.09	-
(viI)	Other Charges	370.56	239.80
	SUB-TOTAL (B)	**3,091.21**	**2,536.48**
	TOTAL (A) + (B)	**421,097.06**	**400,739.47**

Note 20: OTHER INCOME (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Dividend received from subsidiary company**		
	Dividend received from India Infrastructure Finance Company (UK) Ltd.	13,229.50	-
	SUB-TOTAL (A)	**13,229.50**	**-**
(B)	**Other Non-Operating Income**		
(i)	Gain on Swap Deals	30,965.97	4,022.18
(ii)	Grants received	245.13	120.80
(iii)	Amounts/ Provisions other than provision on loan assets written back	391.97	1,276.59
(iv)	Miscellaneous Income	15.02	18.69
	SUB-TOTAL (B)	**31,618.09**	**5,438.26**
	TOTAL (A) + (B)	**44,847.59**	**5,438.26**

Note 21: FINANCE COSTS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Interest Expense:**		
(i)	Interest on Bonds & Debentures	159,085.43	158,539.70
(ii)	Interest on Bank Borrowings	12,033.13	5,739.42
(iii)	Interest on loan from NSSF	8,839.73	13,500.00
(iv)	Interest on loan from LIC	6,162.41	16,281.87
(v)	Interest on loan from ADB	5,354.07	3,556.64
(vi)	Interest due to net settlement of swap transactions on ADB Loan	29,912.07	29,791.51
(vii)	Interest on loan from IBRD (World Bank)	684.84	161.68
(viii)	Interest due to net settlement of swap transactions on IBRD (World Bank) Loan	4,844.58	1,249.61
(ix)	Interest on loan from KFW	1,210.79	1,326.45
(x)	Interest due to net settlement of swap transactions on KFW Loan	483.44	490.94
(xi)	Interest on loan from EIB	73.99	-
	SUB-TOTAL (A)	**228,684.48**	**230,637.82**
(B)	**Other Borrowing Costs:**		
(i)	Guarantee Fees to Govt. of India	3,597.40	3,940.08
(ii)	Commitment charges	122.54	262.83
(iii)	Bond Servicing Expenses	165.88	192.23
(iv)	Upfront Fees on Borrowings	-	33.76
(v)	Penal Charges	375.00	-
	SUB-TOTAL (B)	**4,260.82**	**4,428.90**
(C)	**Net loss on foreign currency transactions and translations**	**33,149.63**	**8,846.53**
	SUB-TOTAL (C)	**33,149.63**	**8,846.53**
	TOTAL (A) + (B) + (C)	**266,094.93**	**243,913.25**

Note 22: EMPLOYEE BENEFITS EXPENSE (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(i)	Salaries and Wages	1,571.64	914.58
(ii)	Contribution to provident and other funds	110.85	75.89
(iii)	Staff Welfare Expenses	449.25	333.08
	TOTAL	**2,131.74**	**1,323.55**

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Note 23: OTHER EXPENSES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(i)	Power and Fuel	19.02	14.27
(ii)	Lease Rent	1,065.02	707.49
(iii)	Insurance	1.60	1.07
(iv)	Professional Fees	192.54	201.18
(v)	Rates and Taxes	-	60.27
(vi)	Amortization of Premium Paid on non-current securities	137.51	38.31
(vii)	Net loss on foreign currency transactions and translations	27,724.29	-
(viii)	Loan Amount Written Off [See note 24(B)(23)]	55,724.69	23,834.62
(ix)	Establishment and Other Expenses (including auditors' remuneration) [See note 24(B)(19)]	1,139.23	992.47
	TOTAL	**86,003.90**	**25,849.68**

Note 24:

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

IIFCL is set up with an objective to provide long term finance to viable infrastructure projects through the Scheme for Financing Viable Infrastructure Projects. Reserve Bank of India has issued Certificate of Registration no N-14.03288 as Non-Banking Financial Company - Non Deposit - Infrastructure Finance Company (NBFC-ND-IFC) to India Infrastructure Finance Company Limited (IIFCL) on 9th September 2013. RBI has allowed IIFCLto carry on the business of Non-Banking Financial Institution without accepting public deposits.

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The Financial accounts have been prepared on a going concern basis with accrual concept and same accounting policies and practices are followed in the financial statements as those were followed in the annual financial statements for the year ended 31st March 2015.

2. Recognition Of Income / Expenditure

2.1 Upfront fee income on loans granted is considered as income on accrual basis in cases where loan documents have been signed on allocated amount.

2.2 Commitment charges on loans taken by the company are accounted for as expense when draw down of loan is less than sanctioned amount of loan as per the Loan agreement.

2.3 Recoveries in borrower's accounts are appropriated as per the respective loan agreements.

2.4 Dividend is accounted on accrual basis when right to receive the dividend is established. However, right to receive final dividend arises only on approval thereof by the shareholders in Annual General Meeting.

2.5 Income from investment in Growth of mutual funds schemesincluding Infrastructure Debt Mutual Fund is accounted for on the basis of actual instance of sale or redemption as the case may be.

2.6 The amount(s) of prior period items of income/expense are included in their regular heads of accounts. Prior Period income/expense above ` 5,000/- are disclosed under 'Other notes to the financial statement'.

2.7 Expenditure incurred in raising of bonds is charged to the statement of Profit and Loss in the year of allotment of bonds.

2.8 Partial Credit Enhancement Guarantee fee is recognized in the accounting year on accrual basis when reasonable right of recovery is established. Any Partial Credit Enhancement Guarantee fee received in advance is deferred and is recognized as income over period of accrual.

3. Loan Assets

The company has adopted norms for income-recognition, asset classification and provisioning applicable to Non-Banking Financial Companies-Infrastructure Finance Company (NBFC-IFC) as per Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 as amended from time to time. The salient features of these norms are as under:

3.1 Income Recognition

(a) Interest is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

(b) Income including interest/discount or any other charges on Non-PerformingAssets (NPA)is recognized only when it is actually realized. Any such income recognized before the asset became non-performing and remaining unrealized is reversed.

3.2 "Non-Performing Asset" means

(a) An asset, in respect of which interest has remained overdue for a period of six months ormore.

(b) A term loan inclusive of unpaid interest, when the installment is overdue for a period of six months or more or on which interest amount remained overdue for a period of six months or more.

Pursuant to Reserve Bank of India notificationno.DNBR.009/CGM(CDS)-2015 Systemically Important Non-Banking Financial (Non Deposit Accepting) dated 27th March 2015, it is provided that the period of six months or more stipulated in sub clause (a) to (b) shall be five months or more for the financial year ending 31st March 2016, four months or more for the financial year ending 31st March 2017 and three months or more for the financial year ending 31st March 2018 and thereafter.

3.3 Asset Classification

All advances are classified as:

(a) "Standard assets" means the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

(b) "Sub-standard assets" means

(i) an asset which has been classified as non-performing asset for a period not exceeding 18 months.

(ii) an asset where the terms of the agreement regarding interest and/ or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms

Pursuant to Reserve Bank of India notificationno.DNBR.009/CGM(CDS)-2015 Systemically Important Non-Banking Financial (Non Deposit Accepting) dated 27th March 2015 it is provided that the period 'not exceeding 18 months' stipulated in this sub-clause shall be 'not exceeding 16 months' for the financial year ending 31st March 2016; 'not exceeding 14 months' for the financial year ending 31st March 2017; and 'not exceeding 12 months' for the financial year ending 31st March 2018 and thereafter.

(c) "Doubtful asset" means a term loan or any other asset which remains sub-standard asset for a period of exceeding 18 months.

Pursuant to Reserve Bank of India notification no.DNBR.009/CGM(CDS)-2015 Systemically Important Non-Banking Financial (Non Deposit Accepting) dated 27th March 2015 it is provided that the period 'not exceeding 18 months' stipulated in this sub-clause shall be 'not exceeding 16 months' for the financial year ending 31st March 2016; 'not exceeding 14 months' for the financial year ending 31st March 2017; and 'not exceeding 12 months' for the financial year ending 31st March 2018 and thereafter.

(d) "Loss Asset" means

(i) An asset which has been identified as loss asset by the company or its internal or external auditor to the extent it is not written off by the company.

(ii) An asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

(e) An infrastructure loan is classified as NPA during any time before commencement of commercial operations as per Para 3.3 of Annexure III 'Norms on Restructuring of Advances by NBFC'prescribed by RBI Master circular "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015" dated 1st July 2015 as amended up to November 26, 2015.

3.4 Provisioning

(i) Standard Assets: General Provision is made at 0.25% of outstanding amount of loans, including on interest accrued but not due at the year end.

Pursuant to Reserve Bank of India notification no.DNBR.009/CGM(CDS)-2015 Systemically Important Non-Banking Financial (Non Deposit Accepting) dated 27th March 2015, it is provided that provision for standard assets shall be made at 0.25 percent by the end of March 2015; 0.30 percent by the end of March 2016; 0.35 percent by the end of March 2017 and 0.40 percent by the end of March 2018 and thereafter.

(ii) Sub-Standard Assets:A general provision of 10 percent of total outstanding amount is made.

(iii) Doubtful Assets

(a) 100 percent provision to the extent to which the advance is not covered by the realizable value of the security to which the company has a valid recourse is made.

(b) In addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20 percent to 50 percent of secured portion i.e.estimated realizable value of the outstanding,is made on the following basis:

Period for which the asset has been considered as doubtful	Percentage of provision
Up to one year	20
One to three years	30
More than three years	50

(iv) Loss Assets

The entire asset is written off, however if the assets are permitted to remain in the books for any reason, 100 percent of the outstanding is provided for#.

(v) Restructured loan Assets

RBI vide Master Circular dated 01st July 2015(as amended upto November 26, 2015) regarding Non-Banking Financial (Non Deposit Accepting) Companies Prudential Norms higher provision on restructured standard advances would be 5 percent in respect of new restructured standard accounts (flow) with effect from January 24, 2014 and increase in a phased manner for the stock of restructured standard accounts as on January 23, 2014 as under:

* 2.75 percent - with effect from March 31, 2014

* 3.50 percent - with effect from March 31, 2015 (spread over the four quarters of 2014-15)

* 4.25 percent - with effect from March 31, 2016 (spread over the four quarters of 2015-16)

* 5.00percent - with effect from March 31, 2017 (spread over the four quarters of 2016-17)

(vi) Accelerated Provisioning

IIFCL, as a prudent lender, in addition to normal provisioning to be done under RBI guidelines, in terms of applying stipulated percentages for secured/unsecured portions depending on asset classification, as may be amended from time to time, considers accelerated provisioning on a case-to-case basis, depending on the expected recovery scenario.

Accelerated provisioning is proposed in such exceptional cases, wherein even though provisioning might be adequate as per extant RBI guidelines, however, in the view of the Management, there might be circumstances which could affect recovery prospects. In such cases, the Management takes a case-to-case view on accelerated provisioning as a prudent measure.

The accelerated provisioning depends broadly on the following parameters:

- Status of the project.
- Promoter's ability to infuse the funds.
- Tangible security, cash flow and concessions available.
- Steps taken by the consortium for recovery.
- Management's perception.

#The repetition of Accounting Policy No. 24(A) 3.4 (vii) of Loss Assets was deleted pursuant to assurances given to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi during course of audit on observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

The provision to be made in the account ranges from 10% to 100% taking into consideration the factors mentioned above

(vii) In addition to above :

(a) Projects where Concession Agreement (CA) has been terminated by the Project Authority, full provision is made in the financial year in which the contract is terminated.

(b) Projects where Concession Agreement (CA) has been terminated by the Concessionaire, provisioning is made on the basis of merits and facts of the case.

(c) In cases where certain value of financial asset can be attached based on valuation report/ offer from Asset Reconstruction Companies etc., provision is made to the extent of shortfall.

3.5 Restructured loan Assets

i. Loansare subjected to restructuring and/or rescheduling and/or renegotiation of terms under the following stages:

(a) Before commencement of commercial production/operation;

(b) After commencement of commercial production/operation but before the asset has been classified as sub-standard;

(c) After commencement of commercial production/operation and the asset has been classified as sub-standard or doubtful.

ii. Treatment of restructured loans

(a) The accounts classified as ‘standard assets’ is immediately reclassified as ‘sub-standard assets’ upon restructuring.

(b) The non-performing assets, upon restructuring, would continue to have the same asset classification as prior to restructuring and slip into further lower asset classification categories as per extant asset classification norms with reference to the pre-restructuring repayment schedule.

(c) Standard accounts classified as NPA and NPA accounts retained in the same category on restructuring are upgraded only when all the outstanding loan / facilities in the account perform satisfactorily during the ‘specified period’ (period of one year from the commencement of the first payment of interest or principal, whichever is later, on the credit facility with longest period of moratorium under the terms of restructuring package), i.e. principal and interest on all facilities in the account are serviced as per terms of payment during that period.

(d) In case, however, satisfactory performance after the specified period is not evidenced, the asset classification of the restructured account would be governed as per the applicable prudential norms with reference to the pre-restructuring payment schedule.

(e) Any additional finance may be treated as ‘standard asset’ during the specified period under the approved restructuring package. However, in the case of accounts where the pre-restructuring facilities were classified as ‘sub standard’ and ‘doubtful’, interest income on the additional finance should be recognized only on cash basis. If the restructured asset does not qualify for upgradation at the end of the above specified period, the additional finance shall be placed in the same asset classification category as the restructured debt.

(f) If a restructured asset, which is a standard asset on restructuring is subjected to restructuring on a subsequent occasion, it should be classified as substandard. If the restructured asset is a sub-standard or a doubtful asset and is subjected to restructuring, on a subsequent occasion, its asset classification will be reckoned from the date when it became NPA on the first occasion. However, such advances restructured on second or more occasions may be allowed to be upgraded to standard category after the specified period in terms of the current restructuring package, subject to satisfactory performance.

iii. Diminution in fair value of advances

Pursuant to Reserve Bank of India (RBI) notification no.DNBR.009/CGM(CDS)-2015 Systematically Important Non-Banking Financial (Non Deposit Accepting) dated 27th March 2015 it is provided that reduction in the rate of interest and/or re-schedulement of the repayment of principal amount, as part of the restructuring, will result in diminution in the fair value of the advance. Such diminution in value is an economic loss for the NBFC and will have impact on the NBFC's market value. It is, therefore, necessary for NBFCs to measure such diminution in the fair value of the advance and make provisions for it by debiting to Profit & Loss Account. Such provision is required to be held in addition to the provisions as per existing provisioning norms prescribed by RBI, and in an account distinct from that for normal provisions. The erosion in the fair value of the advance is computed as the difference between the fair value of the loan before and after restructuring. Fair value of the loan before restructuring will be computed as the present value of cash flows representing the interest at the existing rate charged on the advance before restructuring and the principal, discounted at a rate equal to the NBFC's bare lending rate i.e. the interest rate applicable to the borrower as per the loan agreement had the loan been serviced without any default, as applicable to the concerned borrower, as on the date of restructuring. Fair value of the loan after restructuring will be computed as the present value of cash flows representing the interest at the rate charged on the advance on restructuring and the principal, discounted at a rate equal to the NBFC's bare lending rate as applicable to the borrower as on the date of restructuring.

iv. Income Recognition norms for FITL accounts

Pursuant to Reserve Bank of India master circular dated 01st July 2014 regarding 'Revised Regulatory Framework of NBFC' Income recognition norms for conversion of unpaid interest into Funded Interest Term Loan (FITL), Debt or Equity instruments on restructuring of advances are as under:

(a) The income, if any, generated by these instruments may be recognised on accrual basis, if these instruments are classified as 'standard', and on cash basis in the cases where these have been classified as a non-performing asset.

(b) The unrealised income represented by FITL /Debt or equity instrument should have a corresponding credit in an account styled as "Sundry Liabilities Account (Interest Capitalisation)".

(c) In the case of conversion of unrealised interest income into equity, which is quoted, interest income can be recognized after the account is upgraded to standard category at market value of equity, on the date of such upgradation, not exceeding the amount of interest converted into equity.

(d) Only on repayment in case of FITL or sale / redemption proceeds of the debt / equity instruments, the amount received will be recognised in the Statement of Profit and Loss, while simultaneously reducing the balance in the "Sundry Liabilities Account (Interest Capitalisation)".

4. Taxes On Income

4.1 Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961.

Tax on income for previous years is determined based on expected outcome of assessments/appeals and on the basis of changes adopted by the company in accounting policies & estimates and addition if any is provided in the current year.

4.2 Deferred tax is recognized on timing differences between the accounting income and the taxable income for the period, and quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date.

4.3 Deferred tax assets are recognized and reassessed at each reporting date and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

5. Investments

5.1 Non-Current Investments

(a) Unquoted Investments: Equity shares in subsidiary companies, associate company and Venture Capital Units are carried at cost.

(b) Unquoted investments in Government securities: Each scrip is carried at its acquisition cost or at amortized cost, if acquired at a premium over the face value. Any premium on acquisition is amortized over the remaining maturity period of the security on constant yield basis.

(c) Quoted Bonds: Units of Infrastructure Debt Funds/Bonds are carried at acquisition cost or lower of book value or market/ fair value in case of inter class transfer. The excess over face value from date of acquisition/ transfer is amortized over the remaining maturity period of the security on constant yield basis.

(d) Security Receipts of Asset Reconstruction Company:Valued at Net Asset Value(NAV) declared by Asset reconstruction Companies.

5.2 Current Investments

(a) Quoted Bonds – Each scrip is revalued at the market price or fair value based on yield to maturity method and only the net depreciation is provided for and net appreciation, if any, is ignored.

(b) Mutual Funds – valued at lower of cost or net asset value at the year end.

(c) Certificate of deposits – valued at cost. The difference between face value and cost is recognized as income over the remaining maturity period of certificate of deposit on constant yield basis and is added to the value of certificate of deposit.

5.3 Inter-Class Transfer of investments

The inter-class transfer, if warranted is effected with approval of the Board and in such case investments are transferred scrip wise from current to non-currentinvestments and carried at book value or market/ fair value, whichever is lower.

6. Foreign Exchange Transactions

6.1 #Expenses and income in foreign currency are accounted for at the exchange ratesof banksprevailing on the date of transactions.

6.2 *The following balances are translated in Indian currency at the exchange rates (RBI reference rates) prevailing on the date of closure of accounts:

(a) Incomes or Expenses accrued but not due on foreign currency loans granted and foreign currency borrowings respectively.

(b) Contingent Liability in respect of Letter of Credit issued in foreign currency.

6.3 #Foreign Currency Loan liability is translated in Indian currency at RBI Reference rate prevailing on the date of reporting. The exchange difference is charged to Statement of Profit & Loss account as per AS 11.

6.4 The actual/translation gain/loss (net) on foreign currency loan assets, liabilities and income &expenditure accrued/ accrued but not due are credited/charged to the statement of profit and loss.

7. Accounting For Revenue Grants

7.1 Grants are recognized in the Statement of Profit and Loss as ‘other income’ on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate provided there is reasonable assurance of compliance of the terms attached with the sanction and of realization of amount of grants.

7.2 Grants received in respect of expenditure already incurred in prior periods are recognized in the Statement of Profit & Loss in the year of approval of grant.

7.3 The unspent amount of grant at the year end, if any, is shown under Current Liabilities.

#Underlined words has been added at printing stage pursuant to assurances given to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi during course of audit on observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

** Accounting Policy 24(A) 6.2 (a) has been deleted at printing stage pursuant to assurances given to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi during course of audit on observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.*

8. Fixed Assets

8.1 Fixed Assets are shown at cost of an asset or other amount substituted for cost, less accumulated depreciation. The cost includes any cost attributable of bringing the assets to its working condition for its intended use.

8.2 The gross value of fixed assets is reduced by amount of grants received for acquiring these assets. The grant is thus recognized in the Statement of Profit and Loss over the useful life of a depreciable asset by way of a reduced depreciation charge.

8.3 The additions to fixed assets are capitalized on the approval of bills/invoices.

9. Depreciation

9.1 Depreciation of fixed assets is provided using the useful lives and in the manner provided in Schedule II of the Companies Act, 2013 following written down value method.

9.2 Depreciation on individual assets having cost ` 5000/- or less is charged at 100%.

9.3 Permanent improvement in leasehold premises is depreciated over the remaining lease term or its useful life, whichever is shorter.

9.4 The management estimates the useful lives for assets as follows:

Fixed Assets	**Useful Life**
Computers and data processing units	
a) End user devices	3 Years
b) Servers & Network	6 Years
Office Equipment	5 Years
Motor Vehicles	
a) Motor Cycle	10 Years
b) Motor Car	8 Years
Plant & Machinery	15 Years
Furniture & Fittings	10 Years

10. Intangible Assets / Amortization

An Intangible Asset is recognized where it is probable that the future economic benefits attributable to the assets will flow to the company. These assets are amortized on the basis of Straight Line Method over a period of 4 years.

11. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

12. Cash And Cash Equivalents

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders inhand. The Company considers cash equivalents as all short term balances (with an original maturity of three months or less fromthe date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subjectto an insignificant risk of changes in value.

13. **Employee Benefits**

13.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

13.2 Employee benefits under defined contribution plans comprising NPS are recognized on the undiscounted obligation of the company to contribute to the plan. The same is paid to the NPS and are expensed relating to the period.

13.3 All post-employment and other long term employee benefits are recognized as an expense in profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable, determined using actuarial valuation technique.

13.4 Termination benefits are recognized as an expense immediately

13.5 Gain or loss arising out of actuarial valuation is recognized immediately in the profit and loss account as income or expense

14. **Borrowing Costs**

The Exchange differences on foreign currency borrowings are charged to profit & Loss Accounts. The amount of exchange difference not exceeding the difference between interest on local currency borrowings and interest on foreign currency borrowings is considered as borrowings costs and is accounted for under Accounting Standard 16 – Borrowing Costs and the remaining exchange difference, if any, is accounted for under Accounting Standard 11 - The Effects of Changes in Foreign Exchange Rates.

For this purpose, the interest rate for the local currency borrowings is considered as that rate of bank overdraft taken by the company.

15. **Retirement Benefits**

15.1 The contribution towards Provident Fund deducted from remuneration of employees andemployer contribution thereon is deposited with Regional Provident Fund Commissioner (RPFO).

15.2 The contribution towards National Pension Scheme deducted from remuneration of employees and employer contribution thereon is deposited with pension Fund Regulatory and Development Authority (PFRDA).

15.3 The employee benefits obligationsi.e., leave encashment, sick leave, leave travel concession and Medical Assistance Scheme has been provided for the period up to date of reporting on the actuarial valuation of same.

15.4 Gratuity has been provided on the basis of amount payable to LIC on Group Gratuity Scheme through trust in the name of IIFCL Employees Group Gratuity Fund.

15.5 Provision for leave encashment, gratuity and sick leave of Executive Directors wherever applicable as per terms of appointment is accrued and made on the basis of estimated amount of liability.

16. **Accounting For Operating Leases**

Lease payments under an operating lease are recognized as an expense in the statement of profit and losson a straight line basis over the lease term.

17. **Derivative Accounting**

17.1 Wherever the company has entered into forward contract or an instrument i.e., in substance of a forward exchange contract, the difference between the forward rate and the exchange rate on the date of forward exchange contract is recognized as income or expenses over the life of the contract as per AS-11.

17.2 Hedging taken on foreign currency loans is adjusted on FIFO basis after adjusting for the Loans given in foreign currency (i.e. natural hedge).

17.3 Any profit or loss arising on cancellation or renewal of forward exchange contracts including interest rate swaps is recognized as income or as expense for the year.

17.4 In respect of interest rate swap transactions in JPY Yen entered by the company, the company is providing mark to market loss as on Balance Sheet Date.

17.5 The surplus or deficit on account of difference in spot exchange rate at the inception of forwardcontract and repayment of underlying foreign currency loan obligation recovered from or paid to counterparty respectively as per the hedging contract is recognized as gain or loss at the time of repayment of such loan.

18. Derivatives Held For Risk Management Purposes And Hedge Accounting

18.1 The foreign currency loan (which is an underlying transaction) and the swap contract (to hedge against any loss arising on the aforesaid loans) are treated as separate transactions.

18.2 Foreign currency borrowings are restated as per Accounting Standard 11, The Effects of Changes in Foreign Exchange rates.

18.3 The guidance note issued by the ICAI on "Accounting for Derivative Contracts" issued in June 2015, is applicable from 1st April 2016. Before the applicability of the Guidance Note, IIFCL has opted to follow Application of AS-30, Financial Instruments: Recognition and Measurement. As perAccounting Standard 30, the derivative instrument is classified as a financial asset or financial liability at fair value through profit or loss and is carried at its fair value. The changes in the fair value of this derivative instrument is recognized in the statement of profit and loss, and offsets the translation gains/losses that have been recognized on the loan liability.

19. Provisions, Contingent Liabilities And Contingent Assets

A provision is made when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date.No provision is made for liabilities arising from transactions and events whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed in the note of contingent liability on the basis of judgment of the management/independent expert. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimate.

(B) OTHER NOTES TO THE FINANCIAL STATEMENTS

1. Prior Period Income & Expenses**(Accounting Standard-5)** which have been included under the regular heads in Statement of Profit & Loss are as under:

(` in lac)

Particulars		Year Ended 31st March, 2016	Year Ended 31st March, 2015
(A)	**Income**		
(i)	Income on Loans & Advances	(196.40)	(2,564.94)
(ii)	Penal Interest	(0.32)	(9.61)
(iii)	Other Charges	(2.00)	-
	Total (A)	**(198.72)**	**(2,574.55)**
(B)	**Expenditure**		
(i)	Bond service/ issue expenses	-	18.55
(ii)	Establishment and other expenses	(0.11)	(6.88)
(iii)	Staff welfare expenses	-	2.30
(iv)	Depreciation and amortization expense	(90.72)	(0.86)
(v)	Salaries and Wages	(0.26)	-
(vi)	Lease Rent	-	1.58
(vii)	Net loss on foreign currency transactions and translations	1,119.29	-
(viii)	Amortization of Premium paid on non-current securities	55.62	
(ix)	Interest Expense on Bonds	(5.09)	-
Total (B)		**1,078.73**	**14.69**
Net impact viz Gain/(Loss) on current year profit [(A)-(B)]		**(1,277.45)**	**(2,589.24)**

2. **<u>Changes in Accounting Policies</u>:**

The details along with the financial impact of changes made in Significant Accounting Policies are given below:

(i) Due to change Accounting Policy no. 15.3 Provision for Medical Assistance Scheme is provided in books of accounts. Accordingly profit before tax for the year ended 31st March 2016 is lower by ` 313.06 lac.

(ii) Pending issuance of opinion of Expert Advisory Committee (EAC) of The Institute of Chartered Accountants of India (ICAI) in the matter of appropriate accounting treatment of foreign currency borrowings to the extent hedged requested by IIFCL dated 24th December 2011, IIFCL restated only Unhedged foreign currency borrowings at the exchange rate(s) prevailing at each reporting date as per AS 11 and losses/gains arising on restatement of Unhedged foreign currency borrowing were charged/booked to statement of Profit & Loss in the book of accounts till year ended 31st March 2015.

EAC of ICAI provided the opinion dated 22nd September 2015. As per the opinion:

a) Foreign currency loan, which is an underlyingtransaction and the swap contract entered to hedge against any loss arising on the foreign currency borrowings, should be treated as two separate transactions.

b) Accordingly the foreign currency loan should be accounted for in accordance with AS 11 and exchange differences should be charged to the statement of profit and loss at each reporting date.

c) Further, regarding hedged contracts, the company had the option either to follow the Announcement on Application of AS 30, Financial Instruments: Recognition and Measurement, issued by the ICAI or follow the Guidance Note on Accounting for Derivatives. Since guidance note was applicable from 1st April 2016, IIFCL followed AS 30. As per the announcement, the derivative instrument is classified as a financial asset or financial liability at fair value through profit or loss and is carried at its fair value. The changes in the fair value of derivative instrument are recognized in the statement of profit and loss, and offset the translation gains/losses that have been recognized on the loan liability.

Consequently, the net impact of loss of ` 3,820.86 lac following the accounting policy no. 18 is charged to the Statement of Profit and Loss (including ` 1,119.13 lac upto 31st March 2015 related to the prior period adjustment). The profit before tax is lower by ` 3,820.86 lac due to the above accounting treatment.

(iii) "Due to the accounting policy regarding provision in cases as per criteria given in Note 3.4 (vii), the net profit of the company has reduced by ` 15,806.52 lac(Increase in provisioning by ` 29,087.77 lac and reduction in tax liability by ` 13,281.25 lac)"#.

3. Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits" (Accounting Standard-15)

As per AS-15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

A) GRATUITY PLAN (FUNDED): The Gratuity liability arises on account of future payments, which are required to be made in the event of retirement, death in service or withdrawal. The same has been provided on the basis of amount payable to LIC on Group Gratuity Scheme through trust in the name of IIFCL Employees Group Gratuity Fund. IIFCL pays amount of gratuity liability of employees under LIC group gratuity scheme and has not ascertained amount of actuarial valuation of gratuity liability as on date of financial statements.

Assumptions for Gratuity Plan: **(` in Lac)**

	2015-16	**2014-15**
Mortality rate	LIC (1994-96)	LIC (1994-96)
Withdrawal rate	1 % to 3 %	1 % to 3 %
	depending on age	depending on age
Discount rate (p.a.)	8%	8%
Salary escalation (p.a.)	6%	6%

As per IRDA circular no. IRDA/ACTL/REG/CIR/123/06/2013 dated 28th June 2013, no new member can be added to the Existing Policy. Hence, IIFCL subscribed to a new policy viz Policy No.103001183 for new employees in addition to the earlier policy viz Policy No. 331776.

The details of group gratuity scheme of employees covered under Policy No. 331776 are as follows: **(` in Lac)**

		2015-16	**2014-15**
A)	**MEMBERSHIP DATA**		
i)	Number of members	45	46
ii)	Average Age(years)	40.13	39.22
iii)	Average Monthly Salary	0.95	0.81
iv)	Average Past Service (years)	5.80	4.78
B)	**RESULTS OF VALUATION**		
i)	Present Value of Past Service Benefit	146.92	120.38
ii)	Current Service Cost	6.26	13.22
iii)	Total Service Gratuity	441.68	450.06
iv)	Accrued Gratuity	241.75	173.14
v)	Life Cover Sum Assured (LCSA)	199.93	276.92
vi)	LC Premium	0.49	0.74
vii)	Service Tax @14.5%	0.07	0.09

 # The impact of addition in Accounting Policy is disclosed at printing stage pursuant to assurances given during course of audit to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

C) RECOMMENDED CONTRIBUTION RATE		
i) Fund Value as on renewal date	141.57	132.52
ii) Additional Contribution for existing fund	5.35	-
iii) Current Service Cost	6.27	1.08
TOTALAMOUNTPAYABLE [(C(ii)+ C(iii)+B(vi)+B(vii)]	**12.18**	**1.91**
D) FUND BALANCE		
i) Opening Balance	132.52	82.21
ii) Amount credited towards the Fund	9.05	40.04
iii) Amount paid as Claim	-	-
iv) Interest Credited for the year	11.53	10.27
Closing Balance	**153.10**	**132.52**

The details of group gratuity scheme of employees covered under Policy No. 103001183 are as follows: **(` in Lac)**

	2015-16	**2014-15**
A) MEMBERSHIP DATA		
i) Number of members	42	31
ii) Average Age (years)	32.76	32.32
iii) Average Monthly Salary	0.64	0.58
iv) Average Past Service(years)	1.55	0.61
B) RESULTS OF VALUATION		
i) Present Value of Past Service Benefit	17.83	4.55
ii) Current Service Cost	10.09	6.64
iii) Total Service Gratuity	386.36	257.82
iv) Accrued Gratuity	26.09	6.75
v) LCSA	360.27	251.07
vi) LC Premium	0.39	0.42
vii) Service Tax @14.5%	0.06	0.04
C) RECOMMENDED CONTRIBUTION RATE		
i) Fund Value as on renewal date	17.83	3.67
ii) Additional Contribution for existing fund	-	0.88
iii) Current Service Cost	10.09	6.63
TOTAL AMOUNT PAYABLE [(C(i)+ C(iii)+B(vi)+B(vii)]	**28.37**	**7.99**
D) FUND BALANCE		
i) Opening Balance	3.67	-
ii) Amount credited towards the Fund	0.10	3.58
iii) Amount paid as Claim	-	-
iv) Total Mortality /Pol Admin /Fund Management Charges for the period along with Service Tax thereon	0.26	0.16
v) Interest Credited for the year	0.33	0.25
Closing Balance	**3.84**	**3.67**

II) OTHER EMPLOYEE BENEFITS (UNFUNDED)

Actuarial assumptions for other employee benefits (unfunded)

a) Economic Assumptions **(` in Lac)**

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
i) Discounting Rate (%)	8.00	8.00
ii) Future salary Increase (%)	5.50	5.50
iii) Expected Rate of return on plan assets (%)	0.00	0.00

b) Demographic Assumptions **(` in Lac)**

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
i) Retirement Age (Years)	60	60
ii) Mortality Table	Indian Assured (IALM)	Lives Mortality (2006 – 08)
iii) Ages	**Withdrawal Rate (%)**	**Withdrawal Rate (%)**
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

B) EARNED LEAVE LIABILITY: The earned leave due to an employee is the period which the employee has earned, diminished by the period of leave actually taken by the employee. It is earned at one-eleventh part of duty.

(` in Lac)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
1. Change in present value of obligation		
a) Present value of obligation as the beginning	129.10	92.60
b) Acquisition adjustment	-	-
c) Interest Cost	10.33	7.87
d) Past service cost	-	-
e) Current service cost	43.50	36.04
f) Curtailment cost / (credit)	-	-
g) Settlement cost / (credit)	-	-
h) Benefits paid	(19.66)	(15.31)
i) Actuarial (gain) / loss	10.67	7.90
j) Present value of the defined benefit obligation as at end of the period	173.93	129.10

2.	**Change in the fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	Expected return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Actuarial (gain) / loss	-	-
g)	Fair value of plan assets at the end of the period	-	-
3.	**Fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	actual return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Fair value of plan assets at the year end	-	-
g)	Funded status	(173.93)	(129.10)
h)	Excess of actual over estimated return of plan assets	-	-
4.	**Actuarial gain /loss recognized**		
a)	Actuarial gain/ (loss) for the period - obligation	(10.67)	(7.90)
b)	Actuarial gain/ (loss) for the period – plan assets	-	-
c)	Total (gain) / loss for the period	10.67	7.90
d)	Actuarial (gain) / loss recognized in the period	10.67	7.90
e)	Unrecognized actuarial(gains)/losses at the end of the period	-	-
5.	**The amount recognized in balance sheet and statement of profit and loss**		
a)	Present value of obligation as at the end of the period	173.93	129.10
b)	Fair value of plan assets as at the end of period	-	-
c)	Funded status	(173.93)	(129.10)
d)	Excess of actual over estimated	-	-
e)	Unrecognized actuarial (gains)/ losses	-	-
f)	Net assets/ (liability) recognized in balance sheet	(173.93)	(129.10)
6.	**Expense recognized in the statement of profit and loss**		
a)	Current service cost	43.50	36.04
b)	Past service cost	-	-
c)	Interest cost	10.33	7.87
d)	Expected return on plan assets	-	-
e)	Curtailment cost / (credit)	-	-
f)	Settlement cost / (credit)	-	-
g)	Net actuarial (gain) / loss recognized in the period	10.67	7.90
h)	Expenses recognized in the statement of profit and loss	64.50	51.81

C) LEAVE FARE CONCESSION: All whole-time employees of the Company who have completed one year of service including continuous temporary service on the date the journey is performed by him or his family are eligible for this facility. The concession shall be admissible once in every block of two years. and the first of such set / block shall commence from the first date of the month in which an employee joins the Company, but the same can be availed of only after his/her completion of one year of continuous service including temporary service / probation period.

(` in Lac)

Particulars		**Year Ended 31st March 2016**	**Year Ended 31st March 2015**
1.	**Change in present value of obligation**		
a)	Present value of obligation as the beginning	9.26	10.26
b)	Acquisition adjustment	-	-
c)	Interest Cost	0.74	0.82
d)	Past service cost	-	-
e)	Current service cost	5.07	3.49
f)	Curtailment cost / (credit)	-	-
g)	Settlement cost / (credit)	-	-
h)	Benefits paid	(63.70)	(53.35)
i)	Actuarial (gain) / loss	61.07	48.04
j)	Present value of the defined benefit obligation as at end of the period	12.44	9.26
2.	**Change in the fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	Expected return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Actuarial (gain) / loss	-	-
g)	Fair value of plan assets at the end of the year	-	-
3.	**Fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	actual return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Fair value of plan assets at the year end	-	-
g)	Funded status	(12.44)	(9.26)
h)	Excess of actual over estimated return of plan assets	-	-

4. Actuarial gain /loss recognized		
a) Actuarial gain/ (loss) for the period - obligation	(61.07)	(48.04)
b) Actuarial gain/ (loss) for the period – plan assets	-	-
c) Total (gain) / loss for the period	61.07	48.04
d) Actuarial (gain) / loss recognized in the period	61.07	48.04
e) Unrecognized actuarial(gains)/losses at the end of the period	-	-
5. The amount recognized in balance sheet and statement of profit and loss		
a) Present value of obligation as at the end of the period	12.44	9.26
b) Fair value of plan assets as at the end of period	-	-
c) Funded status	(12.44)	(9.26)
d) Excess of actual over estimated	-	-
e) Unrecognized actuarial (gains)/ losses	-	-
f) Net assets/ (liability) recognized in balance sheet	(12.44)	(9.26)
6. Expense recognized in the statement of profit and loss		
a) Current service cost	5.07	3.49
b) Past service cost	-	-
c) Interest cost	0.74	0.82
d) Expected return on plan assets	-	-
e) Curtailment cost / (credit)	-	-
f) Settlement cost / (credit)	-	-
g) Net actuarial (gain) / loss recognized in the period	61.07	48.04
h) Expenses recognized in the statement of profit and loss	66.88	52.35

D) SICK LEAVE: Sick leave is a half leave pay. Where an employee has served the company for at least a period of three years, the employee may, on request, be permitted to avail of, during the full period of service of the employee, sick leave on leave pay upto a maximum of nine months, such leave on leave pay being entered in sick leave account of the employee as twice the period of leave availed of by the employee.

(` in Lac)

Particulars	**Year Ended 31st March 2016**	**Year Ended 31st March 2015**
1. Change in present value of obligation		
a) Present value of obligation as the beginning	65.40	45.77
b) Acquisition adjustment	-	-
c) Interest Cost	5.23	3.89
d) Past service cost	-	-
e) Current service cost	26.32	17.99
f) Curtailment cost / (credit)	-	-
g) Settlement cost / (credit)	-	-
h) Benefits paid	-	-
i) Actuarial (gain) / loss	9.99	(2.25)
j) Present value of the defined benefit obligation as at the end of period	106.94	65.40

2.	**Change in the fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	Expected return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Actuarial (gain) / loss	-	-
g)	Fair value of plan assets at the end of the year	-	-
3.	**Fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	actual return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Fair value of plan assets at the year end	-	-
g)	Funded status	(106.94)	(65.40)
h)	Excess of actual over estimated return of plan assets	-	-
4.	**Actuarial gain /loss recognized**		
a)	Actuarial gain/ (loss) for the period - obligation	(9.99)	2.25
b)	Actuarial gain/ (loss) for the period – plan assets	-	-
c)	Total (gain) / loss for the period	9.99	(2.25)
d)	Actuarial (gain) / loss recognized in the period	9.99	(2.25)
e)	Unrecognized actuarial(gains)/losses at the end of the period	-	-
5.	**The amount recognized in balance sheet and statement of profit and loss**		
a)	Present value of obligation as at the end of the period	106.94	65.40
b)	Fair value of plan assets as at the end of period	-	-
c)	Funded status	(106.94)	(65.40)
d)	Excess of actual over estimated	-	-
e)	Unrecognized actuarial (gains)/ losses	-	-
f)	Net assets/ (liability) recognized in balance sheet	(106.94)	(65.40)
6.	**Expense recognized in the statement of profit and loss**		
a)	Current service cost	26.32	17.99
b)	Past service cost	-	-
c)	Interest cost 3	5.23	3.89
d)	Expected return on plan assets	-	-
e)	Curtailment cost / (credit)	-	-
f)	Settlement cost / (credit)	-	-
g)	Net actuarial (gain) / loss recognized in the period	9.99	(2.25)
h)	Expenses recognized in the statement of profit and loss	41.54	19.63

E) Post-retirement medical benefit (PRMB) (Introduced from Sep 2015): Actuarial valuation of the Post-retirement medical benefit (PRMB) liability as on 31st March 2016, as per AS-15(R).

(` in Lac)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
1. Change in present value of obligation		
a) Present value of obligation as the beginning	-	-
b) Acquisition adjustment	-	-
c) Interest Cost	-	-
d) Past service cost	260.25	-
e) Current service cost	52.81	-
f) Curtailment cost / (credit)	-	-
g) Settlement cost / (credit)	-	-
h) Benefits paid	-	-
i) Actuarial (gain) / loss	-	-
j) Present value of the defined benefit obligation as at the end of period	313.06	-
2. Change in the fair value of plan assets		
a) Fair value of plan assets at the beginning	-	-
b) Acquisition adjustment	-	-
c) Expected return on plan assets	-	-
d) Contributions	-	-
e) Benefits paid	-	-
f) Actuarial (gain) / loss	-	-
g) Fair value of plan assets at the end of the year	-	-
3. Fair value of plan assets		
a) Fair value of plan assets at the beginning	-	-
b) Acquisition adjustment	-	-
c) actual return on plan assets	-	-
d) Contributions	-	-
e) Benefits paid	-	-
f) Fair value of plan assets at the year end	-	-
g) Funded status	(313.06)	-
h) Excess of actual over estimated return of plan assets	-	-
4. Actuarial gain /loss recognized		
a) Actuarial gain/ (loss) for the period - obligation	-	-
b) Actuarial gain/ (loss) for the period – plan assets	-	-
c) Total (gain) / loss for the period	-	-
d) Actuarial (gain) / loss recognized in the period	-	-
e) Unrecognized actuarial(gains)/losses at the end of the period	-	-

5.	**The amount recognized in balance sheet and statement of profit and loss**		
a)	Present value of obligation as at the end of the period	313.06	-
b)	Fair value of plan assets as at the end of period	-	-
c)	Funded status	(313.06)	-
d)	Excess of actual over estimated	-	-
e)	Unrecognized actuarial (gains)/ losses	-	-
f)	Net assets/ (liability) recognized in balance sheet	(313.06)	-
6.	**Expense recognized in the statement of profit and loss**		
a)	Current service cost	52.81	-
b)	Past service cost	260.25	-
c)	Interest cost 3	-	-
d)	Expected return on plan assets	-	-
e)	Curtailment cost / (credit)	-	-
f)	Settlement cost / (credit)	-	-
g)	Net actuarial (gain) / loss recognized in the period	-	-
h)	Expenses recognized in the statement of profit and loss	313.06	-

1.2) In respect of Whole Time Director: - **(` in lac)**

Particular	**Gratuity**	**Leave encashment**	**Sick Leave**
Expenses recognized in Statement of Profit & Loss	0.59	1.81	0.57
Amount recognized in Balance Sheet	0.99	3.91	1.43

4. The Company's main business is to provide finance/ refinance for Infrastructure Projects and the company does not have more than one reportable segment in terms of **Accounting Standard-17** issued by the Institute of Chartered Accountants of India.

5. As per **Accounting Standard-18**, the disclosures of transactions with the related parties are given below:

A) **<u>Managerial Remuneration and related party disclosures</u>**

(i) **<u>Key Managerial Personnel</u>**

<u>Whole Time Directors</u>

- Shri S.B Nayar - Chairman and Managing Director
- Shri Sanjeev Kaushik - Whole Time Director and Deputy Managing Director*

<u>Other than Directors</u>

- Shri Rajeev Mukhija - Chief General Manager-CFO
- Smt. Manjari Mishra - Assistant General Manager-CS

(ii) **<u>Directors</u>**

- Shri V.K. Bhasin - Part Time Non- Official Director
- Shri J. Venkateshwarlu - Part Time Non- Official Director

(iii) **Wholly owned Subsidiary Company:**
(a) India Infrastructure Finance Company (UK) Limited
(b) IIFCL Projects Ltd. and
(c) IIFCL Asset Management Company Ltd.

(iv) **Associate Companies:** Irrigation and Water Resources Finance Corporation Limited (IWRFCL)

IIFCL
(ISO:9001:2008)

B) Transactions during the year ended 31st March 2016(Previous year ended on 31st March 2015) with related parties:

(' in lac)

S. No.	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
(a)	**Managerial Remuneration (Whole time directors)**		
	(i) Shri S. B. Nayar		
	Remuneration	35.45	33.64
	Perquisite	0.71	1.62
	Provision for Performance linked incentive	10.00	10.00
	Leave encashment, Sick Leave, PF & Gratuity	6.07	4.71
	(ii) Shri Sanjeev Kaushik		
	Remuneration	29.15	4.32
	Perquisite	1.72	0.01
	Provision for Performance linked incentive	9.20	1.35
(b)	**Managerial Remuneration (Other than directors)**		
	(i) Shri Rajeev Mukhija (Chief General Manager- CFO)		
	Remuneration	25.69	30.20
	(ii) Smt. Manjari Mishra (Assistant General Manager-CS)		
	Remuneration	13.64	5.01
(c)	**Rent received/ recoverable from subsidiaries/ associate companies**		
	IIFCL Projects Ltd.	44.11	15.50
	IIFCL Asset Management Company Ltd	75.61	69.03
	Irrigation and Water Resources Finance Corporation Limited	24.23	35.18
(d)	**Expenses recovered/recoverable from associate companies:**		
	Irrigation and Water Resources Finance Corporation Limited	2.94	1.44
(e)	**Amounts recovered/recoverable from subsidiaries:**		
	IIFCL Projects Ltd.	75.44	1.24
	IIFCL Asset Management Company Ltd	52.91	202.08
(f)	**Amounts payable to subsidiary:**		
	IIFCL Projects Ltd.	-	62.92
(g)	**(i) Sitting fee paid to Part Time Non- Official Directors:**		
	Shri Hari Santosh Kumar (Ex- Part Time Non Official Director)	-	2.50
	Prof. V. Venkata Ramana (Ex- Part Time Non Official Director)	-	3.17
	Shri V. K. Bhasin	2.20	2.80
	Shri J. Venkateshwarlu	2.10	2.57
	(ii) Conveyance reimbursement to Part Time Non- Official Directors :		
	Prof. V. VenkataRamana(Ex- Part Time Non Official Director)	-	0.27
	Shri J. Venkateshwarlu	0.27	0.27

C) **Balances outstanding**

(` in lac)

S. No.	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
i)	**Remuneration & other benefits**		
	Key Managerial Person		
	Provision for Performance Linked Incentive to Whole time Directors	75.67	57.82
	Leave Encashment(Provision)	3.91	3.63
	Sick Leave(Provision)	1.43	-
	Gratuity(Provision)	0.99	0.95
	Provident Fund	0.21	0.20
ii)	**Investment in equity shares :**		
	Wholly owned subsidiaries :		
	(a) IIFC (UK) Ltd.	23,394.80	23,394.80
	(b) IIFCL Projects Ltd.	50.00	50.00
	(c) IIFCL Asset Management Company Ltd.	1250.00	1,250.00
	Amount /Rent recoverable from subsidiaries/ associate		
	(a) IIFCL Projects Ltd.	0.57	0.36
	(b) IIFCL Asset Management Company Ltd.	8.20	24.36
	(c) Irrigation and Water Resources Finance Corporation Limited	1.21	0.19
	(d) IIFC (UK) Ltd.	0.35	0.35
	Amounts payable to subsidiary:		
	IIFCL Projects Ltd.	-	62.92

6. **Provisions of Accounting Standard-19 (AS-19)**

a) Financial Lease: NIL

b) Operating Lease: The Company has taken office premises under operating lease with varying lease periods and disclosure requirements are as under:-

(` in lac)

Period	Year Ended 31st March 2016	Year Ended 31st March 2015
Total of future minimum lease payments (Gross Investment)	6,174.14	665.03
Present value of lease payments	5,321.12	644.08
10 Year G-Sec Yield	7.46%	7.74%
Maturity profile of total of future minimum lease payments		
Not later than one year	1,799.30	665.03
Later than one year but not later than five year	3,782.62	-
Later than five year	592.22	-
Total	**6,174.14**	**665.03**

7. In terms of **Accounting Standard-20** issued by the Institute of Chartered Accountants of India, Earnings per share (Basic & Diluted) is as under:

Particulars	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Shares	Amount ` in lac	Shares	Amount ` in lac
Nominal Value of share (`)	10/-		10/-	
Number of Equity Share (No. in lac)	39,000.00		39,000.00	
Weighted Average Number of Equity Shares (No. in lac)	39,000.00		35,317.81	
Net Profit (after tax)		46,849.91		75,339.88
Earnings Per Share (Basic) (`)		1.20		2.13
Earnings Per Share(Diluted)(`)		1.20		2.13

8. Fixed assets possessed by the company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by **Accounting Standard-28** on "Impairment of Assets". As on 31st March 2016, there were no events or change in circumstances, which indicate any impairment in the assets.

9. **<u>Disclosure under Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets (AS-29)"</u>**

(` in lac)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Income Tax (Net)		
Opening Balance	(4,830.37)	(633.65)
Addition during the period	(44,295.57)	44,055.32
Amount paid/ adjusted during the period	(49,986.46)	48,252.04
Closing Balance	**(860.52)**	**(4,830.37)**
Proposed Wage Revision		
Opening Balance	276.95	141.53
Addition during the period	182.20	135.42
Amount Paid/ Transferred to current liabilities	-	-
Closing Balance	**459.15**	**276.95**
Leave Fare Concession		
Opening Balance	9.26	10.26
Addition during the period	64.54	52.35
Amount paid/adjusted during the period	61.36	53.35
Closing Balance	**12.44**	**9.26**
Medical Assistance Scheme		
Opening Balance	-	-
Addition during the period	313.06	-
Amount paid/adjusted during the period	-	-
Closing Balance	**313.06**	-
Leave Encashment		
Opening Balance	130.63	95.19

(` in lac)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Addition during the period	64.50	51.81
Amount paid/adjusted during the period	21.20	16.37
Closing Balance	**173.93**	**130.63**
Sick Leave		
Opening Balance	65.40	45.77
Addition during the period	41.54	19.63
Amount paid/adjusted during the period	-	-
Closing Balance	**106.94**	**65.40**
Performance Linked Incentive to Whole Time Directors		
Opening Balance	73.94	62.59
Addition during the period	18.12	11.35
Amount paid/adjusted during the period	0.26	-
Closing Balance	**91.80**	**73.94**
Marked to Market Losses on Derivatives(Note no: 24 (B) (11 a)		
Opening Balance	2,727.17	4,209.41
Addition during the period	422.56	1,482.24
Closing Balance	**3,149.73**	**2,727.17**
Contingent Provision against Standard Assets		
Opening Balance	6,715.05	5,831.06
Addition during the period	2,372.57	883.99
Closing Balance	**9,087.62**	**6,715.05**
Provision against Sub-standard Assets		
Opening Balance	7,056.09	21,512.90
Addition during the period	13,534.69	6,978.05
Provision write back on account of NPA write off	(952.30)	(21,434.86)
Closing Balance	**19,638.48**	**7,056.09**
Provision against Restructured Assets		
Opening Balance	21,900.53	11,893.21
Addition during the period	(1,831.56)	10,007.32
Closing Balance	**20,068.97**	**21,900.53**
Provision against Doubtful Assets		
Opening Balance	17,980.01	2130.19
Addition during the period	10,282.32	16,371.86
Provision write back on account of NPA write off	(20,180.70)	(522.04)
Closing Balance	**8,081.63**	**17,980.01**
Strategic Debt Restructured Assets		
Opening Balance	-	-
Addition during the period	**9,143.23**	-
Closing Balance	**9,143.23**	-

10. Contingent liabilities and commitments (to the extent not provided for) areas under:-

(` in lac)

S. No.	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
(A)	**Contingent liabilities:**		
	(a) Claims against the company not acknowledged as debt: Demand of Income Tax dues for Assessment Year 2008-09 made by the Income Tax Deptt. Vide order dated 7th March 2014.	159.00	159.00
	(b) Guarantees	Nil	Nil
	(c) Other money for which the company is contingently liable:		
	(i) Letter of Comfort for issue of Letter of Credit (LC) (The company has issued letters of comfort to respective lead banks/member bank in the consortium of lenders for issuing LC on behalf of respective borrowers for subsequently releasing the amount of LC towards disbursement of sanctioned loan assistance)	47,804.78	10,178.92
	(ii) Guarantee given under credit enhancement scheme	16,096.00	-
(B)	**Commitments:**		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for: Estimated amount of contracts remaining to be executed on capital account (net of advances)	17,589.15	203.18
	(b) Uncalled liability on shares and other investments partly paid: Uncalled liability on account of capital commitment in respect of Venture Capital Units of IDFC Project Equity Domestic Investors Trust II	765.89	765.89
	(c) Other commitments : Estimated amount of contracts under Corporate Social Responsibility (CSR) remaining to be executed (net of advances)	2,656.50	3,199.00

11. <u>Earnings and Expenditure in Foreign Currency</u> **(` in lac)**

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
(a) Earnings in foreign currency (Actual Receipt excluding interest received under IRS derivative contracts):		
(i) Interest	-	171.78
(ii) Grants Received	185.70	113.74
(iii) Dividend Received	13,229.50	-
TOTAL	**13,415.20**	**285.52**
(b) Expenditure in Foreign Currencies on account of interest and other matters (Actual outgo):		
(i) Interest on borrowings	6,780.87	4,967.19
(ii) Commitment Charges	130.36	266.72
(iii) Foreign Travelling	30.96	11.91
(iv) Other Expenses	68.42	21.57
TOTAL	**7,010.74**	**5,267.39**

12. <u>Investment in Venture Capital Units</u>

During the year ended 31st March 2016, the company has invested NIL(` 163.25 lac asat 31st March 2015) in Venture Capital Units of IDFC Project Equity Domestic Investors Trust II promoted by the company along-with IDFC, Citibank (cumulative amount of investment by the company is ` 9,234.11 lac). Out of total commitment of ` 10,000 lac, the company have contributed as investor in the venture and does not have joint control. Since there is no distributable profit in the fund, no income is accounted for, in the books of accounts in relation to such investments. However, the company has received during the current year a sum of ` 240.55 lac (` 310.90 lac during year ended 31st March 2015) including tax paid ` 49.55 lac (` 97.20 lacduring year ended 31st March 2015) in respect of redemption of venture capital units.

13. The company has created net deferred tax liability of ` 5,307.11 lac during year ended 31st March 2016(increase in deferred tax liability of ` 9,747.59 lac & net of increase in deferred tax asset by ` 4,440.48 lac), Previous year ended 31st March 2015the company has created net deferred tax liability of ` 2,255.85 lac (increase in deferred tax liability of ` 6,867.95 lac net of increase in deferred tax asset by 4,612.10 lac).

14. Based on information available with the company, there are no suppliers/service providers who are registered as Micro, Small and Medium undertakings under "The Micro, Small and Medium Enterprises Development Act 2006" as on 31st March 2016. Hence the company has no outstanding liability towards Micro, Small and Medium Enterprises and other information to be prescribed under this act is **Nil.**

15. <u>Derivative Transactions</u>

a) During the year 2007-08,the company had entered into two interest rate swap (IRS) transactions of notional principal amounts of ` 5,000 laceach(equivalent to notional principal of JPY 2,73,23.62 lac) which will mature on 19th December 2022. According to these IRS deals, the company will pay interest @ 7.46% p.a. on JPY notional amount(wherein coupon payments remains fixed for 5 years at the rate of 1JPY= ` 0.3658 in one deal and IJPY= ` 0.3662 in second deal) and receive interest @ 8.82% p.a. on 'notional principal amounts. The company has provided for entire Mark-to-Market loss, as computed by the counter party banks and confirmed by other valuer, on the above swap transactions amounting to ` 3,149.73 lac as at 31st March 2016(` 2,727.17 lac as at 31st March 2015) which includes gainof ` 422.56 lac for the year ended 31st March 2016 (profit by way of write back of provision of ` 1,482.24 lac for the year ended 31st March 2015).

b) Notional principal amount of ` 2,000 lac out of the two interest rate swap (IRS) transactions referred in note 15 (a) above, was unwound during the year ended 31st March 2014. Consequently, the aggregate notional principal amounts of two interest rate swap (IRS) transactions referred in note 15(a) above, is reduced to ` 8,000 lac.

c) The company has undertaken composite contracts i.e. Cross currency swaps (Principal and Interest) to hedge risks relating to floating interest rates as well as foreign exchange fluctuations on foreign currency borrowings from multilateral institutions as under:

(` in Lac)

Institution	**Amount of Cross Currency Swaps**	
	Year Ended 31st March 2016	**Year Ended 31st March 2015**
Asian Development Bank (ADB):-		
USD	10,735.72	9,486.92
INR	5,82,548.64	4,70,453.50
KreditanstaltfürWiederaufbau(KFW):-		
EURO	223.79	254.74
INR	13,672.43	15,562.94
IBRD World Bank:-		
USD	1,949.87	344.88
INR	1,27,126.91	18,023.11

As per the Mark-to-Market (M2M) valuations furnished by the counter party banks and other valuer on the above contracts, the net M2M gainas on 31st March 2016 amounts to ` 1,31,109.29 lac (Gross gain of ` 1,34,429.01 lac less Gross loss ` 3,319.73 lac) and M2M gain as on 31st March 2015 amounts to ` 1,27,418.65 lac (Gross gain of ` 1,30,595.38 lac less Gross loss ` 3,176.73lac).

During the financial year ended 31st March 2012, the company sought the opinion of Expert Advisory Committee of the Institute of Chartered accountant of India to advice on the correct accounting treatment to be followed by the company for accounting treatments in respect of foreign currency loan to the extent hedged. In this regard, ICAI vide letter dated 22nd September 2015 provided opinion in the matter.

ICAI also issued guidance note on "Accounting for Derivative Contracts" in June 2015 which is applicable from 1st April 2016. Before the applicability of the Guidance Note as per opinion given by ICAI, IIFCL has opted to follow Application of AS-30, Financial Instruments: Recognition and Measurement for accounting treatments in respect of foreign currency loan to the extent hedged. As per Accounting Standard30, the derivative instrument is classified as a financial asset or financial liability at fair value through profit or loss and is carried at its fair value. The changes in the fair value of this derivative instrument is recognized in the statement of profit and loss, and offsets the translation gains/losses that have been recognized on the loan liability.

Consequently, the net impact of loss of ` 3,820.86 lac following the accounting policy in this regard is charged to the Statement of Profit and Loss (including ` 1,119.13 lac upto 31st March 2015).

The details of hedged portion of loan restated at closing rate in line with AS-11 are as follows: **(` in Lac)**

Institution	**Amount of Hedged Position**	
	Year Ended 31st March 2016	**Year Ended 31st March 2015**
Asian Development Bank (ADB):-		
USD	10,735.72	9,486.92
INR	7,12,131.44	5,93,793.91
KreditanstaltfürWiederaufbau(KFW):-		
EURO	223.79	254.74
INR	16,805.62	17,197.60
IBRD World Bank:-		
USD	1,949.87	344.88
INR	1,29,340.53	21,586.32

d) Unhedged position of foreign currency loans is as under: **(`in Lac)**

Institution	**Amount of Unhedged Position**	
	Year Ended 31st March 2016	**Year Ended 31st March 2015**
Asian Development Bank (ADB):-		
USD	4,350.08	4,125.46
INR	2,88,553.72	2,58,216.02
KreditanstaltfürWiederaufbau(KFW):-		
Euro	215.46	245.26
INR	16,180.67	16,557.87
IBRD World Bank:-		
USD	0.12	520.88
INR	8.29	32,602.00
European Investment Bank (EIB)		
EURO	750.00	-
INR	56,321.62	-

e) In terms of Accounting Policy 6.6.2, the exchange rates (i.e. RBI reference rates) prevailing on the date of closure of accounts are as follows:

S. No.	Exchange Rates	Year Ended 31st March 2016	Year Ended 31st March 2015
1	USD/INR	66.3329	62.5908
2	EURO/INR	75.0955	67.5104

16. <u>Creation of Bond Redemption Reserve</u>

a) <u>In respect of privately placed bonds</u>: Since the company is notified as Public financial institution within the meaning of Section 2(72) of Companies Act 2013vide notification no S.O.143 (E) (F.NO.3/5/2008) Dated 14thJanuary 2009 of Central Government, it is not required to create Bond Redemption Reserve in respect of private placed bonds as per circular no 04/2013 issued by Ministry of Corporate Affairs, Government of Indiadated 11th February 2013.

b) <u>In respect of publicly placed bonds</u>: Thecompany issued Tax Free Bonds of the face value of ` 1000 each aggregating to ` 3,15,631.89 Lac in FY 2012-13, ` 6,87,754.25 lac in FY 2013-14 and Long Term Infrastructure Bonds of ` 9,096.18 Lac in FY 2010-11 totaling ` 10,12,482.32 Lac through public issue.

As per Rule 18(7)(b)(ii) of Companies (Share Capital and Debentures) Rules 2014, The Company shall create Debenture Redemption Reserve(DRR) for NBFCs registered with the RBI under Section 45-IA of the RBI(Amendment) Act,1997, 'the adequacy' of DRR will be 25% of the value of 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. Accordingly the company has created bond redemption reserve of ` 45,507.67 lac up to 31st March 2016 (` 28,390.03 lac up to 31st March 2015).

Further, the company has bought back of Long Term Infrastructure Bonds amounting to ` 2,383.95 lac during financial year ended 31st March 2016. Accordingly, DRR as on 31st March 2016 has been created after giving effect to buyback of these bonds.

As per the disclosure requirements contained in the listing agreement with Stock exchange, it is stated that the company has not given any loans and advances in the nature of loans to Individuals, associates and to firms/ companies in whom directors are interested. Further, no loan (borrower) has made any investment in the shares of the company or its subsidiary.

17. The pay revision of the employees of the company is due w.e.f. 1st November 2012. Pending revision of pay, a provision of ` 459.15 lac has been made for the period 1st November 2012 to 31st March 2016 on estimated basis taking base of 24% increase in last revision made from 1st November 2007 for next 5 years.

18. (a) RBI issued Certificate of registration dated 9th September 2013 to IIFCL to carry on the business of Non-Banking Financial Institution without accepting public deposits.

(b) Prudential norms issued by RBI for NBFC-IFC do not apply to Company, being a Government owned company. On registration as an NBFC-IFC, the company, being a Government owned company, was required to prepare a roadmap for compliance with various elements of the NBFC Regulations in consultation with the Government and submit the same to Reserve Bank of India (Department of Non-Banking Supervision) as directed by RBI vide notification No. DNBS. PD/CC No. 86/03.02.089/2006-07 dated 12th December 2006. In compliance with the requirement, company vide letter dated 21st November 2014 to RBI has submitted roadmap to comply with various elements of RBI Regulation w.e.f. 1st January 2015.

(c) The company has restructured/ rescheduled 27 loan accounts up to 31st March 2016 having outstanding balance of ` 3,49,663.16 lac as on 31st March 2016 (` 4,37,868.69 in 36 loan accounts as on 31st March 2015) and there is no shortfall in value of security in these accounts as on 31st March 2016 refer note 24(A)(3.4)(v)

(d) Pursuant to Accounting policy no. 24(A)(3.4)(vi), reasons for adopting accelerated provisioning in 10 cases is as under:

i. RDF Power Projects Limited

Means development, design, procurement, ownership, construction, commissioning, operation and maintenance of MSW Processing facility of 12 MW Power Plant at Chinnaravulappli Village, Bibinagar Mandal, Hyderabad, Andhra Pradesh. The scope of the Project would include development of MSW processing facility and 12 MW Power Plant from Municipal Solid Waste including infrastructure facility like, internal roads, water supply and facilities for power transmission to the APSEB/ Grid sub-station.In view of this provision of 40% has been created in the said account as against required provisioning of 10% as per RBI norms.

ii. Bee Pee Power Limited

Means development, design, procurement, ownership, construction, commissioning, operation and maintenance of Municipal Solid Waste (MSW) Composting facilities at Chittoor, Tirupathi, Nellore and Ongole along with 15 MW Power Plant at Baddavolu Village, Nellore, Andhra Pradesh. The scope of the Project would include development of MSW Compost processing facilities at 4 locations and 15 MW Power Plant utilising Municipal Solid Waste including infrastructure facilities like, internal roads, water supply and for power transmission to the APSEB/ Grid sub-station.In view of this provision of 40% has been created in the said account as against required provisioning of 10% as per RBI norms.

iii. Hema Sri Power Projects Limited

Means development, design, procurement, ownership, construction, commissioning, operation and maintenance of MSW Processing facility of 12.6 MW Power Plant at Vibhalpuram Village, Nalgonda District, Andhra Pradesh. The scope of the Project would include development of MSW processing facility and 12.6 MW Power Plant from Municipal Solid Waste to energy including infrastructure facility like, internal roads, water supply and facilities for power transmission to the APSEB/ Grid sub-station.In view of this provision of 40% has been created in the said account as against required provisioning of 10% as per RBI norms.

iv. Pride India Co-operative Textile Park Limited

Development, design, procurement, ownership, construction, commissioning, operation and maintenance of common infrastructure for textile units at Kagal, Maharashtra by the Borrower (“the Project”). The scope include development of factory buildings and infrastructure including roads, water supply, sewerage & STP, storm water drainage, Captive Power Plant, electrical distribution system, common amenities for the Industrial Units. In view of this provision of 40% has been created in the said account as against required provisioning of 10% as per RBI norms.

v. Dighi Port Limited

Dighi Port is being developed by Balaji Infra Projects Ltd (BIPL) under a 50 year “Build, Own, Operate, Share, Transfer (BOOST)” concession agreement signed with the Maharashtra Maritime Board (MMB), the Government of Maharashtra, to develop, operate, finance and maintain the Port. Despite restructuring under CDR, the project implementation has not been completed and revenue stream remains minimal. Capacity utilization of the port to break even depends on road and rail connectivity which is expected to take around three years of time. Further differences between the shareholders of the company is not resolved and promoter is unable to infuse funds/rope in strategic investor. Hence provisioning of 50% has been made as against required provisioning of 30% as per RBI norms.

vi. West Haryana Highways Projects Private Limited

The project involves augmentation of the existing road from Km 29.7 to Km 87 (approx. 63.49 km) on the Bahadurgarh-Rohtak Section of NH-10 in the State of Haryana by Six/Four Laning on BOT basis (toll based) for a period of 25 years from appointed date i.e. 03.05.2008. The Concessioning Authority is NHAI. The project achieved PCOD in Nov 2015 as against SCOD of 01.05.2010 due to delay in handover of land. Further, the toll collections are much less than projections and not sufficient to service the lenders dues. In view of the same, a provision of 30% is made as against required provisioning of 10% as per RBI norms.

vii. Atlanta Infra Assets Limited

The toll based road project involves improvement, operation and maintenance including strengthening and widening of existing 2-lane road to 4-lane dual carriage way from Km 9.200-Km 50.000 of NH-6 (Nagpur-Kondhali Section) in the State of Maharashtraon BOT basis. The Concessioning Authority is NHAI. The present toll collection is not enough to service the debt of the lenders and funds are required for major maintenance. Based on the indicative offer of an ARC, a provisioning of 30% has been made as against the required provisioning of 10% as per RBI norms.

viii. KVK Nilanchal Power Limited

The project involves development 350 MW (1x350 MW) Coal based Thermal power Plant in the state of Orissa. The implementation of the project is stalled since May 2012 due to a status quo issued by HighCourt of Orissa based on a PIL filed regarding Wild Life Clearance from NBWL. Later the status quo was removed in May 2014. As per the audited balance sheet for financial year 2014-15 of the company there is a security shortfall. Hence provision of 30% has been made as against required provisioning of 10% as per RBI norms.

ix. Indira Container Terminal Private Limited

The project involves operation and management of Ballard Pier station for 5 years and development of Offshore Container Terminal (OCT) together with operation of OCT for 30 Years including period of 3 years for construction of OCT. The Licensor is Mumbai Port Trust (MbPT). The License period is 30 years. Presently, the project is stalled for various reasons. However RoRo(Roll on Roll off) operations have been permitted by Mumbai port Trust as an interim measure which is generating some revenue.The process for revival of this project including by way of rebidding with expanded scope is under discussion. In view of the above, provisioning of 50% as on 31st March2016 against the required provisioning of 10% as per RBI norms.

x. TransstroyTirupathiTiruthani Chennai Tollways Private Limited

The project involves Four Laning of Tirupati – Tiruthani – Chennai section of NH-205 from km 274.800 to km 341.60 in the state of Andhra Pradesh and from km 0.00 to km 59.60 in the state of Tamil Nadu on Design, Build, Finance, Operate, Transfer (DBFOT) Basis for a period of 30 years. The Concessioning Authority is NHAI. The project achieved PCOD in Feb 2015. However, the toll collection is not sufficient to service the lenders dues. In view of the same, a provision of 30% is made as against required provisioning of 10% as per RBI norms.

(e) **Barasat Krishnagar Expressway Ltd. #** Pursuant to Accounting Policy 24(A) 3.4(vii),The Concession Agreement of the road project was terminated by Barasat Krishnagar Expressway Ltd, the concessionaire on 31st December 2015 on account of default of Concessioning authority i.e National Highways Authority of India (NHAI) viz. non-availability of Right of Way, delay in providing unencumbered land etc. and concessionaire also submitted claim of 2025.51 crore on the authority. Subsequently NHAI also terminated the Concession Agreement on 3rd May 2016. Meanwhile, concessionaire on advice of NHAI vide letter dated 17th February 2016 opted for redressal by way of reference of the matter to Society of Affordable Redressal of Dispute (SAROD) and a supplementary agreement between NHAI and the Concessionaire was signed on 2nd May 2016 under SAROD. This implied a status-quo situation till the final decision of the SAROD. In view of the above, the consortium decided to wait for the final outcome of the arbitration panel and decided to continue support to the project till December 2016 as SAROD process is expected to be concluded within a year. Accordingly there is no dilution in the existing security of the project.

The first hearing of SAROD was held on 21st July 2016, wherein the Arbitration Tribunal ordered NHAI to submit reply to notice of claims submitted by the Concessionaire and also directed Concessionaire to file rejoinder to the Arbitration Tribunal. Concessionaire requested the Arbitration Tribunal to take up the release of Performance Bank Guarantee. The Arbitration Tribunal instructed concessionaire to file an application in this regard. The next hearing of the Arbitration Tribunal is scheduled on 5th October 2016.

In view of the position as explained above and the proceedings of the SAROD till date, the stand taken by the consortium to wait for the outcome of the SAROD process is considered justifiable and as there is no dilution in security at this stage, the classification of the account is retained as standard.

 # Disclosure is made at printing stage pursuant to assurances during course of audit given to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

IIFCL
(ISO:9001:2008)

19. Auditors' Remuneration includes:

(` in lac)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
(i) Audit Fee	7.20	7.50
(ii) Taxation Matters	1.80	1.50
(iii) Certification Work	3.00	2.35
(iv) Audit Fee for Half Year Ended 30th September 2015	5.10	-
Total	**17.10**	**11.35**

20. The status of pending assessment of Income Tax for the various Assessment Year(s) is as under:

Assessment Year	Status
2008-09	IIFCL has filed an appeal against demand of Income Tax dues of ` 159 lac for assessment year 2008-09 made by the Income Tax departmentVide order dated 7th March 2014. The Commissioner of Income Tax [Appeals] - 4 passed the order dated 8th September 2015 and dismissed the appeal of IIFCL. IIFCL hasfiledan appeal against the order before ITAT dated 16th November 2015.
2009-10	Notice for reassessment under Section 147 received on 31.03.2016. Compliance of notice done vide letter dated 29.04.2016.
2012-13	Assessment order dated 6th February 2015 received on 24th February 2015 with Nil Tax Demand. No Further Action required.
2013-14	Assessment order u/s 143(3) dated 04.02.2016received on 23.02.2016 with Nil demand after disallowances. Appeal filed with CIT(A) on 23.03.2016.
2014-15	Returnfiled on time and Notice u/s 142(1) dated 20.06.2016 received on 23.06.2016. Relevant Documents are submitted to Income Tax Department on 01.07.2016.
2015-16	Notice u/s 143(2) received vide letter dated 06.04.2016 on 13.04.2016. Relevant Documents are submitted to Income Tax Department on 25.04.2016.

*In FY 2015-16, IIFCL has followed the provisions of Income Computation & Disclosure Standard (ICDS) notified by Central Board of Duties & Taxes (CBDT) vide notification no. 32/0215 dated 31st March 2015 and effective from 1st April 2016, as opined by Tax Advisor. Subsequently, Income Tax Department vide press release dated 6th July 2016 has extended the applicability of ICDS from 1.04.2016 i.e. previous year 2016-17 (Assessment Year 2017-18).

21. During the year, the Company has sent letters requesting submission of confirmation of balances to Statutory Auditors by Borrowers as on 29th February 2016 and banks, parties etc. as on 31st March 2016. Some of the balances appearing under Infrastructure Loans, Borrowings and Other Debit and Credit Balances as on 29th February 2016 are subject to confirmation and reconciliation and in the opinion of management, no material impact of such confirmation and reconciliation and also on account of pending resetting of interest rates in some of the cases on financial statements is anticipated. After 31st March 2016, borrowers with outstanding balance aggregating ` 30,20,040.79 lac (Excluding NPA Accounts) on 29th February 2016 representing 96.64% of outstanding amount. Banks and other parties with material outstanding amounts have also given confirmations of outstanding amount of debit/credit as on 31st March 2016.

22. During the current year, the Company has allotted **Nil** Equity Share (previous year 6,000 lac number of Equity Share of ` 10 each). Accordingly, Issued and Paid-Up Equity Share Capital is maintained at ` 3,90,000 lac.

23. During the year ended 31st March 2016 the Company had assigned financial assets having a net book value of ` 10,416.00 lac(` 34,541.26 lac as on 31st March 2015) to Asset Reconstruction Companies. The company had in terms of the DBOD.BP.BC.No. 98/21.04.132/2013-14 dated 26th February 2014 and RBI master circular DNBR (PD) CC.No.043/ 03.10.119/2015-16 on prudential norms on income recognition and assets classification dated 1st July 2015 spread over the net short fall of **NIL** (` 15,021.81 lac as on 31st March 2015) over a period of eight quarters. Consequently, an amount of ` 7,510.91 lac has been charged off during the year ended 31st March 2016 (` 1,877.73 lac during the year ended 31st

March 2015). During the year ended 31st March 2016, the Company had written off 18 loan accounts amounting to ` 55,724.69 lac (Previous Year ` 23,834.62 lac) refer note 24(A)(3.4)(vii)#.

24. Disclosures pertaining to the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities issued by ICAI on 15th May 2015:

a) Breakup of various heads of expenses included in CSR expenditure: **(` in lac)**

S. No.	Name of the Organization	Project Details	Year Ended 31.03.2016	Year Ended 31.03.2015
1	National Safai Karamcharis Finance & Development Corporation (NSKFDC)	Skill development of 150 unemployed youth of safaikaramchari's	20.00	5.00
2	Central Electronics Limited (CEL)*	Social upliftment of rural tribes in Jaisalmer district of Rajasthan	366.32	91.58
3	Himachal Consultancy Organization Limited (HIMCON)*	Village Adoption- Borsimaluguri (Assam)	105.56	41.89^
4	National Scheduled Tribes Finance and Development Corporation	Skill development of 200 tribal artisans in North East	127.50	15.00
5	Solar Energy Corporation of India	Distribution of solar lanterns in backward districts of India	210.00	-
6	Hindustan Prefabs Limited and Government of Meghalaya*	Construction of toilets in schools under the Swachh Vidhayala Abhiyaan	218.09	-
7	Artificial Limb Manufacturing Corporation of India (ALIMCO)	Distribution of assistive aids and appliances to PwDs	25.78	7.50
8	ITCOT Consultancy and Services	Skill development training of 500 unemployed youths	54.59	57.30
9	Rajasthan Electronics and Instruments Limited (REIL)*	Installation of Solar Street Lights in Bhadohi (UP)	65.40	-
10	Sulabh International Social Service organization*	Construction of toilets in schools of Thiruvarur (Tamil Nadu)	55.61	180.07
11	Apeksha Homeo Society	Movement for creation of drop free zone in Maharashtra	4.00	-
12	National Cultural Fund, Ministry of Culture, Government of India	Contribution to the National Cultural Fund of the Ministry of Culture, Government of India	500.00	-
13	Ministry of Health and Family Welfare (MoHWF), Government of India	Contribution to the Health Minister's Cancer Patient Fund of the Ministry of Health and Family Welfare (MoHWF), Government of India	691.72	-
14	Swachchh Vidyalaya Abhiyaan	Contribution to Swachh Bharat Kosh of the Government of India.	-	500.00
15	Clean Ganga Fund	Lump sum contribution to the Clean Ganga Fund with an objective of rejuvenating the river.	-	500.00

 # The amount of loans write off has been modified at print stage pursuant to assurances given during course of audit to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi on observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

(` in lac)

S. No.	Name of the Organization	Project Details	Year Ended 31.03.2016	Year Ended 31.03.2015
16	Target Olympic Podium (TOP) Scheme	Identification of athletes who are potential medal winners in Olympics and provide support to thrm for preparation of Olympics	-	1000.00
17	India Habitat Centre*	Solar Power Generating Plant on the rooftops of the building in the campus of India Habitat Centre.	-	25.00
	GRAND TOTAL		**2,444.57**	**2,423.34**

b) Additional disclosure in respect of CSR expenditure:

i) Gross amount required to be spent by the company during the year was ` 2,444.57 lac (previous year ` 2,210.78 lac)

ii) Amount spent during the year:

(` In Lac)

Particulars	FY 2015-16			FY 2014-15		
	In Cash	Yet to be paid in cash#	Total	In Cash	Yet to be paid in cash#	Total
(i) Construction/ Acquisition of any Asset*	810.98	Nil	810.98	311.64	-	311.64
(ii) On purpose other than (i) above	1,633.59	Nil	1,633.59	2,111.70	-	2,111.70
Total	**2,444.57**	**Nil**	**2,444.57**	**2423.34**	**-**	**2423.34**

Footnotes to note No. 24 (a) & 24 (b):

* Construction/Acquisition of any Asset includes installation of solar household lightening

^Out of expenditure of ` 41.89 lac incurredin previous year, asset worth `15 lac was created in previous year.

#The entire amount of CSR expenditure accrued during FY 2015-16 was remitted by IIFCL upto 31st March 2016.

25. Statement of Additional information as required in terms of paragraph 13 of Non-banking Financial (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(` in lac)

Particulars	As on 31st March 2016		As on 31st March 2015	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities side:				
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	14,94,918.37	-	14,97,302.32	-
: Unsecured (other than falling within the meaning of public deposits)	4,10,000.00	-	4,10,000.00	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	12,19,344.86	-	11,36,449.05	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans (short term bank loan)	1,70,028.11	-	10,278.16	-

(` in Lac)

Assets side:	Amount outstanding	
	As on 31st March 2016	As on 31st March 2015
(2) Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:		
(a) Secured	31,61,240.94	26,35,240.57
(b) Unsecured	-	64,300.00
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Investments:		
Current Investments:		
1. Quoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted:	-	
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
Long Term investments:		
1. Quoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-

(` in Lac)

Assets side:	Amount outstanding	
	As on 31st March 2016	As on 31st March 2015
(ii) Debentures and Bonds	4,887.51	5,000.75
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted:		
(i) Shares: (a) Equity (b) Preference	25,105.83-	25,105.83-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	13,000.00	13,000.00
(iv) Government Securities	17,338.00	17,362.29
(v) Others (advance against equity share capital) (Investment in venture capital units)	7,467.02	7,707.58
(iv) Investment in security receipts	22,032.00	10,329.20
Total	**32,51,071.30**	**27,78,046.22**

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provisions (As on 31st March 2016)		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	30,95,221.01	-	30,95,221.01
Total	**30,95,221.01**	**-**	**30,95,221.01**
Category	**Amount net of provisions (As on 31st March 2015)**		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	25,81,781.89	64,107.00	26,45,888,89
Total	**25,81,781.89**	**64,107.00**	**26,45,888,89**

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	**Amount net of provisions (As on 31st March 2016)**		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	24,694.80	**24,694.80**
(b) Companies in the same group	-	13,000.00	**13,000.00**
(c) Other related parties	-	-	**-**
2. Other than related parties	-	411.03	**411.03**
Category	**Amount net of provisions (As on 31st March 2015)**		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	24,694.80	**24,694.80**
(b) Companies in the same group	-	13,000.00	**13,000.00**
(c) Other related parties	-	-	**-**
2. Other than related parties	-	411.03	**411.03**

(7) Other information

Particulars	**As on 31st March 2016**	**As on 31st March 2015**
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	98,420.02	66,226.95
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	70, 699.91	41,190.85
(iii) Assets acquired in satisfaction of debt	Nil	Nil

26. <u>Disclosures pursuant to Reserve Bank of India Notification DNBR(PD) CC No.002/03.10.001/ 2014-15 dated 10th November 2014</u>

26.1 Capital **(` in lac)**

Particulars	**As at 31st March 2016**	**As at 31st March 2015**
Tier I Capital	7,26,430.66	6,66,411.73
Tier II Capital	9,087.62	6,715.05
Total Capital	**7,35,518.28**	**6,73,126.78**
Total Risk Weighted Assets	36,23,061.50	26,77,039.02
Capital Ratios		
Tier I Capital as Percentage of Total Risk Assets (%)	20.05	24.89
Tier II Capital as Percentage of Total Risk Assets (%)	0.25	0.25
Total Capital (%)	**20.30**	**25.14**

IIFCL
(ISO:9001:2008)

26.2 Investments

(` in lac)

S. No.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
1	Value of investments		
	(i) Gross value of investments	89,830.36	78,505.65
	(a) In India	66,435.56	55,110.85
	(b) Outside India	23,394.80	23,394.80
	(ii) Provisions for depreciation	-	-
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net value of investments	89,830.36	78,505.65
	(a) In India	66,435.56	55,110.85
	(b) Outside India	23,394.80	23,394.80
2	Movements of provisions held towards depreciation of investments		
	(i) Opening balance	-	-
	Add: Provisions made during the year	-	-
	Less: Write off/Write back of excess provisions during the year	-	-
	Closing balance	-	-

26.3 Derivatives

26.3.1 Forward Rate Agreement/ Interest Rate Swap

(` in lac)

S. No.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
1	The notional Principal of swap agreements	8,000.00	8,000.00
2	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
3	Collateral required by the NBFC upon entering into swaps	-	-
4	Concentration of credit risk arising from the swaps	-	-
5	The fair value of the swap book	(3149.73)	(2,727.17)

26.3.2 Risk Exposure in Derivatives:

Qualitative Disclosure

NBFCs are required to describe their risk management policies pertaining to derivatives with particular reference to the extent to which derivatives are used, the associated risks and business purposes served. In compliance of RBI guidelines dated 10th November, 2014, same is being disclosed as under:

a) IIFCL undertakes derivative transactions to mitigate currency and interest rate risk of foreign currency borrowings. The company has put in place the Hedging Policy which forms a part of Resource and Treasury policy duly approved by Board of Directors. The company's derivative transactions are governed by this policy which outlines the instruments which would be used for hedging as per the underlying liabilities.

b) IIFCL undertakes derivative transaction for purpose of hedging and mitigating interest rate and currency risks (Market risk) arising on Foreign currency borrowings.

c) IIFCL undertakes derivative transactions for the purpose of hedging exchange and interest rate risk of foreign currency borrowings and not for any other purpose. The terms of Derivative transactions match with the corresponding underlying (Liabilities) for continuous effectiveness. The said effectiveness is ascertained at the time of inception of hedge through matching term concept.

d) The guidance note issue by the ICAI on "Accounting for Derivative Contracts" issued in June 2015, is applicable from 1st April 2016. Before the applicability of the Guidance Note, IIFCL has opted to follow Application of AS-30, Financial Instruments: Recognition and Measurement. As per Accounting Standard 30, the derivative instrument is classified as a financial asset or financial liability at fair value through profit or loss and is carried at its fair value. The changes in the fair value of this derivative instrument is recognized in the statement of profit and loss, and offsets the translation gains/losses that have been recognized on the loan liability.

Quantitative Disclosures

(` in lac)

S. No.	Particulars	For the year ended 31st March 2016		For the year ended 31st March 2015	
		Currency derivatives	Interest Rate derivative	Currency derivatives	Interest Rate derivative
(i)	Derivatives (Notional Principal Amount)	7,23,347.98	7,23,347.98	5,04,039.00	5,04,039.00
	For hedging	7,23,347.98	7,23,347.98	5,04,039.00	5,04,039.00
(ii)	Marked to Market positions(1)	1,27,959.56	1,27,959.56	1,27,418.64	1,27,418.64
	a. Asset (+)	1,31,109.28	1,31,109.28	1,30,595.38	1,30,595.38
	b. Liability(-)	(3,149.72)	(3,149.72)	(3,176.74)	(3,176.74)
(iii)	Credit Exposures	-	-	-	-
(iv)	Unhedged Exposures	3,61,064.32	3,61,064.32	3,07,375.89	3,07,375.89

26.4 Disclosures relating to Securitization

Details of Financial Assets sold to Securitization/ Reconstruction Company for Asset reconstruction:

(` in lac)

S. No.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(i)	No. of Accounts	2	2
(ii)	Aggregate value (net of provisions) of accounts sold to SC/ RC	10,416.00	27,173.81
(iii)	Aggregate consideration	13,768.00	12,152.00
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate (gain)/loss over net book value	(3,352.00)	15,021.81

26.5 Details of Non- performing Financial Assets sold:

(` in lac)

S. No.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(i)	No. of accounts sold	2	2
(ii)	Aggregate outstanding	13,213.61	49,130.70
(iii)	Aggregate consideration received	13,768.00	12,152.00

IIFCL
(ISO:9001:2008)

26.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March 2016:

(` in lac)

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 Months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	1,70,028.11	-	-	-	-	-	-	-	1,70,028.11
Market Borrowings	-	-	-	50,000.00	-	-	5,408.16	18,49,510.21	19,04,918.37
Assets									
Receivables under financing activity	9,260.78	2,725.87	11,561.36	23,483.04	52,369.21	3,05,547.55	3,98,757.77	23,57,535.36	31,61,240.94
Investment	30,556.78	-	-	1,76,120.00	4,97,572.92	12,437.86	9,787.66	67,604.84	7,94,080.06
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	133,48.59	-	148,05.28	913,07.46	1,05,143.21	9,94,740.31	12,19,342.46

Maturity pattern of certain items of assets and liabilities as at 31st March 2015:

(` in lac)

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 Months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	10,278.16	-	-	-	-	-	-	-	10,278.16
Market Borrowings	-	1,00,000	-	50,000.00	5,000.00	70,000.00	20,000.00	20,32,302.32	22,32,302.32
Assets									
Receivables under financing activity	27,680.89	5,660.29	21,724.65	35,314.78	54,841.75	2,63,468.63	4,22,266.42	18,68,583.16	26,99,540.57
Investment	-	-	-	5,78,057.94	4,13,605.41	-	23,000.00	10,329.20	10,24,992.55
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	9,175.05	-	10,366.32	51,572.50	67,338.46	6,72,996.71	8,11,449.05

26.7 Exposures

26.7.1 Exposure to Real estate sector

The Company does not have any direct or indirect exposure to the real estate sector as at 31st March2016 (previous year Nil).

26.7.2 Exposure to Capital Market:

(` in lac)

S. No.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units ofequity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary securityother than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	7,467.02	7,707.58

26.8 Additional Disclosures:Provisions and Contingencies

(` in lac)

S. No.	Breakup of Provisions and Contingencies reflected in Statement of Profit & Loss	For the year ended 31st March 2016	For the year ended 31st March 2015
(i)	Provision towards NPA	27,720.11	25,036.11
(ii)	Provision for income tax (including deferred tax)	49,602.28	46,311.15
(iii)	Provision for Standard Assets (including restructured accounts & SDR accounts)	38,299.82	28,615.57

26.9 Concentration of Advances, Exposure and NPAs:

(i) Concentration of Advances

(` in lac)

Particular	For the year ended 31st March 2016	For the year ended 31st March 2015
Total Advances to twenty largest borrowers	12,93,953.07	10,90,396.67
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	40.47%	39.92%

(ii) Concentration of Exposure

(` in lac)

Particular	For the year ended 31st March 2016	For the year ended 31st March 2015
Total Exposure to twenty largest borrowers	12,93,953.07	10,90,396.67
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	40.47%	39.92%

(iii) Concentration of NPAs

(` in lac)

Particular	For the year ended 31st March 2016	For the year ended 31st March 2015
Total Exposure to top four NPA accounts	66,109.35	41,617.99

(iv) Sector- wise NPAs

(` in lac)

S. No.	Sector	% of NPAs to Total Advances in that sector	
		For the year ended 31st March 2016	For the year ended 31st March 2015
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	3.11%	2.42%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

(v) Movement of NPAs:

(` in lac)

S. No.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(i)	Net NPAs to Net Advances (%)	2.24%	1.53%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	66,226.95	90,587.40
	(b) Additions during the year	79,616.24	24,770.25
	(c) Reductions/write off during the year	47,423.17	49,130.70
	(d) Closing balance	98,420.02	66,226.95
(iii)	Movement of Net NPAs		
	(a) Opening balance	41,190.85	66,941.31
	(b) Additions during the year	58,596.83	8,791.16
	(c) Reductions during the year	29,087.77	34,541. 62
	(d) Closing balance	70,699.91	41,190.85

(` in lac)

S. No.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	25,036.10	23,643.09
	(b) Provisions made during the year	23,817.01	23,349.91
	(c) Write off/ write- back of excess provisions	21,133.00	21,956.90
	(d) Closing balance	27,720.11	25,036.10

26.10 Customer Complaints

(` in lac)

S. No.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(a)	No. of complaints pending at the beginning of the year	0	6
(b)	No. of complaints received during the year	816	1,605
(c)	No. of complaints redressed during the year	816	1,611
(d)	No. of complaints pending at the end of the year	0	0

26.11 Additional Disclosures

S. No.	Disclosure	Comment
(i)	Registration/ license/authorization obtained from other financial regulator	Corporate Identification No.U67190DL2006GOI144520 obtained from Ministry of Corporate Affairs
(ii)	Ratings assigned by credit rating agencies and migration of ratings during the year	AAA stable assigned by various Rating agencies for domestic bonds issued by company. International Credit Rating of the company for 2015-16 is S&P BBB – There is no migration of rating during current year 2015-16
(iii)	Penalties, if any, levied by any regulator	Nil
(iv)	Information viz., area, country and joint venture partners	
	(a) Joint Ventures	None
	(b) Overseas Subsidiary	IIFC (UK) Ltd. wholly owned subsidiary of company operates from London, United Kingdom and undertakes financing infrastructure projects in India,

26.12 Disclosure of Restructured Accounts

S. No.	Type of Restructuring		Under CDR Mechanis	Under SME Debt Restructuring Mechanism	Others (` in lac)					Total (` in lac)				
	Asset Classification		Total	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
	Details													
1	Restructured Accounts	No. of borrowers	-	-	33	-	-	-	33	33	-	-	-	33
	as on 01.04.2015*	Amount outstanding	-	-	4,37,868.69	-	-	-	4,37,868.69	4,37,868.69	-	-	-	4,37,868.69
		Provision thereon	-	-	21,900.53	-	-	-	21,900.53	21,900.53	-	-	-	21,900.53
2	Fresh restructuring	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	during the FY 2015-16	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	standard category during the	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	FY 2015-16	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	which cease to attract higher	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
5	Down gradations of	No. of borrowers	-	-	-	8	-	-	8	-	8	-	-	8
	restructured accounts	Amount outstanding	-	-	-	72,009.46	-	-	72,009.46	-	72,009.46	-	-	72,009.46
	during the FY 2015-16	Provision thereon	-	-	-	3,154.00	-	-	3,154.00	-	3,154.00	-	-	3,154.00
6	Write offs/Prepayment of	No. of borrowers	-	-	1	-	-	-	1	1	-	-	-	1
	restructured accounts	Amount outstanding	-	-	16,196.07	-	-	-	16,196.07	16,196.07	-	-	-	16,196.07
	during the FY 2015-16	Provision thereon	-	-	3,107.56	-	-	-	3,107.56	3,107.56	-	-	-	3,107.56
7	Restructured Accounts as	No. of borrowers	-	-	27	-	-	-	27	27	-	-	-	27
	on 31.03.2016	Amount outstanding	-	-	3,49,663.16	-	-	-	3,49,663.16	3,49,663.16	-	-	-	3,49,663.16
	(closing figures)*	Provision thereon	-	-	15,638.97	-	-	-	15,638.97	15,638.97	-	-	-	15,638.97

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

26.13 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of Joint Venture/Subsidiary	Other Partner in the JV	Country	Total Assets (Amount in $)
IIFC (UK) Ltd.	None	United Kingdom	Nil. IIFCL does not hold any overseas assets with IIFC (UK) Ltd.

27. The previous year figures have been regrouped wherever considered necessary.

28. Department of Investment & Public Asset Management (DIPAM), Ministry of Finance, vide their Office Memorandum (OM) F. No. 5/1/2016-Policy dated 27th May 2016 have issued guidelines on capital restructuring of CPSEs. As per one of the guidelines, IIFCL had to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions. However, IIFCL vide its letter dated 14th January 2016 had requested Government for exemption from payment of dividend for at least 3 years. The reply from the department is awaited.#

29. #Ministry of Corporate Affairs (MCA) vide order dated 21st July 2016 has conveyed sanction of the Central Government to the Scheme of Amalgamation of Irrigation and Water Resources Finance Corporation Ltd. (IWRFC) with India Infrastructure Finance Company Limited (IIFCL) under Section 391 (2) read with section 394 of the Companies Act, 1956. The scheme of amalgamation is binding with effect from 1st April, 2016, being appointed date for coming into force of the said Scheme. Consequent to the amalgamation of companies and the Scheme becoming effective, the Transferor Company i.e IWRFC stands dissolved without the process of winding up with effect from the date of order.

Impact to the amalgamation is as under :

Increase in Net Worth : ` 15,168.35 lacs

Increase in Liabilities : ` 874.08 lacs

Increase in Assets : ` 16,041.90 lacs#

 # The disclosures are made at print stage pursuant to assurances given during course of audit to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi on observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

In terms of our Report of even date
For K M Agarwal & Co
Chartered Accountants
(Firm Regn. No: 000853N)

C P Mishra
Partner
Membership No.: 073009

Place: New Delhi
Dated: 22.7.2016

For and on behalf of Board of Directors of
India Infrastructure Finance Company Limited

Sanjeev Kaushik
(Deputy Managing Director))
DIN No.: 02842527

S.B. Nayar
(Chairman & Managing Director)
DIN No.: 02175871

Manjari Mishra
(AGM & Company Secretary)

Rajeev Mukhija
(Chief General Manager-CFO)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2016

The preparation of financial statements of India Infrastructure Finance Company Limited for the year ended 31st March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statement under section 143 based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 24th August 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of India Infrastructure Finance Company Limited for the year ended 31st March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

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

(Ritika Bhatia)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-III,
New Delhi

Place: New Delhi
Date: 8th September 2016

NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT

To
The Board of Directors
India Infrastructure Finance Company Limited
8th Floor, Hindustan Times House
18 & 20, Kasturba Gandhi Marg
New Delhi-110001

As required by the Non-Banking Financial Companies Auditor's Report(Reserve Bank) Directions, 2008 issued by Reserve Bank of India (RBI) on the matters specified in Para 3 and 4 of the said Directions to the extent applicable to India Infrastructure Finance Company Limited and according to the information and explanations given to us for the purpose of audit, we report that:

1. The company is engaged in the business of Non-Banking Financial Institution and it has obtained a Certificate of Registration (COR) from Reserve Bank of India under the provision of section 45-IA of the Reserve Bank of India Act, 1934 vide registration no. N-14.03288 dated 09.09.2013.

2. The company is entitled to continue to hold such COR in terms of its asset/income pattern as on 31.03.2016.

3. The Board of Directors has passed a resolution for non-acceptance of any public deposits during the year ended 31.03.2016.

4. The company has not accepted any public deposits during the year 2015-16.

5. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

6. In terms of RBI Circular No.DNBS/PD/CC. No.93/03.05.002/2006-07 dated 27th April, 2007, India Infrastructure Finance Company Limited, being a Government Company, is exempt from submitting NBS-7 to Reserve Bank of India. According to the information and explanation given to us, the company is in compliance with the minimum CRAR prescribed by the Reserve Bank of India.

For K.M.Agarwal & Co.
(Chartered Accountants)
Regn. No. 000853N

C.P.Mishra
(Partner)
M.No. 073009

Place:New Delhi
Date:22nd July, 2016

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

Annual Interim Financial Report of Sub-project and Grants Pursuant to Loan Agreement between International Bank for Reconstruction and Development & India Infrastructure Finance Company Limited

COMPONENT 1 - ANNUAL INTERIM FINANCIAL (ANNUAL IFR) FOR THE YEAR ENDED 31ST MARCH 2016

Takeout financing													INR/ million	
S. No.	**Name of project**	**Nature of project (Solar/ Road)**	**Date of approval by IIFCL's MIC of the Board**	**Actual COD**	**Total project cost**	**Takeout by IIFCL**	**Payment Details by IIFCL (Chronological order)**		**Claims made till date**		**Current claim**		**Claims reimbursed by Bank till datae**	
							Amount	Date	Amount	IUFR Reference	Amount	Date	Amount	Date
1	Krishnapatnam Port Company Limited	Port	25.02.2015	a) Phase I - 20.03.2009 b) Phase II + Phase II extn. - 31.12.2013	a) Phase I - INR 11835.00 million b) Phase II + Phase II extn.- INR 49231.90 million	INR 11955. 48 million	INR 2945.50 million	31.03.2015						
							INR 835.00 million	31.03.2015	Nil	NA	INR 11955.48 million	12.06.2015	NIL	
							INR 1342.50 million	31.03.2015						
							INR 512.20 million	30.03.2015						
							INR 1337.20 million	30.03.2015						
							INR 1817.70 million	30.03.2015						
							INR 1488.75 million	30.03.2015						
							INR 1000.76 million	30.03.2015						
							INR 675.87 million	30.03.2015						
						Total	INR 11955.48 million							

Component II - DFID Annual Interim Financial Report (IFR) for World Bank Financed Capacity Building Activities for the period ending 31st March 2016

					Claimable Amount				Expenditure Forecast			Claim Details		Amount Disbursed		Authorised Allocation	Remarks
	For the Quarter ending March 2016	For the year ending Mar 2016	For the year (till March 14)	Cumulative	% eligible	For the Quarter ending March 2016	For the year	Cumulative			Total	Current claim	Cumulative amount claimed till date	Cumu-lative	RF no.		
				C	D		F=B*D	G=C*D			Hc=Ha+Hb	Ia	Ib	J	K	L	M
Opening Balance in DFID Ledger	-3,885,657	15,312,221	1285921.00														
Add :Funds Received																	
1. DFID/ RETFs	11,000,000	11,000,000	18,750,000	79,582,889													
2. Other receipts (bank interest etc)		-	243,899	243,899													
Total Funds Received	**7,114,343**	**26,312,221**	20,279,820	**79,826,788**													
Less: Category Wise Expenditure																	
I. Ineligible expenditure (Refer Audit Report for 2011-12)																	
Cenvat on training fees		-		-12,000		-		-12,000									
Expense relating to IDF Grant		-		-136,755		-		-136,755									
Sub Total		-		-148,755		-		-148,755									
II. Consultants Services	-	-															
Environment safeguard Management	430,092	1,713,983	532,000	5,368,902	100%	430,092	1,713,983	5,368,902			-		4,300,000	4,300,000			
Social Safeguard Management	365,286	1,455,159	1,282,666	6,778,316	100%	365,286	1,455,159	6,778,316			-		6,090,000	6,090,000			
Domain Expert to head ESMU		-	1,010,608	1,609,641	100%	-	-	1,609,641			-		2,200,000	2,200,000			
Procurement Capactiy	810,168	3,205,058	2,343,830	13,763,488	100%	810,168	3,205,058	13,763,488					12,180,000	12,180,000			
Hiring of a consulting firm to review sub-project from Procurement, technical, Legal perspectives			393,378	762,486	100%	-	-	762,486			-		2,000,000	2,000,000			
M&E Framework and GAAP Monitoring and Indicators				-	100%	-					-		500,000	500,000			
Periodic social audits				-	100%	-			-		-		-				
Business Plan for IPL			2,580,000	4,300,000	100%	-	-	4,300,000			-		4,300,000	4,300,000			
Software for MIS tracking system		-		1,314,417	100%	-		1,314,417			-		1,300,000	1,300,000			
Hiring of a consultants to review subprojects E&S Safeguards for Take out Financing		287,818		611,211	100%	-	287,818	611,211			-		900,000	900,000			
Risk Assesment (Extension of earlier assignment)		6,604,696		6,604,696	100%	-	6,604,696	6,604,696					4,500,000	4,500,000			
Implementation of ISO27001 based ISMS		-				-	-				-		700,000	700,000			
Customization/ Updation of MIS for ESMU		-				-	-				-		200,000	200,000			
IPL Expert		-				-	-				-		600,000	600,000			
IDF Expert		-				-	-				-		600,000	600,000			
Procurement Consultant		-				-	-				-		400,000	400,000			
Communications Strategy		-				-			-		-		400,000	400,000			
Sub Total	**1,605,546**	**13,266,714**	8,142,482	**41,113,157**		1,605,546	13,266,714	41,113,157	-	-	-	-	**41,170,000**	**41,170,000**			
III.Goods	-	-	-	-	-	-											
Hardware for MIS tracking system		-		**1,423,889**	100%	-	-	1,423,889			-		**1,423,889**	**1,423,889**			
IV. Workshops and Training		-	-	-	-	-											
Training programs for building staff skills	3,689,795	**11,195,262**	2,033,016	**31,883,291**	100%	3,689,795	11,195,262	31,883,291			-		**31,489,000**	**31,489,000**			
V. Incremental Operating Costs	-	-	-	-	-	-											
Advertisement	-		171,946	2,023,088	100%	-	-	2,023,088			-		3,400,000	3,400,000			
Travelling expenses	19,928	49,951	1,482,622	1,712,450	100%	19,928	49,951	1,712,450			-		2,100,000	2,100,000			
Bank Charges	402	1,622	1,046	20,996	100%	402	1,622	20,996			-		-				
Sub Total	**20,330**	**51,573**	1,655,614	**3,756,534**		20,330	51,573	3,756,534	-	-	-	-	**5,500,000**	**5,500,000**			
Total Expenditure (I+II+III+IV+V)	**5,315,671**	**24,513,549**	**11,831,112**	**78,028,116**		5,315,671	24,513,549	78,028,116	-	-	-	-	**79,582,889**	**79,582,889**			
Closing Balance In DFID Ledger	1,798,672	1,798,672	8,448,708	1,798,672													

IIFCL (ISO:9001:2008)

REVISED INDEPENDENT AUDITOR'S REPORT

To The Members of India Infrastructure Finance Company Limited

This Revised Report is issued, in supersession of our earlier Audit Report dated 22nd July, 2016, at the instance of Comptroller & Auditor General (C&AG) of India in order to make it more clarificatory. Further, we confirm that there is no change in the true and fair view of the financial statements as expressed in our earlier report.

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **India Infrastructure Finance Company Limited** ("the Holding company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the group")which comprises of the Consolidated Balance Sheet as at 31st March 2016, the Consolidated statement of Profit and Loss, the Consolidated Cash flow Statement for the year ended, and the summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial Performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of theAct for safeguarding the assets of the Group and for preventing and detecting frauds and other Irregularities; the selection and application of appropriate accounting policies; making judgments and Estimates that are reasonable and prudent; and the 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraudor error, which have been used for the purpose of preparation of the Consolidated financial statementsby the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, 2016, its profit and its cash flow for the year ended on that date.

Other Matters

a) We did not audit the financial statements of the three subsidiary companies i.e. India Infrastructure Finance Company (UK) Limited and IIFCL Projects Limited and IIFCL Asset Management Co. Limited, whose financial statements reflected total assets of ` 86288.33 lac as at March 31, 2016, total revenues of ` 34219.05 lac and net cash flows amounting to ` 324.90 lac for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b) In respect of India Infrastructure Finance Company Limited, Office Memorandum dated 05.01.2016 of Ministry of Finance, Government of India, CPSEs need to pay minimum annual dividend of 30 percent of profit after tax or 5 percent of net worth of CPSEs, whichever is higher along with Dividend Distribution Tax. Accordingly, a sum of ` 474.25 crores (` 394.03 crores dividend and ` 80.22 crores dividend distribution tax) should have been provided on account of dividend payable. Dividend payable for the current year has not been provided.

c) There are changes in accounting policies viz., (i) Accounting for Foreign Exchange Borrowings (to the extent hedged) (ii) Accounting for Financial Instrument – Recognition and Measurement (AS-30) (iii)Accounting of provision for Medical Assistance Scheme (iv) Provisioning in case of termination of contracts (v) In respect of exchange rate adopted for conversion of income and expenditure by using exchange rate at the date of transaction instead of average rate and the impact of the same on the financial statements have been disclosed vide note no- 24(B)3.

d) In case of IIFCL Asset Management Company Limited, the company has provided employee benefits of various types as per AS-15(Revised) for amounting to ` 32.97 lac. No provision has been made in the previous year. Consequently the profit for the year before taxation is lower by ` 32.97 lac. Amortization policy for intangible assets stand changed life from Five years to Four years thus profit reduced by ` 471/-.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory requirements below, is not qualified/modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   d. In our opinion the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. The requirement of sub section (2) of section 164 of the Companies Act, 2013 relating to disqualification of the Directors are not applicable to the Holding Company & its subsidiary companies being a Government Company except IIFC(UK)LIMITED incorporated with ROC of England and Wales at London under the UK Companies act

1985(now Companies act 2006) in terms of notification no G.S.R.463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group (excluding subsidiary companies, incorporated outside India) and the operating effectiveness of such control, refer to our separate report in Annexure-1.

g. With respect to 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. There were no pending litigations which would impact the consolidated financial position of the Group.

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts [Refer Note No. 24(B)(10)] in the consolidated financial statements.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For K.M. Agarwal & Co.
(Chartered Accountants)
FRN No. 000853N

C.P. Mishra
(Partner)
M. No. 073009

Place: New Delhi
Date: 24th August, 2016

ANNEXURE-1 TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

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

In conjunction with our audit of the consolidated financial statements of **India Infrastructure Finance Company Limited** as of and for the year ended March 31st, 2016, we have audited the internal financial controls over financial reporting of India Infrastructure Finance Company Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries companies, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 the Institute of Chartered Accountants of India (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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters"paragraph below, 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 Control 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 preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of its 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 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 31st March, 2016, 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".

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For K.M. Agarwal & Co.
(Chartered Accountants)
FRN No. 000853N

C.P. Mishra
(Partner)
M. No. 073009

Place: New Delhi
Date: 24th August, 2016

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016
CIN No. U67190DL2006GOI144520

(` in Lac)

S. No.	PARTICULARS	Note No.	Year ended 31st March 2016	Year ended 31st March 2015
I	**EQUITY AND LIABILITIES**			
	(1) Shareholders' Funds			
	(a) Share capital	1	390,000.00	390,000.00
	(b) Reserves and Surplus	2	398,061.79	349,339.77
	SUB-TOTAL (1)		**788,061.79**	**739,339.77**
	(2) Non-current liabilities			
	(a) Long-term borrowings	3	4,439,100.26	4,231,746.63
	(b) Deferred tax liabilities (Net)	4	26,785.03	21,493.30
	(c) Other long term liabilities	5	40,427.91	27,299.24
	(d) Long-term provisions	6	83,271.70	57,246.92
	SUB-TOTAL (2)		**4,589,584.90**	**4,337,786.09**
	(3) Current liabilities			
	(a) Short-term borrowings	7	170,028.11	10,278.16
	(b) Trade payables	8	4,879.81	3,249.37
	(c) Other current liabilities	9	163,044.73	202,338.73
	(d) Short-term provisions	10	5,107.39	5,551.31
	SUB-TOTAL (3)		**343,060.04**	**221,417.57**
	TOTAL (1)+(2)+(3)		**5,720,706.73**	**5,298,543.43**
II	**ASSETS**			
	(1) Non-current assets			
	(a) Fixed Assets	11		
	(i) Tangible assets		376.31	216.63
	(ii) Intangible assets		43.57	64.73
	(iii) Capital Work in Progress		9,120.84	30.01
	(b) Non-current investments	12	65,135.56	53,810.85
	(c) Long term loans and advances	13	4,172,468.59	3,511,148.08
	(d) Other non-current assets	14	131,109.29	5,633.18
	SUB-TOTAL (1)		**4,378,254.16**	**3,570,903.48**
	(2) Current assets			
	(a) Trade Receivables	15	164.35	192.08
	(a) Cash and Bank Balances	16	1,100,555.87	1,444,110.28
	(b) Short term loans and advances	17	11,976.62	6,500.45
	(c) Other current assets	18	229,755.73	276,837.14
	SUB-TOTAL (2)		**1,342,452.57**	**1,727,639.95**
	Significant accounting policies and other notes to the financial statements	24		
	TOTAL (1)+(2)		**5,720,706.73**	**5,298,543.43**

Notes from 1 to 24 form integral part of Accounts.

In terms of our Report of even date
For K M Agarwal & Co
Chartered Accountants
(Firm Regn. No: 000853N)

C P Mishra
Partner
Membership No.: 073009

Place: New Delhi
Dated: 22.7.2016

For and on behalf of Board of Directors of
India Infrastructure Finance Company Limited

Sanjeev Kaushik
(Deputy Managing Director))
DIN No.: 02842527

S.B. Nayar
(Chairman & Managing Director)
DIN No.: 02175871

Manjari Mishra
(AGM & Company Secretary)

Rajeev Mukhija
(Chief General Manager-CFO)

IIFCL
(ISO:9001:2008)

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016
CIN No. U67190DL2006GOI144520

(` in Lac)

S. No.	PARTICULARS	Note No.	Year ended 31st March 2016	Year ended 31st March 2015
I.	**Revenue from operations**	19	468,409.93	434,028.61
II.	**Other Income**	20	31,753.77	5,566.78
III.	**Total Revenue (I+II)**		**500,163.70**	**439,595.39**
IV.	**Expenses**			
	Finance Costs	21	286,195.27	252,638.40
	Employee Benefits Expense	22	3,047.36	1,997.97
	Provision for Loan Assets	24(B)(10)	22,776.36	14,252.63
	Marked to Market Losses on Derivatives	24(B)(15)(a)	422.56	(1,482.24)
	Depreciation and amortisation expense	11	51.81	235.96
	CSR Expenditure	24(B)(23)(a)	2,444.57	2423.34
	Other Expenses	23	86,640.40	26,291.19
	Total Expenses		**401,578.33**	**296,357.25**
V.	**PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)**		**98,585.37**	**143,238.14**
VI.	**Exceptional Items**		-	-
VII.	**PROFIT BEFORE EXTRAORDINARY ITEMS TAX (V+VI)**		**98,585.37**	**143,238.14**
VIII.	**Extraordinary Items**		-	-
IX.	**PROFIT BEFORE TAX (VII-VIII)**		**98,585.37**	**143,238.14**
X.	**Tax Expense:**			
	(1) Current Tax			
	- Current Year		(49,588.55)	(48,976.88)
	- Earlier Year		(1.63)	(16.30)
	(2) Deferred Tax			
	- Current Year	4	(5,291.73)	(2,247.22)
	- Earlier Year		-	-
XI	**Profit for the year from continuing operations (IX-X)**		**43,703.46**	**91,997.74**
XII	**Earnings per equity share (face value of ` 10/- each)**	24(B)(8)		
(1)	Basic		1.12	2.60
(2)	Diluted		1.12	2.60
	Significant accounting policies and other notes to the financial statements	24		

Notes from 1 to 24 form integral part of Accounts.

In terms of our Report of even date
For K M Agarwal & Co
Chartered Accountants
(Firm Regn. No: 000853N)

For and on behalf of Board of Directors of
India Infrastructure Finance Company Limited

C P Mishra
Partner
Membership No.: 073009

Sanjeev Kaushik
(Deputy Managing Director))
DIN No.: 02842527

S.B. Nayar
(Chairman & Managing Director)
DIN No.: 02175871

Place: New Delhi
Dated: 22.7.2016

Manjari Mishra
(AGM & Company Secretary)

Rajeev Mukhija
(Chief General Manager-CFO)

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016
CIN No. U67190DL2006GOI144520

(` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	(i) Net Profit before Tax	98,585.37	143,238.14
	Adjustments for:		
	(ii) Depreciation and amortisation expense	51.81	235.96
	(iii) Provision/write offs	79,061.12	36,648.93
	(iv) Provisions/ Amounts written back	(391.97)	(99.84)
	(v) Foreign Exchange Fluctuation Loss / (Profit) on borrowings	33,147.09	8,847.93
	(vi) (Profit)/ Loss on sale of fixed assets	(0.40)	1.30
	(vii) Income tax for previous year adjusted on submission of return	-	(16.30)
	(viii) Adjustment of carrying amount of fixed assets (applying trasitional provisions)	-	(13.99)
	(ix) Interest accrued and due on loans and advances	(4,050.37)	(7,569.45)
	(x) Interest accrued but not due on borrowings	3,229.96	979.93
	(xi) Stamp Duty on issue of Share Capital	-	60.00
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**209,632.61**	**182,312.61**
	(i) Cash Flow From Lending Operations	(681,346.85)	(674,216.38)
	(ii) Sale of/ (Addition) to Investments	(11,702.77)	(9,171.88)
	(iii) (Increase)/decrease in Trade Receivables	27.73	(140.50)
	(iv) (Increase)/decrease in Current Assets, Loans and Advances	(119,472.53)	(10,691.63)
	(v) (Increase)/decrease in other bank balances	338,687.44	30,836.27
	(vi) Increase/(decrease) in other non- current and current liabilities	8,106.84	658.20
	CASH FLOW FROM OPERATIONS BEFORE TAX	**(256,067.53)**	**(480,413.31)**
	(i) Taxes paid (Net)	(43,853.88)	(53,500.02)
	(ii) Increase/(decrease) in non-current liablities	13,459.63	20,179.71
	NET CASH FROM OPERATIONS	**(286,461.78)**	**(513,733.62)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	(i) (Purchase of)/ Sale for Fixed Assets	(186.36)	(177.98)
	(ii) (Increase)/decrease in Capital Work in progress	(9,090.83)	-
	(iii) Investments in Venture Capital Units	-	163.25
	(iv) Redemption of Investments in Venture Capital Units	240.55	(213.70)
	NET CASH FROM INVESTING ACTVITIES	**(9,036.64)**	**(228.43)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	(i) Proceeds from Issue/ Allotment of Share Capital	-	60,000.00
	(ii) Proceeds from Long term Borrowings	174,206.54	588,002.28
	(iii) Proceeds/ (Repayment) from Short term Borrowings	159,749.95	(198,114.01)
	(iv) Proceeds from Current Maturities of Long term debt	(48,257.66)	103,940.42
	(v) Stamp Duty on issue of Share Capital	-	(60.00)
	(vi) Interim Dividend paid (including dividend distribution tax)	-	(33,903.45)
	NET CASH FROM FINANCING ACTIVITIES	**285,698.83**	**519,865.24**
D	**EFFECT OF FOREIGN EXCHANGE TRANSLATION DIFFERENCE**	**4,932.62**	**3,185.94**
	NET CHANGE IN CASH & CASH EQUIVALENT (A+B+C+D)	**(4,866.97)**	**9,089.13**
	Add: Opening Cash and Cash Equivalents	11,016.94	1,927.81
	Closing Cash and Cash Equivalents	**6,149.97**	**11,016.94**
	Closing Cash and Cash Equivalent Comprises of :-		
	(i) Cash in hand	0.17	0.44
	(ii) Current Accounts	6,079.80	9,161.00
	(iii) Fixed Deposit Accounts	70.00	40.00
	(iv) Flexi Deposit Accounts	-	1,815.50
	TOTAL	**6,149.97**	**11,016.94**

1) Note: Figures of previous period (s) have been re-grouped /re-arranged wherever necessary to make them comparable to the reporting period presentation.
2) The following bank balances are not available for free use by the company:
   a) (Increase)/ decrease in other bank balances of ` 3,38,687.44 lac (` 30,836.27 lac as on 31st March 2015) includes ` 8,000 lac (` 8,000 lac as on 31st March 2015) on which lien has been marked for interest payment of bonds.
   b) Balance in current accounts includes ` 31.25 lac (` 81.04 lac as on 31st March 2015) on account of grant received from Work Bank to be utilized for Building Capacity and Strengthening Monitoring, which has been reflected in “Other bank balances”.

In terms of our Report of even date
For K M Agarwal & Co
Chartered Accountants
(Firm Regn. No: 000853N)

For and on behalf of Board of Directors of
India Infrastructure Finance Company Limited

C P Mishra
Partner
Membership No.: 073009

Sanjeev Kaushik
(Deputy Managing Director))
DIN No.: 02842527

S.B. Nayar
(Chairman & Managing Director)
DIN No.: 02175871

Place: New Delhi
Dated: 22.7.2016

Manjari Mishra
(AGM & Company Secretary)

Rajeev Mukhija
(Chief General Manager-CFO)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Note 1 : SHARE CAPITAL

(` in Lac)

PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
Authorized Share Capital 5,000,000,000 equity shares of ` 10/- each	500,000.00	500,000.00
Issued, Subscribed & Fully Paid up 3,900,000,000 (3,900,000,000 as at 31st March 2015) equity shares of ` 10/- each	390,000.00	390,000.00

Footnotes:

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

PARTICULARS	Year ended 31st March 2016		Year ended 31st March 2015	
	No. of Shares	` in Lac	No. of Shares	` in Lac
Shares outstanding at the beginning of the reporting period	3,900,000,000	390,000.00	3,300,000,000	330,000.00
Shares Issued during the reporting period	-	-	600,000,000	60,000.00
Shares outstanding at the end of the reporting period	3,900,000,000	390,000.00	3,900,000,000	390,000.00

b) Entire equity share capital of the company is held by Government of India and its nominees.

Note 2 : RESERVES & SURPLUS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(a)	**CAPITAL RESERVE (PROFIT ON SALE OF NON CURRENT SECURITIES)**		
	Opening Balance	585.14	585.14
	Add: Transfer from Surplus in Statement of Consolidated Profit and Loss	-	-
	Closing Balance	**585.14**	**585.14**
(b)	**SECURITIES PREMIUM ACCOUNT (ON BONDS)**		
	Opening Balance	235.50	235.50
	Add: For the year	-	-
	Closing Balance	**235.50**	**235.50**
(c)	**DEBENTURE/ BOND REDEMPTION RESERVE**		
	Opening Balance	28,390.04	9,924.83
	Add: Transfer from Surplus in Statement of Consolidated Profit and Loss	17,117.64	18,465.21
	Closing Balance	**45,507.68**	**28,390.04**
(d)	**OTHER RESERVES**		
(i)	**SPECIAL RESERVE U/S 36(1)(viii) OF INCOME TAX ACT, 1961 (Footnote 1)**		
	Opening Balance	78,589.24	58,364.58
	Add: Transfer from Surplus in Statement of Consolidated Profit and Loss	24,749.51	20,224.66
	Closing Balance	**103,338.75**	**78,589.24**
(ii)	**STAFF WELFARE RESERVE (Footnote 2)**		
	Opening Balance	34.39	52.71
	Add: Transfer from Surplus of Profit & Loss Account	75.45	-
	Less: Amount utilized during the year and transferred to Surplus in Statement of Consoldiated Profit and Loss	35.01	18.32
	Closing Balance	**74.83**	**34.39**
(iii)	**CORPORATE SOCIAL RESPONSIBILITY RESERVE (Footnote 3)**		
	Opening Balance	2,497.42	2,497.42
	Add: Transfer from Surplus in Statement of Consolidated Profit and Loss	-	-
	Less: Amount utilized during the year and transferred to Surplus in Statement of Consolidated Profit and Loss	-	-
	Closing Balance	**2,497.42**	**2,497.42**
(iv)	**FOREIGN CURRENCY TRANSLATION DIFFERENCE RESERVE**		
	Opening Balance	14,832.37	11,820.42
	Add/ Less: Adjustments during the year	5,014.99	3,011.95
	Closing Balance	**19,847.36**	**14,832.37**
(e)	**SURPLUS IN STATEMENT OF CONSOLIDATED PROFIT AND LOSS**		
	Opening Balance	224,175.67	204,766.92
	Add: Profit for the current year	43,703.46	91,997.74
	Add: Transfer from Staff Welfare Reserve	32.19	18.32
	Add: Adjustment of carrying amount of fixed assets (applying trasitional provisions)	6.39	-
	Less: Transfer to Staff Welfare Reserve	75.45	-
	Less: Transfer to Debenture Redemption Reserve	17,117.64	18465.21
	Less: Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	24,749.51	20,224.66
	Less: Adjustment of carrying amount of fixed assets (applying trasitional provisions)	-	13.99
	Less: Interim Dividend	-	28,254.25
	Less: Dividend Distribution Tax	-	5,649.20
	Closing Balance	**225,975.11**	**224,175.67**
	TOTAL	**398,061.79**	**349,339.77**

Footnotes:

1 Special Reserve is the statutory reserve required to be maintained u/s 36(1)(viii) of Income Tax Act, 1961 by companies providing long term finance for development of infrastructure facility in India.

2 Staff Welfare Reserve is created to promote, among the staff, sports, cultural and other welfare activities.

3 From the year ended 31st March 2015, IIFCL has not created CSR Reserve towards CSR expenditure required to be incurred as per provisions of the Companies Act, 2013 and vide letter dated 3rd July 2015, has referred the issue to Department of Public Enterprises (DPE) for clarification on continuation of creating CSR Reserve and its utilization in addition to the amount required to be spent under CSR as per the provisions of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014. The reply from DPE is still awaited.

Note 3 : LONG TERM BORROWINGS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**SECURED BONDS**		
(i)	500 9.36% Bonds of face value ` 10 lac each, redeemable on 27/07/2042	5,000.00	5,000.00
(ii)	10,500 9.41% Bonds of face value ` 10 lac each, redeemable on 27/07/2037	105,000.00	105,000.00
(iii)	12,59,825 (13,34,080 as at 31st March 2015) 8.55% Tax Free Bonds Tranche III Series 3A of face value ` 1000 each, redeemable on 27/03/2034	12,598.25	13,340.80
(iv)	13,24,163 (13,38,526 as at 31st March 2015) 8.80% Tax Free Bonds Tranche III Series 3B of face value ` 1000 each, redeemable on 27/03/2034	13,241.63	13,385.26
(v)	88,618 (NIL as at 31st March 2015) 8.55% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2034	886.18	-
(vi)	3,27,721 (NIL as at 31st March 2015) 8.66% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2034	3,277.21	-
(vii)	75,43,989 (77,95,796 as at 31st March 2015) 8.66% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2034	75,439.89	77,957.96
(viii)	56,31,276 (57,07,190 as at 31st March 2015) 8.91% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2034	56,312.76	57,071.90
(ix)	1,19,541 (NIL as at 31st March 2015) 8.50% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2033	1,195.41	-
(x)	18,68,982 (19,40,921 as at 31st March 2015) 8.50% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2033	18,689.82	19,409.21
(xi)	24,60,080 (25,07,682 as at 31st March 2015) 8.75% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2033	24,600.80	25,076.82
(xii)	265 8.37% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2033	2,650.00	2,650.00
(xiii)	20 8.19% Tax Free Bonds Series V of face value ` 10 lac each, redeemable on 23/08/2033	200.00	200.00
(xiv)	28,822 (25,906 as at 31st March 2015) 7.08% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2033	288.22	259.06
(xv)	2,04,343 (2,07,259 as at 31st March 2015) 7.58% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2033	2,043.43	2,072.59
(xvi)	1,00,83,588 (1,00,40,286 as at 31st March 2015) 7.40% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2033	100,835.88	100,402.86
(xvii)	14,80,636 (15,23,938 as at 31st March 2015) 7.90% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2033	14,806.36	15,239.38
(xviii)	210 7.41% Tax Free Bonds Series IV-C of face value ` 10 lac each, redeemable on 21/11/2032	2,100.00	2,100.00
(xix)	3,400 7.41% Tax Free Bonds Series III-C of face value ` 10 lac each, redeemable on 15/11/2032	34,000.00	34,000.00
(xx)	55,433 8.55% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2029	554.33	-
(xxi)	1,59,58,486 (1,59,92,613 as at 31st March 2015) 8.55% Tax Free Bonds Tranche III Series 2A of face value ` 1000 each, redeemable on 27/03/2029	159,584.86	159,926.13
(xxii)	27,78,436 (27,99,742 as at 31st March 2015) 8.80% Tax Free Bonds Tranche III Series 2B of face value ` 1000 each, redeemable on 27/03/2029	27,784.36	27,997.42
(xxiii)	34,333 (NIL as at 31st March 2015) 8.48% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2029	343.33	-
(xxiv)	27,98,922 (28,22,366 as at 31st March 2015) 8.48% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2029	27,989.22	28,223.66
(xxv)	14,44,525 (14,55,414 as at 31st March 2015) 8.73% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2029	14,445.25	14,554.14

(` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(xxvi)	38,388 (NIL as at 31st March 2015) 8.38% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2028	383.88	-
(xxvii)	30,35,330 (30,55,835 as at 31st March 2015) 8.38% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2028	30,353.30	30,558.35
(xxviii)	16,21,932 (16,39,815 as at 31st March 2015) 8.63% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2028	16,219.32	16,398.15
(xxix)	11,297 8.48% Tax Free Bonds Series VII of face value ` 10 lac each, redeemable on 05/09/2028	112,970.00	112,970.00
(xxx)	11,597 8.46% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2028	115,970.00	115,970.00
(xxxi)	6,303 8.26% Tax Free Bonds Series V of face value ` 10 lac each, redeemable on 23/08/2028	63,030.00	63,030.00
(xxxii)	3,54,029 (3,50,340 as at 31st March 2015) 7.02% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2028	3,540.29	3,503.40
(xxxiii)	1,11,589 (1,15,278 as at 31st March 2015) 7.52% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2028	1,115.89	1,152.78
(xxxiv)	67,05,758 (66,88,288 as at 31st March 2015) 7.36% Tax Feee Bonds of face value ` 1,000 each, redeemable on 22/01/2028	67,057.58	66,882.88
(xxxv)	9,03,795 (9,21,265 as at 31st March 2015) 7.86% Tax Free Bonds of face value ` 1,000 each, redeemable at 22/01/2028	9,037.95	9,212.65
(xxxvi)	500 7.38% Tax Free Bonds Series IV-B of face value ` 10 lac each, redeemable on 21/11/2027	5,000.00	5,000.00
(xxxvii)	1,000 7.38% Tax Free Bonds Series III-B of face value ` 10 lac each, redeemable on 15/11/2027	10,000.00	10,000.00
(xxxviii)	38,58,714 (38,78,417 as at 31st March 2015) 8.16% Tax Free Bonds Tranche III Series 1A of face value ` 1000 each, redeemable on 27/03/2024	38,587.14	38,784.17
(xxxix)	13,03,644 (13,01,996 as at 31st March 2015) 8.41% Tax Free Bonds Tranche III Series 1B of face value ` 1000 each, redeemable on 27/03/2024	13,036.44	13,019.96
(xL)	18,055 (NIL as at 31st March 2015) 8.16% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2024	180.55	-
(xLi)	1,14,165 (NIL as at 31st March 2015) 8.41% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2024	1,141.65	-
(xLii)	79,57,885 (80,13,598 as at 31st March 2015) 8.41% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2024	79,578.85	80,135.98
(xLiii)	41,47,184 (42,05,636 as at 31st March 2015) 8.66% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2024	41,471.84	42,056.36
(xLiv)	17,26,340 (17,35,954 as at 31st March 2015) 8.01% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2023	17,263.40	17,359.54
(xLv)	12,45,503 (12,49,844 as at 31st March 2015) 8.26% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2023	12,455.03	12,498.44
(xLvi)	13,955 (NIL as at 31st March 2015) 8.01% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2023	500.00	500.00
(xLvii)	50 8.11% Tax Free Bonds Series VII of face value ` 10 lac each, redeemable on 05/09/2023	1,000.00	1,000.00
(xLviii)	100 8.01% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2023	19,216.94	19,211.55
(xLix)	19,21,694 (19,21,155 as at 31st March 2015) 6.86% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2023	1,039.43	1,044.82

(` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(L)	1,03,943 (1,04,482 as at 31st March 2015) 7.36% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2023	84,966.41	84,778.93
(Li)	84,96,641 (84,77,893 as at 31st March 2015) 7.19% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2023	139.55	-
(Lii)	11,68,351 (11,87,099 as at 31st March 2015) 7.69% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2023	11,683.51	11,870.99
(Liii)	2,140 7.21% Tax Free Bonds Series IV-A of face value ` 10 lac each, redeemable on 21/11/2022	21,400.00	21,400.00
(Liv)	600 7.20% Tax Free Bonds Series III-A of face value ` 10 lac each, redeemable on 15/11/2022	6,000.00	6,000.00
(Lv)	1,30,407 8.30% Bonds of face value ` 1000 each, redeemable on 28/3/2026 with earliest buyback on 29/3/2018	1,304.07	1,304.07
(Lvi)	5,40,816 (7,79,211 as at 31st March 2015) 8.15% Bonds of face value ` 1000 each, redeemable on 28/3/2021 with earliest buyback on 29/3/2016	5,408.16	7,792.11
	SUB-TOTAL (A)	**1,494,918.37**	**1,497,302.32**
(B)	**UNSECURED BONDS^**		
(i)	10,000 8.55% Bonds of face value `10 lac each, redeemable on 03/11/2024#	100,000.00	100,000.00
(ii)	4,000 8.12% Bonds of face value `10 lac each, redeemable on 24/08/2024 #	40,000.00	40,000.00
(iii)	6,000 8.12% Bonds of face value `10 lac each, redeemable on 12/08/2024 #	60,000.00	60,000.00
(iv)	5,000 7.90% Bonds of face value `10 lac each, redeemable on 28/04/2024 #	50,000.00	50,000.00
(v)	5,000 8.10% Bonds of face value `10 lac each, redeemable on 08/04/2024 #	50,000.00	50,000.00
(vi)	919 Interest linked to US$ 6 months LIBOR Bonds of face value $ 1 million each, subscribed by RBI, redeemable on 06/04/2024 #	609,599.35	575,209.45
(vii)	231 Interest linked to US$ 6 months LIBOR Bonds of face value $ 1 million each, subscribed by RBI, redeemable on 06/03/2024 #	153,229.00	144,584.75
(viii)	2,000 8.68% Bonds of face value ` 10 lac each, redeemable on 18/12/2023 #	20,000.00	20,000.00
(ix)	2,000 9.35% Bonds of face value ` 10 lac each, redeemable on 17/11/2023 #	20,000.00	20,000.00
(x)	160 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 04/03/2023 #	106,132.64	100,145.28
(xi)	2,000 8.82% Bonds of face value ` 10 lac each, redeemable on 19/12/2022 #	20,000.00	20,000.00
(xii)	117 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 05/07/2022 #	77,609.49	73,231.24
(xiii)	123 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 30/03/2022 #	81,589.47	76,986.68
(xiv)	170 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 27/02/2022 #	112,765.93	106,404.36
(xv)	130 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 16/09/2021 #	86,232.77	81,368.04
(xvi)	250 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 19/03/2019 #	165,832.25	156,477.00
(xvii)	5,000 8.70% Bonds of face value ` 10 lac each, redeemable on 02/09/2016 #	-	50,000.00
	SUB-TOTAL (B)	**1,752,990.90**	**1,724,406.80**
(C)	**UNSECURED TERM LOANS FROM OTHER PARTIES**		
(i)	Life Insurance Corporation of India (LIC)*~	-	65,000.00
(ii)	National Small Savings Schemes Fund (NSSF)@	-	150,000.00

(` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(iii)	Asian Development Bank (ADB)*	977,095.05	716,160.02
(iv)	IBRD (World Bank)*	129,349.16	50,625.12
(v)	European Investment Bank (EIB)*	56,321.63	33.76
(vi)	Kreditanstalt für Wiederaufbau (KFW)*	28,425.15	28,218.61
	SUB-TOTAL (C)	**1,191,190.99**	**1,010,037.51**
	TOTAL (A)+(B)+(C)	**4,439,100.26**	**4,231,746.63**

#Unsecured Bonds are Guaranteed by Government of India [including ` 50,000 Lac as on 31st March 2016 (` Nil as on 31st March 2015) being the amount due to within 1 year from the end of reporting period and shown as "Other Current Liabilties" in Note 9]	1,802,990.90	1,724,406.80
*Unsecured Term loans from other parties are Guaranteed by Government of India [including ` Nil, ` 23,592.58 Lac and ` 4,561.30 Lac as on 31st March 2016 (` 1,10,000 Lac, ` 12,509.50 Lac and ` 3,902.04 Lac as on 31st March 2015) being the amount due to LIC, ADB and KFW respectively within 1 year from the end of reporting period and shown as "Other Current Liabilties" in Note 9].	1,219,344.87	986,449.05

^All secured and unsecured bonds issued by IIFCL are non convertible and redeemable at par. Further, the secured bonds are secured on pari passu basis by all rights, titles, interests, benefit, claims and demands whatsoever of the Company's accounts including receivables of the Company of whatsoever nature, present and future.

~The loan amount of ` 1,00,000 Lac for which notice vide letter dated 23rd February 2015 has been given for prepayment on 22nd May 2015. As per original repayment schedule, the amount was repayable to LIC on 1st February 2027. Further, the entire outstanding loan amount of ` 70,000 Lac has been prepaid on 13th January 2016. As per original repayment schedule, the amount was repayable upto LIC on 1st August 2022.

@The amount of ` 1,50,000 Lac outstanding to NSSF has been prepaid on 26th November 2015, along with prepayment penalty @ 0.25%. As per original repayment schedule, the amount was repayable to NSSF on 31st March 2023.

TERMS OF REPAYMENT OF LONG TERM LOANS

i) Life Insurance Corporation of India (LIC)

Tranche	Loan Amount (including current maturities of long term debt disclosed in Note 9) (` in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
I	100000	8.56%	1.02.2013	13.01.2016#	Semi-Annual	Equal installments of ` 5,000 lac every 6 months
II	100000	9.36%	22nd May 2015*		Bullet basis	Entire loan amount on 22nd May 2015*

The entire outstanding loan amount of ` 7,000 Lac has been prepaid on 13th January 2016. As per original repayment schedule, the amount was repayable upto LIC on 1st August 2022.

* The loan amount of ` 1,00,000 Lac has been prepaid on 22nd May 2015. As per original repayment schedule the amount was repayable to LIC on 1st February 2027.

ii) National Small Savings Schemes Fund (NSSF)

Loan Amount (` in Lac)	Rate of Interest	Date of repayment	Frequency of repayment	Amt of repayment
150000	9.00%	26th November 2015*	Bullet basis	Entire loan amount of ` 150,000 lac

*The loan amount of ` 1,50,000 Lac has been prepaid on 26th November 2015. As per original repayment schedule, the amount was repayable to NSSF on 31st March 2023.

iii) Asian Development Bank

Tranche	Loan Amount (including short term) as per Agreement ($ in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
I	3000	6M USD LIBOR +20bps	15.12.2012	15.06.2032	Semi-Annual	Each instalment of 2.50% of loan amount
II	2000	6M USD LIBOR +20bps	15.06.2014	15.12.2033	Semi-Annual	Each instalment of 2.50% of loan amount
III	2100	6M USD LIBOR +20bps	15.12.2014	15.06.2034	Semi-Annual	Ballooning instalments starting from 0.827816% to upto 5.550311% of loan amount
IV	2500	6M USD LIBOR +30bps	15.12.2015	15.06.2035	Semi-Annual	
V	2400	6M USD LIBOR +40bps	15.12.2016	15.06.2036	Semi-Annual	
VI	4000	6M USD LIBOR +40bps	15.03.2018	15.03.2033	Semi-Annual	Ballooning instalments starting from 2.173900% to upto 4.559913% of loan amount
Total	**16000**					

iv) IBRD (World Bank)

Loan Amount as per Agreement ($ in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
1950*	6M USD LIBOR +variable spread	15.04.2017	15.04.2037	Semi-Annual	Instalment (s) of 2.44% of loan amount upto 15.10.2036 and 2.40% on 15.04.2037

* The loan amount of IBRD (World Bank) has reduced to $ 1,950 lac due to restructuring of its line of credit dated 18th December 2013 giving details of cancellation of loan amount of $ 10,000 lac.

v) Kreditanstalt für Wiederaufbau (KFW)

Tranche	Loan Amount as per Agreement (Euro in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
Portion-I	165.89	0.75%	30.06.2020	30.06.2050	Semi-Annual	- Euro 271,000 from 30.06.2020 to 30.12.2021 - Euro272,000 from 30.06.2022 to 30.12.2049 and Euro 272581.03 on 30.06.2050
Portion-II	334.11	4.99%	30.06.2015	30.06.2020	Semi-Annual	- Euro 3,037,000 from 30.06.2015 to 30.06.2018 - Euro 3,038,000 from 30.12.2018 to 30.12.2019 and Euro 3,038,418.97 on 30.06.2020
Total	**500.00**					

vi) European Investment Bank

Tranche	Loan Amount as per Agreement (Euro in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
Portion-I	350.00	6M EURIBOR +All-in spread of 0.275%	22.06.2020	20.12.2034	Semi-Annual	Each instalment of Euro 11,66,666.67
Portion-II	400.00	6M EURIBOR +All-in spread of 0.436%	21.06.2021	20.12.2034	Semi-Annual	Each instalment of Euro 14,28,571.43
Total	**750.00**					

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Note 4 : DEFERRED TAX LIABILITIES (NET) (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(I)	**Deferred tax Liability on account of:**		
(i)	Special Infrastructure Reserve created under section 36(1)(viii) of Income Tax Act, 1961	35,763.48	26,067.96
(ii)	Depreciation	4.04	-
(iii)	Provision for Leave Fare Concession	21.29	-
(iv)	Deduction claimed for standard loan assets	1,511.95	1,484.95
	Deferred Tax Liability	**37,300.76**	**27,552.91**
(II)	**Deferred tax Assets on account of:**		
(i)	Depreciation	-	21.89
(ii)	Interest credited to Sundry Liabilities Account (Interest Capitalisation) offered for tax during current year	9,232.89	4,998.07
(iii)	Provision for Leave Encashment	18.99	12.41
(iv)	Provision for Leave Fare Concession	3.03	17.98
(v)	Provision for Sick Leave	21.17	6.67
(vi)	Provision for Wage Revision	14.22	-
(vii)	Provision for Gratuity	1.38	-
(viii)	Expenses on which TDS not deducted	3.98	33.77
(ix)	Preliminary Expenses	0.07	-
(x)	Disallowance under Income Tax Act	-	11.93
(xi)	Deferred Tax Assets of IAMCL	10.08	4.79
(xii)	Provision for Performance Linked Incentive to Wholetime Directors	10.11	25.13
(xiii)	Provision for Medical Assistance Scheme	109.75	-
(xiii)	Provision for contingencies*	1,090.06	926.97
	Deferred Tax Assets	**10,515.73**	**6,059.61**
	Deferred Tax Liability (Net)	**26,785.03**	**21,493.30**

*Created in respect of marked to market losses on derivatives

Note 5 : OTHER LONG TERM LIABILITIES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(a)	**Trade payables**	**9,352.90**	**8,198.63**
(b)	**Others:**		
(i)	Rent adjustable account	-	-
(ii)	Security deposit received	6.66	6.20
(iii)	Sundry Liabilities Account (Interest Capitalisation)	31,068.35	19,094.41
	TOTAL	**40,427.91**	**27,299.24**

Note 6 : LONG TERM PROVISIONS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Provision for Employee Benefits [See note 24 (B) (10)]**		
(i)	Leave Encashment	162.58	121.50
(ii)	Sick Leave	103.39	62.80
(iii)	Post-retirement medical benefit	310.80	-
(iii)	Leave Fare Concession	11.42	8.44
(iv)	Gratuity	12.96	3.51
(v)	Wage Revision [See note 24(B)(17)]	-	-
(vi)	Performance Linked Incentive to Wholetime Directors	-	73.94
	SUB-TOTAL (A)	**601.15**	**270.19**
(B)	**Others [See note 24 (B) (10)]**		
(i)	Marked to market losses on derivatives	3,149.73	2,727.17
(ii)	Contingent Provisions against Standard Assets	12,106.81	8,690.16
(iii)	Provisions against Sub-standard Assets	20,085.11	8,598.36
(iv)	Provisions against Doubtful Assets	17,338.70	16,243.24
(v)	Provisions against Restructured Assets	20,846.96	20,717.80
(vi)	Provisions against Strategic Debt Restructured Assets	9,143.24	-
	SUB-TOTAL (B)	**82,670.55**	**56,976.73**
	TOTAL (A)+(B)	**83,271.70**	**57,246.92**

Note 7 : SHORT TERM BORROWINGS (` in Lac)

PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
Loans repayable on demand from banks* (Secured by pledge of fixed deposit receipts of ` 3,51,078.78 Lac (` 32,487.91 Lac as at 31st March 2015))	170,028.11	10,278.16
TOTAL	**170,028.11**	**10,278.16**
*Net of debit balance	-	-

Note 8 : TRADE PAYABLES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(i)	Witholding Tax payable to borrowers	4,863.12	3,220.37
(ii)	Miscellaneous Liabilities	16.69	29.00
	TOTAL	**4879.81**	**3249.37**

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Note 9 : OTHER CURRENT LIABILITIES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Current maturities of long term debt (See footnotesof Note 3):**		
(i)	Life Insurance Corporation of India (LIC) #	-	110,000.00
(ii)	Asian Development Bank (ADB)	23,592.58	12,509.50
(iii)	Kreditanstalt für Wiederaufbau (KFW)	4,561.30	3,902.04
(iv)	5,000 8.70% Bonds of face value ` 10 lac each, redeemable on 02/09/2016	50,000.00	-
	SUB-TOTAL (A)	**78,153.88**	**126,411.54**
(B)	**Interest accrued but not due on borrowings**		
(i)	On bank overdraft	-	-
(ii)	On bonds and term loans	76,896.52	73,666.56
	SUB-TOTAL (B)	**76,896.52**	**73,666.56**
(C)	**Income received in advance**		
(i)	Amount pending appropriation*	2,887.27	1,709.67
(ii)	Grants received from World Bank	17.99	77.42
	SUB-TOTAL (C)	**2,905.26**	**1,787.09**
(D)	**Other payables**		
(i)	Duties & Taxes payable	101.31	93.95
(ii)	PF deducted on behalf of employees/ whole time directors	6.52	18.14
(iii)	Unclaimed Interest on Bonds	1.38	2.25
(iv)	Commitment Charges payable	-	7.40
(v)	Payable to Employees/ Wholetime Directors	5.29	4.54
(vi)	Contribution towards gratuity fund payable to LIC	36.72	9.91
(vii)	Rent Adjustable Account	-	55.57
(viii)	Others	4,937.85	281.78
	SUB-TOTAL (D)	**5,089.07**	**473.54**
	TOTAL (A)+(B)+(C)+(D)	**163,044.73**	**202,338.73**

* Amount pending appropriation is adjustible in loan accounts towards interest/ principal on due date.

The loan amount of ` 1,00,000 Lac for which notice vide letter dated 23rd February 2015 has been given for prepayment on 22nd May 2015. As per original repayment schedule the amount was repayable to LIC on 1st February 2027.

The loan amount of ` 1,50,000 Lac outstanding to NSSF has been prepaid on 26th November 2015, along with prepayment penalty @ 0.25%. As per original repayment schedule, the amount was repayable to NSSF on 31st March 2023.

Note 10 : SHORT TERM PROVISIONS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Provision for Employee Benefits [See note 24 (B) (10)]**		
(i)	Leave Encashment	21.41	14.81
(ii)	Sick Leave	3.55	2.60
(iii)	Leave Fare Concession	18.34	9.70
(iv)	Gratuity	0.03	0.01
(v)	Performance Linked Incentive to Wholetime Directors	91.80	-
(vi)	Post-retirement medical benefit	6.69	-
(vii)	Wage Revision [See note 24(B)(17)]	530.90	294.87
	SUB-TOTAL (A)	**672.72**	**321.99**
(B)	**Others [See note 24 (B) (10)]**		
(i)	Income Tax (Net)	2,387.98	605.36
(ii)	Contingent Provisions against Standard Assets	237.82	415.48
(iii)	Provisions against Sub-standard Assets	895.56	1,288.98
(iv)	Provisions against Doubtful Assets	32.98	1,736.77
(v)	Provisions against Restructured Assets	880.33	1,182.73
	SUB-TOTAL (B)	**4,434.67**	**5,229.32**
	TOTAL (A)+(B)	**5,107.39**	**5,551.31**

Note 11 : FIXED ASSETS

` in Lac

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Addition	Disposals/ Adjustments	As at 31.03.2016	As at 01.04.2015	For the Period	Deductions/ Reversals	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS										
FURNITURE & FITTINGS	104.93	99.07	(3.92)	**207.92**	54.10	27.61	(2.00)	**83.71**	**124.21**	50.83
VEHICLES	86.29	38.45	18.55	**106.19**	54.35	19.99	31.26	**43.08**	**63.11**	31.94
OFFICE EQUIPMENTS	30.97	6.90	0.77	**37.10**	21.58	4.80	0.73	**25.65**	**11.45**	9.39
PLANT & MACHINERY	7.02	0.79	-	**7.81**	1.68	0.98	-	**2.66**	**5.15**	5.34
COMPUTER HARDWARE	325.43	40.38	1.42	**364.39**	275.47	57.76	75.26	**257.97**	**106.42**	49.96
LEASEHOLD IMPROVEMENTS	76.86	-	(4.60)	**81.46**	7.69	7.17	(0.63)	**15.49**	**65.97**	69.17
TOTAL	**631.50**	**185.59**	**12.22**	**804.87**	**414.87**	**118.31**	**104.62**	**428.56**	**376.31**	**216.63**
As at 31st March 2015	453.96	192.56	15.02	**631.50**	211.95#	213.35	10.43^	**414.87**	**216.63**	242.01
INTANGIBLE ASSETS*										
COMPUTER SOFTWARE*	100.53	2.23	-	**102.76**	35.80	24.01	0.62	**59.19**	**43.57**	64.73
TOTAL	**100.53**	**2.23**	**-**	**102.76**	**35.80**	**24.01**	**0.62**	**59.19**	**43.57**	**64.73**
As at 31st March 2015	98.26	2.27	-	**100.53**	13.19	23.46	0.85	**35.80**	**64.73**	85.07

As per Note 7 to Part C of Schedule II of the Companies Act 2013, carrying amount of the asset as on 1st April 2014 i.e. from the date this schedule comes into effect-

(a) shall be depreciated over the remaining useful life of the asset as per this Schedule;

(b) after retaining the residual value, (may be recognised) in the opening balance of retaining earnings where the remaining useful life of an asset is Nil.

Accordingly, amount of accumulated depreciation as on 1st April 2014 excludes ` 13.56 lac transferred to Surplus in Statement of Profit and Loss in compliance with the Note 7 to Part C of Schedule II of the Companies Act 2013.

^ Depreciaton deductions/ reversals Includes amount of accumulated depreciation of fixed assets of IIFC (UK) Ltd. as on 1st April 2014 amounting to ` 0.43 Lac (` 0.40 Lac pertaining to Furniture and Fittings and ` 0.03 Lac pertaining to Computer Hardware) recognised in Surplus in Statement of Consolidated Profit and Loss in compliance with the Note 7 to Part C of Schedule II of the Companies Act 2013.

* Intangible Assets held by company are other than internally generated intangible assets.

Note 12 : NON-CURRENT INVESTMENTS

(` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016			Year ended 31st March 2015		
		Number of Shares	Face Value		Number of Shares	Face Value	
(A)	**TRADE INVESTMENTS**						
(a)	**Investment in Equity Instruments - Unquoted (Fully Paid) (See footnotes b,d and e)**						
	Delhi Mumbai Industrial Corridor Development Corporation Ltd.	4,100,000	` 10	411.03	4,100,000	` 10	411.03
				411.03			**411.03**
(b)	**Investment in Venture Capital Units (Unquoted) (Fully Paid) (See footnotes b, d and e)**	Number of Units	Face Value		Number of Units	Face Value	
	IDFC Project Equity Domestic Investors Trust II (Fully Paid)	7,467,022	` 100	7,467.02	7,707,577	` 100	7,707.58
				7,467.02			**7,707.58**
(c)	**Investment in Bonds (Quoted) (Fully Paid) (See footnote a,c,d and e)**	Number of Bonds	Face Value		Number of Bonds	Face Value	
(i)	8.90% PNB 2019	200	` 10 lac	1984.03	200	` 10 lac	1,984.03
(ii)	10.60% IRFC 2018	50	` 10 lac	500.22	50	` 10 lac	500.31
(iii)	11.00% PFC 2018	50	` 10 lac	478.11	50	` 10 lac	514.26
(iv)	11.25% PFC 2018	100	` 10 lac	959.23	100	` 10 lac	1,036.23
				3,921.59			**4,034.83**
	SUB-TOTAL (A)			**11,799.64**			**12,153.44**
		Number of Units	Face Value		Number of Units	Face Value	
(B)	**OTHER INVESTMENTS**						
(a)	**Investment in Government Securities (Unquoted) (See footnote b and d)**						
(i)	6.05% GOI 2019	2,000,000	` 100	1,980.00	2,000,000	` 100	1,980.00
(ii)	6.35% GOI 2020	7,500,000	` 100	6,834.51	7,500,000	` 100	6,834.51
(iii)	6.90% GOI 2019	2,000,000	` 100	1,952.09	2,000,000	` 100	1,952.09
(iv)	7.76% SL (Karnataka) 2019	500,000	` 100	505.81	500,000	` 100	507.81
(v)	7.85% SL (Andhra Pradesh) 2019	1,000,000	` 100	1,001.06	1,000,000	` 100	1,001.38
(vi)	8.27% SL (Kerala) 2019	1,000,000	` 100	1,003.69	1,000,000	` 100	1,004.94
(vii)	8.43% SL (West Bengal) 2019	1,500,000	` 100	1,535.99	1,500,000	` 100	1,548.25
(viii)	8.48% SL (Tamil Nadu) 2019	2,500,000	` 100	2,524.85	2,500,000	` 100	2,533.31
				17,338.00			**17,362.29**
(b)	**Investment in Bonds (Quoted) (Fully Paid) (See footnote a and d)**	Number of Bonds	Face Value		Number of Bonds	Face Value	
	8.83% Neyveli Lignite Corp. Ltd. 2019	100	` 10 lac	965.92	100	` 10 lac	965.92
				965.92			**965.92**
(c)	**Investment in Mutual Funds (Unquoted) (Fully Paid) (See footnote b and d)**	Number of Units	Face Value		Number of Units	Face Value	
	IIFCL Mutual Fund IDF Series I (Subscribed units of IIFCL Mutual Fund-Infrastructure Debt Fund Series- I managed by IIFCL Asset Management Company Limited as Strategic Investor as per SEBI (Mutual Funds) Regulation 1996)	1300	` 10 lac	13,000.00	1300	` 10 lac	13,000.00
				13,000.00			**13,000.00**

(` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016			Year ended 31st March 2015		
		Number of Security Receipts	Face Value		Number of Security Receipts	Face Value	
(d)	**Investment in Security Receipts (Unquoted) (Fully Paid) (See footnote b and d)**						
(i)	Edelweiss Asset Reconstruction Company Ltd. (EARC Trust-SC 135-Series I)	42500	` 1000	425.00	42500	` 1000	425.00
(ii)	Edelweiss Asset Reconstruction Company Ltd. (EARC Trust-SC 207-Series I)	923780	` 1000	9,237.80	990420	` 1000	9,904.20
(iii)	Asset Reconstruction Company (India) Ltd. (Arcil-AST-VIII-Trust)	990420	` 1000	9,904.20	-	-	-
(iv)	Phoenix ARC Private Limited (Phoenix Trust FY 16-20)	246500	` 1000	2,465.00	-	-	-
				22,032.00			**10,329.20**
	SUB-TOTAL (B)			**53,335.92**			**41,657.41**
	TOTAL (A)+(B)			**65,135.56**			**53,810.85**

Footnotes:

		2016	2015
(a)	**Aggregate amount of quoted investments:**		
	(i) Cost/ Book Value	4,887.51	5,000.75
	(ii) Market Value	5,211.39	5,225.12
(b)	**Aggregate amount of unquoted investments - Cost/ Book Value**	60,248.05	48,810.08

(c) During the financial year 2011-12, these investments were shifted from current investments to non- current investments with the approval of Board of Directors of the company at cost or fair value, whichever is lower as on closing of 31st March 2012 resulting in adjustment of dimunition in value of investments amounting to ` 222 lac in carrying amount of these investments. Consequently, the amount of investment in bonds (Quoted)(fully paid) is stated net of diminution in value of investments on transfer from current investments to non- current investments in the year 2011-12, of ` 181.24 lac as on 31st March 2016.

(d) Refer Note 24(A)(5) for valuation of individual investments.

(e) **Ratings assigned by credit rating agencies and migration of ratings during the year:**

The domestic debt instruments of IIFCL have "AAA" rating- the highest rating assigned by CRISIL, CARE, India Ratings & Research, ICRA and Brickworks- Credit Rating Agencies.The ratings assigned to the company were affirmed by Standard and Poor's as BBB-/Negative/A-3 which are at par with the sovereign ratings.There has been no migration of ratings during the year.

		2016	2015
*	NAV per unit of the following investmets is under:		
(i)	IIFCL Mutual Fund IDF Series I	1,248,010.25	1,112,687.50
(ii)	EARC Trust-SC 135-Series I	1,000.00	N.A.
(iii)	EARC Trust-SC 207-Series I	N.A.	-
(iv)	Arcil-AST-VIII-Trust	1,000.00	N.A.
(v)	Phoenix Trust FY 16-20	NA.	-

The fluctuation in NAV is considered as temporary.

Note 13: LONG TERM LOANS AND ADVANCES

(` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**SECURITY DEPOSIT** (Unsecured, Considered good)	**706.77**	**464.14**
	SUB-TOTAL (A)	**706.77**	**464.14**
(B)	**LOANS AND ADVANCES TO RELATED PARTIES**		
	Secured, Considered good		
	Loan to employees*	10.33	12.43
	SUB-TOTAL (B)	**10.33**	**12.43**
(C)	**OTHER LOANS AND ADVANCES**		
(I)	**Secured, Considered good**		
(i)	Infrastructure Loans: Standard Assets		
	Direct Lending	3,155,144.18	2,682,332.87
	Pooled Municipality Debt Obligation (PMDO) Scheme	8,313.15	9,944.34
	Takeout financing Scheme	857,836.01	668,238.20
(ii)	Loan to employees	252.50	214.46
(II)	**Secured, Others**		
	Infrastructure Loans:Sub-standard Assets		
	Direct Lending	82,201.58	46,475.17
	Pooled Municipality Debt Obligation (PMDO) Scheme	696.90	183.43
	Takeout financing Scheme	4,252.45	5,490.50
(III)	**Unsecured, Considered good**		
(i)	Infrastructure Loans: Standard Assets		
	Refinancing Scheme	-	64,300.00
(ii)	Advance recoverable from employees	12.04	9.89
(IV)	**Doubtful**		
	Infrastructure Loans (Doubtful Assets)		
	Direct Lending	61,705.05	32,173.65
	Pooled Municipality Debt Obligation (PMDO) Scheme	1,337.63	1,309.00
	SUB-TOTAL (C)	**4,171,751.49**	**3,510,671.51**
	TOTAL (A) + (B) + (C)	**4,172,468.59**	**3,511,148.08**

Footnote:

Sector	Particulars of Security #	Amount (` in Lac)	
Power and Other Sectors	Mortgage: First parri-passu charge by way of mortgage of Borrower's all immovable properties, present and future. Hypothecation: First parri-passu charge by way of hypothecation of all the Borrower's movable assets including plant and machinery etc. Pledging of shares minimum of 51% Escrow account and all rights and titles and interest of borrowers rank parri- passu	3,135,053.82	2,462,807.60
Road and Airport (PPP)	Right to receive annuity and toll collections of the project Escrow account and all rights and titles and interest of borrower rank pari passu Hypothecation: First parri-passu charge by way of hypothecation of all the Borrower's movable assets.	1,174,498.87	1,156,822.94
Financial Institutions under Refinancing	Unsecured	-	64,300.00
Scheme			
	TOTAL#	**4,309,552.70**	**3,683,930.54**

#The Infrastructure loan amount in Footnote giving particulars of security above includes ` 1,38,065.75 lac as on 31st March 2016 (` 1,73,483.38 lac as on on 31st March 2015) being amount of loans due within a year and principal overdue amount which are shown in Note 18. Further, aggregate provisions of ` 81,567.51 Lac has been made against these advances till 31st March 2016 (` 58,873.52 Lac till 31st March 2015) as per RBI norms.

*Pursuant to applicability of provisions of The Companies Act, 2013 w.e.f. 1st April 2014 and approval of the Board of Directors in the meeting held on 11th November 2014, Chief General Manager- Chief Financial Officer is considered as Key Managerial Personnel. Accordingly, House Building Loan extended to him is classified as loans and advances to related parties as on 31st March 2016. The amount of loan was ` 12.43 lac as on 31st March 2016 (` 14.53 lac as on 31st March 2015).

Note 14: OTHER NON CURRENT ASSETS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(i)	Amortizable Shortfall in amount of provision due to sale of NPA's	-	5,633.18
(ii)	Notional amount recoverable from hedging counterparties	131,109.29	-
	TOTAL	**131,109.29**	**5,633.18**

Note 15: TRADE RECEIVABLES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
	Unsecured, considered good:		
I	**Dues not exceeding six months**		
	(i) Management Fees and recoverable expenses (IIFCL Mutual Fund)	46.47	110.13
	(ii) Guarantee Fees Receivable	25.53	-
	(iii) Consultancy and Service Fees recoverable	84.41	81.95
II	**Dues exceeding six months**		
	Consultancy and Service Fees recoverable	7.94	-
	TOTAL	**164.35**	**192.08**

Note 16: CASH AND BANK BALANCES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**CASH AND CASH EQUIVALENTS**		
(i)	Balances with banks	5,443.17	8,813.14
(ii)	Balances with Other Banks (held by Subsidiary Company in UK)	636.63	347.86
(iii)	Cash on hand	0.17	0.44
(iv)	Fixed Deposits with banks (Unencumbered)	70.00	40.00
(v)	Flexi Deposits with banks	-	1,815.50
	SUB-TOTAL (A)	**6,149.97**	**11,016.94**
(B)	**OTHER BANK BALANCES**		
(i)	Earmarked balances with banks for unclaimed interest on bonds	1.38	1.38
(ii)	Earmarked balances with banks on account of grant received from World Bank	31.25	81.04
(iii)	Funds under remittance	30,176.00	13,252.45
(iv)	Fixed Deposits with banks (Unencumbered) (original maturity more than three and upto twelve months)	336,405.92	920,406.27
(v)	Fixed Deposits with banks (Unencumbered, held by Subsidiary Company in UK) (original maturity more than three and upto twelve months)	233,132.42	420,518.08
(vi)	Fixed Deposits with banks (Unencumbered) (original maturity more than twelve months)	1,501.88	1,071.68
(vii)	Fixed Deposits with banks (Unencumbered, held by Subsidiary Company in UK) (original maturity more than twelve months)	-	6,055.53
(viii)	Fixed Deposits with banks (Encumbered): (original maturity more than three and upto twelve months)		
(a)	Held as security against Interest Payment of Bonds	17,100.00	39,219.00
(b)	Pledged to avail overdraft facility from banks	476,057.05	32,487.91
	SUB-TOTAL (B)	**1,094,405.90**	**1,433,093.34**
	TOTAL (A)+(B)	**1,100,555.87**	**1,444,110.28**

Note 17: SHORT TERM LOANS & ADVANCES (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Loans and advances to related parties (Unsecured, considered good)**		
(i)	Expenses Incurred on behalf of associate company i.e.Irrigation & Water Resources Finance Corporation Limited	1.21	0.19
(ii)	Loan to employees*	2.10	2.10
	SUB-TOTAL (B)	**3.31**	**2.29**
(B)	**Others**		
(I)	**Secured, considered good**		
	Loan to employees	54.50	41.80
(II)	**Unsecured, considered good**		
(i)	Security deposit	26.78	603.55
(ii)	Advances recoverable from employees	25.43	13.64
(iii)	Advance Tax paid (Net)	890.40	4,844.08
(iv)	Income Tax Recoverable	10,911.51	911.35
(v)	Service Tax Recoverable (CENVAT)	0.47	10.62
(vi)	Prepaid Expenses	47.68	42.58
(vii)	Other advances	16.54	30.54
	SUB-TOTAL (C)	**11,973.31**	**6,498.16**
	TOTAL (A)+(B)+(C)	**11,976.62**	**6,500.45**

*Pursuant to applicability of provisions of The Companies Act, 2013 w.e.f. 1st April 2014 and approval of the Board of Directors in the meeting held on 11th November 2014, Chief General Manager- Chief Financial Officer is considered as Key Managerial Personnel. Accordingly, House Building Loan extended to him is classified as loans and advances to related parties as on 31st March 2016. The amount of loan was ` 12.43 lac as on 31st March 2016 (` 14.53 lac as on 31st March 2015).

Note 18: OTHER CURRENT ASSETS

(` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Infrastructure Loans (See Footnote in Note 13)**		
(I)	**Secured, Considered Good**		
	Standard Assets:		
	Direct lending	88,561.18	125,994.80
	Pooled Municipality Debt Obligation (PMDO) Scheme	1,757.57	1,332.35
	Takeout financing Scheme	39,648.45	37,248.58
(II)	**Secured, Others**		
	Sub-standard Assets		
	Direct lending	2,887.92	4,188.75
	Pooled Municipality Debt Obligation (PMDO) Scheme	45.94	9.85
	Takeout financing Scheme	1,330.61	1,129.00
(III)	**Doubtful**		
	Doubtful Assets:		
	Direct lending	3,563.50	3,416.60
	Pooled Municipality Debt Obligation (PMDO) Scheme	270.58	163.45
	SUB-TOTAL (A)	**138,065.75**	**173,483.38**
(B)	**Interest accrued and due on loans and advances**	35,700.39	31,650.02
	SUB-TOTAL (B)	**35,700.39**	**31,650.02**
(C)	**Interest accrued but not due on:**		
(i)	Fixed Deposits with Banks	16,804.49	37,662.13
(ii)	Bonds	145.35	144.01
(iii)	Government Securities	204.88	204.89
(iv)	Loans & Advances	33,159.85	26,011.24
	SUB-TOTAL (C)	**50,314.57**	**64,022.27**
(D)	**Others**	5,675.02	7,681.47
	SUB-TOTAL (D)	**5,675.02**	**7,681.47**
	TOTAL (A)+(B)+(C)+(D)	**229,755.73**	**276,837.14**

Note 19: REVENUE FROM OPERATIONS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Interest**		
(i)	Interest on Loans and Advances under Direct Lending	2,91,371.33	2,48,068.89
(ii)	Interest on Loans under PMDO Scheme	1,156.56	773.87
(iii)	Interest on Loans and Advances under Refinancing Scheme	4,492.90	11,395.46
(iv)	Interest on Loans and Advances under Takeout Financing Scheme	80,728.16	42,889.13
(v)	Penal Interest	682.48	772.32
(vi)	Interest on Government Securities	1,273.69	1,273.66
(vii)	Interest on Bonds	488.73	499.88
(viiI)	Interest on Deposits with Banks	79,800.79	1,23,109.41
	SUB-TOTAL (A)	**4,59,994.66**	**4,28,782.62**
(B)	**Other Financial Services**		
(i)	Upfront Fee	4,760.66	3,076.78
(ii)	Processing fee	329.22	280.42
(iii)	Pre-Payment Charges	335.30	544.02
(iv)	Commission Received	399.28	199.65
(v)	Commitment Charges	963.13	372.76
(vi)	Fees from Credit Enhancement	115.09	-
(vii)	Consultancy and Service Fees	201.16	25.28
(viii)	Investment Management Fees	402.78	358.69
(ix)	Other Charges	908.65	388.39
	SUB-TOTAL (B)	**8,415.27**	**5,245.99**
	TOTAL (A) + (B)	**4,68,409.93**	**4,34,028.61**

Note 20: OTHER INCOME (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Interest Income**		
(i)	Interest on Deposits with Banks	134.14	126.07
	SUB-TOTAL (A)	**134.14**	**126.07**
(B)	**Other Non-Operating Income**		
(i)	Gain on Swap Deals	30,965.97	4,022.18
(ii)	Grants received	245.13	120.80
(iii)	Amounts/ Provisions other than provision on loan assets written back	391.97	1,276.59
(iv)	Miscellaneous Income	16.56	21.14
	SUB-TOTAL (B)	**31,619.63**	**5,440.71**
	TOTAL (A) + (B)	**31,753.77**	**5,566.78**

Note 21: FINANCE COSTS (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(A)	**Interest Expense:**		
(i)	Interest on Bonds & Debentures	159,085.42	158,539.70
(ii)	Interest on Bank Borrowings	26,306.32	10,916.54
(iii)	Interest on loan from NSSF	8,839.73	13,500.00
(iv)	Interest on loan from LIC	6,162.41	16,281.87
(v)	Interest on loan from ADB	5,354.07	3,556.64
(vi)	Interest due to net settlement of swap transactions on ADB Loan	29,912.07	29,791.51
(vii)	Interest on loan from IBRD (World Bank)	684.84	161.68
(viii)	Interest due to net settlement of swap transactions on IBRD (World Bank) Loan	4,844.58	1,249.61
(ix)	Interest on loan from KFW	1,210.79	1,326.45
(x)	Interest due to net settlement of swap transactions on KFW Loan	483.44	490.94
(xi)	Interest on loan from EIB	73.99	-
	SUB-TOTAL (A)	**242,957.66**	**235,814.94**
(B)	**Other Borrowing Costs:**		
(i)	Guarantee Fees to Govt. of India	9,395.31	7,486.71
(ii)	Commitment charges	122.54	262.83
(iii)	Bond Servicing Expenses	165.88	192.23
(iv)	Upfront Fees on Borrowings	-	33.76
(v)	Penal Interest $	375.00	-
(vi)	Processing Fees	31.79	-
	SUB-TOTAL (B)	**10,090.52**	**7,975.53**
(C)	**Net loss on foreign currency transactions and translations**	**33,147.09**	**8,847.93**
	SUB-TOTAL (C)	**33,147.09**	**8,847.93**
	TOTAL (A) + (B) + (C)	**286,195.27**	**252,638.40**

Note 22: EMPLOYEE BENEFITS EXPENSE (` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(i)	Salaries and Wages	2,408.72	1,492.01
(ii)	Contribution to provident and other funds	184.55	125.21
(iii)	Staff Welfare Expenses	454.09	380.75
	TOTAL	**3,047.36**	**1,997.97**

Note 23: OTHER EXPENSES

(` in Lac)

S. No.	PARTICULARS	Year ended 31st March 2016	Year ended 31st March 2015
(i)	Power and Fuel	40.81	14.27
(ii)	Lease Rent	1,293.56	860.34
(iii)	Insurance	5.27	2.92
(iv)	Professional Fees	254.03	140.80
(v)	Rates and Taxes	2.83	60.74
(vi)	Amortization of Premium Paid on non-current securities	137.51	38.31
(vii)	Net loss on foreign currency transactions and translations	27,724.29	-
(viii)	Loan Amount Written Off [See note 24(B)(22)]	55,724.69	23,840.23
(ix)	Establishment and Other Expenses (including auditors' remuneration)	1,457.41	1,333.58
	TOTAL	**86,640.40**	**26,291.19**

Note 24:
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

IIFCL is set up with an objective to provide long term finance to viable infrastructure projects through the Scheme for Financing Viable Infrastructure Projects. Reserve Bank of India has issued Certificate of Registration no N-14.03288 as Non-Banking Financial Company - Non Deposit - Infrastructure Finance Company (NBFC-ND-IFC) to India Infrastructure Finance Company Limited (IIFCL) on 9th September 2013. RBI has allowed IIFCL to carry on the business of Non-Banking Financial Institution without accepting public deposits.

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

1.1 The Consolidated Financial Statements comprise the individual financial statements of India Infrastructure Finance Company Limited (the parent company) and financial statements of its subsidiaries, India Infrastructure Finance Company (UK) Limited (IIFC (UK) Ltd.), IIFCL Projects Limited and IIFCL Asset Management Company Limited (together constituting as the group) as on 31st March 2016 and for the period ended on that date. The Consolidated Financial Statements have been prepared on the following basis:

i) The Financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of Assets, Liabilities, Income and Expenses, after eliminating intra–group transactions resulting in unrealized profits or losses as per Accounting Standard 21 on “Consolidated Financial Statements”.

ii) The assets and liabilities, both monetary and non-monetary, of the foreign subsidiary are translated at the closing exchange rate.

iii) Income and expense items of the foreign subsidiary are translated at the RBI reference rate between the reporting currency and the foreign currency at the date of transaction.

iv) All resulting exchange difference is accumulated in a foreign currency translation reserve.

1.2 The Individual Financial Statements of the following subsidiaries have been Consolidated in the consolidated Financial Statements:

Name of Subsidiary	Country of Incorporation	Current Period Proportion of Ownership Interest (%)	Previous Period Proportion of Ownership Interest (%)
IIFC (UK) Limited	United Kingdom	100%	100%
IIFCL Projects Limited	India	100%	100%
IIFCL Asset Management Company Limited	India	100%	100%

1.3 The wholly owned foreign subsidiary company’s i.e. IIFC (U.K) Limited financial statements have been converted as per Generally Accepted Accounting Practices in India applied for preparing financial statements of the Parent Company.

1.4 The Financial accounts have been prepared on a going concern basis with accrual concept and same accounting policies and practices are followed in the financial statements as those were followed in the annual financial statements for the year ended 31st March 2015.

2. Recognition Of Income / Expenditure

2.1 Upfront fee income on loans granted is considered as income on accrual basis in cases where loan documents have been signed on allocated amount.

2.2 Commitment charges on loans taken by the company are accounted for as expense when draw down of loan is less than sanctioned amount of loan as per the Loan agreement.

2.3 Recoveries in borrower’s accounts are appropriated as per the respective loan agreements.

2.4 Dividend is accounted on accrual basis when right to receive the dividend is established. However, right to receive final dividend arises only on approval thereof by the shareholders in Annual General Meeting.

2.5 Income from investment in Growth of mutual funds schemes including Infrastructure Debt Mutual Fund is accounted for on the basis of actual instance of sale or redemption as the case may be.

2.6 The amount(s) of prior period items of income/expense are included in their regular heads of accounts. Prior Period income/expense above ` 5,000/- are disclosed under 'Other notes to the financial statement'.

2.7 Expenditure incurred in raising of bonds is charged to the statement of Profit and Loss in the year of allotment of bonds.

2.8 Partial Credit Enhancement Guarantee fee is recognized in the accounting year on accrual basis when reasonable right of recovery is established. Any Partial Credit Enhancement Guarantee fee received in advance is deferred and is recognized as income over period of accrual.

3. Loan Assets

The company has adopted norms for income-recognition, asset classification and provisioning applicable to Non-Banking Financial Companies-Infrastructure Finance Company (NBFC-IFC) as per Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 as amended from time to time. The salient features of these norms are as under:

3.1 Income Recognition

(a) Interest is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

(b) Income including interest/discount or any other charges on Non-PerformingAssets (NPA) is recognized only when it is actually realized. Any such income recognized before the asset became non-performing and remaining unrealized is reversed.

3.2 "Non-Performing Asset" means

(a) An asset, in respect of which interest has remained overdue for a period of six months or more.

(b) A term loan inclusive of unpaid interest, when the installment is overdue for a period of six months or more or on which interest amount remained overdue for a period of six months or more.

Pursuant to Reserve Bank of India notification no.DNBR.009/CGM(CDS)-2015 Systemically Important Non-Banking Financial (Non Deposit Accepting) dated 27th March 2015, it is provided that the period of six months or more stipulated in sub clause (a) to (b) shall be five months or more for the financial year ending 31st March 2016, four months or more for the financial year ending 31st March 2017 and three months or more for the financial year ending 31st March 2018 and thereafter.

3.3 Asset Classification

All advances are classified as:

(a) "Standard assets" means the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

(b) "Sub-standard assets" means

(i) an asset which has been classified as non-performing asset for a period not exceeding 18 months.

(ii) an asset where the terms of the agreement regarding interest and/ or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms

Pursuant to Reserve Bank of India notification no.DNBR.009/CGM(CDS)-2015 Systemically Important Non-Banking Financial (Non Deposit Accepting) dated 27th March 2015 it is provided that the period 'not exceeding 18 months' stipulated in this sub-clause shall be 'not exceeding 16 months' for the financial year ending 31st March 2016; 'not exceeding 14 months' for the financial year ending 31st March 2017; and 'not exceeding 12 months' for the financial year ending 31st March 2018 and thereafter.

(c) "Doubtful asset" means a term loan or any other asset which remains sub-standard asset for a period of exceeding 18 months.

Pursuant to Reserve Bank of India notification no.DNBR.009/CGM(CDS)-2015 Systemically Important Non-Banking Financial (Non Deposit Accepting) dated 27th March 2015 it is provided that the period 'not exceeding 18 months' stipulated in this sub-clause shall be 'not exceeding 16 months' for the financial year ending 31st March 2016; 'not exceeding 14 months' for the financial year ending 31st March 2017; and 'not exceeding 12 months' for the financial year ending 31st March 2018 and thereafter.

(d) "Loss Asset" means

(i) An asset which has been identified as loss asset by the company or its internal or external auditor to the extent it is not written off by the company.

(ii) An asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

(e) An infrastructure loan is classified as NPA during any time before commencement of commercial operations as per Para 3.3 of Annexure III 'Norms on Restructuring of Advances by NBFC'prescribed by RBI Master circular "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015" dated 1st July 2015 as amended up to November 26, 2015.

3.4 Provisioning

(i) Standard Assets: General Provision is made at 0.25% of outstanding amount of loans, including on interest accrued but not due at the year end.

Pursuant to Reserve Bank of India notification no.DNBR.009/CGM(CDS)-2015 Systemically Important Non-Banking Financial (Non Deposit Accepting) dated 27th March 2015, it is provided that provision for standard assets shall be made at 0.25 percent by the end of March 2015; 0.30 percent by the end of March 2016; 0.35 percent by the end of March 2017 and 0.40 percent by the end of March 2018 and thereafter.

(ii) Sub-Standard Assets:A general provision of 10 percent of total outstanding amount is made.

(iii) Doubtful Assets

(a) 100 percent provision to the extent to which the advance is not covered by the realizable value of the security to which the company has a valid recourse is made.

(b) In addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20 percent to 50 percent of secured portion i.e.estimated realizable value of the outstanding, is made on the following basis:

Period for which the asset has been considered as doubtful	**Percentage of provision**
Up to one year	20
One to three years	30
More than three years	50

(iv) Loss Assets

The entire asset is written off, however if the assets are permitted to remain in the books for any reason, 100 percent of the outstanding is provided for.#

(v) Restructured loan Assets

RBI vide Master Circular dated 01st July 2015(as amended upto November 26, 2015) regarding Non-Banking

#The repetition of Accounting Policy No. 24(A) 3.4 (vii) of Loss Assets was deleted pursuant to assurances given to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi during course of audit on observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

Financial (Non Deposit Accepting) Companies Prudential Norms higher provision on restructured standard advances would be 5 percent in respect of new restructured standard accounts (flow) with effect from January 24, 2014 and increase in a phased manner for the stock of restructured standard accounts as on January 23, 2014 as under:

* 2.75 percent - with effect from March 31, 2014

* 3.50 percent - with effect from March 31, 2015 (spread over the four quarters of 2014-15)

* 4.25 percent - with effect from March 31, 2016 (spread over the four quarters of 2015-16)

* 5.00 percent - with effect from March 31, 2017 (spread over the four quarters of 2016-17)

(vi) Accelerated Provisioning

IIFCL, as a prudent lender, in addition to normal provisioning to be done under RBI guidelines, in terms of applying stipulated percentages for secured/unsecured portions depending on asset classification, as may be amended from time to time, considers accelerated provisioning on a case-to-case basis, depending on the expected recovery scenario.

Accelerated provisioning is proposed in such exceptional cases, wherein even though provisioning might be adequate as per extant RBI guidelines, however, in the view of the Management, there might be circumstances which could affect recovery prospects. In such cases, the Management takes a case-to-case view on accelerated provisioning as a prudent measure.

The accelerated provisioning depends broadly on the following parameters:

- Status of the project.
- Promoter's ability to infuse the funds.
- Tangible security, cash flow and concessions available.
- Steps taken by the consortium for recovery.
- Management's perception.

The provision to be made in the account ranges from 10% to 100% taking into consideration the factors mentioned above.

(vii) In addition to above :

(a) Projects where Concession Agreement (CA) has been terminated by the Project Authority, full provision is made in the financial year in which the contract is terminated.

(b) Projects where Concession Agreement (CA) has been terminated by the Concessionaire, provisioning is made on the basis of merits and facts of the case.

(c) In cases where certain value of financial asset can be attached based on valuation report/ offer from Asset Reconstruction Companies etc., provision is made to the extent of shortfall.

3.5 Restructured loan Assets

i. Loans are subjected to restructuring and/or rescheduling and/or renegotiation of terms under the following stages:

(a) Before commencement of commercial production/operation

(b) After commencement of commercial production/operation but before the asset has been classified as sub-standard

(c) After commencement of commercial production/operation and the asset has been classified as sub-standard or doubtful.

ii. Treatment of restructured loans

(a) The accounts classified as 'standard assets' is immediately reclassified as 'sub-standard assets' upon restructuring.

(b) The non-performing assets, upon restructuring, would continue to have the same asset classification as prior to restructuring and slip into further lower asset classification categories as per extant asset classification norms with reference to the pre-restructuring repayment schedule.

(c) Standard accounts classified as NPA and NPA accounts retained in the same category on restructuring are upgraded only when all the outstanding loan / facilities in the account perform satisfactorily during the ‘specified period’ (period of one year from the commencement of the first payment of interest or principal, whichever is later, on the credit facility with longest period of moratorium under the terms of restructuring package), i.e. principal and interest on all facilities in the account are serviced as per terms of payment during that period.

(d) In case, however, satisfactory performance after the specified period is not evidenced, the asset classification of the restructured account would be governed as per the applicable prudential norms with reference to the pre-restructuring payment schedule.

(e) Any additional finance may be treated as ‘standard asset’ during the specified period under the approved restructuring package. However, in the case of accounts where the pre-restructuring facilities were classified as ‘sub standard’ and ‘doubtful’, interest income on the additional finance should be recognized only on cash basis. If the restructured asset does not qualify for upgradation at the end of the above specified period, the additional finance shall be placed in the same asset classification category as the restructured debt.

(f) If a restructured asset, which is a standard asset on restructuring is subjected to restructuring on a subsequent occasion, it should be classified as substandard. If the restructured asset is a sub-standard or a doubtful asset and is subjected to restructuring, on a subsequent occasion, its asset classification will be reckoned from the date when it became NPA on the first occasion. However, such advances restructured on second or more occasions may be allowed to be upgraded to standard category after the specified period in terms of the current restructuring package, subject to satisfactory performance.

iii. Diminution in fair value of advances

Pursuant to Reserve Bank of India (RBI) notification no.DNBR.009/CGM(CDS)-2015 Systematically Important Non-Banking Financial (Non Deposit Accepting) dated 27th March 2015 it is provided that reduction in the rate of interest and/or re-schedulement of the repayment of principal amount, as part of the restructuring, will result in diminution in the fair value of the advance. Such diminution in value is an economic loss for the NBFC and will have impact on the NBFC’s market value. It is, therefore, necessary for NBFCs to measure such diminution in the fair value of the advance and make provisions for it by debiting to Profit & Loss Account. Such provision is required to be held in addition to the provisions as per existing provisioning norms prescribed by RBI, and in an account distinct from that for normal provisions. The erosion in the fair value of the advance is computed as the difference between the fair value of the loan before and after restructuring. Fair value of the loan before restructuring will be computed as the present value of cash flows representing the interest at the existing rate charged on the advance before restructuring and the principal, discounted at a rate equal to the NBFC’s bare lending rate i.e. the interest rate applicable to the borrower as per the loan agreement had the loan been serviced without any default, as applicable to the concerned borrower, as on the date of restructuring. Fair value of the loan after restructuring will be computed as the present value of cash flows representing the interest at the rate charged on the advance on restructuring and the principal, discounted at a rate equal to the NBFC’s bare lending rate as applicable to the borrower as on the date of restructuring.

iv. Income Recognition norms for FITL accounts

Pursuant to Reserve Bank of India master circular dated 01st July 2014 regarding ‘Revised Regulatory Framework of NBFC’ Income recognition norms for conversion of unpaid interest into Funded Interest Term Loan (FITL), Debt or Equity instruments on restructuring of advances are as under:

(a) The income, if any, generated by these instruments may be recognised on accrual basis, if these instruments are classified as ‘standard’, and on cash basis in the cases where these have been classified as a non-performing asset.

(b) The unrealised income represented by FITL /Debt or equity instrument should have a corresponding credit in an account styled as “Sundry Liabilities Account (Interest Capitalisation)”.

(c) In the case of conversion of unrealised interest income into equity, which is quoted, interest income can be recognized after the account is upgraded to standard category at market value of equity, on the date of such upgradation, not exceeding the amount of interest converted into equity.

(d) Only on repayment in case of FITL or sale / redemption proceeds of the debt / equity instruments, the amount received will be recognised in the Statement of Profit and Loss, while simultaneously reducing the balance in the "Sundry Liabilities Account (Interest Capitalisation)".

4. Taxes On Income

4.1 Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961.

Tax on income for previous years is determined based on expected outcome of assessments/appeals and on the basis of changes adopted by the company in accounting policies & estimates and addition if any is provided in the current year.

4.2 Deferred tax is recognized on timing differences between the accounting income and the taxable income for the period, and quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date.

4.3 Deferred tax assets are recognized and reassessed at each reporting date and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

5. Investments

5.1 Non-Current Investments

(a) Unquoted Investments: Equity shares in subsidiary companies, associate company and Venture Capital Units are carried at cost.

(b) Unquoted investments in Government securities: Each scrip is carried at its acquisition cost or at amortized cost, if acquired at a premium over the face value. Any premium on acquisition is amortized over the remaining maturity period of the security on constant yield basis.

(c) Quoted Bonds: Units of Infrastructure Debt Funds/Bonds are carried at acquisition cost or lower of book value or market/ fair value in case of inter class transfer. The excess over face value from date of acquisition/ transfer is amortized over the remaining maturity period of the security on constant yield basis.

(d) Security Receipts of Asset Reconstruction Company:Valued at Net Asset Value(NAV) declared by Asset reconstruction Companies.

5.2 Current Investments

(a) Quoted Bonds – Each scrip is revalued at the market price or fair value based on yield to maturity method and only the net depreciation is provided for and net appreciation, if any, is ignored.

(b) Mutual Funds – valued at lower of cost or net asset value at the year end.

(c) Certificate of deposits – valued at cost. The difference between face value and cost is recognized as income over the remaining maturity period of certificate of deposit on constant yield basis and is added to the value of certificate of deposit.

5.3 Inter-Class Transfer of investments

The inter-class transfer, if warranted is effected with approval of the Board and in such case investments are transferred scrip wise from current to non-currentinvestments and carried at book value or market/ fair value, whichever is lower.

6. <u>Foreign Exchange Transactions</u>

6.1 #Expenses and income in foreign currency are accounted for at the exchange rates of banks prevailing on the date of transactions.

6.2 *The following balances are translated in Indian currency at the exchange rates (RBI reference rates) prevailing on the date of closure of accounts:

(a) Incomes or Expenses accrued but not due on foreign currency loans granted and foreign currency borrowings respectively.

(b) Contingent Liability in respect of Letter of Credit issued in foreign currency.

6.3 #Foreign Currency Loan liability is translated in Indian currency at RBI Reference Rate prevailing on the date of reporting. The exchange difference is charged to Statement of Profit & Loss account as per AS 11.

6.4 The actual/translation gain/loss (net) on foreign currency loan assets, liabilities and income &expenditure accrued/ accrued but not due are credited/charged to the statement of profit and loss.

7. <u>Accounting For Revenue Grants</u>

7.1 Grants are recognized in the Statement of Profit and Loss as 'other income' on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate provided there is reasonable assurance of compliance of the terms attached with the sanction and of realization of amount of grants.

7.2 Grants received in respect of expenditure already incurred in prior periods are recognized in the Statement of Profit & Loss in the year of approval of grant.

7.3 The unspent amount of grant at the year end, if any, is shown under Current Liabilities.

8. <u>Fixed Assets</u>

8.1 Fixed Assets are shown at cost of an asset or other amount substituted for cost, less accumulated depreciation. The cost includes any cost attributable of bringing the assets to its working condition for its intended use.

8.2 The gross value of fixed assets is reduced by amount of grants received for acquiring these assets. The grant is thus recognized in the Statement of Profit and Loss over the useful life of a depreciable asset by way of a reduced depreciation charge.

8.3 The additions to fixed assets are capitalized on the approval of bills/invoices.

9. <u>Depreciation</u>

9.1 Depreciation of fixed assets is provided using the useful lives and in the manner provided in Schedule II of the Companies Act, 2013 following written down value method.

9.2 Depreciation on individual assets having cost ` 5000/- or less is charged at 100%.

9.3 Permanent improvement in leasehold premises is depreciated over the remaining lease term or its useful life, whichever is shorter.

#Underlined words has been added at printing stage pursuant to assurances given to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi during course of audit on observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

** Accounting Policy 24(A) 6.2 (a) has been deleted at printing stage pursuant to assurances given to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi during course of audit on observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.*

9.4 The management estimates the useful lives for assets as follows:

Fixed Assets	**Useful Life**
Computers and data processing units a) End user devices b) Servers & Network	 3 Years 6 Years
Office Equipment	5 Years
Motor Vehicles a) Motor Cycle b) Motor Car	 10 Years 8 Years
Plant & Machinery	15 Years
Furniture & Fittings	10 Years

10. Intangible Assets / Amortization

An Intangible Asset is recognized where it is probable that the future economic benefits attributable to the assets will flow to the company. These assets are amortized on the basis of Straight Line Method over a period of 4 years.

11. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

12. Cash And Cash Equivalents

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders inhand. The Company considers cash equivalents as all short term balances (with an original maturity of three months or less fromthe date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

13. Employee Benefits

13.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

13.2 Employee benefits under defined contribution plans comprising NPS are recognized on the undiscounted obligation of the company to contribute to the plan. The same is paid to the NPS and are expensed relating to the period.

13.3 All post-employment and other long term employee benefits are recognized as an expense in profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable, determined using actuarial valuation technique.

13.4 Termination benefits are recognized as an expense immediately

13.5 Gain or loss arising out of actuarial valuation is recognized immediately in the profit and loss account as income or expense

14. Borrowing Costs

The Exchange differences on foreign currency borrowings are charged to profit & Loss Accounts. The amount of exchange difference not exceeding the difference between interest on local currency borrowings and interest on foreign currency borrowings is considered as borrowings costs and is accounted for under Accounting Standard 16 – Borrowing Costs and the remaining exchange difference, if any, is accounted for under Accounting Standard 11 - The Effects of Changes in Foreign Exchange Rates.

For this purpose, the interest rate for the local currency borrowings is considered as that rate of bank overdraft taken by the company.

15. Retirement Benefits

15.1 The contribution towards Provident Fund deducted from remuneration of employees and employer contribution thereon is deposited with Regional Provident Fund Commissioner (RPFO).

15.2 The contribution towards National Pension Scheme deducted from remuneration of employees and employer contribution thereon is deposited with pension Fund Regulatory and Development Authority (PFRDA).

15.3 The employee benefits obligationsi.e., leave encashment, sick leave, leave travel concession and Medical Assistance Scheme has been provided for the period up to date of reporting on the actuarial valuation of same.

15.4 Gratuity has been provided on the basis of amount payable to LIC on Group Gratuity Scheme through trust in the name of IIFCL Employees Group Gratuity Fund.

15.5 Provision for leave encashment, gratuity and sick leave of Executive Directors wherever applicable as per terms of appointment is accrued and made on the basis of estimated amount of liability.

16. Accounting For Operating Leases

Lease payments under an operating lease are recognized as an expense in the statement of profit and losson a straight line basis over the lease term.

17. Derivative Accounting

17.1 Wherever the company has entered into forward contract or an instrument i.e., in substance of a forward exchange contract, the difference between the forward rate and the exchange rate on the date of forward exchange contract is recognized as income or expenses over the life of the contract as per AS-11.

17.2 Hedging taken on foreign currency loans is adjusted on FIFO basis after adjusting for the Loans given in foreign currency (i.e. natural hedge).

17.3 Any profit or loss arising on cancellation or renewal of forward exchange contracts including interest rate swaps is recognized as income or as expense for the year.

17.4 In respect of interest rate swap transactions in JPY Yen entered by the company, the company is providing mark to market loss as on Balance Sheet Date.

17.5 The surplus or deficit on account of difference in spot exchange rate at the inception of forwardcontract and repayment of underlying foreign currency loan obligation recovered from or paid to counterparty respectively as per the hedging contract is recognized as gain or loss at the time of repayment of such loan.

18. Derivatives Held For Risk Management Purposes And Hedge Accounting

18.1 The foreign currency loan (which is an underlying transaction) and the swap contract (to hedge against any loss arising on the aforesaid loans) are treated as separate transactions.

18.2 Foreign currency borrowings are restated as per Accounting Standard 11, The Effects of Changes in Foreign Exchange rates.

18.3 The guidance note issued by the ICAI on “Accounting for Derivative Contracts” issued in June 2015, is applicable from 1stApril 2016. Before the applicability of the Guidance Note, IIFCL has opted to follow Application of AS-30, Financial Instruments: Recognition and Measurement. As perAccounting Standard 30, the derivative instrument is classified as a financial asset or financial liability at fair value through profit or loss and is carried at its fair value. The changes in the fair value of this derivative instrument is recognized in the statement of profit and loss, and offsets the translation gains/losses that have been recognized on the loan liability.

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19. Provisions, Contingent Liabilities And Contingent Assets

A provision is made when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date.No provision is made for liabilities arising from transactions and events whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed in the note of contingent liability on the basis of judgment of the management/independent expert. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimate.

(B) OTHER NOTES TO THE FINANCIAL STATEMENTS

1. (a) The Subsidiaries considered in the preparation of the consolidated financial statements are India Infrastructure Finance Company (U.K.) Limited incorporated at United Kingdom, IIFCL Projects Limited and IIFCL Asset Management Company Limited incorporated at India.

   (b) The Consolidated Financial Statements of India Infrastructure Finance Company Limited is for the year ended on 31st March 2016. The financial statements of the subsidiary companies are also made for the year ended 31st March 2016.

2. Prior Period Income & Expenses **(Accounting Standard-5)** which have been included under the regular heads in Statement of Profit & Loss are as under:

(` in lac)

Particulars	**Year Ended 31st March, 2016**	**Year Ended 31st March, 2015**
(A) Income		
(i) Income on Loans & Advances	(196.40)	(2,564.94)
(ii) Penal Interest	(0.32)	(9.61)
(iii) Other Charges	(2.00)	-
Total (A)	**(198.72)**	**(2,574.55)**
(B) Expenditure		
(i) Bond service/ issue expenses	-	18.55
(ii) Establishment and other expenses	(0.11)	(6.88)
(iii) Staff welfare expenses	-	2.30
(iv) Depreciation and amortisation expense	(90.72)	(0.86)
(v) Salaries and Wages	(0.26)	-
(vi) Lease Rent	-	1.58
(vii) Net loss on foreign currency transactions and translations	1,119.29	-
(viii) Amortization of Premium paid on non-current securities	55.62	
(ix) Interest Expense on Bonds	(5.09)	-
Total (B)	**1,078.73**	**14.69**
Net impact viz Gain/(Loss) on current year profit [(A)-(B)]	**(1,277.45)**	**(2,589.24)**

3. **<u>Changes in Accounting Policies</u>:**

   The details along with the financial impact of changes made in Significant Accounting Policies are given below:

   (i) Due to change Accounting Policy no. 15.3 Provision for Medical Assistance Scheme is provided in books of accounts.Accordingly profit before tax for the year ended 31st March 2016 is lower by ` 313.06 lac.

   (ii) Pending issuance of opinion of Expert Advisory Committee (EAC) of The Institute of Chartered Accountants of India (ICAI) in the matter of appropriate accounting treatment of foreign currency borrowings to the extent hedged requested by IIFCL dated 24th December 2011, IIFCL restated only Unhedged foreign currency borrowings at the exchange rate(s) prevailing at each reporting date as per AS 11 and losses/gains arising on restatement of Unhedged foreign currency borrowing were charged/booked to statement of Profit & Loss in the book of accounts till year ended 31st March 2015.

   EAC of ICAI provided the opinion dated 22nd September 2015. As per the opinion:

   a) Foreign currency loan, which is an under lying transaction and the swap contract entered to hedge against any loss arising on the foreign currency borrowings, should be treated as two separate transactions.

b) Accordingly the foreign currency loan should be accounted for in accordance with AS 11 and exchange differences should be charged to the statement of profit and loss at each reporting date.

c) Further, regarding hedged contracts, the company had the option either to follow the Announcement on Application of AS 30, Financial Instruments: Recognition and Measurement issued by the ICAI or follow the Guidance Note on Accounting for Derivatives. Since guidance note was applicable from 1st April 2016, IIFCL followed AS 30. As per the announcement, the derivative instrument is classified as a financial asset or financial liability at fair value through profit or loss and is carried at its fair value. The changes in the fair value of derivative instrument are recognized in the statement of profit and loss, and offset the translation gains/losses that have been recognized on the loan liability.

Consequently, the net impact of loss of ` 3,820.86 lac following the accounting policy no. 18 is charged to the Statement of Profit and Loss (including ` 1,119.13 lac upto 31st March 2015 related to the prior period adjustment). The profit before tax islower by ` 3,820.86 lac due to the above accounting treatment.

(iii) Due to the accounting policy regarding provision in cases as per criteria given in Note 24 (A) 3.4 (vii), the net profit of the company has reduced by ` 15,806.52 lac(Increase in provisioning by ` 29,087.77 lac and reduction in tax liability by ` 13,281.25 lac).#

(iv) Due to change in accounting policy of using exchange rates at the date of transactions instead of average exchange rates, there is an increase in income by ` 389.67 lac, expenditure by ` 326.94 lac and Profit before tax by ` 62.73 lac.#

4. <u>Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits" (Accounting Standard-15)</u>

As per AS-15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

A) GRATUITY PLAN (FUNDED): The Gratuity liability arises on account of future payments, which are required to be made in the event of retirement, death in service or withdrawal. The same has been provided on the basis of amount payable to LIC on Group Gratuity Scheme through trust in the name of IIFCL Employees Group Gratuity Fund. IIFCL pays amount of gratuity liability of employees under LIC group gratuity scheme and has not ascertained amount of actuarial valuation of gratuity liability as on date of financial statements.

Assumptions for Gratuity Plan:

(` in Lac)

	2015-16	**2014-15**
Mortality rate	LIC (1994-96)	LIC (1994-96)
Withdrawal rate	1 % to 3 % depending on age	1 % to 3 % depending on age
Discount rate (p.a.)	8%	8%
Salary escalation (p.a.)	6%	6%

As per IRDA circular no. IRDA/ACTL/REG/CIR/123/06/2013 dated 28th June 2013, no new member can be added to the Existing Policy. Hence, IIFCL subscribed to a new policy viz Policy No.103001183 for new employees in addition to the earlier policy viz Policy No. 331776.

 # The impact of addition in Accounting Policy is disclosed at printing stage pursuant to assurances given during course of audit to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

The details of group gratuity scheme of employees covered under Policy No. 331776 are as follows: **(` in Lac)**

	2015-16	**2014-15**
A) MEMBERSHIP DATA		
i) Number of members	45	46
ii) Average Age(years)	40.13	39.22
iii) Average Monthly Salary	0.95	0.81
iv) Average Past Service (years)	5.80	4.78
B) RESULTS OF VALUATION		
i) Present Value of Past Service Benefit	146.92	120.38
ii) Current Service Cost	6.26	13.22
iii) Total Service Gratuity	441.68	450.06
iv) Accrued Gratuity	241.75	173.14
v) Life Cover Sum Assured (LCSA)	199.93	276.92
vi) LC Premium	0.49	0.74
vii) Service Tax @14.5%	0.07	0.09
C) RECOMMENDED CONTRIBUTION RATE		
i) Fund Value as on renewal date	141.57	132.52
ii) Additional Contribution for existing fund	5.35	-
iii) Current Service Cost	6.27	1.08
TOTALAMOUNTPAYABLE [(C(ii)+ C(iii)+B(vi)+B(vii)]	**12.18**	**1.91**
D) FUND BALANCE		
i) Opening Balance	132.52	82.21
ii) Amount credited towards the Fund	9.05	40.04
iii) Amount paid as Claim	-	-
iv) Interest Credited for the year	11.53	10.27
Closing Balance	**153.10**	**132.52**

The details of group gratuity scheme of employees covered under Policy No. 103001183 are as follows: **(` in Lac)**

	2015-16	**2014-15**
A) MEMBERSHIP DATA		
i) Number of members	42	31
ii) Average Age(years)	32.76	32.32
iii) Average Monthly Salary	0.64	0.58
iv) Average Past Service(years)	1.55	0.61
B) RESULTS OF VALUATION		
i) Present Value of Past Service Benefit	17.83	4.55
ii) Current Service Cost	10.09	6.64
iii) Total Service Gratuity	386.36	257.82
iv) Accrued Gratuity	26.09	6.75
v) LCSA	360.27	251.07

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vi) LC Premium	0.39	0.42
vii) Service Tax @14.5%	0.06	0.04
C) RECOMMENDED CONTRIBUTION RATE		
i) Fund Value as on renewal date	17.83	3.67
ii) Additional Contribution for existing fund	-	0.88
iii) Current Service Cost	10.09	6.63
TOTAL AMOUNT PAYABLE [(C(i)+ C(iii)+B(vi)+B(vii)]	**28.37**	**7.99**
D) FUND BALANCE		
i) Opening Balance	3.67	-
ii) Amount credited towards the Fund	0.10	3.58
iii) Amount paid as Claim	-	-
iv) Total Mortality /Pol Admin /Fund Management Charges for the period along with Service Tax thereon	0.26	0.16
v) Interest Credited for the year	0.33	0.25
Closing Balance	**3.84**	**3.67**

II) OTHER EMPLOYEE BENEFITS (UNFUNDED)

Actuarial assumptions for other employee benefits (unfunded)

a) Economic Assumptions **(` in Lac)**

Particulars	**Year Ended 31st March 2016**	**Year Ended 31st March 2015**
i) Discounting Rate (%)	8.00	8.00
ii) Future salary Increase (%)	5.50	5.50
iii) Expected Rate of return on plan assets (%)	0.00	0.00

b) Demographic Assumptions **(` in Lac)**

Particulars	**Year Ended 31st March 2016**	**Year Ended 31st March 2015**
i) Retirement Age (Years)	60	60
ii) Mortality Table	Indian Assured (IALM)	Lives Mortality (2006 – 08)
iii) Ages	**Withdrawal Rate (%)**	**Withdrawal Rate (%)**
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

B) EARNED LEAVE LIABILITY: The earned leave due to an employee is the period which the employee has earned, diminished by the period of leave actually taken by the employee. It is earned at one-eleventh part of duty.

(` in Lac)

Particulars		**Year Ended 31st March 2016**	**Year Ended 31st March 2015**
1.	**Change in present value of obligation**		
a)	Present value of obligation as the beginning	129.10	92.60
b)	Acquisition adjustment	-	-
c)	Interest Cost	10.33	7.87
d)	Past service cost	-	-
e)	Current service cost	43.50	36.04
f)	Curtailment cost / (credit)	-	-
g)	Settlement cost / (credit)	-	-
h)	Benefits paid	(19.66)	(15.31)
i)	Actuarial (gain) / loss	10.67	7.90
j)	Present value of the defined benefit obligation as at end of the period	173.93	129.10
2.	**Change in the fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	Expected return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Actuarial (gain) / loss	-	-
g)	Fair value of plan assets at the end of the year	-	-
3.	**Fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	Actual return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Fair value of plan assets at the year end	-	-
g)	Funded status	(173.93)	(129.10)
h)	Excess of actual over estimated return of plan assets	-	-
4.	**Actuarial gain /loss recognized**		
a)	Actuarial gain/ (loss) for the period - obligation	(10.67)	(7.90)
b)	Actuarial gain/ (loss) for the period – plan assets	-	-
c)	Total (gain) / loss for the period	10.67	7.90
d)	Actuarial (gain) / loss recognized in the period	10.67	7.90
e)	Unrecognized actuarial(gains)/losses at the end of the period	-	-

5.	**The amount recognized in balance sheet and statement of profit and loss**		
a)	Present value of obligation as at the end of the period	173.93	129.10
b)	Fair value of plan assets as at the end of period	-	-
c)	Funded status	(173.93)	(129.10)
d)	Excess of actual over estimated	-	-
e)	Unrecognized actuarial (gains)/ losses	-	-
f)	Net assets/ (liability) recognized in balance sheet	(173.93)	(129.10)
6.	**Expense recognized in the statement of profit and loss**		
a)	Current service cost	43.50	36.04
b)	Past service cost	-	-
c)	Interest cost	10.33	7.87
d)	Expected return on plan assets	-	-
e)	Curtailment cost / (credit)	-	-
f)	Settlement cost / (credit)	-	-
g)	Net actuarial (gain) / loss recognized in the period	10.67	7.90
h)	Expenses recognized in the statement of profit and loss	64.50	51.81

C) **LEAVE FARE CONCESSION:** All whole-time employees of the Company who have completed one year of service including continuous temporary service on the date the journey is performed by him or his family are eligible for this facility. The concession shall be admissible once in every block of two years. and the first of such set / block shall commence from the first date of the month in which an employee joins the Company, but the same can be availed of only after his/her completion of one year of continuous service including temporary service / probation period.

(` in Lac)

Particulars		**Year Ended 31st March 2016**	**Year Ended 31st March 2015**
1.	**Change in present value of obligation**		
a)	Present value of obligation as the beginning	9.26	10.26
b)	Acquisition adjustment	-	-
c)	Interest Cost	0.74	0.82
d)	Past service cost	-	-
e)	Current service cost	5.07	3.49
f)	Curtailment cost / (credit)	-	-
g)	Settlement cost / (credit)	-	-
h)	Benefits paid	(63.70)	(53.35)
i)	Actuarial (gain) / loss	61.07	48.04
j)	Present value of the defined benefit obligation as at end of the period	12.44	9.26

2.	**Change in the fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	Expected return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Actuarial (gain) / loss	-	-
g)	Fair value of plan assets at the end of the year	-	-
3.	**Fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	actual return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Fair value of plan assets at the year end	-	-
g)	Funded status	(12.44)	(9.26)
h)	Excess of actual over estimated return of plan assets	-	-
4.	**Actuarial gain /loss recognized**		
a)	Actuarial gain/ (loss) for the period - obligation	(61.07)	(48.04)
b)	Actuarial gain/ (loss) for the period – plan assets	-	-
c)	Total (gain) / loss for the period	61.07	48.04
d)	Actuarial (gain) / loss recognized in the period	61.07	48.04
e)	Unrecognized actuarial(gains)/losses at the end of the period	-	-
5.	**The amount recognized in balance sheet and statement of profit and loss**		
a)	Present value of obligation as at the end of the period	12.44	9.26
b)	Fair value of plan assets as at the end of period	-	-
c)	Funded status	(12.44)	(9.26)
d)	Excess of actual over estimated	-	-
e)	Unrecognized actuarial (gains)/ losses	-	-
f)	Net assets/ (liability) recognized in balance sheet	(12.44)	(9.26)
6.	**Expense recognized in the statement of profit and loss**		
a)	Current service cost	5.07	3.49
b)	Past service cost	-	-
c)	Interest cost	0.74	0.82
d)	Expected return on plan assets	-	-
e)	Curtailment cost / (credit)	-	-
f)	Settlement cost / (credit)	-	-
g)	Net actuarial (gain) / loss recognized in the period	61.07	48.04
h)	Expenses recognized in the statement of profit and loss	66.88	52.35

D) SICK LEAVE: Sick leave is a half leave pay. Where an employee has served the company for at least a period of three years, the employee may, on request, be permitted to avail of, during the full period of service of the employee, sick leave on leave pay upto a maximum of nine months, such leave on leave pay being entered in sick leave account of the employee as twice the period of leave availed of by the employee.

(` in Lac)

Particulars		Year Ended 31st March 2016	Year Ended 31st March 2015
1.	**Change in present value of obligation**		
a)	Present value of obligation as the beginning	65.40	45.77
b)	Acquisition adjustment	-	-
c)	Interest Cost	5.23	3.89
d)	Past service cost	-	-
e)	Current service cost	26.32	17.99
f)	Curtailment cost / (credit)	-	-
g)	Settlement cost / (credit)	-	-
h)	Benefits paid	-	-
i)	Actuarial (gain) / loss	9.99	(2.25)
j)	Present value of the defined benefit obligation as at the end of period	106.94	65.40
2.	**Change in the fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	Expected return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Actuarial (gain) / loss	-	-
g)	Fair value of plan assets at the end of the year	-	-
3.	**Fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	actual return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Fair value of plan assets at the year end	-	-
g)	Funded status	(106.94)	(65.40)
h)	Excess of actual over estimated return of plan assets	-	-
4.	**Actuarial gain /loss recognized**		
a)	Actuarial gain/ (loss) for the period - obligation	(9.99)	2.25
b)	Actuarial gain/ (loss) for the period – plan assets	-	-
c)	Total (gain) / loss for the period	9.99	(2.25)
d)	Actuarial (gain) / loss recognized in the period	9.99	(2.25)
e)	Unrecognized actuarial(gains)/losses at the end of the period	-	-

5.	**The amount recognized in balance sheet and statement of profit and loss**		
a)	Present value of obligation as at the end of the period	106.94	65.40
b)	Fair value of plan assets as at the end of period	-	-
c)	Funded status	(106.94)	(65.40)
d)	Excess of actual over estimated	-	-
e)	Unrecognized actuarial (gains)/ losses	-	-
f)	Net assets/ (liability) recognized in balance sheet	(106.94)	(65.40)
6.	**Expense recognized in the statement of profit and loss**		
a)	Current service cost	26.32	17.99
b)	Past service cost	-	-
c)	Interest cost	5.23	3.89
d)	Expected return on plan assets	-	-
e)	Curtailment cost / (credit)	-	-
f)	Settlement cost / (credit)	-	-
g)	Net actuarial (gain) / loss recognized in the period	9.99	(2.25)
h)	Expenses recognized in the statement of profit and loss	41.54	19.63

E) **Post-retirement medical benefit (PRMB) (Introduced from Sep 2015):** Actuarial valuation of the Post-retirement medical benefit (PRMB) liability as on 31st March 2016, as per AS-15(R).

(` in Lac)

Particulars		**Year Ended 31st March 2016**	**Year Ended 31st March 2015**
1.	**Change in present value of obligation**		
a)	Present value of obligation as the beginning	-	-
b)	Acquisition adjustment	-	-
c)	Interest Cost	-	-
d)	Past service cost	260.25	-
e)	Current service cost	52.81	-
f)	Curtailment cost / (credit)	-	-
g)	Settlement cost / (credit)	-	-
h)	Benefits paid	-	-
i)	Actuarial (gain) / loss	-	-
j)	Present value of the defined benefit obligation as at the end of period	313.06	-
2.	**Change in the fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	Expected return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Actuarial (gain) / loss	-	-
g)	Fair value of plan assets at the end of the year	-	-

3.	**Fair value of plan assets**		
a)	Fair value of plan assets at the beginning	-	-
b)	Acquisition adjustment	-	-
c)	actual return on plan assets	-	-
d)	Contributions	-	-
e)	Benefits paid	-	-
f)	Fair value of plan assets at the year end	-	-
g)	Funded status	(313.06)	-
h)	Excess of actual over estimated return of plan assets	-	-
4.	**Actuarial gain /loss recognized**		
a)	Actuarial gain/ (loss) for the period - obligation	-	-
b)	Actuarial gain/ (loss) for the period – plan assets	-	-
c)	Total (gain) / loss for the period	-	-
d)	Actuarial (gain) / loss recognized in the period	-	-
e)	Unrecognized actuarial(gains)/losses at the end of the period	-	-
5.	**The amount recognized in balance sheet and statement of profit and loss**		
a)	Present value of obligation as at the end of the period	313.06	-
b)	Fair value of plan assets as at the end of period	-	-
c)	Funded status	(313.06)	-
d)	Excess of actual over estimated	-	-
e)	Unrecognized actuarial (gains)/ losses	-	-
f)	Net assets/ (liability) recognized in balance sheet	(313.06)	-
6.	**Expense recognized in the statement of profit and loss**		
a)	Current service cost	52.81	-
b)	Past service cost	260.25	-
c)	Interest cost	-	-
d)	Expected return on plan assets	-	-
e)	Curtailment cost / (credit)	-	-
f)	Settlement cost / (credit)	-	-
g)	Net actuarial (gain) / loss recognized in the period	-	-
h)	Expenses recognized in the statement of profit and loss	313.06	-

1.2) In respect of Whole Time Director: - **(` in lac)**

Particular	**Gratuity**	**Leave Encashment**	**Sick Leave**
Expenses recognized in Statement of Profit & Loss	0.59	1.81	0.57
Amount recognized in Balance Sheet	0.99	3.91	1.43

5. The Company's main business is to provide finance/ refinance for Infrastructure Projects, UK subsidiary i.e. India Infrastructure Finance Company (U.K.) Limited is also engage in the business of providing finance for infrastructure projects where as the IIFCL Projects Limited is engaged in infrastructure project development & advisory activities and IIFCL Asset Management Company Limited (IAMCL) is set up to engage in management of Infrastructure Debt Funds (IDFs) through Mutual Fund route. As IAMCL is yet to start management of IDF, segment information is not furnished for the same. Segment information as required by **Accounting Standard 17** issued by the Institute of Chartered Accountants of India is furnished below:

(` in lac)

Particular	Financing	Advisory Services	Investment Management Fee	Total
Segment Reporting Revenue				
Revenue from Operation	499,424.08	223.97	515.65	500,163.70
Less: Inter segment Revenue	-	-	-	-
Total Operating Income	499,424.08	223.97	515.65	500,163.70
Segment Results				
Profit Before Tax	98,533.33	(90.49)	142.53	98,585.37
Tax	-	-	-	54,881.92
Profit After Tax	-	-	-	43,703.46
Segment Assets	5,718,517.56	543.43	1,582.73	5,720,643.72
Segment Liabilities	4,932,484.82	49.33	47.78	4,932,581.93
Capital Employed	786,480.74	46.10	1,534.95	788,061.79
Depreciation and Amortisation	41.30	6.94	3.57	51.81
Capital Expenditure	180.16	7.34	0.32	187.82
Non Cash Expenditure	23,198.92	-	-	23,198.92

6.(i) As per **Accounting Standard-18**, the disclosures of transactions with the related parties are given below:

A) **Managerial Remuneration and related party disclosures**

(i) **Key Managerial Personnel:**

Whole Time Directors

- Shri S.B Nayar - Chairman and Managing Director
- Shri Sanjeev Kaushik - Whole Time Director and Deputy Managing Director

Other than Directors

- Shri Rajeev Mukhija - Chief General Manager-CFO
- Smt. Manjari Mishra - Assistant General Manager-CS

(ii) **Directors:**

- Shri V.K. Bhasin - Part Time Non- Official Director
- Shri J. Venkateshwarlu - Part Time Non- Official Director

(iii) **Wholly owned Subsidiary Company:**

(a) India Infrastructure Finance Company (UK) Limited

(b) IIFCL Projects Ltd. and

(c) IIFCL Asset Management Company Ltd.

(iv) **Associate Companies:** Irrigation and Water Resources Finance Corporation Limited (IWRFCL)

B) Transactions during the year ended 31st March 2016 (Previous year ended on 31st March 2015) with related parties:

(` in lac)

S. No.	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
(a)	**Managerial Remuneration (Whole time directors)**		
	(i) Shri S.B. Nayar		
	Remuneration	35.45	33.64
	Perquisite	0.71	1.62
	Provision for Performance linked incentive	10.00	10.00
	Leave encashment, Sick Leave, PF & Gratuity	6.07	4.71
	(ii) Shri Sanjeev Kaushik		
	Remuneration	29.15	4.32
	Perquisite	1.72	0.01
	Provision for Performance linked incentive	9.20	1.35
(b)	**Managerial Remuneration (Other than directors)**		
	(i) Shri Rajeev Mukhija (Chief General Manager- CFO)		
	Remuneration	25.69	30.20
	(ii) Smt. Manjari Mishra (Assistant General Manager-CS)		
	Remuneration	13.64	5.01
(c)	**Rent received/ recoverable from associate companies**		
	Irrigation and Water Resources Finance Corporation Limited	24.23	35.18
(d)	**Expenses recovered/recoverable from associate companies:**		
	Irrigation and Water Resources Finance Corporation Limited	2.94	1.44
(e)	**(i) Sitting fee paid to Part Time Non- Official Directors:**		
	Shri Hari Santosh Kumar (Ex- Part Time Non Official Director)	-	2.50
	Prof. V. VenkataRamana (Ex- Part Time Non Official Director)	-	3.17
	Shri V. K. Bhasin	2.20	2.80
	Shri J. Venkateshwarlu	2.10	2.57
	(ii) Conveyance reimbursement to Part Time Non- Official Directors :		
	Prof. V. VenkataRamana(Ex- Part Time Non Official Director)	-	0.27
	Shri J. Venkateshwarlu	0.27	0.27

C) Balances outstanding

(` in lac)

S. No.	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
i)	**Remuneration & other benefits**		
	Key Managerial Person		
	Provision for Performance Linked Incentive to Whole time Directors	75.67	57.82
	Leave Encashment(Provision)	3.91	3.63
	Sick Leave(Provision)	1.43	-
	Gratuity(Provision)	0.99	0.95
	Provident Fund	0.21	0.20
	Amount /Rent recoverable from associate		
	(a) Irrigation and Water Resources Finance Corporation Limited	1.21	0.19

(ii) Pursuant to the applicability of relevant provisions of the Companies Act, 2013 w.e.f. 1st April 2014, the following information is disclosed as per Clause 2 of General instructions for the preparation of consolidated financial statements of Schedule III of Companies Act, 2013:

Name of the Entity	Net Assets* i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (` in Lac)	As % of consolidated profit or loss	Amount (` in Lac)
	As on 31.03.2016	As on 31.03.2016	As on 31.03.2016	As on 31.03.2016
Parent				
India Infrastructure Finance Company Limited	89.38	7,26,468.27	82.29	46,849.91
Subsidiaries				
Indian				
IIFCL Projects Ltd.	0.06	494.10	0.41	235.30
IIFCL Asset Management Company Ltd.	0.19	1,534.94	0.17	94.16
Foreign				
IIFC(UK) Ltd.	10.37	84,259.29	17.13	9,753.55
Minority Interests in all subsidiaries	-	-	-	-
Associates (Investment as per equity method)#				
Indian	-	Nil	-	Nil
Foreign	-	Nil	-	Nil
Joint Ventures (as per proportionate consolidation/ investment as per equity method)				
Indian	-	Nil	-	Nil
Foreign	-	Nil	-	Nil

*Aggregate of Net Assets reflected in financial statements of subsidiary companies is higher than net assets reflected in consolidated financial statements by ` 24,694.80 lac i.e. investment by parent company in subsidiary companies.

The Financial Statement of Irrigation and Water Resources Finance Co. Ltd. an associate company has not been consolidated as IIFCL does not hold any investment in this associate company.

(iii) The salient features of the financial statements of subsidiaries as per Companies Act, 2013:

(` in lac)

Name of Subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Turn-over	Profit before Tax	Provision for Tax	Profit after Tax	Share-holding
IIFCL Projects Ltd.	` in Lac	50.00	444.10	798.21	304.11	671.97	357.50	122.20	235.30	100%
IIFCL Asset Management Company Ltd.	` in Lac	1,250.00	284.94	1,655.50	120.56	515.65	142.53	48.37	94.16	100%
IIFC(UK) Ltd.	` in Lac	23,394.80	60,864.50	15,15,876.92	14,31,617.62	46,708.92	14,862.22	5,108.67	9,753.55	100%
	USD (in million)	50.00	77.02	2,285.26	2,158.24	70.77	22.61	7.75	14.86	

7. <u>Provisions of Accounting Standard-19</u>

a) Financial Lease: NIL

b) Operating Lease: The Company has taken office premises under operating lease with varying lease periods and disclosure requirements are as under:-

(` in lac)

Period	**Year Ended 31st March 2016**	**Year Ended 31st March 2015**
Total of future minimum lease payments (Gross Investment)	6,174.14	665.03
Present value of lease payments	5,321.12	644.08
10 Year G-Sec Yield	7.46%	7.74%
Maturity profile of total of future minimum lease payments		
Not later than one year	1,799.30	665.03
Later than one year but not later than five year	3,782.62	-
Later than five year	592.22	-
Total	**6,174.14**	**665.03**

8. In terms of **Accounting Standard-20** issued by the Institute of Chartered Accountants of India, Earnings per share (Basic & Diluted) is as under:

Particulars	**Year Ended 31st March 2016**		**Year Ended 31st March 2015**	
	Shares	**Amount ` in lac**	**Shares**	**Amount ` in lac**
Nominal Value of share (`)	10/-		10/-	
Number of Equity Share (No. in lac)	39,000.00		39,000.00	
Weighted Average Number of Equity Shares (No. in lac)	39,000.00		35,317.81	
Net Profit (after tax)		43,703.46		91,997.74
Earnings Per Share (Basic) (`)		1.12		2.60
Earnings Per Share(Diluted)(`)		1.12		2.60

9. Fixed assets possessed by the company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by **Accounting Standard-28** on "Impairment of Assets". As on 31st March 2016, there were no events or change in circumstances, which indicate any impairment in the assets.

10. **Disclosure under Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets (AS-29)"**

(` in lac)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Income Tax (Net)		
Opening Balance	(4,844.08)	960.16
Addition during the period	49,590.18	48,993.18
Amount paid/ adjusted during the period	42,358.12	54,797.42
Closing Balance	**2,387.98**	**(4,844.08)**
Proposed Wage Revision		
Opening Balance	294.87	142.24
Addition during the period	236.03	152.36
Amount Paid/ Transferred to current liabilities	-	-
Closing Balance	**530.90**	**294.87**
Leave Fare Concession		
Opening Balance	18.14	10.92
Addition during the period	64.54	60.57
Amount paid/adjusted during the period	52.92	53.35
Closing Balance	**29.76**	**18.14**
Medical Assistance Scheme		
Opening Balance	-	-
Addition during the period	**317.49**	-
Amount paid/adjusted during the period	-	-
Closing Balance	**317.49**	-
Leave Encashment		
Opening Balance	136.31	97.55
Addition during the period	64.50	55.14
Amount paid/adjusted during the period	16.82	16.38
Closing Balance	**183.99**	**136.31**
Sick Leave		
Opening Balance	65.40	45.77
Addition during the period	41.54	19.63
Amount paid/adjusted during the period	-	-
Closing Balance	**106.94**	**65.40**
Performance Linked Incentive to Whole Time Directors		
Opening Balance	73.94	62.59
Addition during the period	18.12	11.35
Amount paid/adjusted during the period	0.26	-
Closing Balance	**91.80**	**73.94**

IIFCL
(ISO:9001:2008)

(` in lac)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Marked to Market Losses on Derivatives(Note no: 24 (B) (11 a))		
Opening Balance	2,727.17	4,209.41
Addition during the period	422.56	1,482.24
Closing Balance	**3,149.73**	**2,727.17**
Contingent Provision against Standard Assets		
Opening Balance	9,105.64	7,408.11
Addition during the period	3,239.00	1,697.53
Closing Balance	**12,344.64**	**9,105.64**
Provision against Sub-standard Assets		
Opening Balance	9,887.34	23,015.39
Addition during the period	12,045.63	8,306.81
Provision write back on account of NPA write off	(952.30)	(21,434.86)
Closing Balance	**20,980.67**	**9,887.34**
Provision against Restructured Assets		
Opening Balance	21,900.53	11,893.21
Addition during the period	(173.24)	10,007.32
Closing Balance	**21,727.29**	**21,900.53**
Provision against Doubtful Assets		
Opening Balance	17,980.01	2130.19
Addition during the period	19,572.36	16,371.86
Provision write back on account of NPA write off	(20,180.70)	(522.04)
Closing Balance	**17,371.67**	**17,980.01**
Strategic Debt Restructured Assets		
Opening Balance	-	-
Addition during the period	**9,143.24**	-
Closing Balance	**9,143.24**	-

11. Contingent liabilities and commitments (to the extent not provided for) areas under:-

(` in lac)

S. No.	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
(A)	**Contingent liabilities:**		
	(a) Claims against the company not acknowledged as debt:		
	- Demand of Income Tax dues for Assessment Year 2008-09 made by the Income Tax Deptt. Vide order dated 7th March 2014.	159.00	159.00
	- Legal consultancy demand, disputed by the company (IAMCL). The Matter is settled as on date.	-	7.07
	- Demand of Income Tax Dues for Assessment Year 2013-14 made by the Income Tax Deptt. Vide order dated December 28, 2015. The Matter is before CIT(A) (IAMCL).	20.68	-
	- Demand of Additional Tax under section 143(3) of the Income Tax Act,1961 made by the Income Tax Deptt. for Assessment Year 2013-14.The Matter is under contention (IPL).	12.07	-
	(b) Guarantees	Nil	Nil
	(c) Other money for which the company is contingently liable:		
	(i) Letter of Comfort for issue of Letter of Credit (LC) (The company has issued letters of comfort to respective lead banks/member bank in the consortium of lenders for issuing LC on behalf of respective borrowers for subsequently releasing the amount of LC towards disbursement of sanctioned loan assistance)	1,02,133.06	63,568.20
	(ii) Guarantee given under credit enhancement scheme	16,096.00	-
(B)	**Commitments:**		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
	Estimated amount of contracts remaining to be executed on capital account (net of advances)	17,589.15	203.18
	(b) Uncalled liability on shares and other investments partly paid:		
	Uncalled liability on account of capital commitment in respect of Venture Capital Units of IDFC Project Equity Domestic Investors Trust II	765.89	765.89
	(c) Other commitments :		
	Estimated amount of contracts under Corporate Social Responsibility (CSR) remaining to be executed (net of advances)	2,656.50	3,199.00

12. <u>Investment in Venture Capital Units</u>

During the year ended 31st March 2016, the company has invested NIL(` 163.25 lac asat 31st March 2015) in Venture Capital Units of IDFC Project Equity Domestic Investors Trust II promoted by the company along-with IDFC, Citibank (cumulative amount of investment by the company is ` 9,234.11 lac). Out of total commitment of ` 10,000 lac, the company have contributed as investor in the venture and does not have joint control. Since there is no distributable profit in the fund, no income is accounted for, in the books of accounts in relation to such investments. However, the company has received during the current year a sum of ` 240.55 lac (` 310.90 lac during year ended 31st March 2015) including tax paid ` 49.55 lac (` 97.20 lac during year ended 31st March 2015) in respect of redemption of venture capital units.

13. The company has created net deferred tax liability of ` 5,291.73 lac during year ended 31st March 2016 (increase in deferred tax liability of ` 9,747.85 lac & net of increase in deferred tax asset by ` 4,456.12 lac), Previous year ended 31st March 2015 the company has created net deferred tax liability of ` 2,247.22 lac (increase in deferred tax liability of ` 6,874.37 lac net of increase in deferred tax asset by 4,627.15 lac).

14. Based on information available with the company, there are no suppliers/service providers who are registered as Micro, Small and Medium undertakings under "The Micro, Small and Medium Enterprises Development Act 2006" as on 31st March 2016. Hence the company has no outstanding liability towards Micro, Small and Medium Enterprises and other information to be prescribed under this act is **Nil.**

15. **Derivative Transactions**

a) During the year 2007-08,the company had entered into two interest rate swap (IRS) transactions of notional principal amounts of ` 5,000 laceach(equivalent to notional principal of JPY 2,73,23.62 lac) which will mature on 19th December 2022. According to these IRS deals, the company will pay interest @ 7.46% p.a. on JPY notional amount(wherein coupon payments remains fixed for 5 years at the rate of 1JPY= ` 0.3658 in one deal and IJPY= ` 0.3662 in second deal) and receive interest @ 8.82% p.a. on 'notional principal amounts. The company has provided for entire Mark-to-Market loss, as computed by the counter party banks and confirmed by other valuer, on the above swap transactions amounting to ` 3,149.73lac as at 31st March 2016 (` 2,727.17 lac as at 31st March 2015) which includes gain of ` 422.56 lac for the year ended 31st March 2016 (profit by way of write back of provision of ` 1,482.24 lac for the year ended 31st March 2015).

b) Notional principal amount of ` 2,000 lac out of the two interest rate swap (IRS) transactions referred in note 15 (a) above, was unwound during the year ended 31st March 2014. Consequently, the aggregate notional principal amounts of two interest rate swap (IRS) transactions referred in note 15(a) above, is reduced to ` 8,000 lac.

c) The company has undertaken composite contracts i.e. Cross currency swaps (Principal and Interest) to hedge risks relating to floating interest rates as well as foreign exchange fluctuations on foreign currency borrowings from multilateral institutions as under:

(` in Lac)

Institution	**Amount of Cross Currency Swaps**	
	Year Ended 31st March 2016	**Year Ended 31st March 2015**
Asian Development Bank (ADB):-		
USD	10,735.72	9,486.92
INR	5,82,548.64	4,70,453.50
KreditanstaltfürWiederaufbau(KFW):-		
EURO	223.79	254.74
INR	13,672.43	15,562.94
IBRD World Bank:-		
USD	1,949.87	344.88
INR	1,27,126.91	18,023.11

As per the Mark-to-Market (M2M) valuations furnished by the counter party banks and other valuer on the above contracts, the net M2M gainas on 31st March 2016 amounts to ` 1,31,109.29 lac (Gross gain of ` 1,34,429.01 lac less Gross loss ` 3,319.73 lac) and M2M gain as on 31st March 2015 amounts to ` 1,27,418.65 lac (Gross gain of ` 1,30,595.38 lac less Gross loss ` 3,176.73 lac).

During the financial year ended 31st March 2012, the company sought the opinion of Expert Advisory Committee of the Institute of Chartered accountant of India to advice on the correct accounting treatment to be followed by the company for accounting treatments in respect of foreign currency loan to the extent hedged. In this regard, ICAI vide letter dated 22nd September 2015 provided opinion in the matter.

ICAI also issued guidance note on "Accounting for Derivative Contracts" in June 2015 which is applicable from 1st April 2016. Before the applicability of the Guidance Note as per opinion given by ICAI, IIFCL has opted to follow Application of AS-30, Financial Instruments: Recognition and Measurement for accounting treatments in respect of foreign currency loan to the extent hedged. As per Accounting Standard30, the derivative instrument is classified as a financial asset or financial liability at fair value through profit or loss and is carried at its fair value. The changes in the fair value of this derivative instrument is recognized in the statement of profit and loss, and offsets the translation gains/losses that have been recognized on the loan liability.

Consequently, the net impact of loss of ` 3,820.86 lac following the accounting policy in this regard is charged to the statement of Profit and Loss (including ` 1,119.13 lac upto 31st March 2015).

The details of hedged portion of loan restated at closing rate in line with AS-11 are as follows:

(` in Lac)

Institution	**Amount of Hedged Position**	
	Year Ended 31st March 2016	**Year Ended 31st March 2015**
Asian Development Bank (ADB):-		
USD	10,735.72	9,486.92
INR	7,12,131.44	5,93,793.91
KreditanstaltfürWiederaufbau(KFW):-		
EURO	223.79	254.74
INR	16,805.62	17,197.60
IBRD World Bank:-		
USD	1,949.87	344.88
INR	1,29,340.53	21,586.32

d) Unhedged position of foreign currency loans is as under: **(` in Lac)**

Institution	**Amount of Unhedged Position**	
	Year Ended 31st March 2016	**Year Ended 31st March 2015**
Asian Development Bank (ADB):-		
USD	4,350.08	4,125.46
INR	2,88,553.72	2,58,216.02
KreditanstaltfürWiederaufbau(KFW):-		
Euro	215.46	245.26
INR	16,180.67	16,557.87
IBRD World Bank:-		
USD	0.12	520.88
INR	8.29	32,602.00
European Investment Bank (EIB)		
EURO	750.00	-
INR	56,321.62	-

e) In terms of Accounting Policy 6.6.2, the exchange rates (i.e. RBI reference rates) prevailing on the date of closure of accounts are as follows:

S. No.	Exchange Rates	Year Ended 31st March 2016	Year Ended 31st March 2015
1	USD/INR	66.3329	62.5908
2	EURO/INR	75.0955	67.5104

f) In terms of Accounting Policy no. 1.1(ii) & 1.1(iii), the following exchange rates (i.e. RBI reference rates) (USD/INR) are used for translation of financial statement of IIFC(UK) Ltd.:

Exchange Rates	Year Ended 31st March 2016	Year Ended 31st March 2015
Assets & Liabilities (Closing Exchange Rate)	66.3329	62.5908
Income & Expense (Average Exchange Rate)	Converted at RBI reference rate at the date of transaction.	61.1510

16. Creation of Bond Redemption Reserve

a) In respect of privately placed bonds: Since the company is notified as Public financial institution within the meaning of Section 2(72) of Companies Act 2013 vide notification no S.O.143 (E) (F.NO.3/5/2008) Dated 14th January 2009 of Central Government, it is not required to create Bond Redemption Reserve in respect of private placed bonds as per circular no 04/2013 issued by Ministry of Corporate Affairs, Government of Indiadated 11th February 2013.

b) In respect of publicly placed bonds: The company issued Tax Free Bonds of the face value of ` 1000 each aggregating to ` 3,15,631.89 Lac in FY 2012-13, ` 6,87,754.25 lac in FY 2013-14 and Long Term Infrastructure Bonds of ` 9,096.18 Lac in FY 2010-11 totaling ` 10,12,482.32 Lac through public issue.

As per Rule 18(7)(b)(ii) of Companies (Share Capital and Debentures) Rules 2014, The Company shall create Debenture Redemption Reserve(DRR) for NBFCs registered with the RBI under Section 45-IA of the RBI(Amendment) Act, 1997, 'the adequacy' of DRR will be 25% of the value of 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. Accordingly the company has created bond redemption reserve of ` 45,507.67 lac up to 31st March 2016 (` 28,390.03 lac up to 31st March 2015).

Further, the company has bought back of Long Term Infrastructure Bonds amounting to ` 2,383.95 lac during financial year ended 31st March 2016. Accordingly, DRR as on 31st March 2016 has been created after giving effect to buyback of these bonds.

As per the disclosure requirements contained in the listing agreement with Stock exchange, it is stated that the company has not given any loans and advances in the nature of loans to Individuals, associates and to firms/ companies in whom directors are interested. Further, no loan (borrower) has made any investment in the shares of the company or its subsidiary.

17. The pay revision of the employees of the company is due w.e.f. 1st November 2012. Pending revision of pay, a provision of ` 530.90 lac has been made for the period 1st November 2012 to 31st March 2016 on estimated basis taking base of 24% increase in last revision made from 1st November 2007 for next 5 years.

18. (a) RBI issued Certificate of registration dated 9th September 2013 to IIFCL to carry on the business of Non-Banking Financial Institution without accepting public deposits.

(b) Prudential norms issued by RBI for NBFC-IFC do not apply to Company, being a Government owned company. On registration as an NBFC-IFC, the company, being a Government owned company, was required to prepare a roadmap for compliance with various elements of the NBFC Regulations in consultation with the Government and submit the same to Reserve Bank of India (Department of Non-Banking Supervision) as directed by RBI vide notification No. DNBS. PD/CC No. 86/03.02.089/2006-07 dated 12th December 2006. In compliance with the requirement, company vide letter dated 21st November 2014 to RBI has submitted roadmap to comply with various elements of RBI Regulation w.e.f. 1st January 2015.

(c) The company has restructured/ rescheduled 27 loan accounts up to 31st March 2016 having outstanding balance of ` 3,49,663.16 lac as on 31st March 2016(` 4,37,868.69 in 36 loan accounts as on 31st March 2015) and there is no shortfall in value of security in these accounts as on 31st March 2016 refer note 24(A)(3.4)(v)

(d) Pursuant to Accounting policy no. 24(A)(3.4)(vi), reasons for adopting accelerated provisioning in 10 cases is as under:

i. RDF Power Projects Limited

Means development, design, procurement, ownership, construction, commissioning, operation and maintenance of MSW Processing facility of 12 MW Power Plant at Chinnaravulappli Village, Bibinagar Mandal, Hyderabad, Andhra Pradesh. The scope of the Project would include development of MSW processing facility and 12 MW Power Plant from Municipal Solid Waste including infrastructure facility like, internal roads, water supply and facilities for power transmission to the APSEB/ Grid sub-station.In view of this provision of 40% has been created in the said account as against required provisioning of 10% as per RBI norms.

ii. Bee Pee Power Limited

Means development, design, procurement, ownership, construction, commissioning, operation and maintenance of Municipal Solid Waste (MSW) Composting facilities at Chittoor, Tirupathi, Nellore and Ongole along with 15 MW Power Plant at Baddavolu Village, Nellore, Andhra Pradesh. The scope of the Project would include development of MSW Compost processing facilities at 4 locations and 15 MW Power Plant utilising Municipal Solid Waste including infrastructure facilities like, internal roads, water supply and for power transmission to the APSEB/ Grid sub-station. In view of this provision of 40% has been created in the said account as against required provisioning of 10% as per RBI norms.

iii. Hema Sri Power Projects Limited

Means development, design, procurement, ownership, construction, commissioning, operation and maintenance of MSW Processing facility of 12.6 MW Power Plant at Vibhalpuram Village, Nalgonda District, Andhra Pradesh. The scope of the Project would include development of MSW processing facility and 12.6 MW Power Plant from Municipal Solid Waste to energy including infrastructure facility like, internal roads, water supply and facilities for power transmission to the APSEB/ Grid sub-station. In view of this provision of 40% has been created in the said account as against required provisioning of 10% as per RBI norms.

iv. Pride India Co-operative Textile Park Limited

Development, design, procurement, ownership, construction, commissioning, operation and maintenance of common infrastructure for textile units at Kagal, Maharashtra by the Borrower ("the Project").The scope include development of factory buildings and infrastructure including roads, water supply, sewerage & STP, storm water drainage, Captive Power Plant, electrical distribution system, common amenities for the Industrial Units. In view of this provision of 40% has been created in the said account as against required provisioning of 10% as per RBI norms.

v. Dighi Port Limited

Dighi Port is being developed by Balaji Infra Projects Ltd (BIPL) under a 50 year "Build, Own, Operate, Share, Transfer (BOOST)" concession agreement signed with the Maharashtra Maritime Board (MMB), the Government of Maharashtra, to develop, operate, finance and maintain the Port. Despite restructuring under CDR, the project implementation has not been completed and revenue stream remains minimal. Capacity utilization of the port to break even depends on road and rail connectivity which is expected to take around three years of time. Further differences between the shareholders of the company is not resolved and promoter is unable to infuse funds/rope in strategic investor. Hence provisioning of 50% has been made as against required provisioning of 30% as per RBI norms.

vi. West Haryana Highways Projects Private Limited

The project involves augmentation of the existing road from Km 29.7 to Km 87 (approx. 63.49 km) on the Bahadurgarh-Rohtak Section of NH-10 in the State of Haryana by Six/Four Laning on BOT basis (toll based) for a period of 25 years from appointed date i.e. 03.05.2008.The Concessioning Authority is NHAI. The project achieved PCOD in Nov 2015 as against SCOD of 01.05.2010 due to delay in handover of land. Further, the toll collections are much less than projections and not sufficient to service the lenders dues. In view of the same, a provision of 30% is made as against required provisioning of 10% as per RBI norms.

vii. Atlanta Infra Assets Limited

The toll based road project involves improvement, operation and maintenance including strengthening and widening of existing 2-lane road to 4-lane dual carriage way from Km 9.200-Km 50.000 of NH-6 (Nagpur-Kondhali Section)in the State of Maharashtraon BOT basis. The Concessioning Authority is NHAI. The present toll collection is not enough to service the debt of the lenders and funds are required for major maintenance. Based on the indicative offer of an ARC, a provisioning of 30% has been made as against the required provisioning of 10% as per RBI norms.

viii. KVK Nilanchal Power Limited

The project involves development 350 MW (1x350 MW) Coal based Thermal power Plant in the state of Orissa. The implementation of the project is stalled since May 2012 due to a status quo issued by High Court of Orissa based on a PIL filed regarding Wild Life Clearance from NBWL. Later the status quo was removed in May 2014. As per the audited balance sheet for financial year 2014-15 of the company there is a security shortfall. Hence provision of 30% has been made as against required provisioning of 10% as per RBI norms.

ix. Indira Container Terminal Private Limited

The project involves operation and management of Ballard Pier station for 5 years and development of Offshore Container Terminal (OCT) together with operation of OCT for 30 Years including period of 3 years for construction of OCT. The Licensor is Mumbai Port Trust (MbPT). The License period is 30 years. Presently, the project is stalled for various reasons. However RoRo (Roll on Roll off) operations have been permitted by Mumbai port Trust as an interim measure which is generating some revenue. The process for revival of this project including by way of rebidding with expanded scope is under discussion. In view of the above, provisioning of 50% as on 31st March 2016 against the required provisioning of 10% as per RBI norms.

x. Transstroy Tirupathi Tiruthani Chennai Tollways Private Limited

The project involves Four Laning of Tirupati – Tiruthani – Chennai section of NH-205 from km 274.800 to km 341.60 in the state of Andhra Pradesh and from km 0.00 to km 59.60 in the state of Tamil Nadu on Design, Build, Finance, Operate, Transfer (DBFOT) Basis for a period of 30 years. The Concessioning Authority is NHAI. The project achieved PCOD in Feb 2015. However, the toll collection is not sufficient to service the lenders dues. In view of the same, a provision of 30% is made as against required provisioning of 10% as per RBI norms.

(e) **Barasat Krishnagar Expressway Ltd. #** Pursuant to Accounting Policy 24(A) 3.4(vii), The Concession Agreement of the road project was terminated by Barasat Krishnagar Expressway Ltd, the concessionaire on 31st December 2015 on account of default of Concessioning authority i.e National Highways Authority of India (NHAI) viz. non-availability of Right of Way, delay in providing unencumbered land etc. and concessionaire also submitted claim of 2025.51 crore on the authority. Subsequently NHAI also terminated the Concession Agreement on 3rd May 2016. Meanwhile, concessionaire on advice of NHAI vide letter dated 17th February 2016 opted for redressal by way of reference of the matter to Society of Affordable Redressal of Dispute (SAROD) and a supplementary agreement between NHAI and the Concessionaire was signed on 2nd May 2016 under SAROD. This implied a status-quo situation till the final decision of the SAROD. In view of the above, the consortium decided to wait for the final outcome of the arbitration panel and decided to continue support to the project till December 2016 as SAROD process is expected to be concluded within a year. Accordingly there is no dilution in the existing security of the project.

The first hearing of SAROD was held on 21st July 2016, wherein the Arbitration Tribunal ordered NHAI to submit reply to notice of claims submitted by the Concessionaire and also directed Concessionaire to file rejoinder to the Arbitration Tribunal. Concessionaire requested the Arbitration Tribunal to take up the release of Performance Bank

 # Disclosure is made at printing stage pursuant to assurances during course of audit given to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

Guarantee. The Arbitration Tribunal instructed concessionaire to file an application in this regard. The next hearing of the Arbitration Tribunal is scheduled on 5th October 2016.

In view of the position as explained above and the proceedings of the SAROD till date, the stand taken by the consortium to wait for the outcome of the SAROD process is considered justifiable and as there is no dilution in security at this stage, the classification of the account is retained as standard.

19. The status of pending assessment of Income Tax for the various Assessment Year(s) is as under:

Assessment Year	Status
2008-09	IIFCL has filed an appeal against demand of Income Tax dues of ` 159 lac for assessment year 2008-09 made by the Income Tax departmentVide order dated 7th March 2014. The Commissioner of Income Tax [Appeals] - 4 passed the order dated 8th September 2015 and dismissed the appeal of IIFCL. IIFCL has filed an appeal against the order before ITAT dated 16th November 2015.
2009-10	Notice for reassessment under Section 147 received on 31.03.2016. Compliance of notice done vide letter dated 29.04.2016.
2012-13	Assessment order dated 6th February 2015 received on 24th February 2015 with Nil Tax Demand. No Further Action required.
2013-14	Assessment order u/s 143(3) dated 04.02.2016 received on 23.02.2016 with Nil demand after disallowances. Appeal filed with CIT(A) on 23.03.2016.
2014-15	Return filed on time and Notice u/s 142(1) dated 20.06.2016 received on 23.06.2016. Relevant Documents are submitted to Income Tax Department on 01.07.2016.
2015-16	Notice u/s 143(2) received vide letter dated 06.04.2016 on 13.04.2016. Relevant Documents are submitted to Income Tax Department on 25.04.2016.

*In FY 2015-16, IIFCL has followed the provisions of Income Computation & Disclosure Standard (ICDS) notified by Central Board of Duties & Taxes (CBDT) vide notification no. 32/0215 dated 31st March 2015 and effective from 1st April 2016, as opined by Tax Advisor. Subsequently, Income Tax Department vide press release dated 6th July 2016 has extended the applicability of ICDS from 1.04.2016 i.e. previous year 2016-17 (Assessment Year 2017-18).

20. During the year, the Company has sent letters requesting submission of confirmation of balances to Statutory Auditors by Borrowers as on 29th February 2016 and banks, parties etc. as on 31st March 2016. Some of the balances appearing under Infrastructure Loans, Borrowings and Other Debit and Credit Balances as on 29th February 2016 are subject to confirmation and reconciliation and in the opinion of management, no material impact of such confirmation and reconciliation and also on account of pending resetting of interest rates in some of the cases on financial statements is anticipated. After 31st March 2016, borrowers with outstanding balance aggregating ` 30,20,040.79 lac (Excluding NPA Accounts) on 29th February 2016 representing 96.64% of outstanding amount. Banks and other parties with material outstanding amounts have also given confirmations of outstanding amount of debit/credit as on 31st March 2016.

21. During the current year, the Company has allotted **Nil** Equity Share (previous year 6,000 lac number of Equity Share of ` 10 each). Accordingly, Issued and Paid-Up Equity Share Capital is maintained at ` 3,90,000 lac.

22. During the year ended 31st March 2016 the Company had assigned financial assets having a net book value of ` 10,416.00 lac (` 34,541.26 lac as on 31st March 2015) to Asset Reconstruction Companies. The company had in terms of the DBOD.BP.BC.No. 98/21.04.132/2013-14 dated 26th February 2014 and RBI master circular DNBR (PD) CC.No.043/ 03.10.119/2015-16 on prudential norms on income recognition and assets classification dated 1st July 2015 spread over the net short fall of **NIL**(` 15,021.81 lac as on 31st March 2015) over a period of eight quarters. Consequently, an amount of ` 7,510.91 lac has been charged off during the year ended 31st March 2016 (` 1,877.73 lac during the year ended 31st March 2015). During the year ended 31stMarch 2016 the Company had written off 18 loan accounts amounting to ` 55,724.69 lac (Previous Year 23,834.62) refer note 24(A)(3.4)(vii)#.

 # The amount of loans write off has been modified at print stage pursuant to assurances given during course of audit to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi on observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

23. **Disclosures pertaining to the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities issued by ICAI on 15th May 2015**:

a) Breakup of various heads of expenses included in CSR expenditure: **(` In Lac)**

S. No.	Name of the Organization	Project Details	Year Ended 31.03.2016	Year Ended 31.03.2015
1	National Safai Karamcharis Finance & Development Corporation(NSKFD)	Skill development of 150 unemployed youth of safai karamchari's	20.00	5.00
2	Central Electronics Limited (CEL)*	Social upliftment of rural tribes in Jaisalmer district of Rajasthan	366.32	91.58
3	Himachal Consultancy Organization Limited (HIMCON)*	Village Adoption- Borsimaluguri (Assam)	105.56	41.89^
4	National Scheduled Tribes Finance and Development Corporation	Skill development of 200 tribal artisans in North East	127.50	15.00
5	Solar Energy Corporation of India	Distribution of solar lanterns in backward districts of India	210.00	-
6	Hindustan Prefabs Limited and Government of Meghalaya*	Construction of toilets in schools under the Swachh Vidhayala Abhiyaan	218.09	-
7	Artificial Limb Manufacturing Corporation of India (ALIMCO)	Distribution of assistive aids and appliances to PwDs	25.78	7.50
8	ITCOT Consultancy and Services	Skill development training of 500 unemployed youths	54.59	57.30
9	Rajasthan Electronics and Instruments Limited (REIL)*	Installation of Solar Street Lights in Bhadohi (UP)	65.40	-
10	Sulabh International Social Service organization*	Construction of toilets in schools of Thiruvarur (Tamil Nadu)	55.61	180.07
11	Apeksha Homeo Society	Movement for creation of drop free zone in Maharashtra	4.00	-
12	National Cultural Fund, Ministry of Culture, Government of India	Contribution to the National Cultural Fund of the Ministry of Culture, Government of India	500.00	-
13	Ministry of Health and Family Welfare (MoHWF), Government of India	Contribution to the Health Minister's Cancer Patient Fund of the Ministry of Health and Family Welfare (MoHWF), Government of India	691.72	-
14	Swachchh Vidyalaya Abhiyaan	Contribution to Swachh Bharat Kosh of the Government of India.	-	500.00
15	Clean Ganga Fund	Lump sum contribution to the Clean Ganga Fund with an objective of rejuvenating the river.	-	500.00
16	Target Olympic Podium (TOP) Scheme	Identification of athletes who are potential medal winners in Olympics and provide support to thrm for preparation of Olympics	-	1000.00
17	India Habitat Centre*	Solar Power Generating Plant on the rooftops of the building in the campus of India Habitat Centre.	-	25.00
	GRAND TOTAL		**2,444.57**	**2,423.34**

b) Additional disclosure in respect of CSR expenditure:

i) Gross amount required to be spent by the company during the year was ` 2,444.57 lac (previous year ` 2,210.78 lac)

ii) Amount spent during the year: **(` In Lac)**

Particulars	FY 2015-16			FY 2014-15		
	In Cash	**Yet to be paid in cash#**	**Total**	**In Cash**	**Yet to be paid in cash#**	**Total**
(i) Construction/ Acquisition of any Asset*	810.98	Nil	810.98	311.64	-	311.64
(ii) On purpose other than (i) above	1,633.59	Nil	1,633.59	2,111.70	-	2,111.70
Total	**2,444.57**	**Nil**	**2,444.57**	**2423.34**	**-**	**2423.34**

Footnotes to note No. 24 (a) & 24 (b):

* Construction/Acquisition of any Asset includes installation of solar household lightening

^Out of expenditure of ` 41.89 lac incurredin previous year, asset worth ` 15 lac was created in previous year.

#The entire amount of CSR expenditure accrued during FY 2015-16 was remitted by IIFCL upto 31st March 2016.

24. The previous year figures have been regrouped wherever considered necessary.

25. Department of Investment & Public Asset Management (DIPAM), Ministry of Finance, vide their Office Memorandum (OM) F. No. 5/1/2016-Policy dated 27th May 2016 have issued guidelines on capital restructuring of CPSEs. As per one of the guidelines, IIFCL had to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions. However, IIFCL vide its letter dated 14th January 2016 had requested Government for exemption from payment of dividend for at least 3 years. The reply from the department is awaited.

26. #Ministry of Corporate Affairs (MCA) vide order dated 21st July 2016 has conveyed sanction of the Central Government to the Scheme of Amalgamation of Irrigation and Water Resources Finance Corporation Ltd. (IWRFC) with India Infrastructure Finance Company Limited (IIFCL) under Section 391 (2) read with section 394 of the Companies Act, 1956. The scheme of amalgamation is binding with effect from 1st April, 2016, being appointed date for coming into force of the said Scheme. Consequent to the amalgamation of companies and the Scheme becoming effective, the Transferor Company i.e IWRFC stands dissolved without the process of winding up with effect from the date of order.

Impact to the amalgamation is as under :

Increase in Net Worth : ` 15,168.35 lacs

Increase in Liabilities : ` 874.08 lacs

Increase in Assets : ` 16,041.90 lacs

 # The disclosures are made at print stage pursuant to assurances given during course of audit to the Office of Principal Director of Commercial Audit, Member Audit Board - III, New Delhi on observations in Half Margins on Annual accounts of IIFCL for the year 2015-16.

In terms of our Report of even date
For K M Agarwal & Co
Chartered Accountants
(Firm Regn. No: 000853N)

For and on behalf of Board of Directors of
India Infrastructure Finance Company Limited

C P Mishra
Partner
Membership No.: 073009

Sanjeev Kaushik
(Deputy Managing Director))
DIN No.: 02842527

S.B. Nayar
(Chairman & Managing Director)
DIN No.: 02175871

Place: New Delhi
Dated: 22.7.2016

Manjari Mishra
(AGM & Company Secretary)

Rajeev Mukhija
(Chief General Manager-CFO)

Form AOC-I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures for the year 2015-16

Part "A": Subsidiaries

(₹ in Lac/ USD in million)

S. No.	Particulars	I	II	III	
1	Name of the subsidiary	**IIFCL Projects Ltd.**	**IIFCL Asset Management Company Ltd.**	**India Infrastructure Finance Company (UK) Ltd.**	
				INR	**USD**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not Applicable	Not Applicable	USD (Exchange rate as on 31st March 2016: USD 1= ₹ 66.3329)	
4	Share capital	50.00	1,250.00	23,394.80	50.00
5	Reserves & surplus	444.10	284.94	60,864.50	77.02#
6	Total assets	798.21	1,655.50	15,15,876.92	2,285.26#
7	Total Liabilities	304.11	120.56	14,31,617.62	2,158.24#
8	Investments	Nil	Nil	Nil	
9	Turnover	671.97	515.65	46,708.92	70.77
10	Profit before taxation	357.50	142.53	14,862.22	22.61
11	Provision for taxation	122.20	48.37	5,108.67	7.75
12	Profit after taxation	235.30	94.16	9,753.55	14.86
13	Proposed Dividend	Nil	Nil	Nil*	
14	% of shareholding	100%	100%	100%	

* IIFC(UK) has already paid dividend @40% aggregating USD 20 million on 30.03.2016.

\# IIFC(UK) reduced provision for Standard & Doubtful Assets aggregating USD 0.59 million from Reserves & Surplus. This is considered as Long Term Provisions in line with treatment in Standalone Financial Statement of IIFCL in Consolidated Financial Statement. Similarly, Tax Recoverable of USD 0.10 million reduced from Other Current Assets by IIFC(UK) is considered under Other Current Liabilities

Notes:

1. Subsidiaries which are yet to commence operations- Nil
2. Subsidiaries which have been liquidated or sold during the year. Nil

Part "B": Associates and Joint Ventures

Not Applicable

In terms of our Report of even date
For K M Agarwal & Co
Chartered Accountants
(Firm Regn. No: 000853N)

For and on behalf of Board of Directors of
India Infrastructure Finance Company Limited

C P Mishra
Partner
Membership No.: 073009

Sanjeev Kaushik
(Deputy Managing Director))
DIN No.: 02842527

S.B. Nayar
(Chairman & Managing Director)
DIN No.: 02175871

Place: New Delhi
Dated: 22.7.2016

Manjari Mishra
(AGM & Company Secretary)

Rajeev Mukhija
(Chief General Manager-CFO)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT,2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2016

The preparation of consolidated financial statements of India Infrastructure Finance Company Limited for the year ended 31st March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statement under section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 24th August 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of India Infrastructure Finance Company Limited for the year ended 31st March 2016. We conducted a supplementary audit of the financial statements of India Infrastructure Finance Company Limited and IIFCL Asset management Company Limited, but did not conduct supplementary audit of the financial statements of IIFCL Projects Limited for the year ended on that day. Further, Section 139(5) and 143 (6) (b) of the Act are not applicable to India Infrastructure Finance Company (UK) Limited being entity incorporated in Foreign country under the respective laws, for appointment of their statutory auditor or for conduct of supplementary audit. Accordingly, C&AG has neither appointed the statutory auditor nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

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

(Ritika Bhatia)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-III,
New Delhi

Place: New Delhi
Date: 8th September 2016

IIFCL
(ISO:9001:2008)

India Infrastructure Finance Company Limited
(A Government of India Enterprise)
CIN: U67190DL2006GOI144520
Regd. Office: 8th Floor, Hindustan Times house, 18 & 20,
Kasturba Gandhi Marg, New Delhi-110001
Phone: 91-11-23708263-64 Fax: 91-11-2376 6256, 2373 0251
Email: info@iifcl.orgWebsite: www.iifcl.org

ATTENDANCE SLIP

Name of the Attending Member (in block letters)	
Folio No.	
No. of shares held	
Name of Proxy(in block letters, to be filled if the proxy attends instead of the member)	

I, hereby record my presence at the 11th Annual General Meeting of the Company held on Friday, the 30th day of September, 2016 at 11.00 a.m. at the Board Room of India Infrastructure Finance Company Limited (IIFCL), 8th Floor, H.T. House Building, 18 & 20 Kasturba Gandhi Marg, New Delhi-110001.*

..
Member's/Proxy's Signature

Notes:

1. **The attendance slip should be signed as per the specimen signature registered with the Company. Such duly completed and signed Attendance Slip(s) should be handed over to the Head Company Secretariat & Compliances at the venue.**
2. **Members are please requested to carry photo-ID card for identification/verification.**
3. **Shareholders present in person or through registered proxy only shall be entertained.**
4. **No gifts will be distributed at the Annual General Meeting.**

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* *The venue of the meeting was subsequently shifted to Conference Hall, Department of Financial Services, Ministry of Finance, Government of India, Jeevan deep Building, Sansad Marg, New Delhi-110001.*

IIFCL
(ISO:9001:2008)

India Infrastructure Finance Company Limited
CIN: U67190DL2006GOI144520
Regd. Office: 8th Floor, Hindustan Times house, 18 & 20,
Kasturba Gandhi Marg, New Delhi-110001
Phone: 91-11-23708263-64 Fax: 91-11-2376 6256, 2373 0251
Email: info@iifcl.orgWebsite: www.iifcl.org

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and administration) Rules, 2014]

Name of the member(s):	
Registered Address:	
Email Id:	
Folio No./Client Id:	
DP ID:	

I/we, being the member(s) of shares of the above named company, hereby appoint

1. Name : .... E – Mail id : ....

   Address : ....

   .... Signature : .... or failing him

2. Name : .... E – Mail id : ....

   Address : ....

   .... Signature : .... or failing him

3. Name : .... E – Mail id : ....

   Address : ....

   .... Signature : .... or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Company, to be held on Friday the 30th day of September, 2016 at 11.00 a.m. at the Board Room of India Infrastructure Finance Company Limited (IIFCL), 8th Floor, HT House Building, 18 & 20, Kasturba Gandhi Marg, New Delhi-110001* and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No,

1. ....

2. ....

3. ....

Affix Revenue Stamp of ` 1/-

Signed this .... day of 2016

.... Signature of shareholder

.... Signature of Proxy holder(s)

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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* *The venue of the meeting was subsequently shifted to Conference Hall, Department of Financial Services, Ministry of Finance, Government of India, Jeevan deep Building, Sansad Marg, New Delhi-110001.*

Notes

Notes