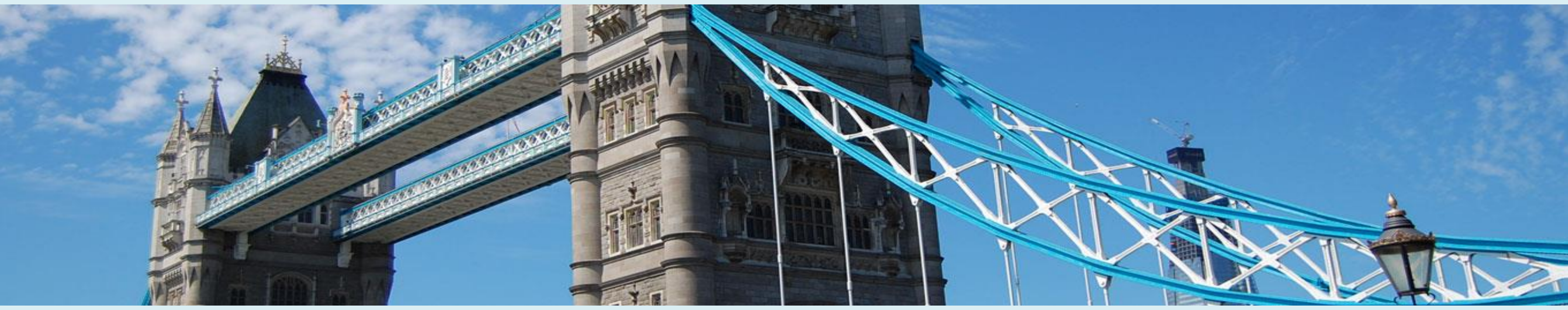
Financial Statements and Directors' Report

31st March 2016





India Infrastructure Finance Company (UK) Limited
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INDIA INFRASTRUCTURE FINANCE COMPANY (UK) LIMITED

Report and Financial Statements

Year Ended

31 March 2016

Company Number 06496661

Contents

The Board of Directors	Mr. S.B. Nayar Chairman
	Mr. Pankaj Jain Director, Government of India Nominee (appointed 15 January 2016)
	Dr. Hasmukh Adhia Director (cessation of appointment 31 August 2015)
	Mr. Sanjiv Chadha Director, Government of India Nominee
	Mr. Manoj Ladwa Non-Executive Director (cessation of appointment on 22 January 2016)
	Mr. S. Krishnan Managing Director
Registered office	Third Floor, 72 King William Street, London EC4N 7HR Tel: +44 (020) 77768950 Fax: +44 (020) 77768958 Website: www.iifc.org.uk; Email:info@iifc.org.uk
Company Secretary	Jordan Company Secretaries Limited 21 St. Thomas Street, Bristol, BS1 6JS
Current Auditors	BDO LLP, Chartered Accountants and Registered Auditor 55 Baker Street, London, W1U 7EU
Accountants	Leadenhall Financial Management Ltd 45b Brecknock Road, London, N7 0BT
Bankers	State Bank of India, 15 King Street London, EC2V 8EA
	Bank of India, 63 Queen Victoria Street London, EC4N 4UA
	Punjab National Bank (Int'l) Limited, 1 Moorgate, London, EC2R 6AB
	Bank of Baroda, 32 City Road London, EC1Y 2BD
	Syndicate Bank, 2A Eastcheap, London, EC3M 1LH
	Canara Bank, 10 Chiswell street, London, EC1Y 4UQ
	Union Bank, 85 Queen Victoria Street, London EC4V 4AB

The directors have the pleasure in presenting the Annual Report and the audited financial statements for the year ended 31 March 2016. These financial statements have been prepared in accordance with the UK Companies Act 2006 and applicable International Financial Reporting Standards.

RESULTS AND DIVIDENDS

The profit before taxation for the year ended 31 March 2016 amounted to USD 27,980,908 (2015 - USD 36,447,499) and the profit after taxation is USD 20,233,698 (2015 - USD 28,796,972). A dividend of USD 20,000,000 (2015 - nil) was paid in the year. With this, the cumulative retained earnings of the Company shall aggregate USD 74,038,384 (31 March 2015 USD - 73,804,686).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

India Infrastructure Finance Company (UK) Limited (IIFC (UK) Limited) (the "company") is a subsidiary company of India Infrastructure Finance Company Limited (IIFCL), which, in turn, is a wholly owned enterprise of the Government of India (GOI). IIFCL, established on 5 January 2006 under the Indian Companies Act 1956, provides long term rupee loans to Indian companies implementing infrastructure projects in India. In the recent past, IIFCL has launched a series of new initiatives to increase availability of long term funds for the Infrastructure sector. These include Takeout Financing Scheme, Credit Enhancement Scheme, setting up of new subsidiaries via IIFCL Projects Limited and Infrastructure Debt Fund. Reserve Bank of India (RBI) in exercise of the powers conferred on it by Section 45 IA of the Reserve Bank of India Act, 1934 granted Certificate of Registration (CoR) to IIFCL dated 9 September 2013 to carry on the business of a Non-Banking Financial Company - Non Deposit – Infrastructure Finance Company (NBFC-ND-IFC).

Pursuant to the decision of the Government of India embedded in the Union Budget 2007-08, India Infrastructure Finance Company (UK) Limited was established and incorporated on 7 February 2008 with the Registrar of Companies of England and Wales at London under the UK Companies Act 2006. Operations of the company commenced effectively from September 2008. IIFC (UK) Limited has been set-up with the objective of providing long term loans in foreign currency to Indian companies implementing infrastructure projects in India for their import of capital equipment and machinery. The company lends under the Government of India Scheme for Infrastructure Financing through IIFCL (SIFTI).

The sectors broadly covered for financing under SIFTI include:

[i] **Transport**: Road and bridges, ports, airports, inland waterways, railway track, tunnels, viaducts, bridges and urban public transport (except rolling stock in case of urban road transport);

[ii] **Energy** : Electricity Generation, Transmission and Distribution, Oil pipelines, Oil/Gas/Liquefied Natural Gas (LNG) storage facility, Gas pipelines;

[iii] **Water Sanitation**: Solid Waste Management, Water supply pipelines, Water treatment plants, Sewage collection, treatment and disposal system, Irrigation (dams, channels, embankments) and Storm Water Drainage System;

[iv] **Communication**: Telecommunication (fixed network) and Telecommunication towers;

[v] **Social and Commercial Infrastructure**: Education Institutions (capital stock), Hospitals (capital stock), Three-star or higher category classified hotels located outside cities with population of more than one million, common infrastructure for industrial parks, special economic zones (SEZ), tourism facilities and agriculture markets, Post-harvest storage infrastructure for agriculture and horticultural produce including cold storage, Terminal markets, Soil-testing laboratories and Cold Chain.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS (continued)

The Government of India had approved inclusion of the following subsectors in SIFTI for external commercial borrowings (ECB) purposes with effect from 7 August 2014: i) Communication: Mobile Telephony Services/companies providing cellular services, ii) Mining iii) Exploration and iv) Refining.

RBI has issued a revised ECB framework on 30 November 2015 which includes alignment of the list of infrastructure entities eligible for ECB with the Harmonised List of GOI. Accordingly, the sectors added have dropped out of eligible sectors for ECB funding under Infrastructure. However, the RBI vide circular dated 30 March 2016 has advised that for the purpose of ECB, "Exploration, Mining and Refinery" sectors which are not included in the Harmonised list of infrastructure sector but were eligible to take ECB under the previous ECB framework will be deemed as part of the infrastructure sector and can access ECB as applicable to the infrastructure sector.

The lending by IIFC (UK) Limited is exclusively meant for financing the import of capital equipment and machinery by the infrastructure projects in India and is subject to compliance of ECB guidelines by the projects. In order to avoid monetization effects of the transactions, IIFC (UK) Limited lends for the import of Capital Equipment and Machinery solely for capital expenditure outside of India. In view of the mandate of financing for import of capital equipment and machinery, the origination of eligible projects is restricted to a few selected sectors which have adequate import content, namely Energy - Electricity Generation, Transmission and Distribution, Gas pipelines and LNG storage facility, Metro Rail, Seaport and airport.

INTERNAL CONTROL AND FINANCIAL REPORTING

The directors are responsible for establishing effective internal control and for reviewing its effectiveness. Processes have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for the reliability of financial information used within the business or for publication.

Such processes are designed to contain and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud.

The processes that the directors have established are designed to provide effective internal control within the company.

Such processes for the on-going identification, evaluation and management of the significant risks faced by the company have been in place throughout the year and up to the date of approval of the financial statements for the year ended 31 March 2016.

The directors and senior management of the company have adopted policies which set out the Board's attitude to risk and internal control. Key risks identified by the directors are formally reviewed and assessed by Risk Committee of the board of directors on an ongoing basis. The minutes are placed before the Board, in addition to which key business risks are identified, evaluated and managed by operating management on an on-going basis by means of procedures such as physical controls, credit and other authorisation limits. The Board also receives regular reports on any risk matters that need to be brought to its attention. Significant risks identified in connection with the development of new activities are subject to consideration by the Board.

There are well established budgeting processes in place and reports are presented regularly to the Board detailing the results of each principal business unit, variances against budget and prior year, and other performance data.

BOARD OF DIRECTORS

Four meetings of the board of directors were held during the year on 15 May 2015, 5 August 2015, 11 December 2015 and 18 March 2016. The directors who served during the year are shown on page 1. The following new directors have been appointed to the Board of IIFC (UK) Limited during the year:

Mr. Pankaj Jain, (IAS-1990), Joint Secretary, Government of India, Ministry of Finance, Department of Financial Services was appointed as a director on the Board of the company with effect from 15 January 2016 in place of Dr. Hasmukh Adhia. Mr. Pankaj Jain is an alumnus of Shri Ram College of Commerce from where he has a Bachelor's degree in Commerce followed by an MBA from FMS Delhi. He also has a professional qualification in the discipline of accounting as an Associate of the Institute of Cost Accountants of India. He has worked for the Governments of Assam and Meghalaya. This encompasses being District Magistrate at Shillong and Tura along with assignments in the Secretariat and State Corporations dealing with Power, Planning, Information Technology, Livelihood Promotion and Industries as well as being director with the Government of India in the Ministry of Micro, Small and Medium Enterprises. His work experience also includes three years within the British International Aid Agency - the Department for International Development (DFID) as Governance Adviser and Senior Program Manager. His areas of interest include Intellectual Property Rights where he has collaborated with UNIDO to develop an IPR guide for the Indian Toy Industry. He has also been a consultant to the Commonwealth Secretariat and the Asian Productivity Organisation on adoption of IT by small and medium enterprises in India and Bangladesh.

COMMITTEES OF THE BOARD OF DIRECTORS

Risk Management Committee

The Risk Management Committee of the Board, comprising of the UK based GOI nominee director, the Non-Executive Director and the Managing Director met on 31 July 2015 and 1 December 2015 during the year 2015-16.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given, and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITORS

BDO LLP have been approved as auditors during the year and have indicated their willingness to be re-appointed under Section 487(2) of the Companies Act 2006.

Approved by the Board on 12 May 2016
and signed on its behalf by

S Krishnan	**S.B. Nayar**
Managing Director	**Chairman**

This strategic report should be read in conjunction with the directors' report where some of the requirements of this report have been discussed.

FINANCIAL HIGHLIGHTS

The financial statements for the reporting year ended 31 March 2016 are placed at pages 13-39. The core income from interest on long term loans increased to USD 63,385,001 in FY 2015-16 from USD 51,004,699 in FY 2014-15. Operating profit of the company for the year ended 31 March 2016 amounted to USD 27,980,908 (2015 - USD 36,452,790) and the profit after taxation is USD 20,233,698 (2015 - USD 28,796,972). The company has paid a dividend of USD 20,000,000 to its sole shareholder (IIFCL) and the profit after payment of the dividend has been retained in reserves. With this, the cumulative retained earnings of the company aggregate USD 74,038,384 (2015 - restated USD 73,804,686) over an equity base of USD 50,000,000. Net interest margin on the term loans is over 1.81 per cent and cost to income ratio is 0.069. Earnings per share, after tax, during the year under review was USD 0.405 (2015 – USD 0.576). Enhanced sanctions and disbursements are expected to increase which will increase income during subsequent years.

Table: 1

	Key data (Figures in USD million)	31 March 2016	31 March 2015	Growth over the previous year
1.	Sanctions	401	969	(59%)
2.	Disbursements	200	515	(61%)
3.	Resources	-	919	0%
4.	Operating profit	27.98	36.45	(23%)
5.	Net profit	20.23	28.80	(30%)
6.	Interest on Long Term Loans	63.39	51.00	24%
7.	Return on Assets (Post Tax)	0.89%	1.57%	(43%)
8.	Return on Equity	41%	58%	(29%)
9.	Earnings Per Share (Face value USD 1)	USD 0.405	USD 0.58	(30%)
10	Cost to Income Ratio	0.069	0.049	41%

Apart from the equity from IIFCL, IIFC (UK) Limited is funded by way of subscription by the Reserve Bank of India (RBI) in USD denominated bonds issued by IIFC (UK) Limited. The RBI has on 5 September 2014, extended the time period for availability of such facility to IIFC (UK) Limited to 6 March 2017.

OPERATING NORMS AND RISK MANAGEMENT

Information on risk management is given in note 12.

When seeking a loan from IIFC (UK) Limited, the project company normally approaches a debt arranger or a Lead Bank or financial institution to arrange debt funding. Such institutions syndicate the entire debt by approaching prospective lenders including IIFC (UK) Limited. IIFC (UK) Limited participates only in funding the foreign currency loan component for the import of capital goods of the project within prescribed limits.

Project Monitoring

IIFC (UK) Limited participates in consortium lending to eligible infrastructure projects in India. As per SIFTI, the Lead Bank is responsible for regular monitoring and periodic evaluation of the compliance of the project with agreed milestones and performance levels, particularly for the purpose of disbursement of IIFC (UK) Limited funds.

OPERATING NORMS AND RISK MANAGEMENT (continued)

Further, as a part of due diligence exercise, the lenders appoint a Lenders' Independent Engineer (LIE). An LIE is generally a reputed Consultancy/Engineering firm with relevant experience in evaluating large infrastructure projects.

The LIE carries out an independent study of the project, examines the project cost and related aspects, the project design, technical viability issues and the financing model. In the pre-financial closure stage, the LIE monitors the construction process and generates monitoring reports to enable the lenders to monitor progress in the project. Further, IIFC (UK) Limited also monitors the projects through site visits in addition to the progress report received from the LIE.

The company undertakes monitoring and review of its portfolio on a regular basis, including the reviews undertaken by the risk committee and board of directors.

GOING CONCERN BASIS

The company has adequate resources to continue its operations for the foreseeable future, is profitable for the year ended 31 March 2016 and has a positive net worth position. The company has received sufficient operational support from the parent company from time to time and the same will continue to be received. Furthermore the company maintains adequate funds to finance loan disbursements as and when they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

SANCTION OF LOANS

IIFC (UK) Limited had, by the end of March 2016, received a cumulative number of 163 proposals for aggregate loan requests of over USD16,700,000,000. Of these, after cancellations and reductions, the cumulative loan sanctions from incorporation to date totalled USD 4,132,000,000 covering 43 projects. The status of the activity and sector gross approvals at 31 March 2016 are presented in Table 2 and Table 3 below.

Table: 2 **(Figures in USD Million)**

Activity/Sector	No. of projects	Net Loan approvals	Share in total (%)
Power	**23**	**2,097**	**51**
PPP Sector	13	862	21
Private Sector	10	1,235	30
Gas Pipelines/LNG Storage/ Refinery	**7**	**1,001**	**24**
Public Sector	3	554	13
Private Sector	4	447	11
MRTS-Metro Rail	**4**	**382**	**9**
PPP Sector	4	382	9
Ports	**6**	**422**	**10**
PPP Sector	5	354	9
Private Sector	1	68	1
Telecommunication	**1**	**126**	**3**
Private	1	126	3
Fertilizers Mfg.	**1**	**85**	**2**
Private Sector	1	85	2
Airport	**1**	**19**	**1**
Private Sector	1	19	1
Total	**43**	**4,132**	**100**

SANCTION OF LOANS (continued)

Table: 2 (continued) **(Figures in USD Million)**

Sector/Activity	No. of projects	Net Loan approvals	Share in total (%)
Public Sector	**3**	**554**	**13%**
Gas Pipeline/LNG Storage/Refinery	3	554	13%
PPP Sector	**22**	**1,598**	**39%**
MRTS-Metro Rail	4	382	9%
Port	5	354	9%
Power	13	862	21%
Private Sector	**18**	**1,980**	**48%**
Airport	1	19	0%
Fertiliser Mfg.	1	85	2%
Gas Pipeline/LNG Storage/Refinery	4	447	11%
Telecommunication	1	126	3%
Port	1	68	2%
Power	10	1,235	30%
Total	**43**	**4,132**	**100%**

Disaggregated information in respect of the net loan approvals (after cancellations) for the periods ended 31 March 2010 to 31 March 2016 are furnished in Table 4 below.

Table: 3 **(Figures in USD Million)**

Year	Approvals During the year	Cumulative approvals	Power	Gas Pipeline/Refinery	Metro Rail	Ports	Telecom	Fertilizers Manufact.	Airport
2009-10	**257**	**888**	764	-	124	-	-	-	-
%		**(100)**	(86)	-	(14)	-	-	-	-
2010-11	**Sanctions cancelled**	**888**	764	-	124	-	-	-	-
%		**(100)**	(86)	-	(14)	-	-	-	-
2011-12	**348**	**1,236**	1027	-	124	-	-	85	-
%		**(100)**	(83)	-	(10)	-	-	(7)	-
2012-13	**593**	**1,829**	1393	95	188	68	-	85	-
%		**(100)**	(76)	(5)	(10)	(4)		(5)	
2013-14	**932**	**2,761**	1643	564	382	68	-	85	19
%		**(100)**	(60)	(20)	(14)	(2)		(3)	(1)
2014-15	**969**	**3,730**	1922	929	382	313	80	85	19
%		**(100)**	(52)	(25)	(10)	(8)	(2)	(2)	(1)
2015-16	**401**	**4,132**	2,097	1,001	382	422	126	85	19
%		**(100)**	(51)	(24)	(9)	(10)	(3)	(2)	(1)

SANCTION OF LOANS (continued)

During the year ended 31 March 2016, the company approved credit proposals totalling USD 401,000,000, as compared to total loan approvals of USD 969,000,000 during the year ended 31 March 2015. The sanctions include the following sectors – Gas Pipeline/Refinery USD 72,000,000 (18%), Power USD 283,000,000 (71%), and Telecommunication USD 46,000,000 (11%).

The projects assisted by the company, along with other banks and financial institutions, shall facilitate additional capacity generation of 1610 MW of power, 363 wells for gas production and supply and 442km. of transmission line. The total cumulative cost of the assisted projects is over USD 64,500,000,000.

DISBURSEMENT OF LOANS

As at 31 March 2016, cumulative disbursements including commitments to lend by the company from incorporation to date aggregated USD 1,880,000,000 (2015 - USD 1,683,000,000). The total outstanding commitment to lend is USD 81,902,000,000 in favour of the State Bank of India (USD 81,532,000) and IDBI Bank (USD 370,500) in respect of a revolving and self-reinstating Letter of Credit ("LoC") opened for import of capital equipment for power sector project and fertiliser sector project. Excluding the value of outstanding LoCs, the cumulative disbursements at 31 March 2016 totalled USD 1,798,030,000 compared to USD 1,598,000,000 disbursed in the year ended 31 March 2015. The details of the cumulative disbursement of loans at 31 March 2016 are shown in Table 4 below.

Table: 4 **(Figures in USD million)**

Sector/Activity	No. of projects	Net Loan approved	Disbursement	Outstanding LoC	Total
Power Sector	**23**	**2,097**	**1421**	**82**	**1,503**
PPP Sector	13	862	663	**82**	**745**
Private Sector	10	1,235	757	-	757
MRTS-Metro Rail	**4**	**382**	**147**	**-**	**147**
PPP Sector	4	382	147	-	147
Port Sector	**6**	**422**	**143**	**-**	**143**
PPP Sector	5	354	109	-	109
Private Sector	1	68	34	-	34
Fertilizers Sector	**1**	**85**	**70**	**-**	**70**
Private Sector	1	85	70	-	70
Gas Pipelines/LNG Storage/ Refinery	**7**	**1,001**	**18**	**-**	**18**
Private Sector	4	447	18	-	18
Public Sector	3	554	0	-	0
Telecommunication	**1**	**126**	**0**	-	0
Private	1	126	**0**	-	0
Airport	**1**	**19**	0	-	0
Private Sector	1	19	0	-	0
Total	**43**	**4,132**	**1,798**	**82**	**1,880**

IMPAIRMENT OF ASSETS

The company assesses, at each reporting date, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

One project has stalled and Karnataka Power Corporation Limited (KPCL) (owned by Government of Karnataka with the Chief Minister of Karnataka as the Chairman of the Board of Directors) has shown interest in the purchase of the project’s assets. A co-ordination committee comprising of large lenders and Lead Banks has been formed to facilitate the valuation and tender process for the sale of the assets. After the completion of the Government approved valuation, the share of realisable value to IIFC (UK) was valued at approximately USD 13 million.

An amount of USD 12,000,000 has been provided as at 31 March 2016 being capital impairment and an additional USD 4,364,334 has been provided which is the impairment loss on the interest receivable.

Secondly, one PPP project has reached its commercial operation date but operations have stopped and notice of termination has been served on the Concession Authority for a termination payment. As per the terms of Concession agreement, in the event of a default, the Concession Authority is liable to make the termination payments equal to the total debt plus 150% of Equity. The options available to IIFC (UK) are:

a) Allow Government of Maharashtra (GoM) to take over the completed project
b) Release the termination payment by MADC, the Concession Authority.
c) File a law suit in London court for obtaining a decree.

In view of the options available, the debt is considered recoverable.

FUTURE DEVELOPMENTS

Taking into account prevailing funding resources, particularly for long term lending and critical needs of the infrastructure sector of India, the extant ECB guidelines have been reviewed by Reserve Bank of India (RBI) in consultation with Government of India (GOI). Also, the Government of India has initiated several steps to revive infrastructure growth, remove bottlenecks and revive stalled projects. These initiatives are expected to give an impetus to the growth of the Company.

The directors thankfully acknowledge the support of the Government of India, the Reserve Bank of India and India Infrastructure Finance Company Limited.

Approved by the board on 12 May 2016
and signed on its behalf by

S Krishnan
Managing Director
Company registration number: 06496661
12 May 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires faithful representation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out on the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all situations, a fair presentation will be achieved by complying with all applicable IFRSs. In preparing these financial statements, the directors are also required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance;
- state that the company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the board on 12 May 2016
and signed on its behalf by

S Krishnan
Managing Director

S.B. Nayar
Chairman

We have audited the financial statements of India Infrastructure Finance Company (UK) Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to report them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL ACCOUNTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006, requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit.

Daniel Taylor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street, London, W1U 7EU
Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016	*2015 restated*
		$	*$*
Finance income	4	**63,385,001**	*51,004,699*
Finance costs	5	**(30,384,343)**	(14,269,818)
Net finance income		**33,000,658**	*36,734,881*
Other operating income	4	**9,813,456**	*5,215,013*
Administrative expenses	6	**(2,086,106)**	*(1,879,870)*
Impairment loss on financial assets	13	**(12,747,100)**	*(3,617,234)*
PROFIT FROM OPERATIONS BEFORE TAX		**27,980,908**	*36,452,790*
Loss on disposal of plant, property and equipment		**-**	*(5,291)*
PROFIT BEFORE TAX FOR THE YEAR		**27,980,908**	*36,447,499*
Income tax expense	9	**(7,747,210)**	*(7,650,527)*
PROFIT FOR THE YEAR		**20,233,698**	*28,796,972*
Other comprehensive income for the year		**-**	*-*
Total comprehensive income for the year		**20,233,698**	*28,796,972*

The notes on pages 17 to 39 form part of these financial statements

31 March 2016:	**Notes**	**Issued share capital $**	**Retained earnings restated $**	**Total equity $**
Balance at 1 April 2015		**50,000,000**	**73,804,686**	**123,804,686**
Profit for the year		**-**	**20,233,698**	**20,233,698**
Other comprehensive income for the year		**-**	**-**	**-**
Total comprehensive income for the year		**-**	**20,233,698**	**20,233,698**
Distributions to owners				
Dividend paid	10	**-**	**(20,000,000)**	**(20,000,000)**
Balance at 31 March 2016		**50,000,000**	**74,038,384**	**124,038,384**

31 March 2015:		*Issued share capital $*	*Retained earnings restated $*	*Total equity $*
Balance at 1 April 2014 (as previously reported)		*50,000,000*	60,609,685	*110,609,685*
Restatement	2	-	*(15,601,971)*	*(15,601,971)*
Restated balance at 1 April 2014		*50,000,000*	*45,007,714*	*95,007,714*
Profit for the year (restated)	2	-	*28,796,972*	*28,796,972*
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	*28,796,972*	*28,796,972*
Distributions to owners		-	-	-
Balance at 31 March 2015		*50,000,000*	*73,804,686*	*123,804,686*

The notes on pages 17 to 39 form part of these financial statements

	Notes	2016 $	*2015 restated $*	*2014 restated $*
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	11	**137,338**	*162,650*	*7,899*
Loans and receivables	12	**1,636,546,594**	*1,506,078,412*	*1,040,806,969*
Deferred tax assets	15	**1,733,846**	-	-
		1,638,417,778	*1,506,241,062*	*1,040,814,868*
CURRENT ASSETS				
Loans and receivables	12	**58,660,613**	*44,291,159*	*11,987,486*
Interest and other receivables	14	**17,003,436**	*11,481,581*	*6,288,758*
Cash and cash equivalents	17	**540,828,646**	*682,083,495*	*233,017,678*
		616,492,695	*737,856,235*	*251,293,922*
TOTAL ASSETS		**2,254,910,473**	*2,244,097,297*	*1,292,108,790*
EQUITY				
ISSUED CAPITAL AND RESERVES				
Issued share capital	18	**50,000,000**	*50,000,000*	*50,000,000*
Retained earnings	19	**74,038,384**	*73,804,686*	*45,007,714*
TOTAL EQUITY		**124,038,384**	*123,804,686*	*95,007,714*
NON CURRENT LIABILITIES				
Interest bearing borrowings	20	**2,100,000,000**	*2,100,000,000*	*1,181,000,000*
Interest and other payables	21	**14,099,939**	*13,098,769*	*11,619,980*
		2,114,099,939	*2,113,098,769*	*1,192,619,980*
CURRENT LIABILITIES				
Interest and other payables	22	**16,772,150**	*7,193,842*	*4,481,096*
TOTAL EQUITY AND LIABILITIES		**2,254,910,473**	*2,244,097,297*	*1,292,108,790*

Approved by the Board on 12 May 2016 and signed on its behalf by

....
S. B. Nayar, Chairman

....
S. Krishnan, Managing Director

Company registration number: 06496661

The notes on pages 17 to 39 form part of these financial statements

INDIA INFRASTRUCTURE FINANCE COMPANY (UK) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016	2015 restated
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**20,233,698**	*28,796,972*
ADJUSTMENTS FOR:			
Depreciation of plant, property and equipment	11	**25,313**	*29,657*
Loss on disposal of plant and equipment	6	**-**	*5,291*
Income tax expense	9	**7,747,210**	*7,650,527*
Recognition of deferred tax asset	15	**(1,733,846)**	-
CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL		**26,272,375**	*36,482,447*
CHANGES IN WORKING CAPITAL			
Increase in loan and other receivables (current and non-current)		**(150,359,491)**	*(502,767,939)*
Increase in interest and other payables		**10,579,476**	*4,191,535*
DECREASE IN WORKING CAPITAL		**(139,780,015)**	*(498,576,404)*
CASH USED IN OPERATIONS		**(113,507,639)**	*(462,093,957)*
Income tax paid		**(7,747,210)**	*(7,650,527)*
NET CASH FLOWS USED IN OPERATING ACTIVITIES		**(121,254,849)**	*(469,744,484)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		**-**	*(189,699)*
NET CASH USED IN INVESTING ACTIVITIES		**-**	*(189,699)*
CASH FLOWS FROM FINANCING ACTIVITIES			
Gross proceeds from bond issued		**-**	*919,000,000*
Dividends paid to shareholders		**(20,000,000)**	-
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		**(20,000,000)**	*919,000,000*
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(141,254,849)**	*449,065,817*
Cash and cash equivalents at 1 April		682,083,495	*233,017,678*
CASH AND CASH EQUIVALENTS AT 31 MARCH		**540,828,646**	*682,083,495*

The notes on pages 17 to 39 form part of these financial statements

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS

The company's financial statements for the period were authorised for issue on 12 May 2016 and the statement of financial position signed on behalf of the board of directors. India Infrastructure Finance Company (UK) Limited is a limited company incorporated and domiciled in England and Wales.

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the company are set out in note 2.

2. ACCOUNTING POLICIES

Restatements

The company charges upfront fees at the time of approving the loans, and these have previously been recognised in the statement of comprehensive income on the date of the commencement of the facility. These fees should instead have been amortised using the effective interest rate model in accordance with the requirements of IAS 39 Financial Instruments: Recognition and Measurement. This has resulted in a restatement of prior period balances.

	Previously stated		Adjustment	Restated
At 31 March 2015	$		$	$
Loans and receivables	1,527,874,640	-	21,784,461	1,506,090,179
Tax receivables	5,790,616		5,690,963	11,481,579
Retained earnings	89,898,184	-	16,093,498	73,804,686
At 31 March 2014				
Loans and receivables	1,059,741,431	-	21,162,276	1,038,579,155
Tax receivable	728,453		5,560,305	6,288,758
Retained earnings	60,609,685	-	15,601,971	45,007,714

Tax indemnities from the borrowers which were previously netted within the income tax expense have now been reclassified as other operating income. This and the adjustments made to upfront fees as explained above have resulted in a net decrease in the income tax expense for the period ended 31 March 2015 by USD130,659. There was no impact on the profit for the period.

Finance costs were previously shown in the statement of comprehensive income below the operating profit line. These costs have now been classified as part of net finance income and this restatement has resulted in an increase in the operating profit and decrease in non-operating income for the period ended 31 March 2015 of USD14,269,818. There was no impact on the profit for the period.

Adoption of new and revised standards, interpretations and amendments

The following new and revised standards, interpretations and amendments have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements:

2. ACCOUNTING POLICIES

Adoption of new and revised standards, interpretations and amendments

- Annual improvements to IFRSs 2010-2012 Cycle
- Annual improvements to IFRSs 2011-2013 Cycle

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been endorsed by the EU):

- IFRS 9 Financial Instruments

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets (payments that are Solely Payments of Principal and Interest (SPPI)).

IFRS 9 requires that changes in the fair value of financial liabilities designated as at fair value through profit or loss which relate to changes in own credit risk should generally be recognised directly in other comprehensive income. Where recognising the own credit amount directly in other comprehensive income would create an accounting mismatch, however, the entity may make an irrevocable decision on initial recognition to recognise the entire fair value change in profit or loss instead.

IFRS 9 also provide new impairment requirements for all financial assets that are not measured at fair value through profit or loss with a new 'expected loss' impairment model replacing the 'incurred loss' model in IAS 39.

- Disclosure Initiative: Amendments to IAS 1

The amendments to IAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

The following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective are not considered to have a significant impact upon the company:

- Recognition of deferred tax assets for unrealised losses (Amendments to IAS 12)
- Accounting for Acquisitions of Interests in Joint Operations: Amendments to IFRS 11
- Agriculture: Bearer Plants: Amendments to IAS 16 and IAS 41
- Equity Method in Separate Financial Statements (Amendments to IAS 27)
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
- Recognition of deferred tax assets for unrealised losses (Amendments to IAS 12)
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from contracts endorsed with customers
- IFRS 16 Leases
- Clarification of Acceptable Methods of Depreciation and Amortisation: Amendments to IAS 16 and IAS 38
- Annual Improvements to IFRSs 2012-2014 Cycle
- Disclosure Initiative: Amendments to IAS 7

2. ACCOUNTING POLICIES

Going concern

The company has adequate resources to continue its operations for the foreseeable future, is profitable for the year ended 31 March 2016 and has a positive net worth position. The company has received sufficient operational support from the parent company from time to time and the same will continue to be received. Furthermore the company maintains adequate funds to finance loan disbursements as and when they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Revenue recognition

Revenue is recognised to the extent that it is probable that the benefits will flow to the company and the revenue can be reliably measured.

Interest income and expense for all interest bearing financial instruments are recognised in the statement of comprehensive income using the effective interest rates of the financial assets or financial liabilities to which they relate.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The method applies where the loan repayment term is shortened for the same cash flow. When calculating the effective interest rate, the company estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

Upfront fees charged on execution of the loan are recognised over the life of the loan using the effective interest rate method.

Other operating income

Tax indemnities are recognised when an agreement is formed by a third party to indemnify the company for income tax liabilities. Movements in the indemnity is not included within the income tax line, instead they are recognised as other income within the statement of comprehensive income.

Finance costs

A guarantee fee is recognised in respect of fees paid to the Government of India (GOI). The GOI has guaranteed the due repayment of normal interest accrued for the bonds subscribed to by Reserve Bank of India as per the subscription agreement. The guarantee fee is recognised in the accounts per amounts stated in the agreement.

Functional currency and foreign currency transactions

The US Dollar is regarded as being the functional currency, which is also the presentation currency of the company.

Transactions in foreign currencies are recorded in US Dollars at the rate of exchange prevailing at the rates ruling at the end of the day in which the transaction arose. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the reporting date. Any resulting exchange differences are included in the statement of comprehensive income.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

2. ACCOUNTING POLICIES (continued)

Financial instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money or services to a debtor with no intention of trading the receivable. Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

Interest and other receivables

Interest accrued on loans and receivables is measured using the effective interest method. impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Other receivables are recognised by the company and carried at original invoice amount less an allowance for any uncollectible or impaired amounts.

Interest and other payables

Interest accrued on loans and payables is measured using the effective interest method.

Interest bearing borrowings

Interest bearing borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

De-recognition of financial assets and liabilities

Financial assets are de-recognised when the rights to receive cash flows from the assets have expired; or where the company has transferred its contractual right to receive the cash flows of the financial assets and either (i) substantially all the risks and rewards of ownership have been transferred; or (ii) substantially all the risks and rewards have neither been retained nor transferred but control is retained.

Financial liabilities are de-recognised when they are extinguished, i.e. when the obligation is discharged or cancelled or expired.

Impairment of financial assets

The company assesses at each year end whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective rate / cost of funds.

2. ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

If in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it is now excessive by reducing the loan impairment allowance account. The amount of any reversal is recognised in the statement of comprehensive income.

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight line method on the following bases:

Short Leasehold property	10%
Plant and equipment	25%
Fixtures and fittings	25%

The estimated useful lives and residual values are reviewed annually.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank in current accounts, other short term deposits and, for the purpose of the Statement of Cash Flows, bank overdrafts.

The short term deposits generally have maturities of more than three months; however they can be redeemed (subject to interest income being forfeited partially) and there is no significant risk of change in value as a result of an early withdrawal. These are therefore treated as cash equivalents since they form an integral part of the company's cash management. The bank overdrafts are shown within interest bearing borrowings in current liabilities in the statement of financial position.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is charged to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is determined using the tax rates that are expected to apply in the period when the asset is realised or the liability is settled. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2. ACCOUNTING POLICIES (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when they relate to income taxed levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources and may make necessary provisions in accordance with their assumptions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

In preparing these financial statements the members have made the following judgements:

Impairment of financial assets

Determine whether there are any indicators of impairment of the group's financial assets. The main consideration in reaching a decision is the likelihood of recovering each loans and receivables, including the financial performance of the loanee.

4. FINANCE INCOME

The company undertakes the business of commercial financial lending from the United Kingdom.

The company has one class of business and all other services are ancillary to this. The Chief Operating Decision Maker of the company is the board of directors. The Board reviews all of the information for the business as a whole as these ancillary activities do not have their own standalone reporting environment and protocols internally.

Segmental income

Revenue is derived from lending to borrowers located in India. Income is derived from:

	2016	*2015 restated*
	$	*$*
Finance income		
Interest on term loans	**55,357,584**	*39,672,799*
Interest on impaired term loans	**2,249,098**	*3,553,395*
Late payment interest and charges	**1,253,908**	*4,597,741*
Fee income - restated	**4,524,411**	*3,180,764*
	63,385,001	*51,004,699*
Other operating income		
Interest on deposits and tax indemnities income	**9,813,456**	*5,215,013*
	9,813,456	*5,215,013*

5. FINANCE COSTS

Financing charges payable on borrowings is made up of:

	2016 $	2015 $
Interest on borrowings	**20,941,438**	*8,367,768*
Interest on overdrafts	**489,321**	*102,253*
Guarantee fee	**8,953,584**	*5,799,797*
	30,384,343	*14,269,818*

6. ADMINISTRATIVE EXPENSES

	2016 $	2015 $
Employee remuneration and benefit expenses (note 7)	**644,933**	*708,378*
Depreciation and amortisation	**25,313**	*29,657*
Service charges (note 14)	**785,296**	*694,313*
Auditor's remuneration – audit services	**30,972**	*40,719*
Auditor's remuneration – non-audit services	**3,500**	*-*
Other professional fees	**81,826**	*31,338*
Rent and rates	**134,087**	*148,381*
Operating lease expenses	**160,637**	*110,018*
Bank charges and interest	**4,239**	*4,383*
Foreign exchange loss/(gain)	**4,248**	*(24)*
Other expenses	**211,055**	*112,707*
	2,086,106	*1,879,870*

7. EMPLOYEE EXPENSES

	2016 $	2015 $
Gross wages and salaries	**555,346**	*503,959*
Other employee benefits and income tax	**14,915**	*157,236*
Post-employment expense for provident fund (India)	**-**	*8,355*
Social security costs	**74,672**	*38,828*
	644,933	*708,378*

The average monthly number of employees during the year was made up as follows:

	2016 No.	2015 No.
Management	**1**	*1*
Administration	**3**	*4*
	4	*5*

8. DIRECTORS' REMUNERATION

	2016 $	2015 $
Gross wages and salaries	**218,504**	*249,400*
Other employee benefits and income tax	**62,984**	*79,603*
Post-employment expense for provident fund (India)	**3,669**	*3,665*
Social security costs	**20,566**	*33,964*
	305,723	*366,632*

The directors' remuneration above relates to one director and is therefore the same as the highest paid directors' remuneration.

9. INCOME TAX

	2016	2015
	$	$
Current income tax expense		
Current tax on profits for the year	**6,480,823**	*7,650,527*
Adjustment for under provision in prior periods	**3,000,233**	-
Total current tax	**9,481,056**	*7,650,527*
Deferred income tax credit		
Relating to origination and reversal of temporary differences	**409,177**	-
Recognition of previously unrecognised deferred tax assets	**(2,143,023)**	-
Total deferred tax (see note 15)	**(1,733,846)**	-
Income tax expense reported in statement of comprehensive income	**7,747,210**	*7,650,527*

Reconciliation of income tax charge to accounting profit

	2016		2015	
	%	$	%	$
Profit before tax		**27,980,908**		*36,447,499*
Tax at the domestic income tax rate	**20.00**	**5,596,182**	*21.00*	*7,653,975*
Tax effect of grossing up overseas income		**1,370,211**		-
Tax effect of capital allowances		**-**		*(8,291)*
Tax effect of non-deductible expenses		**5,000**		*4,843*
Tax effect of non-taxable income		**(274,042)**		-
Tax effect of change in rate of corporation tax		**192,650**		-
Recognition of transfer between corporation and deferred tax assets		**857,209**		-
Tax expense	**27.69**	**7,747,210**	*20.99*	*7,650,527*

The standard rate of corporation tax in the UK changed from 21% to 20% from 1 April 2015. The Finance (No.2) Bill 2015, which provides for reductions in the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020 were announced in the July 2015 budget was substantively enacted on 26 October 2015. Further amounts may be recoverable pending agreement with HMRC.

10. DIVIDENDS

	2016	2015
	$	$
Interim Dividend		
Ordinary share paid during the year - 40 cents per share (2015 – nil cents)	**20,000,000**	-
	20,000,000	-

11. PROPERTY, PLANT AND EQUIPMENT

At 31 March 2016

	Short leasehold property $	Plant and equipment $	Fixtures and fittings $	Total $
Cost				
At 1 April 2015 and 31 March 2016	122,799	37,475	63,888	224,162
Depreciation				
At 1 April 2015	(12,280)	(33,259)	(15,972)	(61,511)
Charge for year	(12,280)	(1,054)	(11,979)	(25,313)
At 31 March 2016	(24,560)	(34,313)	(27,951)	(86,824)
Net book value				
At 31 March 2016	**98,239**	**3,162**	**35,937**	**137,338**
At 31 March 2015	**110,519**	**4,216**	**47,916**	**162,651**

At 31 March 2015

	Short leasehold property $	Plant and equipment $	Fixtures and fittings $	Total $
Cost				
At 1 April 2014	-	47,720	47,603	95,323
Additions	122,799	3,012	63,888	189,699
Disposals	-	(13,257)	(47,603)	(60,860)
At 31 March 2015	122,799	37,475	63,888	224,162
Depreciation				
At 1 April 2014	-	(43,727)	(43,697)	(87,424)
Disposals	-	11,873	43,697	55,570
Charge for year	(12,280)	(1,405)	(15,972)	(29,657)
At 31 March 2015	(12,280)	(33,259)	(15,972)	(61,511)
Net book value				
At 31 March 2015	**110,519**	**4,216**	**47,916**	**162,651**
At 31 March 2014	**-**	**3,993**	**3,906**	**7,899**

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The board of directors have overall responsibility of risk management of the company. The Board has formed a Risk Management Committee (RiMC) for overseeing the risk management function. The role and responsibilities of the RiMC are set out below.

The objective of the company's Risk Management Strategy is to ensure that the company maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised.

Risk Management Committee (RiMC)

The RiMC is formed as an executive committee of the board of directors (the Board) and is responsible for:

- Oversight of management of Operational Risk, Market Risk, Credit Risk and residual risks;
- Recommending the modification of policies and submitting for the approval of the Board; and
- Periodically apprising the Board on risk management issues.

Risk Governance

The Board, comprising of four directors, is responsible for governance and approval of all loan proposals. The Board is also responsible for the periodical review of assets, finalising provisioning requirements, taking stock of any breaches in any of the policies and identifying the resolution. The Board is also responsible for periodic review of business strategy and expansion plans and has the responsibility of oversight of the compliance aspects of the company. The status of the required compliance is reviewed by the Board on a quarterly basis.

Compliance

The Board supports the senior management in fulfilling their regulatory obligations and helps to maintain the company as a ‘fit and proper’ institution in whatever form of business it undertakes; by helping to ensure compliance with the voluntary codes, principles, rules and regulations established by the various financial services regulatory organisations.

The Board sets the overall regulatory governance arrangements and provides information, advice and guidance to business on financial services regulations. It also monitors business activities to ensure that improper conduct and failures to comply with regulatory requirements are brought to the attention of management for appropriate corrective action.

The Board provides a focal point to coordinate communications and consultations with regulatory authorities and also carries out review of business against applicable rules, guidance and the company’s internal policies and procedures.

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The company extends financial assistance in accordance with the terms of the Scheme for Infrastructure Financing through IFCL (SIFTI) a scheme of the Government of India through IIFCL. IIFC (UK) Limited considers only those projects which are found commercially viable based on the appraisal completed by reputable appraising institutions. All the proposals are processed by the company for their compliance with SIFTI and other guidelines. All the proposals are approved by the board of directors of the company.

The carrying value of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk.

The top five exposures per company as at 31 March 2016 are as follows:

Sr. No	Company	Country of exposure	Type of account	Amount of Loan $
1	Sasan Power Ltd.	India	Syndication	342,526,692
2	Adani Power Rajasthan Ltd	India	Syndication	222,087,500
3	Lalitpur Power Generation Co Ltd	India	Syndication	150,000,000
4	M.B. (Madhya Pradesh) Limited	India	Syndication	127,681,031
5	Prayagraj Power Generation Co Ltd	India	Syndication	115,000,000

IIFC (UK) Limited conducts its business operations within the broad contours laid down under the SIFTI scheme framed by the Government of India. IIFC (UK) Limited considers only those projects which are found commercially viable based on the appraisal done by the reputed appraising institutions. All the proposals are processed by the company for their compliance with SIFTI and other guidelines. All the proposals are approved by the board of directors of the company.

In accordance with paragraph 5.2 of SIFTI, for a project to be eligible for funding from IIFC (UK) Limited, it should be implemented (developed, financed and operated for the project term) by (i) a Public Sector Company, or (ii) a Private Sector Company selected under a Public Private Partnership (PPP) initiative or (iii) a Private Sector Company. The projects awarded under the PPP route are accorded priority for lending. The Concession Agreement envisaged in PPP lending provides for termination payments to lenders in the event of default. IIFC (UK) Limited can lend to projects set up by private companies.

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Subject to the conditions that (i) the service to be provided by the infrastructure project is regulated or the project is being set up under an MOU arrangement with the Central Government, any State Government or a public sector undertaking (PSU), (ii) the term of IIFC (UK) Limited lending is longer than that of the longest term commercial debt by at least two years, and (iii) the lending to private sector companies not under competitive bidding shall remain within the limit of 50 percent of the total lending by IIFC (UK) Limited in any accounting year (increased from the earlier cap of 20 percent). Only such projects, which are implemented by the borrower company directly, or through a special purpose vehicle on a nonrecourse basis, and where an escrow account or other suitable mechanism for securing servicing of debt obligations (e.g. DSRA) is in place, shall be eligible for financing by IIFC (UK) Limited.

IIFC (UK) Limited considers approval of a loan to a project based on the appraisal of the Lead Bank or of any other reputed appraising institutions/banks/international financial institutions. In case of the appraisal other than by the Lead Bank, the disbursement of loans is subject to its acceptance and sanction of the loan by the Lead Bank. The company considers only those projects which are found commercially viable and these proposals are processed for their compliance with SIFTI and other guidelines.

The SIFTI guidelines and other operating norms provide adequate checks and balances to limit the company's exposure to the projects/groups as per the prescribed limits. In accordance with terms of paragraph 7.2 of SIFTI, the total lending by IIFC (UK) Limited to any Project Company shall not exceed 20 percent of the total cost of the project. Further, the amount of loan to be considered by the company shall not exceed the Lead Bank's loan amount or the cost of import of capital equipment and machinery, whichever is lower. Besides following the above stipulations, the company adheres to the exposure norms for approval of loans linked to 2.20 times capital and net funds of IIFC (UK) Limited (see capital management note) for a single borrower entity exposure and 4.80 times of net owned funds/capital funds of IIFC (UK) Limited for group exposure.

Cash and cash equivalents are held with branches/subsidiaries of Indian public sector banks where the majority shareholding is held by the Government of India. The company has no exposure to the real estate sector as at 31 March 2016 (2015 – USD nil).

Exposure to Credit Risk and Availability of Collateral Security

The table below presents the company's maximum exposure to credit risk of its on-balance sheet financial instruments at 31 March 2016, before taking into account any collateral held or other credit enhancements. For on-balance sheet instruments, the maximum exposure to credit risk is the carrying amount reported in the statement of financial position. The company does not have any off-balance sheet instruments, except for the issue of LoCs in favour of the Issuing Banks on behalf of the Borrowers. The LoCs is issued within the overall cap of the approved amount of loans. The issuance of LoC has the same comfort of collaterals as those available for the on-balance sheet transactions. The company's exposure to credit risk is spread across different sectors. The company is affected by the general economic conditions in the territory in which it operates. The company has set limits on the exposure to any counterparty and group of counterparties and credit risk is also spread over other syndicated banks.

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Exposure to Credit Risk and Availability of Collateral Security

The company's exposure to credit risk has increased by USD 141,441,165 during the year (2015 – USD 450,393,277) due to growth in the lending portfolio.

	2016	*2015 Restated*
	$	*$*
On-balance sheet exposure:		
Loans and advances to customers	**1,695,207,207**	*1,550,369,571*
Off-balance sheet exposure:		
Commitment to lend	**81,902,466**	*85,298,937*
Total exposure subject to credit risk	**1,777,109,673**	*1,635,668,508*

Impairment provisions:	**2016**	*2015* Restated
	$	*$*
Balance at beginning of the year	**3,617,234**	-
Provisions recognised	**16,346,334**	*3,617,234*
Provisions reversed as no longer required	**(3,617,234)**	-
Balance at the end of the year	**16,346,334**	*3,617,234*

Collateral

Collateral is held to mitigate credit risk exposures and risk mitigation policies determine the eligibility of collateral types. Collateral types that are eligible for risk mitigation include: deposits which are held under lien; commercial and industrial property; non-financial assets such as land, plant and machinery; commodities; current assets including receivables; bank guarantees; and letters of comfort. The right to take charge over physical assets is significant in terms of determining appropriate pricing and recoverability in the event of default.

The requirement for collateral is not a substitute for the ability to pay, which is the primary consideration for any lending decisions. In determining the financial effect of collateral held against loans neither past due or impaired, we have assessed the significance of the collateral held in relation to the type of lending. For loans and advances to customers, the company held the following amounts of collateral, adjusted where appropriate as discussed above.

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Collateral (continued)

A. Exposure on company: due to Letter of Credit/Guarantee/Letter of Comfort issued by the Banks, there are no separate collateral securities.

B. Company Exposure is collaterally secured as below:

First ranking pari-pasu interest / charge on Borrower's

- All immovable properties, present and future including land plant and machinery, equipment, furniture, fixtures, vehicles and all other movable assets.
- Cash, receivables and other assets.
- All rights, titles, interests, benefits, claims and demands, whatsoever of the Borrower in the project documents, letters of credit, guarantees, performance bonds, insurance contracts, insurance proceeds.
- Pari-pasu charge on Escrow Account, Trust and Retention Account, Debt Service Reserve Account and other bank accounts of the Borrower, wherever maintained.
- Pari-pasu pledge of shares held by sponsors in the relevant infrastructure project of the borrower representing 51% of equity, assignment of mining lease and corporate guarantee in the event of shortfalls.

The collateral, along with guarantees, fully safeguard against the credit risk with remote possibility of any loss. The company has not taken possession of any collateral in the year.

31 March 2016 Amount	**Total**	**Loans and receivables past due but not Individually Impaired**	**Individually Impaired Loans**
Outstanding	1,695,207,207	-	30,000,000
Collateralised	1,695,207,207	-	30,000,000

31 March 2015 Amount	**Total**	**Loans and receivables past due but not Individually Impaired**	**Individually Impaired Loans**
Outstanding	1,550,369,571	-	47,399,746
Collateralised	1,550,369,571	-	47,399,746

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

IIFC (UK) Limited has in place an approval to draw an aggregate amount up to USD 5 billion from the Reserve Bank of India, of which a total of USD 2.1 billion has been drawn. Further funds can be drawn in two tranches in a calendar month corresponding to the extent of incremental deployment. These funds are repayable in bullet payments on a 10 year maturity, with a prepayment facility without any financial penalty. The loans sanctioned by IIFC (UK) Limited stipulate repayment in instalments ensuring steady cash flows over period of time. Hence, IIFC (UK) Limited has an assured availability of funds and does not perceive any liquidity risk in the short to medium term.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of the bonds liability:

	Bonds	Interest on bonds	Total
	$	$	$
31 March 2016			
Less than one year	-	29,443,876	29,443,876
In more than one year but not more than two years	-	29,443,875	29,443,875
In more than two years but not more than three years	250,000,000	29,443,875	279,443,875
In more than three years but not more than five years	-	54,300,751	54,300,751
Over 5 years	1,850,000,000	84,203,610	1,934,203,610
Total	2,100,000,000	226,835,987	2,326,835,987

	$	*$*	*$*
31 March 2015			
Less than one year	-	18,107,123	23,252,231
In more than one year but not more than two years	-	18,887,394	23,367,063
In more than two years but not more than three years	250,000,000	18,887,394	22,641,397
In more than three years but not more than five years	-	36,759,538	291,624,635
Over 5 years	1,850,000,000	76,816,850	1,926,816,850
Total	2,100,000,000	169,458,299	2,287,702,176

All other financial liabilities, including contractual obligations in respect of financial guarantee contracts, are payable within twelve months from the year end. The withholding tax creditor is carried at undiscounted amount at the statement of financial position as the impact of discounting is immaterial and therefore the time value component of the withholding tax creditor has not been segregated in the table above.

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk

IIFC (UK) Limited does not have a trading book. The borrowing and lending are based on LIBOR linked floating rates and are in US Dollar denomination, the functional currency of the company.

The company charges floating interest on all loans and receivables linked to LIBOR and pays floating interest on bond liabilities linked to LIBOR. Surplus funds out of the bonds proceeds (if any) are held in fixed rate deposits on a six month rolling basis. Any exposure to interest rate movements during the lock in period of these deposits is considered immaterial therefore no sensitivity analysis has been provided.

Foreign exchange risk

The company is exposed to nominal foreign exchange risk mainly on account of administrative expenses incurred in the United Kingdom which is the country of operation.

The loans receivables, cash and cash equivalents and borrowings are all denominated in USD and therefore no exchange risk arise on these. As the risk is considered immaterial no sensitivity analysis has been provided.

Operational risk

Operational risk is defined as the potential risk of financial loss resulting from inadequate or failed internal process systems, people or external events.

Major sources of operational risks for the company are identified as IT security, internal and external fraud, process errors, money laundering risks and external events like failure of transportation, non- availability of utilities.

The company has identified each of such possible eventualities and established mitigation processes and internal controls. Documentation of processes and procedures are reviewed periodically.

The company conducts its operations under the Government of India Scheme for Infrastructure Financing. The scheme stipulates a series of operational norms which the company follows in its lending operations. All the lending powers vest with the board of directors. The company has an investment policy in place which is based on the terms and conditions issued by the Government of India and the Reserve Bank of India.

To address the risks relating to money laundering, the company has put into place a Know Your Client policy; a maker checker for all financial transactions; a system for the review and monitoring of activities at the Board and management level; record retention; and an internal control process to ensure that the Board, the Government of India and the Reserve Bank of India and promoter companies are kept informed of the company’s operations.

The company also draws on the policies of its parent company to identify operational risk in terms of credit risk, corporate governance, fraud detection and prevention and the compliance code of conduct.

Capital management

The company manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the company may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the year ended 31 March 2016.

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

	2016	2015
		Restated
	$	*$*
Interest bearing loans and borrowings	**2,100,000,000**	*2,100,000,000*
Less: Cash and short term deposits	**(959,759)**	*(555,834)*
Less: Fixed deposits with banks	**(539,868,887)**	*(681,527,662)*
Net debt	**1,559,171,354**	*1,417,916,504*
Equity including reserves carried forward	**124,038,384**	*123,804,686*
Total capital	**124,038,384**	*123,804,686*
Capital and net funds	**1,683,209,738**	*1,541,721,190*
Net funds to equity ratio	**13.6**	*12.5*

The company has an authorised share capital of USD 500 million, of which an amount of USD 50 million has been subscribed by the holding company. During the financial period to 31 March 2016, the company has increased its retained earnings by USD 233,698 (2015 - USD 28,796,972). As such, the company does not perceive any difficulty in capital management.

The liability of IIFCL is limited to its equity contribution in IIFC (UK) Limited and the fund based commitments of IIFCL to IIFC (UK) Limited.

The company does not have any regulatory capital requirements.

13. FINANCIAL INSTRUMENTS

	Carrying amount		*Fair value*	
	2016	*2015 Restated*	**2016**	*2015 Restated*
	$	*$*	**$**	*$*
Financial assets				
Cash and cash equivalents	**540,828,646**	*682,083,495*	**540,828,646**	*682,083,495*
Loans and receivables	**1,695,207,207**	*1,550,369,571*	**1,695,207,207**	*1,550,369,571*
Interest and other receivables	**8,949,511**	*1,826,912*	**8,949,511**	*1,826,912*
Financial liabilities				
Borrowings	**(2,100,000,000)**	*(2,100,000,000)*	**(2,100,000,000)**	*(2,100,000,000)*
Out of above:				
Non-Current:				
Financial assets				
Loans and receivables	**1,636,546,594**	*1,506,078,412*	**1,636,546,594**	*1,506,078,412*
Financial liabilities				
Borrowings	**(2,100,000,000)**	*(2,100,000,000)*	**(2,100,000,000)**	*(2,100,000,000)*
Current:				
Financial assets				
Cash and cash equivalents	**540,828,646**	*682,083,496*	**540,828,646**	*682,083,496*
Loans and receivables	**58,660,613**	*44,291,159*	**58,660,613**	*44,291,159*
Interest and other receivables	**8,949,511**	*1,826,912*	**8,949,511**	*1,826,912*

The fair value of all financial instruments approximate the carrying values as all non-current financial instruments are either floating rate instruments (which equal the market rates) or held as cash and cash equivalents, except for the withholding tax non-current payable which is recognised at an undiscounted amount as the impact of discounting is considered immaterial.

13. FINANCIAL INSTRUMENTS (continued)

Provision on Impaired Financial Assets

Loans, receivables and other receivables as in above note include impaired assets and assets with renegotiated terms as below:

	Loans and receivables $	Other receivables $
Gross balance of Impaired Assets	**25,000,000**	**5,802,492**
Less: specific impairment	**(12,000,000)**	**(5,802,492)**
Net Balance	**13,000,000**	-

Movement in impairment provision during the year:

Specific allowances for impairment	**2016 $**	*2015 $*
Balance at 1 April	**5,055,752**	*1,438,518*
Impairment loss for the year:		
Charge for the year	**16,364,334**	*3,617,234*
Recoveries/write offs	**(3,617,234)**	-
Balance at 31 March	**17,802,852**	*5,055,752*
Out of above		
Provision for impairment of loans and receivables	**-**	-
Provision for impairment of interest and other receivables	**-**	-
	17,802,852	*5,055,752*

There are no collective allowances for impairment.

The total charge to profit and loss in respect of impairment is as below:

Impairment charge on loans and receivables	12,000,000	*585,066*
Impairment charge on interest and other receivables	4,364,334	*3,032,168*
Reversal of impairment charge	(3,617,234)	-
	12,747,100	*3,617,234*

The total charge to profit and loss in respect of non-performing loan (NPL) interest income on impaired loans:

	2016 $	*2015 $*
NPL interest income on impaired loans	4,364,334	*1,438,158*
	4,364,334	*1,438,158*

14. INTEREST AND OTHER RECEIVABLES

	2016 $	*2015 Restated $*
Current		
Interest and other receivables	**9,010,135**	*5,766,459*
Tax receivables	**7,993,301**	*5,715,120*
	17,003,436	*11,481,579*

Tax receivable comprises:

	2016 $	*2015 Restated $*
VAT recoverable	**(80,064)**	*24,157*
Corporation tax recoverable	**8,073,365**	*4,781,093*
	7,993,301	*4,805,250*

15. DEFERRED TAX

The standard rate of corporation tax in the United Kingdom changed from 21% to 20% with effect from 1 April 2015. The Finance (No.2) Bill 2015, which provides for reductions in the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020 were announced in the July 2015 budget were substantively enacted on 26 October 2015.

For the purposes of deferred tax, the rate changes from 20% to 18% had been substantively enacted before the statement of financial position date. This will reduce the company's future current tax charge and reduce the company's deferred tax assets accordingly.

The movement on deferred tax account is as shown below:

	2016 $	2015 *$*
At 1 January	**-**	-
Recognised in statement of comprehensive income (note 9)		
Origination and reversal of temporary timing differences	**409,177**	**-**
Tax credit for recognition of previously unrecognised deferred tax asset	**(2,143,023)**	**-**
At 31 December	**1,733,846**	**-**

Deferred tax assets have been recognised in respect of other timing differences which give rise to deferred tax assets where the directors believe it is probable that these assets will be recovered. There were no unrecognised deferred tax assets or liabilities at year end (2015 – none).

16. RELATED PARTY TRANSACTIONS

Ultimate controlling party and immediate parent company

The company's ultimate controlling party and immediate parent company is India Infrastructure Finance Company Limited, a company incorporated in India. The financial statements will be consolidated with those of its parent company and are publicly available from Hindustan Times Building, Kasturba Gandhi Marg, New Delhi, Delhi 110001, India.

Transactions with related party

The company is related to IIFCL Projects Limited, a company incorporated in India, by virtue of a common parent company. During the year the company paid USD 785,296 (2015 – USD 694,313) to IIFCL Projects Limited, for pre and post sanction services provided in India, including financed projects' rating and monitoring, preparing legal documents, attending consortium meetings, marketing of business on behalf of the company. This expenditure was included within administrative expenses and no amounts were outstanding at the year-end (2015 – USD nil).

Key management compensation

The company defines key management personnel as being individuals who have authority to directly plan and control business operations.

Total key management compensation comprised:

	2016 $	*2015* *$*
Gross wages and salaries	**218,504**	*249,400*
Other employee benefits and income tax	**62,984**	*79,603*
Post-employment expense for provident fund (India)	**3,669**	*3,665*
Social security costs	**20,566**	*33,964*
	305,723	*366,632*

17. CASH AND CASH EQUIVALENTS

	2016 $	*2015* *$*
Cash on hand	**6**	65
Cash at bank in current accounts	**959,753**	*555,769*
Other short term deposits with banks	**539,868,887**	*681,527,662*
	540,828,646	*682,083,496*

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2016 $	*2015* *$*
Cash on hand	**6**	65
Cash at bank in current accounts	**959,753**	*555,769*
Other short term deposits with banks	**539,868,887**	*681,527,662*
	540,828,646	*682,083,496*

18. SHARE CAPITAL

Authorised share capital at 31 March 2016, 31 March 2015 and 31 March 2014

	No.	$
Ordinary share capital of $1 each	**500,000,000**	**500,000,000**

Issued and fully paid share capital at 31 March 2016, 31 March 2015 and 31 March 2014

	No.	$
Ordinary share capital	**50,000,000**	**50,000,000**

The company has one class of ordinary shares which carry no right to fixed income.

All issued share capital is classified as equity.

19. RESERVES

Retained earnings are all net gains and losses and transactions with owners which are not recognised elsewhere.

20. FINANCIAL LIABILITIES

	2016 $	*2015* *$*
Bonds issued	**2,100,000,000**	*2,100,000,000*

The bonds issued refer to nine tranches of ten year bonds maturing at various dates as shown below bearing interest linked to the USD six month LIBOR. The bonds are secured by the sovereign guarantee of the Government of India. The bonds are repayable on maturity by way of a bullet payment. An option to repay the bond earlier is available without any financial penalties.

Tranche	Issue Date	Maturity Date	2016 $	*2015* *$*
1st	19 Mar 2009	19 Mar 2019	**250,000,000**	*250,000,000*
2nd	16 Sep 2011	16 Sep 2021	**130,000,000**	*130,000,000*
3rd	27 Feb 2012	27 Feb 2022	**170,000,000**	*170,000,000*
4th	30 Mar 2012	30 Mar 2022	**123,000,000**	*123,000,000*
5th	5 Jul 2012	5 Jul 2022	**117,000,000**	*117,000,000*
6th	4 Mar 2013	4 Mar 2023	**160,000,000**	*160,000,000*
7th	6 Mar 2014	6 Mar 2024	**231,000,000**	*231,000,000*
8th	15 Sept 2014	15 Sept 2024	**387,000,000**	*387,000,000*
9th	26 Mar 2015	26 Mar 2025	**532,000,000**	*532,000,000*
			2,100,000,000	*2,100,000,000*

21. OTHER PAYABLES – NON CURRENT

	2016 $	*2015* *$*
Withholding tax creditor	**14,099,939**	*13,098,769*

22. INTEREST AND OTHER PAYABLES - CURRENT

	2016 $	*2015* *$*
Interest payable on bonds	**1,464,535**	*1,138,862*
Withholding tax creditor	**9,624,780**	*560,095*
Corporation tax creditor	**4,585,015**	*4,585,015*
Interest received in advance	**1,097,820**	*909,870*
	16,772,150	*7,193,842*

23. OPERATING LEASE COMMITMENTS

The company had the following commitments in respect of total future lease payments due as follows:

	2016 $	*2015 restated* *$*
Less than one year	**66,692**	*98,518*
Between two and five years	**333,461**	*492,589*
More than five years	**133,385**	*295,553*
	533,538	*886,660*

24. OTHER COMMITMENTS AND CONTINGENCIES

The company has an outstanding commitment of USD 81,902,466 (2015 – USD 85,298,937) on commitments to lend to customers for loans to be disbursed after the financial reporting date.

25. EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no reportable events after the end of the reporting period.