

K. M. AGARWAL & CO.

CHARTERED ACCOUNTANTS

36, NETAJI SUBHASH MARG, DARYA GANJ,
NEW DELHI-110002
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Limited Review Report

To,
The Board of Directors
India Infrastructure Finance Company Limited.
8th floor, Hindustan Times Building, 18 & 20
Kasturba Gandhi Marg,
New Delhi-110001

We have reviewed the accompanying statement of unaudited financial results of **India Infrastructure Finance Company Limited** for the half year ended 31st March 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results for the six months ending on 31st March 2015, read with note on account prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 29 of the Listing Agreement for Debt Securities including the manner in which it is to be disclosed, or that it contains any material misstatement.

For K M Agarwal & Co.
Chartered Accountants
Firm's Regn No.:000853N



(C.P.Mishra)
Partner
(Membership No - 073009)



Place: New Delhi
Date: 12-05-2015

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

(A Govt. of India Enterprise)

8th FLOOR, HINDUSTAN TIMES BUILDING, 18&20, K.G. MARG, NEW DELHI - 110 001
Standalone Reviewed Financial Results for the Six Months/ Year ended 31st March 2015

CIN No. U67190DL2006GOI144520

Website: www.iifcl.org, E- mail: info@iifcl.org, Phone:91-11-23730270,23708263

₹ in Lac

S.No.	Particulars	6 months ended 31/03/2015 (Reviewed)	6 months ended 31/03/2014 (Audited)	Year ended 31/03/2015 (Reviewed)	Year ended 31/03/2014 (Audited)
1	Interest earned (a) + (b) + (c)	193,342.89	203,479.77	398,175.42	388,322.34
(a)	Interest / discount on advances / bills	134,289.05	139,096.43	276,486.10	276,439.31
(b)	Income on Investments	879.48	918.11	1,768.94	1,837.41
(c)	Interest on Deposits with Banks	58,174.36	63,465.23	119,920.38	110,045.62
2	Other Income	5,582.25	1,612.09	7,913.12	3,411.67
3	Total Income (1+2)	198,925.14	205,091.86	406,088.54	391,734.01
4	Interest Expended	114,247.85	127,323.65	230,593.24	233,216.69
5	Other Borrowing Costs	671.73	6,226.56	4,428.90	9,698.70
6	Foreign Exchange Fluctuation Loss/ (Gain)	3,553.03	(3,703.94)	8,846.53	19,899.34
7	Operating Expenses (i) + (ii) + (iii)	27,975.43	1,672.26	29,693.94	2,989.93
(i)	Employees Benefit Expenses	719.35	532.87	1,313.64	1,027.19
(ii)	Loan Amount Written off	23,834.62	-	23,834.62	-
(iii)	Other Operating Expenses	3,421.46	1,139.39	4,545.68	1,962.74
8	Total Expenditure (4+5+6+7) excluding provisions and contingencies	146,448.04	131,518.53	273,562.61	265,804.66
9	Operating Profit before Provisions and Contingencies (3-8)	52,477.10	73,573.33	132,525.93	125,929.35
10	Provisions (other than tax) and Contingencies	(5,459.28)	23,877.42	9,711.42	32,443.84
11	Exceptional Items	-	-	-	-
12	Profit from Ordinary Activities before Tax (9-10-11)	57,936.38	49,695.91	122,814.51	93,485.51
13	Tax Expense	20,351.64	21,121.79	46,333.58	41,343.03
14	Net Profit from Ordinary Activities after tax (12-13)	37,584.74	28,574.12	76,480.93	52,142.48
15	Extraordinary items (net of tax expense)	-	-	-	-
16	Net Profit for the period (14-15)	37,584.74	28,574.12	76,480.93	52,142.48
17 (a)	Paid up equity share capital (Face Value of ₹ 10 each) (wholly owned by Govt. of India)	390,000.00	330,000.00	390,000.00	330,000.00
18	Reserves excluding Revaluation Reserves (as per Balance Sheet of previous accounting year)	290,759.41	248,185.14	290,759.41	248,185.14
19	Analytical Ratios				
(i)	Capital Adequacy Ratio			27.11%	24.82%
(ii)	Earning Per Share (EPS) (*Not Annualised)	1.00*	0.91*	2.17	1.72
20	NPA Ratios				
(a)	Gross/Net NPA	1.56	1.35	1.56	1.35
(b)	% of Gross/Net NPA	155.55%	135.32%	155.55%	135.32%
(c)	Return on Assets (*Not Annualised)	0.97%*	0.73%*	1.97%	1.41%



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Notes

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the company in its Meeting held on 12th May 2015 and have been reviewed by the Statutory Auditors of the company.

2. Information on Investor's complaints pursuant to Listing Agreement for the year ended 31st March 2015:

	Opening Balance	Additions	Disposals	Closing Balance
No. of complaints	13	1605	1618	0

3. (i) The statutory audit of year ended 31st March 2015 is in progress. Auditors observations on accounts for the year ended 31st March 2014 which has an impact on Statement of Profit & Loss is as under:-

(a) As per Accounting Standard-11 (AS-11) i.e. "The effects of changes in Foreign Exchange Rates", foreign currency loan taken (to the extent hedged) and outstanding forward exchange contracts should be restated at the exchange rates prevailing at the reporting date and differences should be taken to statement of profit and loss whereas the company has restated the above loans at the date of inception of the forward contract and difference taken to statement of profit and loss as stated in Accounting Policy. In view of the above, loan liability and foreign currency receivable account as on 31st March 2014 would have been higher by ₹ 1,36,602.17 lac (higher by ₹ 69,646.50 lac as on 31st March, 2013). However, there would be no impact on the profit for the half year as loss on account of increase in foreign currency borrowings due to adverse fluctuation in foreign currency exchange rate is fully offset due to gain on principal amount of borrowings hedged by the company.

(b) The Mark to Market (M2M) gain on composite contracts (Interest Rate Swaps cum forward exchange contracts) as on 31st March 2014 amounts to ₹ 1,36,602.17 lac and the net M2M loss/gain relating to interest rate swaps cannot be computed separately. As per the announcement issued by the Institute of Chartered Accountants of India regarding 'Accounting for Derivatives', keeping in view the principle of prudence as enunciated in AS 1, 'Disclosure of Accounting Policies', the entity is required to provide for losses in respect of all outstanding derivative contracts at the balance sheet date by marking them to market except in respect of 'Forward Contracts' which are to be accounted for in accordance with the provisions of AS-11, 'The Effects of Changes in Foreign Exchange Rates'. In our opinion, the company has not ascertained and provided for such mark to market loss, if any, on these outstanding derivative contracts, i.e. Interest Rate Swaps.

(c) Some of the balances shown under Infrastructure loans, borrowings and various other debit and credit balances as on March 31, 2014 are subject to confirmation. The impact on the company's accounts on confirmation of these balances, on reconciliation of the differences between balances as per books of account of the company and balances confirmed by the company and also on account of pending resetting of interest rates in some of the cases is not ascertainable at this stage.

(ii) Management explanation to the above is as under:-

(a) & (b) The company has undertaken composite contracts i.e. Interest Rate Swap cum forward exchange contracts to hedge risks relating to floating interest rates as well as foreign exchange fluctuations on foreign currency borrowings of ₹ 6,56,319.68 lac as on 31st March 2014. As per the Mark-to-Market (M2M) valuations furnished by the counter party banks and other valuer on the above composite contracts, the net M2M gain as on 31st March 2014 amounts to ₹ 1,36,602.17 lac (Gross gain of ₹ 1,38,447.96 lac less Gross loss ₹ 1,845.79 lac) and M2M gain as on 31st March 2013 amounts to ₹ 70,689.36 lac (Gross gain of ₹ 70,689.36 lac less Gross loss Nil). The M2M losses on Interest Rate Swaps (IRS) is not being accounted for in the books of accounts as the underlying liability designated with swap is also not carried at lower of cost or market value in the financial statements and the M2M loss relating only to IRS cannot be computed separately and provided for as required by the announcement of ICAI on 'Accounting for Derivatives' as the company had entered into composite contracts for hedging and the interest payable to counter-parties also includes amount of premium, if any, which has not been mentioned/ identified separately in the composite contracts.

During the financial year ended 31st March 2012, the company has also 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 in this regard which is awaited.

(c) In the opinion of management, no material impact of such balance confirmation and reconciliation and resetting of interest rate in some cases on financial results is anticipated.

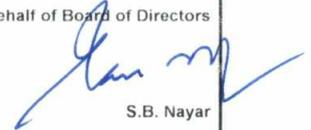
4. The Company's main business is to provide finance for Infrastructure Projects and the company does not have more than one reportable segment in terms of Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

5. Return on Assets has been calculated by dividing Profit after Tax by Average Assets (Average Assets is simple average of Opening & Closing Balance of Total Assets)

6. Previous period's figures have been regrouped/reclassified wherever necessary.

7. The results for the year ended 31.03.2015 are subject to audit by the Statutory Auditors and review by the Comptroller and Auditor General of India under the provisions of the Companies Act, 2013.

For and behalf of Board of Directors



S.B. Nayar

Chairman and Managing Director

DIN No.: 02175871

Place: New Delhi

Dated: 12th May 2015

