India Infrastructure Finance Company Limited
(A Govt. of India Enterprise)
(ISO : 9001 : 2015)
Regd. Office : 5th Floor, Block 2, Plate A & B, NBCC Tower, East Kidwai Nagar, New Delhi-110023
Phone : +91-11- 24662777 Fax : +91-11-20815116/7
Website: www.iifcl.in
CIN : U67190DL2006GOI144520

ANNUAL REPORT

2021-22

Vision

"Provide innovative financing solutions to promote and develop world class infrastructure in India."

Mission

"To adopt best practices in financing infrastructure and develop core competencies in facilitating infrastructure development. Develop a team of highly engaged employees to deliver services in a professional manner and to the satisfaction of all stakeholders."

Our Subsidiaries

India Infrastruture Finance Company (UK) Limited
(A wholly owned subsidiary of IIFCL)
FCRN : 06496661
Third Floor, 72 King William Street
London EC4N 7HR United Kingdom
Ph : General: +44-20-7776 8950; Fax : +44-20-77768958
Email: info@iifc.org.uk
Website : www.iifc.org.uk

IIFCL Projects Limited
(A wholly owned subsidiary of IIFCL)
CIN : U74999DL2012GOI231473
Regd. Office: 5th Floor, Block 2, Plate A, NBCC Tower,
East Kidwai Nagar, New Delhi-110 023
Phone: +91-11-2465573
Email id : contact@iifclprojects.com
Website : www.iifclprojects.com

IIFCL Asset Management Company Limited
(A wholly owned subsidiary of IIFCL)
CIN : U65991DL2012GOI233601
Regd. Office: 5th Floor, Block 2, Plate A, NBCC Tower,
East Kidwai Nagar, New Delhi-110 023
Ph: +91-11-24665900-10
Email: complianceofficer@iifclmf.com
Website: www iifclmf.com

17th
Annual General Meeting of the Shareholders of India Infrastructure Finance Company Limited

Date: Wednesday, 28th September 2022
Time: 1.00 p.m.
Place: Conference Hall, Department of Financial Services, Ministry of Finance, Government of India, Jeevan Deep Building, Sansad Marg, New Delhi-110001

Contents

REGISTERED OFFICE

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BANKERS

Punjab & Sind Bank
State Bank of India
IDBI Bank
Punjab National Bank
IDFC Bank
Union Bank of India
Indian Overseas Bank
Axis Bank
IndusInd Bank
ICICI Bank
IDFC First Bank

TRUST

VISTRA ITCL(INDIA) Limited
(formerly known as IL&FS Trust Company Limited)
The IL&FS Financial Centre, Plot c-22, G- Block, Bandra Kurla Complex,
Bandra (E) Mumbai-400051, Phone:+91-22-26593215

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

STATUTORY AUDITORS
S P M R & Associates, Chartered Accountants
C-113 LGF,
Dayanand Colony Lajpat Nagar-lV,
New Delhi - 1 10024,
Telephone : 011 -4162 00551 Email : info@spmr.in

From the Managing Director's Desk

Ladies and Gentlemen,

It gives me immense pleasure to welcome you all to the 17th Annual General Meeting of your company and present to you the Annual Report of IIFCL for the Financial Year 2022.

The year 2021-22 saw the world grappling with successive Covid waves as the pandemic entered its second year and India being exception. The second and third waves of Covid-19 in India led to disruptions across major sectors of the economy, including infrastructure sector. However, helped by mass immunization program of the Government as the country crossed a record 200 crore Covid-19 vaccinations in July 2022, the economic impact of the Covid waves was subdued as compared to that during the previous year.

During FY22, your company continued to showcase sustained growth and momentum in terms of its business operations, surpassing its record performance posted in the previous year.

Your Company posted record performance with highest ever standalone Sanctions and Disbursements at ₹25,120 Crore and ₹10,445 Crore respectively during the financial year 2021-22. The Consolidated Cumulative Sanctions and Disbursements stood at ₹2,35,503 Crore and ₹1,13,320 Crore respectively as at March 31, 2022 respectively.

IIFCL has provided sanctions to around 650 projects with a total project outlay of Rs.11.70 lakh crore.

Your Company's outstanding loan portfolio strengthened by ~7% y-o-y to Rs. 39,352 Crore as at March 31, 2022 despite the challenges faced due to the Covid-19 pandemic. Taking its developmental role further, IIFCL has now ventured into investment in infrastructure bonds being issued by project companies. IIFCL has invested ₹975 crore in Project Bonds, including around Rs.324 Crore of bonds in renewable energy InvIT. We are also eyeing lending opportunities to InvITs this year and aim to further strengthen our balance sheet and improve its asset quality.

IIFCL continues to provide financial support for infrastructure projects, and has recently shifted its focus to projects of national significance, extending financial aid to some of the most prominent ongoing projects such as Navi Mumbai International Airport, Jewar International Airport, Pune IT City Metro and Ganga Expressway.

Your Company's stand-alone Profit after Tax (PAT) during the financial year 2021-22 grew by 80% to ₹514 Crore from ₹285 Crore in the previous fiscal. The Net worth increased to ₹11,737 Crore as on March 31, 2022 from ₹10,654 Crore in the previous fiscal.

Your Company has been able to arrest the declining asset quality trends and achieve a notable reduction of Gross NPA and Net NPA to 9.22% and 3.65% respectively as on March 31, 2022, down from 13.90% and 5.39% respectively in the previous year. The Provision Coverage Ratio increased to 62.75% as on March 31, 2022 from 61.24% in the previous year, thereby improving the robustness of the company's balance sheet. In the past couple of years, IIFCL has significantly reduced its cost of funds, which has enabled it to maintain competitive Benchmark rates to further pass on the benefits to infrastructure sector. This has been made possible by efficient resource and treasury management.

As on March 31, 2022, the proportion of IIFCL's infrastructure assets rated A and above in the loan book stood at ~64% (up from ~54% as on March 31, 2021), thereby reflecting the higher quality asset profile of the company. The Company's stance of aggressively pursuing recoveries has yielded highest ever recovery of around ₹780 Crore during FY22, as compared with ₹618 Crore during the previous year.

Your company remains adequately capitalised with its capital adequacy ratio at 29.03% and well above the statutory requirement of 15%. It continues to maintain highest domestic credit rating of AAA from various credit rating agencies. The continued record performance of the company for the last two consecutive years showcases the potential of IIFCL to contribute India's Infrastructure development through flagship programmes such as the Gati Shakti, National Infrastructure Pipeline, National Monetization Pipeline, Bharatmala Yojana, Sagarmala Yojana, among others. I am also glad to share that your company has adopted its first ever Strategy Road Map and Business Plan.

Entering into the 75th year of India's independence, your company has also been at the forefront to celebrate the Azadi Ka Amrit Mahotsav. Under the theme of Achievements@75, the Company has been showcasing its impact in the financial domain for the last 16 years. The company has now evolved from a last mile financier to a preferred financier for infrastructure sector.

IIFCL Group is also working towards fulfilling the significant renewable energy targets and the net zero commitment of Government of India by 2070 by providing long term funds at competitive rates. Your company has so far financed over 170 projects in the renewable sector with a total capacity of over 70,000 MW. IIFCL Group is also providing Advisory Services to the sector through its subsidiary company IIFCL Projects Limited (IPL). Its offshore subsidiary IIFC (UK) Ltd is also engaged in providing long-term Dollar funding to the renewable space. IIFCL's third subsidiary, IIFCL asset Management Company Limited (IAMCL) is exploring to launch its next fund, dedicated to green finance, during this year.

It is estimated that the projects funded by IIFCL have the potential to avoid 4404.45 megatons of CO2 emissions, 531 megatons of SO2 emissions and 475 megatons of NO emissions. Your company is also pushing forward for inclusion of Electric Vehicles, Green Hydrogen and Space infrastructure in the 'Harmonised List for Infrastructure' hence opening up an array of funding avenues. This would enable raising long-term low-cost funds that would eventually translate into lower cost for end user, benefiting the economy at large.

Your company is also working on the development of rural economy. Majority of the projects funded by IIFCL are in the rural sector. IIFCL has accorded sanctions of about ₹ 1.2 lakh crore to projects pertaining to the rural sector and has disbursed around ₹ 60,000 Cr in such projects. It is estimated that the projects funded by IIFCL created over 1.5 crore direct and indirect jobs.

Your Company has taken up several initiatives to improve the regulatory and structural environment for infrastructure financing. Since infrastructure project completion often faces risks due to delays in land acquisition, delays in obtaining clearances and approvals, local oppositions, non-fulfilment of obligations by the Concessioning Authority, change in law/order etc., Your Company is advocating for Project Completion Risk Insurance (PCRI) and is already in talks with the concerned authorities. In order to improve the viability of the projects, your company is pushing for Refinancing of Standard and Viable Project Loans without change in Asset Classification. This would not only enhance the viability of infrastructure projects but also enable capital relief to banks and will ensure dispersion of risk based on return expectation of long-term institutional investors such as insurance and pension funds. It has also continued its efforts in pushing for its Online Project Monitoring System (OPMS) initiative as an effective tool for ensuring progress-linked disbursement in infrastructure projects. By utilising this online system, delays can be eliminated, and the organisation can be more prompt and accurate in assessing the requirements of infrastructure projects and meeting them. Time bound release of Termination Payments by Concessioning authorities is another critical area that requires attention to protect the interest of lenders and developers and IIFCL is in discussion with MoRTH and NHAI for this issue. Your Company is in talks with the Government of India (GoI), State Governments, and the Ministry of Roads and Transport (MoRTH) to improve concession terms and ensure investor confidence for private sector investments by identifying the need for Tripartite PPP Concession Agreements.

It fills me with pride to inform you that your company represents India at Shanghai Cooperation Organisation – Interbank Consortium (SCO-IBC) forum and is to assume the Chair for SCO-IBC during the period 2022-23.

Now, I would like to brief our stakeholders about the external business environment and the macroeconomic scenario having impact on the performance and future prospects of your company.

Economic overview

India continues to be one of the largest and fastest growing economies of the world despite of shock waves from the war in Ukraine and retaliatory economic and financial sanctions. According to the Central Statistics Office, the Indian economy grew at a rate of 8.7 percent during 2021-22.In absolute terms, growth in GDP in 2021-22 was 1.5 per cent higher than the last pre-pandemic year, showing that the economy has recovered most of the losses suffered during Covid. As per IMF estimates, the Indian economy is expected to grow at 8.2 per cent in 2022-23.

India, in line with other global economies, is experiencing a rise in inflationary pressures. As per MOSPI, Consumer Price Index inflation stood at 6.95% in March 2022 compared to 6.07% in February 2022. The rate of inflation based on WPI Food Index stood at 14.55% as on 31st March 2022 compared to 7.89% in the last financial year. Government and RBI have been proactive in dealing with inflationary pressures and the recent monetary policy was guided by price stability over the medium term while ensuring a strong and sustained economic recovery. For 2022-23, RBI has projected inflation at 6.7 per cent.

As regards revival of factory output reflected through Index of Industrial Production (IIP), there has been a significant growth of 11.3 per cent in FY22 as against an 8.4 per cent contraction in FY21. This will further boost employment opportunities in the country.

The rupee has also been under pressure vis-à-vis US dollar recently with USD-INR breaching Rs.80 per dollar recently and many analysts expects this pressure to continue. IIFCL's prudent and futuristic hedging is expected to not only prevent losses but also to earn profit from the currency movements.

On the external front, our merchandise exports performance remained buoyant growing by 14.53% and crossing the $400 billion mark in FY22. However, imports growth too remained strong at 55% during the year.

Even as foreign portfolio investment flows in India were marked by significant volatility in 2021-22, net foreign direct investment remained robust, with the country witnessing an accretion of $63.5 billion to foreign exchange reserves on a balance of payments basis. As on March 31, 2022, India's foreign exchange reserves at $ 607.3 billion was adequate to cover a year's imports.

Banking and Financial Sector

The policy measures taken by the RBI in response to the COVID-19 pandemic reached the pre-announced sunset dates in 2021-22. Among financial institutions, banks have reduced gross nonperforming asset (GNPA) ratio through recoveries, write-offs and reduction in slippages. Non-banking financial companies (NBFCs) have also benefited from regulatory dispensations, including the congenial financial conditions engendered by the Reserve Bank's monetary and liquidity operations.

Capital and liquidity buffers have been built up well above regulatory requirements, including by accessing markets, and SCBs taken together are seeing a modest return to profitability. Asset Quality of SCBs continued to improve steadily through the year, with gross non-performing assets (GNPA) ratio declining from 7.4 per cent in March 2021 to a six-year low of 5.9 per cent in March 2022. Among major sub-sectors within Industry, GNPA ratio in infrastructure sector (with a share of about 37 percent in bank credit to the industrial sector), fell from 10.5 percent as on March 2021 to 7.7 percent as on March 2022.

After several rate cuts in 2019-20 and 2020-21, the repo rate was maintained at 4 per cent in 2021-22. The liquidity in the system remained in surplus throughout the year. RBI undertook various measures, including secondary market G-sec acquisition programme, special Long-Term Repo operations, on tap targeted Long-Term Repo Operations, etc. to provide further liquidity in the system. Thereafter, RBI used Variable Rate Reverse Repo, reverse repo auctions to rebalance liquidity conditions.

State of the Infrastructure Sector

'Infrastructure-led recovery' continues to be the motto of the Indian Government for reviving economic growth across sectors. The Union Budget for 2022-2023 evidently showcased the intent of the Government for the development of the infrastructure and allied sectors in the country through progressive schemes such as the PM Gatishakti, PM GatiShakti National Master Plan, Parvatmala etc.The Union Budget FY23 has prioritized capital formation, driven by themes like 25% increase in capital outlay(raising capital expenditure by 35.4% to Rs 7.5 lakh crore), improving PPP structures, urban rejuvenation capacity building, reform in public procurement and timely payment and support to States for Public works and Power sector reforms.

The Economic Survey FY22 observed that in-spite of the unprecedented COVID-19 pandemic and consequential challenges, the industrial and infrastructure sector of Indian economy are on path to a fast V-shaped recovery. Further improvement and firming up in industrial activities, enhanced capital expenditure by the Government, the vaccination drive and the resolute push forward on long pending reform measures are expected to provide the much needed support to the ongoing recovery path.

Infrastructure sector owing to its forward and backward linkages to other sectors of the economy continues to be the focus area of the Government of India. The measures being undertaken by the Government are likely to have a multiplier effect on the core sector industries like steel and cement, and in turn give a boost to the domestic refractory industry. The budget has also highlighted the need for coordination between various Ministries/agencies to enable identification and timely completion of priority projects. Both of these would be addressed through the Gati Shakti initiative.

Trends in Infrastructure Financing Space

As per an ICRA report, the share of NBFC's in infrastructure credit has been on the rising trend to 54% as of March 31, 2021 from about 42% five years ago. There has also been an improvement in liquidity profiles of NBFC-IFCs with reduced dependence upon short term borrowings in incremental fund raising. NBFC-IFCs loan books are expected to grow by 10-12% in FY23 as per ICRA.

The growth prospects for NBFC-IFCs are strong as demand for infrastructure credit is expected to gather pace amid the Government's resolve to focus on the infrastructure sector to revive economic growth. The National Infrastructure Pipeline (NIP), launched with 6,835 projects, has now been expanded to 9,365 projects across 34 sub-sectors with a Total Project Cost of ₹ 141 lakh Crore and will require a major increase in funding from both the government and the financial sector.

Sectoral performance highlights in Infrastructure

Some noteworthy developments in key infrastructure sub-sectors during 2021-22 and way forward are elucidated as follows:

Road and Highways

Road and Highways sector continue to be the shining star of Infrastructure sector overcoming the debilitating impact of the second wave of COVID-19. The year 2021-22 was a year for consolidating the gains that have accrued from major policy decisions taken in the previous six years, and aspiring to maintain the momentum of the historically highest pace of road development (about 37 km/day) achieved last year. The monitoring of ongoing projects was intensified and critical interventions were made to resolve pending issues and bottlenecks.

The progress on FASTag, monetisation through InvITs and shift towards green field expressways have been some of the flagship achievements of this year. As on 31st December 2021, collectively banks have issued over 4.42 Crore FASTags with an average daily electronic toll collection (ETC) transactions of 76.62 lakhs; the average daily collection through ETC has increased to ₹118.5 crore with penetration of 96.4% in total fee collection. During current financial year, National Highways Authority of India (NHAI) has monetized 390 km under InvIT Mode. An additional length of about 450 km has also been bid out through Toll Operate Transfer (TOT) mode.

The Ministry of Road Transport and Highways plans to undertake development of Cable Propelled Transit, i.e. Ropeways, as an alternate mobility transport solution in areas where other modes of transportation are infeasible, for example, in hilly areas. Ropeways can provide first and last mile connectivity for transportation of passengers in an environmentally sustainable way. Model Concession Agreement (MCA) for development, operation and maintenance of ropeways and alternate mobility solutions on Hybrid Annuity Model (HAM) is being prepared to improve investor confidence in this new sector.

Power Sector

Focusing on India's energy system in particular, I would like to highlight two extremely positive developments that stand out.

The first is India's monumental achievement in bringing electricity connections to hundreds of millions of its citizens in recent years. A total of 1492 in Billion units of electricity have been generated from during the year 2021-22.

The second encouraging development is the way in which India has grasped the transformative potential of renewables. India ranked as the most attractive market for energy transition investment amongst 107 emerging markets as per the Climate Scope 2021 report by Bloomberg CEF. Transparent market mechanisms, supportive policies and ambitious government targets have attracted many domestic and international players to India's renewables market.

India's installed renewable energy capacity is the fourth largest in the world. A total of 153 GW of Renewable Energy capacity been installed in the country as on March 31, 2022. New solar and wind projects in India have among the lowest costs in the world because of the increased scale and competition. In FY22, India added a record 13.9GW of solar capacity to the grid as compared to 5.5 GW installed in FY21. India's ultra-mega solar park model has been tremendously successful in de-risking solar projects and upscaling solar capacity deployments

At COP26 in November 2021, the Hon'ble Prime Minister Narendra Modi announced India plans to reduce emission intensity by more than 45% by 2030 below 2005 levels a target of net-zero by 2070. The GOI also introduced of Green Day Ahead Market (GDAM) on October 25, 2021 which is a marketplace for trading of renewable power on a day-ahead basis. It is a noteworthy step as it would facilitate accomplishment of green targets as well as support integration of green energy in a most efficient, competitive and transparent manner. The growth in power generating capacity requires concurrent investment in the transmission and distribution grids and your company will continue to play an instrumental role in this segment.

Airports

In an endeavour to improve the execution of PM-Gati Shakti vision, 16 new airports will be built in Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Rajasthan, and Maharashtra. The Government has opened the airport sector to private participation as six airports across major cities are being developed under the PPP (public private partnership) model. Further, AAI and other Airport Operators have targeted a capital outlay of more than ₹ 90,000 crore from 2019-20 to 2024-25 for modernisation of airports.

Railways

Despite Covid challenges, Indian Railways (IR) displayed noteworthy performance in the financial year 2021-22. The sector has achieved milestones in various categories including electrification, freight loading, new line, doubling, gauge conversion, locomotive production as well as integration of technology for ensuring safety. IR has loaded 1418.10 MT during 2021-22 as compared to 1233.24 MT in 2020-21. It has achieved record electrification of 6,366 RKMs during 2021-22 as against 6,015 RKM during 2020-21.

Ports

The major ports under the Ministry of Ports, Shipping and Waterways registered an impressive growth in traffic movement of around 7 per cent (year on year) during 2021-22 over the previous year.

On the policy front, the proposed draft policy on Green Ports and PPP policy for Port Land Industrialization, provides some insight on steps to be taken for attracting private investments and achieve sustainability goals as envisaged in Maritime Vision 2030. The increasing traffic at Indian ports points towards a healthy outlook for the port sector. The ongoing decade could well be a golden decade for the sector with positive government policy interventions, private sector capital infusion, and holistic and inclusive development with efficiency, job creation and innovation.

Against this background, I would now like to present the Operational and Financial Performance of IIFCL during the year 2021-22.

OPERATIONAL HIGHLIGHTS

Direct Lending:

- Gross Sanctions: During 2021-22, your company made incremental gross sanctions of ₹6,201 Crore under Direct Lending, taking cumulative gross sanctions under Direct Lending (Including Sub-Debt) to ₹1,02,022 Crore to 530 projects with a total project cost of ₹9,39,039 Crore as on 31st March 2022.

- Financial Closure: As on 31st March 2021, out of 387 net sanction projects under direct lending, 367 projects i.e. 95 percent have achieved financial closure.

- Disbursements: During 2021-22, your company made incremental disbursements of ₹2,220 Crore under direct lending (including Sub-debt), taking cumulative disbursements under the scheme to ₹46,268 Crore to 367 projects with a total project cost of ₹5,91,489 Crore as on 31st March 2022.

Refinance

- Gross Sanctions: During 2021-22, your company made incremental gross sanctions of ₹14,500 Crore under Refinance, taking cumulative Gross Sanctions under the scheme to ₹50,397 Crore as on 31st March 2022.

- Disbursements: During the year, your company made incremental disbursements of ₹6,250 Crore under Refinance, taking cumulative disbursements under the scheme to ₹28,165 Crore as on 31st March 2022.

Takeout Finance

- Gross Sanctions: During 2021-22, your company made incremental gross sanctions of ₹2,264 Crore under Takeout Finance, taking cumulative Gross Sanctions under the scheme to ₹27,376 Crore as on 31st March 2022.

- Disbursements: The Cumulative disbursements under the Takeout Finance scheme stands at ₹16,413 Crore as on 31st March 2022

FINANCIAL HIGHLIGHTS

- Profit After Tax increased from ₹285 Crore in fiscal year 2020-21 to ₹514 Crore in fiscal year 2021-22
- Outstanding loan book increased by ~7 percent to ₹39,352 Crore as on March 2021 from ₹36,689 crore.
- Capital to Risk (Weighted) Assets Ratio (CRAR) decreased from 30.86 percent as on March 2022 to 29.03 percent as on 31st March 2022, maintaining an adequate cushion over the minimum regulatory requirement of 15 percent for NBFCs as mandated by the RBI.
- Provision Coverage Ratio improved from 61.24 percent as on March 2021 to 62.75 percent as on March 2022.
- Debt-Equity Ratio decreased from 3.73 as on March 2021 to 3.48 as on March 2022.
- Gross NPA and Net NPA stood at 9.22 percent and 3.65 percent as on March 2022.

Impact of IIFCL

As of March 2022, your Company has participated in ~645 projects having a total outlay of over ₹11 lakh crore, providing financial assistance to around 27 percent of PPP projects in the country. This has, inter alia, delivered the following salient enabling impacts-

- Roads and Highways: ~29,000 kms of road development viz ~ 17 percent of National Highway capacity

- Ports: ~800 MT of port capacity development viz ~52 percent of India's Major Port capacity

- Conventional Energy: ~65 GW of energy addition viz; ~17 percent of India's installed capacity

- Renewable Energy: IIFCL has expanded its assistance to renewable energy sector with sanctions of ₹16,061 Cr & Disbursements ₹8,382 crore

- Airports: Development of Major International Airports- Delhi, Mumbai, Hyderabad and more.

Subsidiaries' Highlights

IIFCL Projects Limited:

IIFCL Projects Limited (IPL), another subsidiary of IIFCL, has completed a decade as a dedicated Project and Financial Advisory Company in the infrastructure sector. Continuing its growth momentum and widening its presence in the consultancy and advisory segment, IPL posted 20% YoY growth in revenue with total revenue of ₹13.16 Crore in FY22 as against ₹11.01 Crore in the corresponding previous year. The Company recorded impressive YoY growth of 62% in its profitability with Profit After Tax of ₹3.75 Crore for the year as against ₹2.31 Crore in the corresponding previous year.

During this Financial Year, the Company was appointed as principal consultant to Manipur State Planning Authority (MSPA) for providing advisory services in infrastructure and allied sectors. IPL also bagged two new retainership advisory programmes from Meghalaya for increasing potential investment in the state and to conserve the ecological setting of the state. IPL continues to successfully execute its existing mandates with IIFC (UK), Tamil Nadu Infrastructure Development Board (TNIDB), Meghalaya Infrastructure Development Finance Corporation (MIDFC) and Meghalayan Age Limited (MAL) for providing Project Development and appraisal Assistance. The Company further looks to expand its footprints to other states in a measured manner.

During the year, IPL bagged the prestigious assignment for providing its Transaction Advisory services for transfer of 10 in-orbit Communication Satellites from Department of Space to New Space India Limited (NSIL). This included undertaking a Financial Valuation of the assets and IPL is presently engaged with NSIL on the same. The Company also successfully executed its mandate from GIZ, the German Development Agency on upgrading the sustainability profile of infrastructure projects through promoting 'Sustainability Standards' in India.

IPL derives capabilities from a lean skilled team of professionals in various domains with deep understanding of market dynamics, transaction advisory, project finance and infrastructure sector. This experience has also enabled IPL to attain substantial skill set and gain credentials that would further assist in leveraging other such opportunities.

IIFC (UK) Ltd.:

IIFC (UK) Ltd, IIFCL's wholly-owned subsidiary in London, United Kingdom, has made cumulative loan sanctions (net of cancellations) of USD 4.36 billion and cumulative disbursements of USD 2.25 billion till 31st March 2022. After introducing Refinance Scheme in the previous year, the company has approved proposals amounting to USD 100 Mn during the year 2021-22. Apart from RBI line of credit, IIFC (UK) is continuously exploring new sources of funds with a view to further supplementing financial resources for infrastructure development in India, and accordingly during the year, the company secured a $100 million bilateral loan facility and has raised USD 11 Mn out of this facility. During the year, the company continued on its recovery efforts from stressed assets, and made recoveries amounting USD 97.45 Mn during the year. Further, the Profit After Tax for the company for FY22 has increased to USD 19.09 Mn from USD 6.56 Mn in FY21.

IAMCL

IIFCL Asset Management Company Limited (IAMCL), a wholly-owned subsidiary of IIFCL, was set up in 2012 as an Asset Management Company (AMC) for IIFCL Mutual Fund (IDF). IIFCL Mutual Fund (IDF) launched and closed its maiden IDF Series I of fund size of Rs. 300 Crore in February 2014. In the month of April 2017, IAMCL launched and closed its IDF Series II with a fund size of Rs. 200 Crore. The Assets under Management (AUM) of Series I has reached Rs. 441.84 Crore and of IDF Series II is Rs. 186.14 Crore as on 31st March 2022. IDF Series I & Series II both are listed on the BSE. The schemes have primarily invested in completed and revenue gene-infrastructure assets and infrastructure financing companies.

IAMCL registered net profit of Rs. 2.16 Cr for the financial year ended March 2022 vis-a-vis net profit of Rs. 1.42 Cr for the year ended March, 2021. IAMCL registered an increase in revenue from Rs. 6.56 Cr to Rs. 7.20 Cr as on 31stMarch 2022. The increase in revenue is primarily due to increase in Management Fee from the schemes, investments in better yield generating products and receipts from resolution of NPAs.

In the second half of FY22, rise in interest rates impacted the asset markets globally. Rise in commodity prices due to Global geo political developments has also impacted infrastructure recovery. IAMCL has invested in high quality credits, mainly AAA rated in Infra Debt Fund (IDF)'s portfolio. Rise in interest rates due to hike in Repo rate by RBI also contributed to nominal growth in IDF's AUM.

Way forward

Your Company is strategically positioned not just as the only public-sector financial institution in the country working in all the sub-sectors of Infrastructure sector but also as a conduit between the private sector and the government. Your company aims to leverage upon this and increase its contribution towards development of the infrastructure sector. It will be actively engaging with developers, authorities, regulators, state and central governments to augment its loan book and also to provide advisory and policy advocacy to the public sector.

Last year, subsequent to clarification by the Reserve Bank of India, your company initiated subscribing to infrastructure project bonds and lending to InvITs. In the near future, increased traction is expected in these instruments and your company aims to materialise on the same.

Further, your company intends to contribute towards improving the Regulatory and business environment of the sector. In order to boost the confidence of various stakeholders, there is a need for a comprehensive insurance structure in the Infrastructure Sector that covers the project completion risks. This would, inter alia, require the Concessioning Authorities subscribing for insurance for making Termination Payment. It would provide certainty to lenders in receiving termination payments, enhance recovery, reduce NPA levels, and further enable fresh lending to newer projects. It would also reduce burden on the exchequer in the event of termination and also build confidence amongst all classes of investors, both domestic and foreign to invest in India's infrastructure sector. IIFCL has already taken up Project Completion Risk Insurance (PRCI) proposal with Insurance Regulatory and Development Authority of India (IRDAI) and multilateral institutions such as the Asian Development Bank (ADB) (for providing Technical Assistance). IIFCL is also in discussion with the Ministry of Road Transport and Highways (MORTH) and other insurance providers.

IIFCL has been working towards an integrated IT framework that connects the entire value chain from project sourcing, credit appraisal, due diligence and risk management to post-sanction activities such as monitoring and accounting.

Going forward, Your Company intends to focus on becoming an agile and niche player in the market by offering best in class services in to its customers.

Acknowledgement

At the outset, I would like to take this opportunity to express my sincere thanks to Hon'ble Prime Minister; Hon'ble Finance Minister; Minister of State for Finance; Vice Chairman, NITIAayog; Secretary, Department of Financial Services; Secretary, Department of Economic Affairs, Ministry of Finance for the immense support and guidance throughout the year.

My sincere and heartfelt gratitude goes out to the officials of the Department of Financial Services and Department of Economic Affairs in the Finance Ministry, NITI Aayog, and other ministries for their continued support. I would like to convey my thanks to the Comptroller and Auditor General of India, Reserve Bank of India, Securities and Exchange Board of India, Credit Rating Agencies,Multilateral Institutions, LIC and the statutory auditors for their valued contribution. I would also like to thank members of the Board for their unending support and contribution towards steering this company ahead. Lastly, I must thank all the employees and staff of IIFCL for their continued dedication, hard-work and support extended to the company.

I also thank all our employees, without whose hard work and zeal the success your company has witnessed and the feats that it has achieved over the years would not have been possible. I look forward to your continued support in the years to come and hope that with continued commitment of all stakeholders, your company will continue to scale greater heights.

Sd/-

P.R. Jaishankar

Managing Director

DIN No. 06711526

Place: New Delhi

Date: 25th September 2022

N O T I C E

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED WILL BE HELD ON WEDNESDAY, THE 28TH DAY OF SEPTEMBER, 2022* AT 1.00 P.M. THROUGH VIDEO CONFERENCE/OTHER AUDIO-VISUAL MEANS AT THE 3RD FLOOR, CONFERENCE HALL, DEPARTMENT OF FINANCIAL SERVICES, MINISTRY OF FINANCE, GOVERNMENT OF INDIA, JEEVAN DEEP BUILDING, SANSAD MARG, NEW DELHI-110001 TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS

1) To receive, consider and adopt the audited standalone financial statements and consolidated financial statements of the company for the financial year ended 31st March 2022, the Reports of the Board of Directors and Auditors thereon for the period ended on that date

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

   "RESOLVED THAT pursuant to Section 139 read with Section 129(4) and other applicable provisions, if any, of the Companies Act, 2013, the appointment Of AGARWAL & SAXENA (CR0604), Chartered Accountant as the Statutory Auditor of the Company for the Financial year 2022-23 as directed by the office of the Comptroller & Auditor General of India (C&AG) vide C&AG letter no. No./CA. V/ COY/CENTRAL GOVERNMENT,IIFCL(1)/111 dated 26th August 2022, a copy of which has been placed before the Meeting, be & is hereby approved /taken note of.

   RESOLVED FURTHER THAT the Board of Directors be & are hereby authorised to fix the terms & conditions and appropriate remuneration of Auditors as may be deemed fit for the Financial Year 2022-23."

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* Department of Financial Services (DFS) vide letter no. F.No. 18/6/2013-IF-I dated 20th September 2022 gave consent to convene the 17th AGM of the shareholders of IIFCL at shorter notice on Wednesday, 28th September, 2022 at 1:00 p.m at DFS.

SPECIAL BUSINESS:

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

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

RESOLVED THAT pursuant to the provision of Section 42, 71 and other applicable provisions of the Companies Act 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Companies (Prospectus and Allotment of Securities), Rules 2014 and applicable provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, The Reserve Bank of India Act, 1934 (As amended from time to time), applicable regulations and guidelines, Memorandum & Articles of Association of the Company and subject to such other applicable laws, rules and regulations and guidelines, and subject to necessary approvals, permissions, consents and sanctions, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") for having made and/or making offer(s) or invitation to subscribe to securities, including but not limited to bonds and non-convertible debentures, by way of private placement in one or more tranches, upto Rs. 12700 crore (Rupees Twelve Thousand Seven Hundred Crore only) during the period of one year commencing from date of passing of Special Resolution thereof, at such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.

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

FURTHER RESOLVED THAT the Board of Directors or any duly constituted Committee of the Board or such other authority as approved by the Board of the Company be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient, to give effect to this Resolution."

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

Sd/-
MANJARI MISHRA
Company Secretary
Membership No. F6204

Place: New Delhi
Date: 25th September 2022

REGISTERED OFFICE
India Infrastructure Finance Company Limited
Fifth Floor, Block -2 Plate A & B, NBCC Tower,
East Kidwai Nagar, New Delhi-110023
CIN: U67190DL2006GOI144520
Website: www.iifcl.in

NOTES: -

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIM/HER AND SUCH PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE DEPOSITED AT LEAST 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.**

2. Proxy Form(s) and certified copy of the Board Resolution(s) authorizing representative(s) to attend and vote at the Meeting shall be sent to the registered office of the Company.

3. The explanatory statement pursuant to section 102(1) of the Companies act, 2013 in respect of the aforesaid Special Business to be transacted at the meeting setting out all the material facts relating to the aforesaid business is annexed hereto and forms part of the notice.

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

5. In view of the continuing COVID- 19 pandemic, the Ministry of Corporate Affairs ("MCA") has in continuation of its General Circular No.20/2020 dated 05.05.2020, General Circular No.02/2021 dated 13.01.2021, General Circular No.19/2021 dated 08.12.2021 and General Circular No. 21/2021 dated 14.12.2021 in relation to "Clarification of holding Annual General Meeting (AGM) through Video Conference (VC) or Other Audio Visual Means" has allowed companies whose AGMs are due in Year 2022 to conduct their AGM on or before 31st December,2022 in accordance with the requirements laid down in para 3 and para 4 of the General Circular No. 20/2020 dated 05.05.2020.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

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

Given the Company's future growth plans and to enable itself to raise extra budgetary resources as may be allocated by the Government of India, the Board considers it necessary to augment the long term resources of the Company through issuance of Unsecured/Secured Non-Convertible Bonds/Debentures which has better acceptability in the market and is very competitive. In view of the same, the Board of Directors had in meeting held on 26th May 2022 considered and approved, subject to the approval of shareholders, the resource raising plan of the company to the tune of Rs. 12,700 Crore by IIFCL. The Board of IIFCL is authorized to raise funds through Private Placement of Unsecured/Secured, Non-Convertible Bonds /Debentures taxable/tax free/infrastructure bonds/Offshore INR bonds/any other bonds upto Rs. 12,700 Crore during the period of one year commencing from date of passing the special resolution thereof, in one or more tranches, at such terms as terms and conditions as may be finalized by the Board or any duly constituted Committee of the board or such other authority as approved by the Board.

In terms of Section 42 and 71 of the Companies Act 2013 and Companies (Share Capital and Debentures), Rules 2014 any offer or invitation for subscription of NCDs to be issued by the Company on private placement basis requires prior approval of the shareholders by way of special resolution.

Approval of the shareholders will be valid for one year for all the offers or invitations for NCDs to be made during the said year.

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

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

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

By Order of the Board of Directors

FOR INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

Sd/-

Place: New Delhi
Date: 25th September 2022

MANJARI MISHRA
Company Secretary
Membership No. F6204

REGISTERED OFFICE
India Infrastructure Finance Company Limited
Fifth Floor, Block -2 Plate A & B, NBCC Tower,
East Kidwai Nagar, New Delhi-110023
CIN: U67190DL2006GOI144520
Website: www.iifcl.in

BOARD'S REPORT

To
THE MEMBERS OF IIFCL

Your Directors have great pleasure to present the 17th Annual Report on performance of your company for the financial year ended 31st March 2022 along with Audited Standalone Financial statements, Consolidated Financial Statements and report of the auditors, Secretarial Auditor and the Comptroller and Auditor General of India thereon.

FINANCIAL HIGHLIGHTS

Summary of audited financial results of the company for the financial year ended 31st March 2022 is as under:

(Rs. crore)

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
Total Revenue	4212	4013	4215
Total Expenditure	3622	3698	4506
Profit before Tax	**590**	**315**	**(291)**
Provision For Taxation	76	(30)	342
Exceptional Items	-		
Net Profit available for Appropriation (Profit after Tax)	**514**	**285**	**51**
Other Comprehensive Income	**0.24**	**0.49**	**0.28**
Net Profit available after appropriation	**515**	**285**	**51**
Earning per equity share of face value of Rs. 10 each (Weighted Average)	0.51	0.29	0.11

Lending Operations

Direct Lending

During 2021-22, with further gross sanction of ₹ 6,201 Crore, the cumulative gross sanctions of the company, under direct lending scheme, increased to ₹1,02,022 Crore to 530 infrastructure projects. The sector-wise distribution of cumulative gross sanctions of your company is as under:

Cumulative Gross Sanctions under Direct Lending (As on 31st March, 2022)

(₹ Crore)

Sector	**No. of Projects**	**Project Cost**	**Gross Sanctions**
Road	292	3,79,771	47,485
Power	155	4,21,197	39,941
Airport	4	33,431	3,719
Port	19	30,727	4,214
Urban Infrastructure	17	55,601	5,264
Railway	3	3,194	639
PMDO*	38	8,602	260

Telecomm	1	3,750	250
Social & Commercial Infrastructure	1	1,276	250
Total	**530**	**9,37,548**	**1,02,02**

* Pooled Municipal Debt Obligations

Further, as at 31st March, 2022, sector-wise distribution of net sanctions of your company amounting to ₹ 62,687 Crore to 387 projects is as under:

Cumulative Net Sanctions under Direct Lending (As on 31st March, 2022) #

(₹ Crore)

Sector	**No. of Projects**	**Project Cost**	**Net Sanctions**
Road	229	303,834	31,650
Power	102	248,070	24,359
Airport	4	33,431	2,337
Port	12	17,796	1,897
Urban Infrastructure	10	9,658	1,877
Railway	1	600	120
PMDO	28	5,617	197
Telecomm	1	3,750	250
Total	387	622,756	62,687

\# Net Sanction amount is allocated amount in case of projects which have achieved financial closure

Priority to Public-Private Partnership (PPP) Projects

In line with the mandate your company provides overriding priority to Public Private Partnership (PPP) infrastructure projects. Your company's firm commitment of achieving its objective of providing financial support to infrastructure projects with overriding priority to Public Private Partnership (PPP) projects reflects in the number of PPP projects supported by it.

Till 31st March 2022, under Direct Lending, financial assistance has been sanctioned for setting-up 408 PPP and PSU projects constituting 83% of total 492 projects sanctioned (excluding those under PMDO) so far by the company.

Sector wise no. of Projects Gross Sanctioned under Direct Lending (excluding PMDO) as on 31st March, 2022

Sector	**PPP**	**Non- PPP**	**PSU**
Road	291	Nil	1
Power	68	77	9
Airport	4	Nil	Nil
Port	16	3	Nil
Urban Infra & Water Supply	13	1	3
Others	2	1	1
Total	**394**	**82**	**14**

Achievement of Financial Closure under Sanctioned Projects

As on 31st March 2022, out of 387 net sanctioned projects under direct lending, 367 projects i.e. 95% have achieved financial closure. Sector-wise details of financial closure achieved projects are as under:

Financial Closure Achieved Projects (As on 31st March, 2022)

(₹Crore)

Sector	No. of Projects	Net Sanctions
Road	3	29,053
Power	27	23,001
Airport	12	1,148
Port	98	1,852
Urban Infrastructure	1	419
Others	216	542
Total	**367**	**56,014**

Achievement of CoD

At the end of March 2022, amongst 359 projects in which your company has provided financial assistance by Direct Lending mode (excluding PMDO), Commercial Operation Date (CoD) has been achieved in 239 projects which included 149 road projects and 76 power projects. Sector-wise details of CoD achieved projects are as under:

CoD Achieved Projects (As on 31st March, 2022)

(₹ Crore)

Sector	No. of Projects	Net Sanctions
Road	149	18,327
Power	76	16,008
Airport	2	848
Port	6	736
Urban Infrastructure	5	290
Other	1	250
Total	**239**	**36,458**

Take-out Finance

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

Cumulative gross sanctions under Takeout Finance stood at ₹ 27,376 Crore to 115 projects as on 31st March, 2022. The sector-wise distribution of cumulative gross sanctions of your company is as under:

Cumulative Gross Sanctions under Takeout Finance (As on 31st March, 2022)

(₹ Crore)

Sector	**No. of Projects**	**Project Cost**	**Gross Sanctions**
Road	53	52,843	7,761
Power	49	107,740	14,297
Airport	2	15,777	1,911
Port	9	16,024	3,380
Urban Infrastructure	2	107	26
Total	**115**	**192,491**	**27,376**

Further, as at 31st March 2022, sector-wise distribution of net sanctions under takeout finance of your company amounting to ₹18,045 Crore to 62 projects is as under:

Cumulative Net Sanctions under Takeout Finance (As on 31st March, 2022) #

(₹ Crore)

Sector	**No. of Projects**	**Project Cost**	**Net Sanctions**
Road	23	28,318	4,391
Power	30	59,801	10,069
Airport	2	15,777	1,570
Port	5	9,704	1,989
Urban Infrastructure	2	107	26
Total	**62**	**113,708**	**18,045**

Net Sanction amount is allocated amount in case of projects which have achieved financial closure

Disbursements

The cumulative disbursements at the end of March 2022 stood at ₹ 91,822 Crore, including disbursements under refinance of ₹ 28,165 Crore, under takeout finance of ₹ 16,414 Crore and under newly launched product Bond of ₹ 975 Crore.

Sector-wise Cumulative Disbursement (As on 31st March, 2022)

(₹ Crore)

Sector	No. of Projects	Project Cost	Amount disbursed
Direct Lending			
Road	214	284,873	24,589
Power	99	242,755	18,329
Airport	3	27,701	1,044
Port	12	17,420	1,357
Urban Infrastructure	10	9,646	480
Railway	1	600	70
PMDO	27	4,744	151
Telecommunication	1	3,750	248
Total (A)	**367**	**591,489**	**46,268**
Takeout Finance			
Road	22	28,318	4,115
Power	27	57,217	8,800
Airport	2	15,777	1,485
Port	5	9,704	1,988
Urban Infrastructure	2	107	26
Total (B)	**58**	**111,124**	**16,414**
Bonds (C)			**975**
Refinance (D)			**28,165**
Grand Total (A+B+C+D)			**91,822**

Pooled Municipal Debt Obligation (PMDO) Facility

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

The present corpus of PMDO is ₹ 5,000 Crore committed by 16 lenders with ₹ 391 Crore committed from your company as its share in the facility. As at 31st March 2022, cumulative net sanctions of your company, under the facility, stood at ₹ 197 Crore and cumulative disbursement stood at ₹ 151 Crore.

Geographically Diversified Presence

Your company continues to support development of infrastructure projects spread across various states and enhanced its footprint across the country. Till 31st March 2022, under direct lending and takeout finance, your company has sanctioned (net) ₹ 80,731 Crore to 449 projects in 26 states and has disbursed ₹ 62,682 Crore in 425 projects.

Cumulative State-wise Net Sanctions and Disbursements under Direct Lending and Takeout Finance (As on 31st March, 2022)

(₹ Crore)

State	Net Sanctions	Disbursements
Andhra Pradesh	6,237	5,794
Arunachal Pradesh	121	121
Assam	455	419
Bihar	3,946	1,833
Chhattisgarh	1,179	1,179
Delhi	1,374	1,374
Goa	533	199
Gujarat	10,623	8,079
Haryana	1,891	1,449
Himachal Pradesh	919	588
Jammu & Kashmir	850	526
Jharkhand	1,482	1,417
Karnataka	2,728	1,622
Kerala	191	191
Madhya Pradesh	6,092	5,319
Maharashtra	12,805	10,188
Nagaland	0	0
Orissa	1,253	1,238
Pondicherry	179	179
Punjab	1,708	1,263
Rajasthan	2,245	1,534
Sikkim	1,786	1,283
Tamil Nadu	3,614	2,535
Telangana	1,934	1,758
Uttar Pradesh	13,184	9,835
Uttarakhand	464	461
West Bengal	2,940	2,300
Total	**80,731**	**62,682**

Refinance

During the year 2021-22, your company provided sanction of ₹ 14,500 Crore to 6 financial institutions and disbursements of ₹ 6,250 Crore were made against these projects within this fiscal year.

CREDIT ENHANCEMENT

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

To date, IIFCL has sanctioned guarantees totaling over Rs. 2,400 Crore for bond issuances exceeding Rs. 9,000 Crore by more than 20 infrastructure projects.

This includes CE sanction of Rs 181 Cr for bond issuance of Rs 700 Cr during May-21 (i.e. FY22). No fresh sanctions were done during FY21.

INDIA INFRASTRUCTURE FINANCE INITIATIVE

The company had entered into MoU with IDFC and Citigroup on 15th February 2007, to set up an India dedicated infrastructure fund wherein IIFCL had agreed to contribute US$ 25 million (subject to a maximum of Rs.100 crore) while IDFC & Citigroup committed to contribute US$ 100 million each as promoter sponsors.

Till 31st March 2022, out of total capital commitment of Rs.100 crore to IIF, IIFCL has contributed Rs. 92.47 crore, IIF has redeemed capital amounting to Rs.83.17 crore till 31st March 2022. Outstanding amount of IIFCL's investment in IIF is Rs. 9.30 crore as on 31st March 2022.

RESOURCE MOBILIZATION

DOMESTIC RESOURCES

The company has so far raised domestic resources (excluding overdraft against bank deposits) Rs. 34,073 crore (out of which amount of Rs. 19,989.50 crore through bonds is outstanding as on 31st March 2022) from domestic markets through a mix of instruments comprising of domestic Taxable bonds, tax-free bonds, and Tax-Saving Infrastructure Bonds and long term loan from LIC & NSSF

EXTERNAL RESOURCES

IIFCL has also established strong relationships with Multilateral and Bilateral Institutions like Asian Development Bank, World Bank, Kreditanstalt für Wiederaufbau (KfW), European Investment Bank (EIB) and Japan International Corporation Agency (JICA) and has committed lines of credit to the extent of USD 1.9 billion, USD 195 million , Euro 50 million, Euro 200 million and JPY 50 Billion respectively.

Out of line of credit of USD 1.9 billion from ADB, USD 1.859 billion has been drawn till 31st March 2022.

Out of the World Bank line of Credit of USD 195 million, IIFCL has fully availed the amount of US 195 million.

The Euro 50 million line of credit from KfW has been availed fully by your company against disbursements in two hydro power projects and four solar power projects as approved by KfW.

IIFCL had also executed a Financing Contract agreement of Euro 200 million with EIB on 31st March 2014, which also has been fully utilized by drawing Euro 200 million as on March 2022.

In addition of the above, a line of credit of JPY 50 billion has been signed with Japan International Cooperation Agency (JICA), out of which JPY 31.50 billion has been drawn as on 31st March 2022.

These relationships with Multilateral and Bilateral Institutions have helped IIFCL in raising long-term resources.

IT INITIATIVES

IIFCL believes on leveraging the information technology for various stake holders of IIFCL. Reliability of various business processes are key to any business capabilities accordingly IIFCL's IT infrastructure is continuously upgraded to build the capabilities and to cater the requirement of its stake holders. Technology enabled business initiatives taken by IIFCL to deliver value to the stake holders includes:

- Implementation of SAP-ERP to cater the needs of its various business functions and also bring end to-end automation in various business processes.
- Implementation of Online Infrastructure Project Monitoring System which shall eliminate the need of physical monitoring of infrastructure projects
- IIFCL has implemented IT application to organize paperless Board of Directors meeting and other Board Level committee Meetings.
- IIFCL has implemented state of art tier-4 Data Center and Disaster Recovery Center.
- IIFCL has put up approved policy frame work for IT Services outsourcing.
- IIFCL has enhanced and leveraged its security infrastructure to ensure its business operations continued seamlessly during the pandemic, providing remote office environment on mobile devices to facilitate work from home.

DIGITAL TRANSFORMATION

Traditional business processes are changing rapidly in the NBFC. Accordingly, IIFCL is continuously making efforts to automate the various business processes by using the various new initiatives of digitalization. IIFCL has taken many new IT initiatives among which following are now live / in use:

- IIFCL has implemented a new age Document Management System (DMS) which to automate the various business processes and to achieve the objective of paperless office.
- IIFCL has moved its website and e-mail completely to ".in" domain in line with the guidelines issued by Meity.
- IIFCL has launched new web portal for its customers for enhanced experience and better engagement. The portal shall also enable top management to monitor loan application status in real time.

ADOPTION OF PRUDENTIAL NORMS

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

The company vide letter dated 21st November 2014 submitted road map to RBI giving specific time lines for complying with various elements of RBI regulations for NBFC-IFC. Accordingly, during 2020-21, IIFCL complied with RBI Regulations applicable to it.

PREPARATION OF FINANCIAL STATEMENT AS PER INDIAN ACCOUNTING STANDARDS (IND AS)

As per MCA notification dated 18th January 2016, IIFCL is required to prepare financial statement as per Indian Accounting Standards (Ind AS) for reporting period(s) w.e.f. 1st April 2018. Accordingly, IIFCL has prepared Financial Statement for year ended 31st March 2022 as per Ind AS.

RESTRUCTURED LOANS, NPAS AND RECOVERY

As on 31st March 2022, the Gross NPAs stood at Rs. 3631.78 crore and the Net NPAs stood at Rs. 1352.88 crore. Besides, accounts to the extent of Rs 1750.64 crore were written-off during the year 2021-22 Further, upgradation of two NPAs were effected during the year by way of substitution process.

As on 31st March 2022, the gross NPA ratio was at a level of 9.22% and Net NPA Ratio at Gross advances 3.44% and Net advances 3.65%. The Provision coverage ratio was approx. 62.75% as at March 2022. During 2021-22, recovery of Rs 779.75 crore has been made, which *inter - alia* includes Rs 338.58 crore recovered from written-off/ARC accounts.

Requisite steps are being taken in consultation with Lead / Consortium, towards early resolution / recovery. IIFCL is taking the initiative in many cases by engaging with the Concession Authority, other stakeholders in seeking resolutions like termination payments, settlements based on works-completed basis, resolution plan, arbitration process, sale to ARCs, initiating recovery action etc. High value accounts are closely monitored and are being given focused attention. Cases where arbitration proceedings are in progress are being closely monitored. IIFCL actively pursues cases under CIRP/NCLT to ensure timely resolution.

RISK MANAGEMENT AND COMPLIANCES

Your Company is exposed to various risks such as Credit Risk, Interest Rate Risk, Exchange Risk, Liquidity Risk, Market Risk and Operational Risk that are an inherent part of any lending business. The Company has put in place a comprehensive risk Management Framework that provides the enablers for reflecting the business strategy and risk management approach. The Board level Risk Management Committee (RMC) through Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC), and Operational Risk Management Committee (ORMC) reviews the effectiveness of key risk management processes and oversee executive management's handling of risk-related issues.

The credit risk at the Company, is periodically reviewed and monitored, by the Credit Risk Management Committee (CRMC) of senior executives. Credit Risk is evaluated on quarterly basis under different parameters including Risk Appetite Limit and through Sensitivity analysis. During the year 2021-22, your Company has replaced the existing Risk Assessment Model with new one to align with current market requirements.

Your Company also has an executive level Asset Liability Management Committee (ALCO) which is overseeing the management of Assets and Liabilities. ALCO monitors Liquidity Risk, Interest Rate Risk, Exchange Risk, And Equity Risk which is integrated with IIFCL's business strategy. Liquidity risk is being monitored with the help of gap analysis, liquidity coverage ratio along with other parameters prescribed by RBI from time to time. The decision taken by executive level ALCO Committee is reported to the Board Level Risk Management Committee.

Your company has put in place an Operational Risk Management Framework to mitigate the operational risks in general and those in specific operations of the Company. The Company is also proactively calculating Risk Capital for its Operational Risk. ORMC, an executive level committee, reviews and assesses the operational risks. Operational risks are assessed by respective functional departments and appropriate control measures are in place for mitigating operational risks. The Company has also been sensitizing its employees on the importance of managing the operational risk by way of regular trainings.

During the year, the Company has created an independent compliance and Audit Department. IIFCL is following zero tolerance on regulatory non-compliance with constant monitoring by way of a calendar and active coordination with concerned departments. To strengthen the compliance monitoring process, IIFCL is in the process of implementing a Compliance software.

The Company also has in place a robust Information System to help Senior Management in decision making. Further to enhance the effectiveness of Management Information System (MIS), IIFCL has put in place a MIS manual to standardize and speed up the existing data collation and processing activity.

ENVIRONMENT AND SOCIAL SAFEGUARDS

To raise long-term resources, IIFCL has signed committed lines of credit with Multilateral/Developmental Financial Institutions (MFIs/DFIs). To avail lines of credit against various infrastructure projects, IIFCL needs to ensure compliance with DFI's Environmental & Social safeguards Policies. To ensure and monitor the E&S safeguards compliance, IIFCL has set up in-house Environment and Social Safeguard Management Unit (ESMU) comprising of qualified and experienced Environmental & Social Safeguards Specialists including Head –ESMU and supervised by senior officer at the level of Chief General Manager.

IIFCL has adopted Environmental and Social Safeguards Policy and developed Environmental & Social Safeguards Framework (ESSF). As per ESSF, safeguards compliance with Govt. of India's regulations/guidelines applies to all infrastructure projects financed by IIFCL and DFI's safeguards compliance is applicable wherever DFI's funding assistance is involved in any particular infrastructure project.

During FY 2021-22, ESMU Team was engaged to work on environmental & social safeguards compliance related requirements of various lines of credit from DFIs during loan drawl period and compliance monitoring stages under loan covenants, which has helped IIFCL in raising long-term financial resources for infrastructure development. During FY 2021-22, ESMU team facilitated to get funds from Multilaterals/ Bilateral agencies to the tune of approximately Rs.300.63 crores under Japanese International Co-operation Agency (JICA) line of credit and Rs.468.72 crores from Asian Development Bank (ADB) line of credit (LoC) against the approved projects under these LoCs.

The funding from ongoing DFI's line of credit from ADB & JICA has helped IIFCL to fund infrastructure projects in various sectors like National Highways, Electrical Transmission Lines, Waste to Energy generation plants, Solar Power and Wind Power projects. By extending financial assistance in developing these infrastructure projects, IIFCL has contributed, significantly to achieve UNSDGs for which Govt. of India has set very ambitious target to combat climate change under Paris agreement in year 2015 and achieve Sustainable Development Goals by year 2030.

Financial assistance to abovementioned infrastructure sectors under these lines of credit has created SDG impact by achieving SDG 1 by reducing poverty through contributing to local employment, SDG 7 by affordable and clean power supply, SDG 8 by facilitating economic growth in the area, SDG 9 by development of innovative & sustainable power generation infrastructure and connectivity solution, SDG 12 by reducing consumption of conventional fuels used in power generation, SDG 13 for Climate Action by generating green & clean energy, and being PPP projects, achievement of Goal no. 17 related to Partnerships for the goals for infrastructure development between Public and Private Sector.

DFI funding assistance have helped IIFCL in GHG mitigation by minimizing the energy sector's negative environmental impacts by promoting cleaner and environmental friendly technology based power generation, Infrastructure Improvement through investments in the National Highway Network development by providing assured & sustainable connectivity solution for public/human settlements in urban & remote areas of rural background, Improved access to essential services by ensuring energy generation and promoting equity, Built resilience in infrastructure development on climate change, and promoted engagement of all stakeholders. The Infrastructure development will help in Improvement of socio-economic development of the project regions by promoting industrial growth and local economic activities and all the infrastructure projects developed under PPP mode can be easily replicated and scaled up to achieve the transformational impact required by the 2030 agenda.

HUMAN CAPITAL MANAGEMENT

The Human Resources Department continues to play an enabling role in the development of the employees and enable all-round professional development of its employees. New recruitment of at various levels was carried out during the Year taking the total staff strength of the Company to One Hundred and One (101) employees. Complementary to the new recruitment undertaken, the promotion exercise for eligible Officers was carried out apart from initiation of deputation to IIFC(UK) Ltd., a wholly owned subsidiary of the Company.

In order to develop human resources of the Company, need based training was provided to Officers in the areas of Risk Management, Bond Market, Cyber Security etc. at various renowned Indian and foreign institutions (to all employees including employees from SC/ST/OBC category).

The Employee relations during the year remain peaceful and cordial. SC/ST cell is functional in company. Periodic meeting of SC/ST cell is being held. 'Nil' complaint/grievances from SC/ST employees has been received in the company during the year. All Government policies on reservation/relaxation/exemption to the reserved categories candidates are being complied with.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVE

IIFCL is a socially responsible organisation and has implemented its CSR policy in all earnest entailing Swachh Bharat, Health, Conservation of National Heritage, Promotion of Sports and Green Energy as key focus areas. Projects implemented under the CSR initiative of IIFCL are reaching out to 24 states in the country and cover diverse areas/beneficiaries requiring social intervention.

During 2021-22, IIFCL through its CSR initiative has successfully supported its ongoing projects in the field of Education, Green Energy and Health. This in turn has allowed IIFCL to completely utilise the CSR budget for the Financial Year as per the provisions of Companies Act 2013.

INTERNAL CONTROL

Your Company maintains an adequate system of Internal Controls commensurate with its size and structure to ensure efficiency of operations and compliance with statutory laws, regulations and Company policies. The audit of major areas is conducted in-house by the Internal Audit Department on regular basis and gaps in the policies and processes are identified & highlighted for improvement. The Audit for FY 21-22 has been concluded and Audit findings are placed before the Audit Committee of the Board at regular intervals for their review & recommendations/ suggestions on corrective measures.

To further strengthen and streamline the internal audit activities to augment and capture changes in regulatory guidelines and operations and as per the requirements of RBI notification RBI/2020-21/88 Ref.No.DoS.CO.PPG./SEC.05/11.01.005/2020-21dated 3rd February 2021, your Company is in the process of adopting Risk Based Internal Audit (RBIA) approach. The appointed Consultant has updated the Internal Audit Manual and Policy of the Company and have conducted the Pilot Audit based on the same. Your company shall implement RBIA Audit for FY 2022-23.

For Regular, systematic and timely examination/auditing of all financial transaction. Your Company has adopted Concurrent Audit Process since FY 2019-20. A firm of Chartered Accountants has been appointed by you Company as the Concurrent Auditors for FY 21-22 and the findings are placed before the Audit Committee of the Board at regular intervals for their review & recommendations/ suggestions on corrective measures.

In order to provide assurance to the stakeholders that their Company has implemented an Information System (IS) Audit for the management of the relevant aspects of its activities, products and services, in line with the organization's policy and as per the requirements of RBI Master Direction No. DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017, the IS Audit for FY 19-20 and FY 20-21 has been concluded and placed with Audit Committee of the Board. Further, your company has appointed Information System Auditor to conduct Information System and Information Security Audit. The Information Security Audit is being conducted by your Company for the first time to provide assurance to the stakeholders.

These stringent internal control processes will reduce the number of defaults, improve and strengthen the processes to reduce the gaps and vulnerabilities in processes/ system, if any, on regular and continuous manner, and ultimately contribute in gaining the faith of all the stakeholders.

RATINGS OF THE COMPANY

IIFCL's various domestic long term borrowings (bonds) have been rated 'AAA/ AAA (SO)' by various rating agencies.There is no migration of rating during current year 2021-22.

ISO 9001:2015 CERTIFICATION

Your company continues to be an ISO 9001:2015 certified company with established, documented, implemented Quality Policy & Quality Manual and maintains a Quality Management System (QMS) as a means for ensuring that the services of IIFCL are conforming to specified requirements and continually improve its effectiveness in accordance with the Quality Management System requirements.

QMS framework is a formal documentation on how IIFCL carries out its quality activities for the achievement of its business objectives and Quality Policy & Quality Objectives of IIFCL are defined in the Quality Manual. The QMS framework related documents are periodically updated based upon amendments in SIFTI Guidelines, revisions in ISO 9001 standard related to Quality Management System or changes in business processes of your company.

As a part of ISO certification and Quality Management System requirements during FY 2021-22, periodic internal audits were conducted and department wise business process documents were updated due to modification in departmental functions. The periodic Internal Audits were followed by Management Review Meetings to ensure its continuing suitability, adequacy and effectiveness, and assess opportunities for improvement. IIFCL Management lays strong emphasis on quality standards and these are deliberated in periodic Management Review Meetings. IIFCL has successfully carried out annual surveillance audit for continuity of ISO certification during the month of January 2022.

BUSINESS DEVELOPMENT

The Company interacts on a regular basis with various stakeholders viz. commercial banks, financial institutions, developer groups, InvITs, rating agencies, multilateral and bilateral agencies, Government officials etc. to discuss key issues and sectoral themes across the infrastructure sector with a view to expand IIFCL's participation and support to the infrastructure sector.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

IIFCL Projects Limited:

IIFCL Projects Limited (IPL), another subsidiary of IIFCL, has completed a decade as a dedicated Project and Financial Advisory Company in the infrastructure sector. Continuing its growth momentum and widening its presence in the consultancy and advisory segment, IPL posted 20% YoY growth in revenue with a total revenue of ₹13.16 Crore in FY 2021-22 as against ₹11.01 Crore in the corresponding previous year. The Company recorded impressive YoY growth of 62% in its profitability with Profit After Tax of ₹3.75 Crore for the year as against ₹2.31 Crore in the corresponding previous year.

During this Financial Year, the Company was appointed as principal consultant to Manipur State Planning Authority (MSPA) for providing advisory services in infrastructure and allied sectors. IPL also bagged two new retainership advisory programmes from Meghalaya for increasing potential investment in the state and to conserve the ecological setting of the state. IPL continues to successfully execute its existing mandates with IIFC (UK), Tamil Nadu Infrastructure Development Board (TNIDB), Meghalaya Infrastructure Development Finance Corporation (MIDFC) and Meghalayan Age Limited (MAL) for providing Project Development and appraisal Assistance. The Company further looks to expand its footprints to other states in a measured manner.

During the year, IPL bagged the prestigious assignment for providing its Transaction Advisory services for transfer of 10 in-orbit Communication Satellites from Department of Space to New Space India Limited (NSIL). This included undertaking a Financial Valuation of the assets and IPL is presently engaged with NSIL on the same. The Company also successfully executed its mandate from GIZ, the German Development Agency on upgrading the sustainability profile of infrastructure projects through promoting 'Sustainability Standards' in India.

IPL derives capabilities from a lean skilled team of professionals in various domains with deep understanding of market dynamics, transaction advisory, project finance and infrastructure sector. This experience has also enabled IPL to attain substantial skill set and gain credentials that would further assist in leveraging other such opportunities.

IIFC (UK) Ltd.:

IIFC (UK) Ltd, IIFCL's wholly-owned subsidiary in London, United Kingdom, has made cumulative loan sanctions (net of cancellations) of USD 4.36 billion and cumulative disbursements of USD 2.25 billion till 31st March 2022. After introducing Refinance Scheme in the previous year, the company has approved proposals amounting to

USD 100 Mn during the year 2021-22. Apart from RBI line of credit, IIFC (UK) is continuously exploring new sources of funds with a view to further supplementing financial resources for infrastructure development in India, and accordingly during the year, the company secured a $100 million bilateral loan facility and has raised USD 11 Mn out of this facility. During the year, the company continued on its recovery efforts from stressed assets, and made recoveries amounting USD 97.45 Mn during the year. Further, the Profit After Tax for the company for FY22 has increased to USD 19.09 Mn from USD 6.56 Mn in FY21.

IAMCL:

IIFCL Asset Management Company Limited (IAMCL), a wholly-owned subsidiary of IIFCL, was set up in 2012 as an Asset Management Company (AMC) for IIFCL Mutual Fund (IDF). IIFCL Mutual Fund (IDF) launched and closed its maiden IDF Series I of fund size of Rs. 300 Crore in February 2014. In the month of April 2017, IAMCL launched and closed its IDF Series II with a fund size of Rs. 200.00 Crore. The Assets under Management (AUM) of Series I has reached Rs. 441.84 Crore and of IDF Series II is Rs. 186.14 Crore as on 31st March 2022. IDF Series I & Series II both are listed on the BSE. The schemes have primarily invested in completed and revenue generating infrastructure assets and infrastructure financing companies.

IAMCL registered net profit of Rs. 2.16 Cr for the financial year ended March 2022 vis-a-vis net profit of Rs. 1.42 Cr for the year ended March, 2021. IAMCL registered an increase in revenue from Rs. 6.56 Cr to Rs. 7.20 Cr as on 31st March 2022. The increase in revenue is primarily due to increase in Management Fee from the schemes, investments in better yield generating products and receipts from resolution of NPAs.

In the second half of FY 2021-22, rise in interest rates impacted the asset markets globally. Rise in commodity prices due to Global geo political developments has also impacted infrastructure recovery. IAMCL has invested in high quality credits, mainly AAA rated in Infra Debt Fund (IDF)'s portfolio. Rise in interest rates due to hike in Repo rate by RBI also contributed to nominal growth in IDF's AUM.

SHARE CAPITAL

All the shareholders of IIFCL are representatives of the Government of India and the entire paid –up equity share capital of IIFCL is held by the Government of India.

As on 31st March 2022, the Authorized Share Capital of your company stood at Rs. 10,000 crore and the Paid –Up Share Capital was Rs. 9999,91,62,300 consisting of 999,99,16,230 equity shares of Rs.10 each, entirely held by Government of India. No equity contribution was received by India Infrastructure Finance Company Limited (IIFCL) during the FY 2021-22

DIVIDEND

During the year under review, your directors did not recommend any dividend. IIFCL vide letter no. IIFCL/CPD/ MOF/2018-19/ 2390 dated 18th September 2019 approached DFS for exempting it from paying dividend and buying back its shares for at least up to FY 2021-22 based on approval of the Board in its meeting held on 9th Sep 2020 on the grounds of IIFCL's Capital position, regulatory and future business requirements.

Further, for FY2020-21, RBI Circular No. No.23/21.02.067/2021-22 dated June 24, 2021 on Declaration of Dividend by NBFCs state that the Net NPA ratio of an NBFC declaring dividend should be less than 6% in each of the last three years, including the accounting year for which it proposes to declare dividend. IIFCL's net NPA for last three years stands at 9.75% (FY20), 5.39% (FY21) and 3.65% (FY22). Accordingly, dividend payment is not applicable to IIFCL

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT 2013

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

PROCUREMENT OF GOODS AND SERVICES FROM MICRO, SMALL & MEDIUM ENTERPRISES (MSME)

IIFCL has procured Goods and Services aggregating Rs.715.30 lakhs during FY2020-21, out of which Goods and Services aggregating Rs. 518.96 lakhs i.e. 72.55% in value were procured from Micro, Small & Medium Enterprises (MSME) enterprises.

BOARD OF DIRECTORS

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

Name and Designation	DIN	Category	Date of appointment
Shri P.R. Jaishankar (*Refer* Note 1)	06711526	Managing Director	29th May 2020
Shri Pawan Kumar Kumar *(Refer Note 2)*	08901398	Deputy Managing Director	1st October 2020
Shri Lalit Kumar Chandel *(Refer Note 3)* Economic Advisor Department of Financial Services Ministry of Finance, Government of India	00182667	Government Nominee Director	7th December 2020
Shri Peeyush Kumar *(Refer Note 4)* Joint Secretary (Infrastructure Policy and Planning Division) Department of Economic Affairs Ministry of Finance, Government of India	08292856	Government Nominee Director	3rd December 2021
Shri Ch. Partha Sarathi Reddy(*Refer* Note 5) Advisor, (PAMD), NITI Aayog	08941266	Government Nominee Director	29th October 2020
Shri Kalyan Kumar (Refer Note 6) Executive Director, Punjab National Bank	09631251	Scheduled Commercial Banks Nominee Director	21st September 2022
Dr. Ram Jass Yadav (Refer Note 7) Executive Director Punjab and Sind Bank	08911900	Scheduled Commercial Banks Nominee Director	21st September 2022

Notes:

1. Department of Financial Services, Ministry of Finance, Government of India vide Letter No. F.No. 9/3(i)/2019/IF-I dated 27th May 2020 communicated the appointment of Shri Padmanabhan Raja Jaishankar, Executive Director (ED), National Housing Bank (NHB) as Managing Director (MD), India Infrastructure Finance Company Limited (IIFCL) for a period of 3 years from the date of his taking over the charge of the post, or until further orders, whichever is earlier. It is also submitted that Department of Financial Services, Ministry of Finance, Government of India vide letter no. F.No 3/5/2011-IF- I (Vol - II) dated 28th December 2017 conveyed that the Government has assigned the additional charge of the post of MD, IIFCL to Shri Pankaj Jain , IAS (AM : 90) with immediate effect till regular incumbent joins the post. Shri P.R Jaishankar has assumed charge as Managing Director of IIFCL w.e.f 29.05.2020**.** Accordingly, consequent upon joining of Shri P.R. Jaishankar, ED, NHB as MD, IIFCL, Shri Pankaj Jain, ceases to hold additional charge of post of Managing Director w.e.f 29.05.2020.

2. Department of Financial Services, Ministry of Finance, Government of India vide Letter No. 9/3/2019/IF-I dated 23rd September 2020 has conveyed the approval of the competent authority for the appointment of Shri Pawan Kumar Kumar, an IRS (IT) officer of the 1990 batch (D.O.B: 11.9.1964) as Deputy Managing Director (DMD), India Infrastructure Finance Company Ltd. (JIFCL) on deputation basis, for a period of 3 years from the date of his taking over the charge of the post, or until further orders, whichever is earlier. Prior to appointment as DMD, IIFCL, Shri Pawan Kumar Kumar was working as Executive Director, Insolvency & Bankruptcy Board of India (IBBI). Appointment of Shri Pawan Kumar Kumar is effective from 1st October 2020 i.e. the date of allotment of Director Identification Number (DIN). Shri Pawan Kumar has assumed charge as Deputy Managing Director of IIFCL w.e.f 1st October 2020.

3. Department of Financial Services , Ministry of Finance, Government of India vide Letter No. 3/2/2011 – IF – I dated 7th December 2020 has informed that in terms of the provisions of Articles 115 (1)(b)(i) and 120 of the Articles of Association of India Infrastructure Finance Company Limited (IIFCL), the Central Government has nominated Shri Lalit Kumar Chandel, Economic Adviser, Department of Financial Services (DFS), Ministry of Finance as Government Nominee Director on the Board of IIFCL in place of Shri Anand Madhukar, with immediate effect and until further orders.

4. Department of Financial Services, Ministry of Finance, Government of India vide Letter No. F.No. 3/1/2010 - IF - I dated 3rd December 2021 has informed that in terms of the provisions of Articles 115 (1)(b)(i) and 120 of the Articles of Association of India Infrastructure Finance Company Limited (IIFCL), the Central Government has nominated Shri Peeyush Kumar, Joint Secretary, Infrastructure Policy and Planning Division, Department of Economic Affairs (DEA), Ministry of Finance as Government Nominee Director on the Board of Directors of IIFCL in place of Shri Baldeo Purushartha , with immediate effect and until further orders.
5. Department of Financial Services , Ministry of Finance, Government of India vide Letter No. 3/1/2010/IF-I (Vol IV) dated 28th October 2020 has conveyed the approval of the Central Government for the appointment of Shri Ch. Partha Sarathy Reddy (IRSEE), Advisor (PAMD) as Government Nominee Director on the Board of IIFCL with immediate effect and until further orders in place of Shri Sonjoy Kumar Saha in terms of the provisions of Article 115 (1)(b)(i) of the Articles of Association (AoA) of India Infrastructure Finance Company Limited (IIFCL). Appointment of Shri Ch. Partha Sarathy Reddy is effective from 29th October 2020 i.e. the date of allotment of Director Identification Number (DIN).

6. Department of Financial Services, Ministry of Finance, Government of India vide Letter No. F.No. 3/1/2010/IF-I dated 21st September 2022 communicated the appointment of Shri Kalyan Kumar, Executive Director, Punjab National Bank as Scheduled Commercial Bank (SCB) Nominee Director on the Board of India Infrastructure Finance Company Limited (IIFCL) with immediate effect and until further orders, in terms of the provisions of Article 115(1)(b)(ii) of the Articles of Association of IIFCL in place of Shri Ajay Kumar Srivastava, with immediate effect and until further orders.

7. Department of Financial Services, Ministry of Finance, Government of India vide Letter No. F.No. 3/1/2010/IF-I dated 21st September 2022 communicated the appointment of Dr. Ram Jass Yadav, Executive Director, Punjab and Sindh Bank as Scheduled Commercial Bank (SCB) Nominee Director on the Board of India Infrastructure Finance Company Limited (IIFCL) with immediate effect and until further orders, in terms of the provisions of Article 115(1)(b)(ii) of the Articles of Association of IIFCL in place of Ms. Manimekhalai, with immediate effect and until further orders.

Individual who ceased to be director from the Board of IIFCL from 1st April 2021 to till date are as under:-

Name and Designation	DIN	Category	Tenure
Shri Baldeo Purushartha (*Refer* Note 1)	07570116	Government Nominee Director	16th April 2020 – 3rd December 2021
Ms. A. Manimekhalai (*Refer* Note 2)	08411575	Scheduled Commercial Banks Nominee Director	28th April 2020 – 21st September 2022
Shri Ajay Kumar Srivastava (Refer Note 3)	08946309	Scheduled Commercial Banks Nominee Director	3rd November 2020 – 21st September 2022

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

Notes:

1. Department of Financial Services, Ministry of Finance, Government of India vide Letter No. F.No. 3/1/2010 - IF - I dated 3rd December 2021 has informed that in terms of the provisions of Articles 115 (1)(b)(i) and 120 of the Articles of Association of India Infrastructure Finance Company Limited (IIFCL), the Central Government has nominated Shri Peeyush Kumar, Joint Secretary, Infrastructure Policy and Planning Division, Department of Economic Affairs (DEA), Ministry of Finance as Government Nominee Director on the Board of Directors of IIFCL in place of Shri Baldeo Purushartha , with immediate effect and until further orders.

2. Department of Financial Services, Ministry of Finance, Government of India vide Letter No. F.No. 3/1/2010/IF-I dated 21st September 2022 communicated the appointment of Dr. Ram Jass Yadav, Executive Director, Punjab and Sind Bank as Scheduled Commercial Bank (SCB) Nominee Director on the Board of India Infrastructure Finance Company Limited (IIFCL) with immediate effect and until further orders, in terms of the provisions of Article 115(1)(b)(ii) of the Articles of Association of IIFCL in place of Ms. Manimekhalai, with immediate effect and until further orders.

3. Department of Financial Services, Ministry of Finance, Government of India vide Letter No. F.No. 3/1/2010/IF-I dated 21st September 2022 communicated the appointment of Shri Kalyan Kumar, Executive Director, Punjab National Bank as Scheduled Commercial Bank (SCB) Nominee Director on the Board of India Infrastructure Finance Company Limited (IIFCL) with immediate effect and until further orders, in terms of the provisions of Article 115(1)(b)(ii) of the Articles of Association of IIFCL in place of Shri Ajay Kumar Srivastava, with immediate effect and until further orders.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) That in the preparation of Annual Accounts for the financial year ended 31st March 2022 the applicable accounting standard had been followed and no material departures have been made from the same.

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

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

d) That the Directors had prepared the accounts for the Financial Year ended 31st March, 2022 on a going concern basis.

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

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

CORPORATE GOVERNANCE

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

Your company continues to focus on evolving corporate structure, conduct of business and disclosure practices aligned to such Corporate Governance Philosophy. The composition of Board of Directors of IIFCL as conveyed by Department of Financial Services, Ministry of Finance vide letter no. F.No. 18/6/2014–IF-I dated 22nd January 2015 is: - two (2) Whole Time Directors one of whom shall be Managing Director, three (3) Government Nominee Directors, two (2) Directors representing the Scheduled Commercial Banks and such number of Independent Directors as may be required under the Companies Act, 2013. Further, IIFCL has requested the Department of Financial Services, Ministry of Finance, Government of India to consider the appointment of Independent Directors on its Board.

Your Company prepares the consolidated financial statements as per the applicable Accounting Standards in relation to the Consolidation of Financial Statements. The management makes disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the company. Reports on the economy, performance of the company and other operational matters are regularly reviewed by the Board of Directors.

BOARD MEETINGS DURING THE YEAR

The Board of Directors of the company provides leadership and strategic direction and brings forth their objective judgment, so as to exercise control over the functioning of the company, ensuring accountability to stakeholders through an efficient management. During the year under review, the Board of Directors met seven times on 21st June 2021, 12th August 2021, 9th November 2021, 12th November 2021, 9th December 2021, 11th February 2022 and 23rd March 2022.

COMMITTEE OF THE BOARD OF DIRECTORS

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

As on 31st March 2022, the Board had the following Committees:

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

Audit Committee of the Board

The Audit Committee was constituted in the 3rd Board Meeting held on 29th May, 2006. The previous reconstitution of the Audit Committee was effected in the 123rd Board meeting held on 23rd September 2022.

The Constitution of the Audit Committee as on date is as under:

Name	**Designation**
Shri Kalyan Kumar	Scheduled Commercial Bank Nominee Director **Chairman of the Committee**
Shri Pawan Kumar Kumar	Deputy Managing Director
Shri Lalit Kumar Chandel	Government Nominee Director
Dr. Ram Jass Yadav	Scheduled Commercial Bank Nominee Director
Ms. A. Manimekhalai (Note 1)	Scheduled Commercial Bank Nominee Director
Shri Ajay Kumar Srivastava (Note 2)	Scheduled Commercial Bank Nominee Director

Notes :

1. Ceased to be director and member w.e.f 21st September 2022
2. Ceased to be director and member w.e.f 21st September 2022

During the year 2021-22, the Audit Committee of the Board met five times on 21st June 2021, 9th November 2021, 12th November 2021, 9th December 2021 and 11th February 2022.

Management & Investment Committee (MIC)

The MIC was constituted in the 60th Board Meeting held on 20th February, 2013. The previous reconstitution of the MIC was effected in the 123rd Board meeting held on 23rd September 2022. The constitution of the Management and Investment Committee as on date is as under:

Name	Designation
Shri P.R. Jaishankar	Managing Director , IIFCL **Chairman of the Committee**
Shri Pawan Kumar Kumar	Deputy Managing Director
Shri Peeyush Kumar	Government Nominee Director
Shri Ch. Partha Sarathi Reddy	Government Nominee Director
Shri Kalyan Kumar	Scheduled Commercial Bank Nominee Director
Dr. Ram Jass Yadav	Scheduled Commercial Bank Nominee Director
Shri Baldeo Purushartha(Note 1)	Government Nominee Director
Ms. A. Manimekhalai (Note 2)	Scheduled Commercial Bank Nominee Director
Shri Ajay Kumar Srivastava (Note 3)	Scheduled Commercial Bank Nominee Director

Notes :

1. Ceased to be director and member w.e.f 3rd December 2021
2. Ceased to be director and member w.e.f 21st September 2022
3. Ceased to be director and member w.e.f 21st September 2022

During the year 2021-22, the Management & Investment Committee of the Board met ten times on 7th May 2021, 31st May 2021, 7th July 2021, 12th August 2021, 13th September 2021, 2nd November 2021, 30th December 2021 ,8th February 2022 ,21st March 2022 and 28th March 2022.

Risk Management Committee

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

The Board Level Risk Management Committee subsumed the roles & responsibilities of Board Level ALCO as per Board approval granted in meeting held on 9th September 2020. The decision taken by executive level ALCO Committee will henceforth be reported to the Board Level Risk Management Committee for information and strategic direction.

The previous reconstitution of the Risk Management Committee was effected in the123rd Board meeting held on 23rd September 2022.

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

Name	Designation
Dr. Ram Jass Yadav	Scheduled Commercial Bank Nominee Director **Chairman of the Committee**
Shri P.R. Jaishankar	Managing Director
Shri Pawan Kumar Kumar	Deputy Managing Director
Shri Kalyan Kumar	Scheduled Commercial Bank Nominee Director
Ms. A. Manimekhalai (Note 1)	Scheduled Commercial Bank Nominee Director
Shri Ajay Kumar Srivastava (Note 2)	Scheduled Commercial Bank Nominee Director

Notes :

1.Ceased to be director and member w.e.f 21st September 2022
2.Ceased to be director and member w.e.f 21st September 2022

During the year 2021-22, the Risk Management Committee of the Board met three times on 31st May 2021, 9th December 2021 and 21st March 2022.

Corporate Social Responsibility (CSR) Committee

The CSR Committee was constituted in 51st Board Meeting held on 23rd April, 2012 as per guidelines of Department of Public Enterprises. The previous reconstitution of the CSR Committee was effected in the 116th Board meeting held on 9th December 2021.

The constitution of the Corporate Social Responsibility (CSR) Committee as on date is as under:

Name	Designation
Shri Lalit Kumar Chandel	Government Nominee Director **Chairman of the Committee**
Shri P.R. Jaishankar	Managing Director
Shri Pawan Kumar Kumar	Deputy Managing Director
Shri Peeyush Kumar	Government Nominee Director
Shri Ch. Partha Sarathi Reddy	Government Nominee Director
Shri Baldeo Purushartha (Note 1)	Government Nominee Director

Notes :

1. Ceased to be director and member w.e.f 3th December 2021

Two meeting of the Corporate Social Responsibility Committee of the Board took place during 2021-22 on 9th December 2021 and 23rd March 2022.

Remuneration and Nomination Committee

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

The previous reconstitution of the Remuneration and Nomination Committee was effected in the 123rd Board meeting held on 23rd September 2022.

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

Name	Designation
Shri Lalit Kumar Chandel	Government Nominee Director **Chairman of the Committee**
Shri Peeyush Kumar	Government Nominee Director
Shri Kalyan Kumar	Scheduled Commercial Bank Nominee Director
Dr. Ram Jass Yadav	Scheduled Commercial Bank Nominee Director
Shri Baldeo Purushartha (Note 1)	Government Nominee Director
Ms. A. Manimekhalai (Note 2)	Scheduled Commercial Bank Nominee Director
Shri Ajay Kumar Srivastava (Note 3)	Scheduled Commercial Bank Nominee Director

Notes :

1. Ceased to be director and member w.e.f 3rd December 2021
2. Ceased to be director and member w.e.f 21st September 2022
3. Ceased to be director and member w.e.f 21st September 2022

One meeting of the Remuneration and Nomination Committee of the Board took place during 2021-22 on 8th February 2022.

Stakeholders Relationship Committee

The Stakeholders relationship Committee was constituted in 71st Board Meeting held on 1st August, 2014 as per requirement of Companies Act 2013.

The previous reconstitution of the Stakeholders Relationship Committee was effected in the123rd Board meeting held on 23rd September 2022.

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

Name	Designation
Dr. Ram Jass Yadav	Scheduled Commercial Bank Nominee Director **Chairman of the Committee**
Shri P.R. Jaishankar	Managing Director
Shri Pawan Kumar Kumar	Deputy Managing Director
Shri Lalit Kumar Chandel	Government Nominee Director
Shri Kalyan Kumar	Scheduled Commercial Bank Nominee Director
Ms. A. Manimekhalai (Note 1)	Scheduled Commercial Bank Nominee Director
Shri Ajay Kumar Srivastava (Note 2)	Scheduled Commercial Bank Nominee Director

Notes :

1. Ceased to be director and member w.e.f 21st September 2022
2. Ceased to be director and member w.e.f 21st September 2022

During the year 2021-22, Stakeholders Relationship Committee of the Board met three times on 12th August 2021, 9th December 2021 and 11th February 2022.

All investors complaints are attended to on a regular basis.

IT Strategy Committee

The IT Strategy Committee was constituted in 86th Board Meeting held on 2nd August 2017 as per the requirement of the Master Direction-Information Technology Framework for Non- Banking Financial Companies issued by Reserve Bank of India dated 8th June 2017.

The previous reconstitution of the IT Strategy Committee was effected in the 123rd Board Meeting held on 23rd September 2022.

The constitution of the IT Strategy Committee as on date in as under:-

Name	**Designation**
Shri Kalyan Kumar	Scheduled Commercial Bank Nominee Director **Chairman of the Committee**
Shri Ajay Kumar Srivastava (Note 1)	Scheduled Commercial Bank Nominee Director
Shri P.R.Jaishankar	Managing Director
Shri Pawan Kumar Kumar	Deputy Managing Director
Shri Kishor N. Kumbhare, CGM	Head of Risk Department
Shri Subodh Sharma, GM	Head of IT Department
Shri Gaurav Kumar ,GM	Head of HR Department
Shri Vishal Rathore, IT	Chief Information Officer (CIO)/ Chief Technology officer (CTO)
Shri Paritosh Garga	Chief Information Security officer (CISO)

Notes :

1.Ceased to be director and member w.e.f 21st September 2022

During the year 2021-22, IT Strategy Committee of the Board met twice on 7th December 2021 and 11th February 2022.

COMPANY'S POLICIES ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178 OF THE COMPANIES ACT 2013

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

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149 OF COMPANIES ACT 2013

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

STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In terms of Ministry of Corporate Affairs (MCA) notification dated 5th June 2015, the provisions of Section 134(3)(p) of Companies Act 2013 regarding formal Annual Evaluation by the Board of its own performance and that of its committees and individual directors, shall not apply to Government Companies in case the directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government, as per its own evaluation methodology. The Board of Directors of IIFCL was not required to undertake Formal Annual Evaluation of its own performance and that of its Committee's and Individual Directors in view of MCA Notification. Your Company being a Government company, the evaluation of all the members of the Board is to be undertaken by administrative ministry i.e. Ministry of Finance, Government of India.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 (1) OF THE COMPANIES ACT 2013

In compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable Indian accounting standards.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the company

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

There are no material changes and commitments occurred in between the financial year ended on March 31, 2022 and date of the report of the Company which affects the financial position of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the financial year ended on 31st March 2022, no significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and company's operations in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

IIFCL had assigned review of Internal Financial Control to independent firm of Chartered Accountant, M/s G.S. Mathur & Co. Review report was placed in the Board/Audit Committee meeting held on 9th November 2021.

The Board feels that the scope of Internal Audit and Internal Financial Control having regard to the size of the Company are adequate.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

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

VIGILANCE GOVERNANCE IN IIFCL

1. As a part of Vigilance Governance in IIFCL, a CVO has been appointed by DFS, MoF. Vigilance administration being an important management tool is operational in IIFCL and in its all subsidiaries. CVO is heading the Vigilance vertical in IIFCL.

2. Vigilance work is broadly categorised into two heads i.e. Punitive Vigilance and Preventive Vigilance.

3. The focus of Vigilance Department during the year had remained as preventive vigilance wherein efforts have been directed towards strengthening of vigilance governance in IIFCL, systemic improvement, policy reviews, scrutiny of property returns, conducting of workshops and other important areas of preventive vigilance

4. As regards complaints, two complaints received by vigilance department were disposed off. At present, no complaints are pending or contemplated at this stage. No DA case has arisen in the organization and no sanction for prosecution has been sought by CBI during the year.

5. The Vigilance Awareness Week was observed in IIFCL from 26th October 2021 to 1st November 2021 with the central theme "Independent India @ 75: Self Reliance with Integrity". During the Vigilance Awareness Week, various activities i.e. administering pledge among all the officers, quiz competition, essay writing competition among the officers of IIFCL and subsidiaries, conducting workshops etc were organized in IIFCL:

6. New Initiatives during the year

a) Vigilance Administration in subsidiaries :- Vigilance Administration has been established in all three subsidiaries of the IIFCL. One Nodal Officer in each subsidiaries have been appointed, who reports to CVO. Quarterly vigilance inspections are carried out in the subsidiaries. Quarterly Monthly reports on vigilance related work in subsidiaries is being submitted and reviewed by CVO.

b) Vigilance Journal - As part of knowledge enrichment of employees on vigilance matter, vigilance Journal "IIFCL VIGIL" has been published. 1st issue has been published during the Quarter Jan-March 2022.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules laid out thereunder. Further, cases of sexual harassment are classified as misconduct in the IIFCL Staff Service Regulations.

There is a well-placed mechanism in IIFCL to prevent and address cases of sexual harassment at workplace. An Internal Complaints Committee (ICC) is functional for addressing the complaints of women employees as per provisions laid out in the POSH Act. The Company maintains a cordial and safe working environment for all employees including women employees irrespective of their number, which can be evident by the fact that till date no complaint in this regard has been reported in IIFCL.

RIGHT TO INFORMATION ACT, 2005

IIFCL is implementing the provisions of Right to Information Act, 2005 and has been providing information to applicants as per the provisions of the RTI Act. The First Appellate Authority & Central Public Information Officer (CPIO) have been designated at IIFCL as per section 5 (1) of the RTI Act, 2005. Details of organization, functions and duties, CPIO & Appellate Authority contact details as required as disclosures under Section 4(1) (b) of the RTI Act are available on IIFCL website. RTI applications received are replied/forwarded/rejected within the prescribed time as per RTI Act, 2005. Records are maintained and disseminated as per requirement of the RTI Act, 2005.

IIFCL uploads the monthly return form for applications received, addressed and rejected. Further, IIFCL also complies with the filing of quarterly return of RTI Applications on the website of Central Information Commission (CIC).

During the financial year 2021-22, IIFCL received 103 RTI applications out of which 101 applications were accepted and replied in a timely manner, 2 applications were rejected as those were not pertaining to IIFCL.

GRIEVANCE REDRESSAL MECHANISM

Responsive handling of stakeholders and timely processing of grievances is a priority for the company. IIFCL has put in place a Grievance Redressal System for its stakeholders to provide a fair platform for raising grievance/complaint. IIFCL duly follows an elaborate Grievance Redressal Mechanism (GRM) which is incorporated in the Citizen Charter of IIFCL and is disclosed on its website as part of public disclosures. Complaints can be registered through the following modes-

i. Through Centralized Public Grievance Redress And Monitoring System (CPGRAMS)
ii. Through Online Grievance Redressal Form available on IIFCL website
iii. Through Integrated Grievance Redress Mechanism (INGRAM)
iv. Through email on grievancefeedback@iifcl.in

IIFCL has assigned a Grievance Redressal Officer (GRO) to manage the Grievance Redressal System. The details of the GRO are displayed on IIFCL website.

For any grievance related to the investments in IIFCL's various Bond's Issues, the investors can directly approach the respective Registrar under intimation to IIFCL on email ID: grievancefeedback@iifcl.in

In the event of non-satisfactory resolutions, the investors can approach the Compliance Officer whose details are provided on IIFCL website.

DEPOSITS

During the year ended on 31st March 2022, the Company has not accepted any deposits under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014, nor have any deposits remained unpaid or unclaimed. Further, during this period, the Company has not defaulted in the repayment of the deposits or the payment of the interest due thereon.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Conservation of energy / Technology Absorption

The Company is not required to disclose particulars relating to conservation of energy and technology absorption as your company does not undertake manufacturing activity. However, company has taken adequate measures to conserve energy consumption in the office premises. The Company is engaged in providing financial assistance to infrastructure projects, which does not involve any technology absorption.

2. Foreign exchange earnings and outgo

During the year 2020-21 foreign exchanges used/earned is as under:-

(Rs. crore)

Year ended	**31st March, 2022**	**31st March, 2021**	**31st March, 2020**
Total Foreign exchange used	633.71	607.62	460.17
Total Foreign exchange earned	-	-	-

PARTICULARS OF EMPLOYEES

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

No stock options were issued to Directors or employees of the company during the FY 2021-22.

SECRETARIAL STANDARDS

Your Company follows applicable Secretarial Standards as issued by Institute of Company Secretaries of India in its true letter and spirit.

ANNUAL RETURN LINK

An extract of the Annual Return in the prescribed format is annexed with the Annual Report in Annexure – II.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Board's Report.

MAINTENANCE OF COST RECORDS IN PURSUANCE OF SECTION 148 OF THE COMPANIES ACT, 2013

The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for activities performed by the Company.

STATUTORY AUDITORS

S P M R & Associates (DE2239), Chartered Accountants were appointed as Statutory Auditors for the financial year 2021-22 by the Office of Comptroller & Auditor General of India. The Statutory Auditors have audited the Financial Statements of the company for the Financial Year ended 31st March 2022. Also, the Supplementary Audit of the company for the Financial Year 2021-22 was entrusted to the Director (Administration), Principal Director of Audit (Industry and Corporate Affairs), IP Estate, New Delhi – 110002.

The Office of the Comptroller and Auditor General of India (C&AG) vide letter No. No./CA. V/ COY/CENTRAL GOVERNMENT,IIFCL(1)/437 dated 19th August 2021 appointed S P M R & Associates , Chartered Accountants as Statutory Auditors of IIFCL for the Financial Year 2021-22, pursuant to the provisions of Section 139 of the Companies Act 2013, regarding the appointment of Statutory Auditors in a Government Company. Also, the Supplementary Audit of the company for the Financial Year 2020-21 was entrusted to the Director (Administration), Principal Director of Audit (Industry and Corporate Affairs), IP Estate, New Delhi – 110002.

The Statutory Auditors of the Company appointed by the office of Comptroller and Auditor General of India (C&AG) for the financial year 2021-22 will hold office till the conclusion of the 17th Annual General Meeting of the Company.

SECRETARIAL AUDITOR

M/s VAP & Associates., Company Secretaries, were appointed as the Secretarial Auditor of the Company for the FY 2021-22 by Board of Directors of the Company in meeting held on 26th May 2022. In terms of Section 204 of the Companies Act 2013 and rules made thereunder they have issued Secretarial Audit Report for the financial year 2020-21 and the same is annexed to this Report in Annexure-I.

The observations of the Secretarial Auditor and reply of the management on the observations, for the FY 2021-22 along with copy of the audit report is annexed with Annual Report.

MANAGEMENT'S COMMENTS ON THE AUDITOR'S QUALIFICATION

Management comments on information and explanation on qualifications in Auditor's Report, Secretarial Audit Report and comments of the Comptroller & Auditor General of India on the Financial Statements for Financial Year ended 31st March 2022 as required under the Companies Act 2013 is given in 'Addendum to the Board's Report' annexed herewith.

OFFICIAL LANGUAGE (RAJBHASHA)

IIFCL tries to ensure compliance of Official Language Act, 1963 and Official Language Rules, 1976 and through the Annual Program and other guidelines issued every year by the Department of Official Language, Ministry of Home Affairs to promote the use of Official Language Hindi in the office.

In this sequence, on 6th July 2021, the third sub-committee of the Parliamentary Committee on Official Language conducted an inspection meeting to review the progressive use of Hindi in the IIFCL office. The progress and efforts of implementation of Official Language Hindi by IIFCL were found to be commendable. All the honorable members were satisfied with the overall progress and appreciated efforts towards implementation of Hindi in office.

In order to comply with the official language policies and 100% use of Hindi in official work as per the directions of the Parliamentary Committee, IIFCL has ensured to provide training to all the officers of "Pargant" course under the ''Hindi Teaching Scheme'' of the Government of India. So far, 80 percent of the officers of the IIFCL have received "Pargant" training and the remaining 20 percent officers will complete the training as soon as possible. IIFCL is committed to achieve this goal.

The India Infrastructure Finance Company Limited (IIFCL) celebrates "Hindi Pakhwada" with great pomp by organizing various promotional programs and competitions from 1st September to 14th September on the occasion of Hindi Diwas on 14th September every year, following the official language policy of the Government of India.

STATUTORY AND OTHER INFORMATION REQUIREMENT

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

S. No.	Particulars	Annexure
1	Secretarial Audit Report	I
2	Extract of Annual Return in Form No. MGT 9 in accordance with Section 134(3)(a) of the Companies Act, 2013	II
3	Annual Report on CSR activities	III
4	Amount, if any carried to any Reserves	IV

ACKNOWLEDGEMENTS

The Board of Directors is thankful to the Central Government specially the Department of Financial Services and the Department of Economic Affairs in the Finance Ministry, NITI Aayog, State Governments, Banks, Financial Institutions, Multilateral and Bilateral partners Employees, Customers and all other Stakeholders for their continued support and cooperation. The Board is also thankful to the Auditors of the Company, the Comptroller and Auditor General of India, Reserve Bank of India, SEBI, LIC and MoU Partners for their valuable guidance, support and advice.

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

By Order of the Board of Directors

For India Infrastructure Finance Company Limited

Sd/-	**Sd/-**
Pawan Kumar Kumar	**P.R. Jaishankar**
Deputy Managing Director	**Managing Director**
DIN No. 08901398	**DIN No. 06711526**

Place: New Delhi
Date: 25th September 2022

ADDENDUM TO THE BOARD'S REPORT

A. SECRETARIAL AUDITOR OBSERVATIONS

1. Composition of Board of Directors is not in compliance with Section 149 read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 as there was no Independent Director on the Board of the Company during the Audit Period.

   Management Comments:

   The Directors on the Board of IIFCL are selected and nominated by the Government of India. IIFCL has no role in appointment of Directors on its Board. IIFCL has requested the Administrative Ministry (DFS) to appoint Independent Directors on its Board to comply the provisions of the Companies Act 2013.

2. Due to pending appointment of Independent Directors on the Board of the Company and improper composition its Committees during the year, the respective requirements of Sections 177, 178 and 135 of the Companies Act, 2013 were not complied, and has also led to deviation with other allied requirements such as quorum for Committee Meetings, separate Meeting of independent Directors etc.

   Management Comments:

   The Directors on the Board of IIFCL are selected and nominated by the Government of India. IIFCL has no role in appointment of Directors on its Board. IIFCL has requested the Administrative Ministry (DFS) to appoint Independent Directors on its Board to comply the provisions of the Companies Act 2013.

B. STATUTORY AUDITOR OBSERVATIONS

1. Investment in India Infrastructure Finance Company (UK) Limited, a subsidiary company, has been valued at carrying cost i.e., Rs 61,180.95 lacs. As perused from the financial statements of the Subsidiary Company as of December 2021, Net Worth of the subsidiary company in UK has been completely eroded. As explained to us, financial statements of the subsidiary have been prepared under Indian Accounting Standards (Ind AS) and huge provisions have been created under Expected Credit Loss model. In the opinion of the management, the financial statements of the subsidiary in UK are prepared on going concern basis and as explained to us, assessment of fair value of the investment in subsidiary company in UK cannot be ascertained. Therefore, in the absence of fair valuation in the subsidiary company, we are unable to comment upon the impact of the impairment, if any, on the Statement of Profit and Loss Account, the reserve and investment (amount unascertained).

   Management Comments:

   It is submitted that India Infrastructure Finance Company (UK) Limited (IIFC(UK)) do not have any regulatory requirement to maintain capital at a specified level. However, IIFCL infused equity of USD 50 million in IIFC(UK) during FY 2008 to FY 2010. IIFC(UK) declared dividend of USD 30 million in FY2012-13 and USD 20 million in FY 2015-16 aggregating to USD 50 million. IIFCL had further infused equity share capital of USD 25 million in FY 2019-20 and subsequently USD 25 million in FY 2021-22 in IIFC (UK) Ltd.

   Further, IIFCL undertook deep provisioning and cleaning of its loan book as a result of:

   - Issuance of RBI circular dated 12th February 2018 (Resolution of Stressed Assets – Revised Framework) resulting in withdrawal of all scheme like Framework for Revitalizing Distressed Assets, CDR, Flexible Structuring of Existing Long Term Project Loans, SDR, Change in Ownership outside SDR, and S4A;

   - Implementation of Insolvency and Bankruptcy Code resulting in NPA cases being mandatorily referred to NCLT for resolution in a time bound manner.

   Similar deep provisioning and cleaning of the loan book was undertaken at IIFC(UK) in FY 2018-19 on the lines of IIFCL. This resulted in erosion of net worth of IIFC(UK).

   IIFCL is intending to provide fresh capital to IIFC(UK) by way subscribing to equity capital of IIFC(UK) of upto USD 250 million over a period of 10 years out of which USD 50 million already subscribed during FY 2019-20 and FY 2021-22 as mentioned above.

Further, IIFC (UK) Ltd. has posted Profit after Tax (PAT) amounting USD 9.26 million, USD 4.99 million and USD 16.37 million in FY 2019-20, FY 2020-21 and FY 2021-22 respectively. Further, the Net worth of IIFC(UK) Ltd. as on 31st March 2022 stands at USD 2.61 million.

IIFCL has not recognized erosion of Equity Share Capital held in IIFC(UK) Ltd. as loss, considering IIFC(UK) Ltd. as a going concern entity and loss incurred by company not being permanent.

C.1 COMMENTS OF THE C&AG UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL OF IIFCL FOR THE YEAR ENDED 31ST MARCH 2022.

A. Comments on Profitability

A.1 Balance Sheet
A.1 Liabilities and Equity
Non-Financial Liabilities - Other Non-Financial Liabilities- (Note No. 16)
Sundry Liabilities Account (Interest Capitalization) - ₹ 408.05 crore
Interest Income (Note No. 19) - ₹ 3565.67 crore

A reference is invited to Modified Independent Auditor's Report for the Financial Year 2020-21 (Based on C&AG observations) where in it was pointed out that Profit before Tax was understated by ₹ 459.15 crore and Sundry Liabilities were overstated by the same amount due to reversal of interest income which accrued during the moratorium period on term loans.

IIFCL received ₹ 60.46 crore out of the above interest income during Financial year 2021-22 which has been recognised as income on cash basis and therefore did not recognize the balance interest income of ₹ 398.69 crore during the current year which resulted in non-compliance of accrual basis
of accounting.

This has resulted in understatement of prior period income by ₹ 60.46 crore, interest income by ₹ 398.69 crore and overstatement of Sundry Liabilities Account (Interest Capitalization) by ₹398.69 crore. Consequently, profits for the year are also understated by ₹ 398.69 crore.

Management Comments:

a. Post receiving the modified Audit Report of Statutory Auditors, IIFCL has given due consideration to the qualification and comments issued by the Statutory Auditors and Office of C&AG during FY 2020-21 and accordingly, the conduct of all such Borrowers' account who were granted COVID Moratorium was reviewed.

b. IIFCL also obtained an independent opinion from an external CA firm in May 2022 which opined that a fairer view would emerge after assessing the recoveries made in the current Financial Year and if same are in alignment with Moratorium Schedule, the company may take approval of the Board for reversing the capitalized interest and recognizing the same as Income.

c. Accordingly, IIFCL continued with consistent and prudent practice of treatment of unrecognized interest income on loan cases for the moratorium period on realization basis as the guidance from RBI is yet to be provided in the matter. The fact has been disclosed in the in the notes to accounts for FY 2021-22.

d. The matter was also informed to the Audit Committee in its meeting dated 26th May 2022.

e. Going forward, IIFCL would examine and recognize this unrealised interest on a scientific basis based on factors like status of project, level of risk, regularity of servicing dues.

f. IIFCL has again requested RBI to guide in the matter vide e-mail dated 30th August 2022.

A.2 Assets

Financial Assets - Loans - (Note No.4) - ₹ 38722.07 crore
Impairment on Financial Instruments - (Note No. 25) - ₹ (762.00) crore

A reference is invited to the Significant Accounting Policy No. 5.3(d) for De-recognition of Financial assets which stipulates that, "A loan asset other than cases under Strategic Debt Restructuring Scheme (SDR), Scheme for Sustainable Structuring of Stressed Assets (S4A), Outside Strategic Debt Restructuring (SDR) scheme applicable as per RBI Regulators and considered withdrawn pursuant to RBI Notification No. RBI/131 DBR No. BP.BC.101/21.04.048/2017-18 dated February 12, 2018 or any other mutually agreed restructuring/settlement process shall be derecognized in case the loan asset has been categorized as Non-Performing Asset (NPA) for more than 5 years or the scheduled commercial operations of the project have been delayed for more than 4 years unless any substantive offer for sale/realization of loan asset is available ".

Loan account of Raebareilly Allahabad Highway Pvt. Ltd. (RA1-IPL) was overdue with IIFCL since September 2016 and was declared NPA on 31 March 2017. Principal outstanding from RAHPL is ₹ 49.08 crore as on 31 March 2022 against which provision of ₹ 24.54 crore (50 per cent) has been made.

Though there was no substantive offer available for realization of loan asset, the same has not been derecognized which resulted in non-compliance to the aforesaid significant Accounting Policy and conservatism principle of accounting.

This has resulted in overstatement of loans and understatement of impairment on financial instruments by ₹ 24.54 crore (₹49.08 crore minus ₹24.54 crore). Consequently, profit for the year is also overstated to the same extent.

Management Comments:

Project Brief

- IIFCL had sanctioned sum of Rs. 49.08 Cr. for Two-laning of Raebareilly to Allahabad Section of National Highway 24B from km 82.00 to km 188.60 in the State of Uttar Pradesh to be executed as BOT(Toll) project under NHDP Phase IV A on Design, Build, Finance, Operate, Transfer (DBFOT) basis.
- Due to non-servicing of dues, the account turned NPA w.e.f 31st March 2017.
- The project has achieved PCOD in Dec, 2019.

Recovery prospects in Account

1) To complete the project, Hon'ble Allahabad High Court directed NHAI to sanction funds under one time fund infusion (OTFI Scheme).

2) NHAI had sanctioned funds under OTFI scheme for Rs. 119.90 Cr. on 29th November 2017.

3) After OTFI sanction, the project achieved Provisional commercial operation date (PCOD) in Dec 2019. However, toll collection was lesser than projected at the time of OTFI sanction.

4) NHAI in the meeting with Lead Bank (SBI), dated 03.12.2021 had requested to submit Senior debt of Consortium of Banks/FI as per Waterfall mechanism defined in the Tripartite Agreement after consolidation of dues of all Banks/FIs for repayment of interest.

5) During JLM dated 1st Feb 2022, SBI (Lead bank) on direction of NHAI, requested all lenders to submit the debt due certificate as on 31.10.2021 for onward submission to NHAI for claiming payment from proceeds in Escrow Account of RAHPL as agreed by NHAI during meeting dated 03.12.2021.

6) IIFCL vide email dated 25th Feb 2022, submitted its total debt due of Rs.93.16 Cr as on 31.10.2021 (including interest overdue of Rs 41.80 cr and penal of Rs 2.27 cr)

7) As NHAI agreed for payment from proceeds in Escrow Account of RAHPL to consortium lenders, IIFCL was expecting receiving payment from NHAI during FYE 2022. However, no positive response from NHAI has been received on payment.

8) Further, Promoter company (VIL limited) is in NCLT and Hon'ble National Company Law Tribunal, Principal Bench, New Delhi vide order dated 24th December, 2020 has approved resolution plan. IIFCL claims were admitted under unsecured creditor for an amount of Rs 69.83 crores.

During FY 2021-2022, IIFCL has recovered Rs 45.83 lacs in the account.

As the expected payment from NHAI was not received during FYE March 2022, cash flows from the account were reduced during current financial year.

As per NPA Policy, provision in NPA Accounts is done as per ECL (Expected Credit Loss) methodology on the basis of estimated cash flows in the project which is higher than the provisioning norms prescribed by RBI in NPA Accounts.

In the instant case, the estimated cash flows were considered on the basis of expected payment from NHAI and expected recovery after approval of resolution plan in NCLT in one year's time.

As on 31 March 2022, provision of 50% was made seeing the prospective recovery from NHAI in the account during FYE March 2022. NPA Dept. considered recovery from NHAI for working out the expected cash flow data and approval of resolution plan in NCLT against promotor. However, on non-receipt of amount from NHAI, IIFCL has increased provision from Rs 24.54 crores to Rs 41.64 crores (~85%) as on 30 June 2022.

Further, as per NPA policy chapter 2, clause 2.2.4

'Loan asset categorized as NPA for more than 5 years or scheduled commercial operation is delayed for more than 4 years, or as may be permitted by RBI /Authorities, to be reviewed periodically and a view to be taken on write-off, if need be, based on intrinsic value of the asset, evaluation of circumstances etc'.

In view of the above, it may be noted that the NHAI has approved funds under OTFI scheme and project has achieved PCOD. Presently the project is not terminated. During FY 2021-2022 an amount of Rs 45.83 lacs was recovered.

Recovery of dues in the said account is possible through various mechanisms like payment from NHAI, claims filed by IIFCL in NCLT against promotor company 'VIL' amounting to Rs 69.83 crores. Therefore, IIFCL has not written-off the account after completion of 5 years as on 31st March, 2022.

Further, IIFCL has maintained provisioning on the loan account (~85% provision as on 30th June 2022) as required by extant guidelines and also on the basis of Expected Credit Loss (ECL) model.

Account is being reviewed on quarterly basis, and after analyzing recovery prospects in the account, IIFCL may take suitable decision to write-off the account.

C.2 COMMENTS OF THE C&AG UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATMENTS OF IIFCL FOR THE YEAR ENDED 31ST MARCH 2022.

A. Comments on Profitability

A.1 Balance Sheet

A.I Liabilities and Equity

Non-Financial Liabilities - Other Non-Financial Liabilities- (Note No. 19)
Sundry Liabilities Account (Interest Capitalization) – Rs. 417.04 crore Interest Income (Note No. 22) – Rs. 4115.39 crore

A reference is invited to Modified Independent Auditor's Report for the Financial Year 2020-21 (Based on C&AG observations) wherein it was pointed out that Profit before Tax was understated by Rs 459.15 crore and Sundry Liabilities were overstated by the same amount due to reversal of interest income which accrued during the moratorium period on term loans.

IIFCL received Rs.60.46 crore out of the above interest income during Financial year 2021-22 which has been recognized as income on cash basis and therefore did not recognize the balance interest income of Rs 398.69 crore during the current year which resulted in non-compliance of accrual basis of accounting.

This has resulted in understatement of prior period income by Rs 60.46 crore, interest income by Rs 398.69 crore and overstatement of Sundry Liabilities Account (Interest Capitalization) by Rs 398.69 crore. Consequently, profits for the year are also understated by Rs. 398.69 crore.

Management Reply:-

a. Post receiving the modified Audit Report of Statutory Auditors, IIFCL has given due consideration to the qualification and comments issued by the Statutory Auditors and Office of C&AG during FY 2020-21 and accordingly, the conduct of all such Borrowers' account who were granted COVID Moratorium was reviewed.

b. IIFCL also obtained an independent opinion from an external CA firm in May 2022 which opined that a fairer view would emerge after assessing the recoveries made in the current Financial Year and if same are in alignment with Moratorium Schedule, the company may take approval of the Board for reversing the capitalized interest and recognizing the same as Income.

c. Accordingly, IIFCL continued with consistent and prudent practice of treatment of unrecognized interest income on loan cases for the moratorium period on realization basis as the guidance from RBI is yet to be provided in the matter. The fact has been disclosed in the in the notes to accounts for FY 2021-22.

d. The matter was also informed to the Audit Committee in its meeting dated 26th May 2022.

e. Going forward, IIFCL would examine and recognize this unrealised interest on a scientific basis based on factors like status of project, level of risk, regularity of servicing dues.

f. IIFCL has again requested RBI to guide in the matter vide e-mail dated 30th August 2022.

A.2 Assets
Financial Assets - Loans - (Note No. 5) - Rs. 48918.12 crore
Impairment on Financial Instruments - (Note No. 28) - Rs. (556.51) crore

A reference is invited to the Significant Accounting Policy No. 5.3(d) for De-recognition of Financial assets which stipulates that, "A loan asset other than cases under Strategic Debt Restructuring Scheme (SDR), Scheme for Sustainable Structuring of Stressed Assets (S4A), Outside Strategic Debt Restructuring (SDR) scheme applicable as per RBI Regulators and considered withdrawn pursuant to RBI Notification No. RBI/131 DBR No. BP.BC.101/21.04.048/201 7-18 dated February 12, 2018 or any other mutually agreed restructuring/settlement process shall be derecognized in case the loan asset has been categorized as Non-Performing Asset (NPA) for more than 5 years or the scheduled commercial operations of the project have been delayed for more than 4 years unless any substantive offer for sale/realization of loan asset is available ".

Loan account of Raebareilly Allahabad Highway Pvt. Ltd. (RAHPL) was overdue with IIFCL since September 2016 and was declared NPA on 31 March 2017. Principal outstanding from RAHPL is Rs. 49.08 crore as on 31 March 2022 against which provision of Rs. 24.54 crore (50 per cent) has been made.

Though there was no substantive offer available for realization of loan asset, the same has not been derecognized which resulted in non-compliance to the aforesaid significant Accounting Policy and conservatism principle of accounting.

This has resulted in overstatement of loans and understatement of impairment on financial instruments by Rs. 24.54 crore (Rs. 49.08 crore minus Rs. 24.54 crore). Consequently, profit for the year is also overstated to the same extent.

Management Reply:-

Project Brief

- IIFCL had sanctioned sum of Rs. 49.08 Cr. for Two-laning of Raebareilly to Allahabad Section of National Highway 24B from km 82.00 to km 188.60 in the State of Uttar Pradesh to be executed as BOT(Toll) project under NHDP Phase IV A on Design, Build, Finance, Operate, Transfer (DBFOT) basis.
- Due to non-servicing of dues, the account turned NPA w.e.f 31st March 2017.
- The project has achieved PCOD in Dec, 2019.

Recovery prospects in Account

1) To complete the project, Hon'ble Allahabad High Court directed NHAI to sanction funds under one time fund infusion (OTFI Scheme).

2) NHAI had sanctioned funds under OTFI scheme for Rs. 119.90 Cr. on 29th November 2017.

3) After OTFI sanction, the project achieved Provisional commercial operation date (PCOD) in Dec 2019. However, toll collection was lesser than projected at the time of OTFI sanction.
4) NHAI in the meeting with Lead Bank (SBI), dated 03.12.2021 had requested to submit Senior debt of Consortium of Banks/FI as per Waterfall mechanism defined in the Tripartite Agreement after consolidation of dues of all Banks/FIs for repayment of interest.

5) During JLM dated 1st Feb 2022, SBI (Lead bank) on direction of NHAI, requested all lenders to submit the debt due certificate as on 31.10.2021 for onward submission to NHAI for claiming payment from proceeds in Escrow Account of RAHPL as agreed by NHAI during meeting dated 03.12.2021.

6) IIFCL vide email dated 25th February 2022, submitted its total debt due of Rs.93.16 Cr as on 31.10.2021 (including interest overdue of Rs 41.80 cr and penal of Rs 2.27 cr)

7) As NHAI agreed for payment from proceeds in Escrow Account of RAHPL to consortium lenders, IIFCL was expecting receiving payment from NHAI during FYE 2022. However, no positive response from NHAI has been received on payment.

8) Further, Promoter company (VIL limited) is in NCLT and Hon'ble National Company Law Tribunal, Principal Bench, New Delhi vide order dated 24th December, 2020 has approved resolution plan. IIFCL claims were admitted under unsecured creditor for an amount of Rs 69.83 crores.

During FY 2021-2022, IIFCL has recovered Rs 45.83 lacs in the account.

As the expected payment from NHAI was not received during FYE March 2022, cash flows from the account were reduced during current financial year.

As per NPA Policy, provision in NPA Accounts is done as per ECL (Expected Credit Loss) methodology on the basis of estimated cash flows in the project which is higher than the provisioning norms prescribed by RBI in NPA Accounts.

In the instant case, the estimated cash flows were considered on the basis of expected payment from NHAI and expected recovery after approval of resolution plan in NCLT in one year's time.

As on 31 March 2022, provision of 50% was made seeing the prospective recovery from NHAI in the account during FYE March 2022. NPA Dept. considered recovery from NHAI for working out the expected cash flow data and approval of resolution plan in NCLT against promotor. However, on non-receipt of amount from NHAI, IIFCL has increased provision from Rs 24.54 crores to Rs 41.64 crores (~85%) as on 30 June 2022.

Further, as per NPA policy chapter 2, clause 2.2.4

'Loan asset categorized as NPA for more than 5 years or scheduled commercial operation is delayed for more than 4 years, or as may be permitted by RBI /Authorities, to be reviewed periodically and a view to be taken on write-off, if need be, based on intrinsic value of the asset, evaluation of circumstances etc'.

In view of the above, it may be noted that the NHAI has approved funds under OTFI scheme and project has achieved PCOD. Presently the project is not terminated. During FY 2021-2022 an amount of Rs 45.83 lacs was recovered.

Recovery of dues in the said account is possible through various mechanisms like payment from NHAI, claims filed by IIFCL in NCLT against promotor company 'VIL' amounting to Rs 69.83 crores. Therefore, IIFCL has not written-off the account after completion of 5 years as on 31st March, 2022.

Further, IIFCL has maintained provisioning on the loan account (~85% provision as on 30th June 2022) as required by extant guidelines and also on the basis of Expected Credit Loss (ECL) model.

Account is being reviewed on quarterly basis, and after analysing recovery prospects in the account, IIFCL may take suitable decision to write-off the account.

VAP & ASSOCIATES
Company Secretaries

Head Office:
387, First Floor, Shakti Khand-3,
Indirapuram, Ghaziabad-201010, U.P.
Tel:+91-0120-4272409
M:+91-9910091070, 9711670085
E-mail: vapassociatespcs@gmail.com

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[*Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies* (*Appointment and Remuneration of Managerial Personnel*) *Rules, 2014*]

To,
The Members,
India Infrastructure Finance Company Limited
5th Floor, Block 2, Plate A & B, NBCC Tower,
East Kidwai Nagar, New Delhi - 110023.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **India Infrastructure Finance Company Limited (CIN U67190DL2006GOI144520)** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

A. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, **we hereby report that** in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

B. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the company;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company: —

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable during Audit Period)**
c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(No such event during Audit Period)**
e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; **(No such event during Audit Period)**
f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(No such event during Audit Period);** and
i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(No such event during Audit Period)**

(vi) We further report that, having regards to the compliance system prevailing in the Company, on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has generally complied with the specifically applicable laws to the Company as identified by the Management, including All the Rules, Regulations, Directions, Guidelines and Circulars issued by the Reserve Bank of India applicable to Non-Deposit Accepting Non Banking Financial Companies, etc., to the extent of their applicability to the Company.

C. We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to Meetings of the Board of Directors and General Meetings issued by The Institute of Company Secretaries of India.

(ii) Listing Agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and the BSE Limited with respect to Non Convertible Debentures issued by the Company.

D. During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

(i) *Composition of Board of Directors is not in compliance with Section 149 read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 as there was no Independent Director on the Board of the Company during the Audit Period.*

(ii) *Due to pending appointment of Independent Directors on the Board of the Company and improper composition its Committees during the year, the respective requirements of Sections 177, 178 and 135 of the Companies Act, 2013 were not complied, and has also led to deviation with other allied requirements such as quorum for Committee Meetings, separate Meeting of independent Directors etc.*

E. **We further report that**:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors *except as enumerated in para D above regarding the appointment for independent Directors*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, however, sometimes notice and agenda papers were sent with short notice with the consent of the Board and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

F. **We further report that** based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

G. We further report that during the audit period the Company has undertaken following event/ action, which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

(i) The Company has invested USD 25 million in its overseas subsidiary India Infrastructure Finance Company (UK) Limited.

(ii) The Company has issued and allotted Unsecured, Non-cumulative, Non-Convertible Redeemable Taxable Debenture amounting to Rs. 1,500 Crores on a private placement basis.

This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.

For VAP & Associates
Company Secretaries

Parul Jain
Proprietor
M. No. F8323
C.P. No. 13901
UDIN : F008323D001016363

Date: 21.09.2022
Place: Ghaziabad

Annexure – 'A'

To,

The Members,
India Infrastructure Finance Company Limited
5th Floor, Block 2, Plate A & B, NBCC Tower,
East Kidwai Nagar, New Delhi – 110023.

Our report of even date is to be read along with this letter.

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

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

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

4. The compliance by the Company of applicable financial laws such as direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory auditors and other designated professionals.

5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.

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

7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VAP & Associates
Company Secretaries

Parul Jain
Proprietor
M. No. F8323 **Date: 21.09.2022**
C.P. No. 13901 **Place: Ghaziabad**

FORM NO. MGT 9 ANNEXURE II

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021

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

I. REGISTRATION & OTHER DETAILS

1.	**CIN**	**U67190DL2006GOI144520**
2.	Registration Date	5th January 2006
3.	Name of the Company	India Infrastructure Finance Company Limited
4.	Category/Sub-category of the Company	Government of India Enterprise
5.	Address of the Registered office & contact details	Fifth Floor, Block -2 Plate A & B, NBCC Tower East Kidwai Nagar New Delhi-110023 **Phone:** 91-11- 24662777 Fax: 91-11-20815125 email: info@iifcl.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited, Umesh Pandey Selenium Tower B, Plot Nos. 31 & 32 | Financial District Nanakramguda |Serilingampally Mandal | Hyderabad - 500032 | India **Toll Free No.: 1800 345 4001 or send an E-mail at** einward.ris@kfintech.com**.** RCMC Share Registry Pvt. Ltd Mr Ravinder Dua B-25/1, First Floor, Okhla Industrial Area, Phase – 2 New Delhi – 110 020 Ph : 011-26387320,26387321 Fax : 011-26387322 rdua@rcmcdelhi.com www.rcmcdelhi.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable section
1	IIFC(UK) Limited	Third Floor 72 King William Street London EC4N 7HR United Kingdom Telephone General: +44-20-7776 8950 Email : info@iifc.org.uk	06496661*	Subsidiary	100%	2(87)(ii)
2	IIFCL Projects Limited	Address : 5th Floor, Block 2 Plate A, NBCC Tower East Kidwai Nagar New Delhi-110 023 Phone: +91-11-2465573 Email id: contact@ iifclprojects.com	U74999DL2012GOI231473	Subsidiary	100%	2(87)(ii)
3	IIFCL Asset Management Company Limited	Address : 5th Floor, Block 2 Plate A, NBCC Tower East Kidwai Nagar New Delhi-110 023 Ph: +91-11-24665900-10 Email:cio@iifclmf.com	U65991DL2012GOI233601	Subsidiary	100%	2(87)(ii)

* India Infrastructure Finance Company (UK) Limited was incorporated within the Register of Companies of England and Wales at London on February 7, 2008 [Company No. 6496661] under the UK Companies Act 1985

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2021]				No. of Shares held at the end of the year [As on 31-March-2022]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									-
(1) **Indian**									-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	999.991623 crore	999.991623 crore	100%	-	999.991623 crore	999.991623 crore	100%	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB - TOTAL (A) (1)	-	999.991623 crore	999.991623 crore	100%	-	999.991623 crore	999.991623 crore	100%	-
(2) Foreign									-

a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB - TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)(1) + (A)(2)	-	**999.991623 crore**	**999.991623 crore**	**100%**	-	**999.991623 crore**	**999.991623 crore**	**100%**	-
B. Public Shareholding									-
1. Institutions									-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									-
a) Bodies Corp.									-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-

c) Others (specify)									-
i. QFIs	-	-	-	-	-	-	-	-	-
ii. NRIs	-	-	-	-	-	-	-	-	-
iii. Clearing Member	-	-	-	-	-	-	-	-	-
iv. Shares held by Subsidiary Companies on which no voting rights are exercisable	-	-	-	-	-	-	-	-	-
v. Unclaimed Shares Suspense Account	-	-	-	-	-	-	-	-	-
vi. Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**999.991623 crore**	**999.991623 crore**	**100%**	-	**999.991623 crore**	**999.991623 crore**	**100%**	-

ii. Shareholding of Promoter

Shareholder's Name	**Shareholding at the beginning of the year (As on 01-04-2021)**			**Shareholder's Name**	**Shareholding at the end of the year (As on 31-03-2022)**			**% change in shareholding during the year**
	No. of Shares	**% of total Shares of the company**	**%of Shares Pledged / encumbered to total shares**					
The Hon'ble President of India	9999916230	100	-	The Hon'ble President of India	999,99,16,223	100	-	NIL
Representative shareholding*	7			Representative shareholding*	7			
	999,99,16,230	100%			999,99,16,230	100%		NIL

* Includes seven shareholders as representative on behalf of Government of India.

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

Particulars	Shareholding at the beginning of the year **(As on 01-04-2021)**				Cumulative Shareholding during the year **(As on 31-03-2022)**	
	No. of shares	% of total shares of the company	Increase	Date	No. of shares	% of total shares of the company
At the beginning of the year	999,99,16,230	100	-	-	999,99,16,230	100
At the end of the year	999,99,16,230	100	-	-	999,99,16,230	100

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01-04-2021)		Cumulative Shareholding during the Year (As on 31-03-2022)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the end of the year	-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 01-04-2021)		Cumulative Shareholding during the Year (As on 31-03-2022)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year (01.04.2021)				
i) Principal Amount	1,48,89,97,24,000.00	1,90,35,15,34,351.12	57,75,50,62,659.14	3,97,00,63,21,010.26
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	3,67,83,54,185.85	3,28,02,02,735.40		6,95,85,56,921.25
Total (i+ ii+ iii)	1,52,57,80,78,185.85	1,93,63,17,37,086.52	57,75,50,62,659.14	3,46,20,98,15,272.37

Change in Indebtedness during the Financial year				-
*Addition	3,67,83,54,185.85	31,34,89,84,793.07	51,88,11,03,763.10	86,90,84,42,742.02
*Reduction	3,67,83,54,185.85	14,04,87,91,611.69	57,75,50,62,659.14	75,48,22,08,456.68
Net change	-	17,30,01,93,181.38	- 5,87,39,58,896.04	11,42,62,34,285.34
Indebtedness at the beginning of the Financial year (01.04.2022)				-
i) Principal Amount	1,48,89,97,24,000.00	2,07,28,50,66,922.26	51,88,11,03,763.10	4,08,06,58,94,685.36
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	3,67,83,54,185.85	3,64,68,63,345.64	-	7,32,52,17,531.49
Total (i+ ii+ iii)	1,52,57,80,78,185.85	2,10,93,19,30,267.90	51,88,11,03,763.10	4,15,39,11,12,216.85

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. Crore)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	**Shri PR Jaishankar**	**Shri Pawan K Kumar**	-
	Designation	**Managing Director**	**Deputy Managing Director**	-
1	Gross salary	0.34	0.36	0.70
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**0.34**	**0.36**	**0.70**

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-

	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors **(Part-Time Non-Official Directors)**					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify Conveyance	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-

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

(Rs. Crore)

SN	**Particulars of Remuneration**	**Key Managerial Personnel**		
	Name	**Rajeev Mukhija**	**Manjari Mishra**	**Total**
	Designation	**CFO**	**CS**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.50	0.44	**0.94**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total	0.50	0.44	**0.94**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - III

Corporate Social Responsibility (CSR)

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

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

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

   IIFCL CSR initiatives during FY 2021-22 have focused on supporting its ongoing CSR projects in the domain of promotion of green and energy efficient technologies, development of backward regions, and support its flagship project of Center of excellence for Child Neurology at AIIMS, New Delhi. IIFCL will further like to participate/contribute and makes its presence in development initiatives for augmenting the quality of life of people across the country.

   Details of IIFCL CSR initiative are also available at:-
   https://www.iifcl.in/csr-initiative

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

   In terms of Section 135 of Companies Act, 2013, a Board level Committee for CSR with the following members has been constituted at IIFCL:
   - Managing Director, IIFCL
   - Deputy Managing Director, IIFCL
   - Three (03) Govt. Nominee Director

   Further, a CSR implementation Committee has been constituted consisting of the following members:
   - Chief Financial Officer
   - Chief General Manager (Credit)
   - General Manager (CSR)-Nodal Officer

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

Particulars	**Amount (In Rupees lakhs)**
Financial year 2018-19	40,367.39
Financial year 2019-20	(29,046.13)
Financial year 2020-21	31,545.72
Total	42866.98
Average Net Profit	**14288.99**

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

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

   a) *T*otal amount to be spent for the financial year:- 285.78 lakhs

   b) Amount unspent, if any :- Nil

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

Amount in ₹ lakhs

(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*
S. No	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure up-to to the reporting period**	**Amount spent: Direct or through implementing agency**
1	Creation of drop out free zone in selected districts of Maharashtra	Education	Maharashtra	10.00	6.00	10.00	6.00 (M/s Apeksha Homeo Society)
2	Distribution of Solar lanterns in backward districts of India	Green Energy	Multiple states in India	415.63	9.80	415.63	9.80605 (M/s Solar Energy Corporation of India)
3	Transferred to Unutilized Corporate Social Responsibility Account (UCSRA) for FY2021-22 to support the ongoing CSR projects of IIFCL			268.85	-	-	269.85395 (Earmarked for Ongoing projects)
4	Administrative Expense			-	-	-	0.12 (Direct)
5	**Total**						**285.78**

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

Not Applicable

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

CSR Committee of the Board of Directors in its last review meeting of the CSR activities has issued responsibility statement that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

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Annexure IV

STATEMENT OF AMOUNT TRANSFERRED FROM/TO RESERVE FOR THE YEAR 2021-22

(₹ in lac)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Profit after Tax for the current year 2020-21	51,425.55	28576.37
Add: Reversal of Deferred Tax Liability on Special reserve created u/s 36(1)(viii)	36,730.41	-
Add: Transfer from Staff Welfare Reserve	7.31	19.02
Add: Transfer from Corporate Social Responsibility Reserve	-	-
Add : Surplus of profit of IWRFC as on 31st March 2016	-	-
Less: Transfer to Staff Welfare Reserve	287.22	67.40
Less: Transfer to Corporate Social Responsibility Reserve	-	-
Less: Transfer to Debenture redemption Reserve	-	-
Less: Transfer to Special Reserve u/s 36(1)(vii) of Income Tax Act, 1961	-	3695.09
Less : Transfer to Reserve Fund 45 - IC	10,289.95	5715.27
Less : Re-measurement gain/(loss) on defined benefit	(24.21)	(48.84)
Less: Adjustment of carrying amount of fixed assets (applying transitional provisions)		
Less: Interim Dividend		
Less: Dividend Distribution Tax		
Balance c/f to balance sheet	**(85,007.76)**	**(162,618.06)**

MODIFIED INDEPENDENT AUDITOR'S REPORT*
(Modified based on observations of C & AG of India)

TO THE MEMBERS OF
INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED.

I. Report on the Audit of the Standalone Financial Statements

1. Qualified Opinion

A. We have audited the accompanying Standalone Financial Statements of INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

2. Basis for Qualified Opinion

Investment in Subsidiary Company in United Kingdom

Investment in India Infrastructure Finance Company (UK) Limited, a subsidiary company, has been valued at carrying cost i.e., Rs 61,180.95 lacs. As perused from the financial statements of the Subsidiary Company as of December 2021, Net Worth of the subsidiary company in UK has been completely eroded. As explained to us, financial statements of the subsidiary have been prepared under Indian Accounting Standards (Ind AS) and huge provisions have been created under Expected Credit Loss model. In the opinion of the management, the financial statements of the subsidiary in UK are prepared on going concern basis and as explained to us, assessment of fair value of the investment in subsidiary company in UK cannot be ascertained. Therefore, in the absence of fair valuation in the subsidiary company, we are unable to comment upon the impact of the impairment, if any, on the Statement of Profit and Loss Account, the reserve and investment (amount unascertained).

Modifications have been marked as *

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We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl No	Management	How the matter was addressed in our audit
1	Impairment of Loans and Advances to customers Please refer to the accounting policies in Note 1 (A) 5 to the Standalone financial statements, Impairment Note No 16 to the standalone financial statements, use of estimates and judgements in determination of Expected Credit Loss and Note no 5.7 to the standalone financial statements:	
The impairment of loans is based on Expected Credit Loss (ECL) Model as per Ind As 109- Financial Instruments. The Company's impairment allowance is based on certain management estimates including the historical default rates and loss ratio. The recognition and measurement of impairment loss of loans and advances involves significant management judgement. The areas where management has excercised significant judgements are: • Loan Staging Criteria • Calculation of probability of default/ Loss given default • Determination of exposure of default • Consideration of probability weighted scenarios and forward looking macro-economic factors The applicability of ECL model requires huge data input. This increases the risk of		We performed audit procedures set out below: Design/ Controls • Evaluated the appropriateness of the impairment principles used by management as per requirements of Ind AS 109, our understanding of the business and industry practice. • Assessed the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Evaluated management's controls over collation of relevant information used for determining estimates for management overlays. • Tested review controls over measurement of impairment allowances and disclosures in financial statements.

completeness and accuracy of the data that has been used to create assumptions in the model.	

2	Valuation of Derivative Instruments and Hedge Accounting
	Please refer to the accounting policies in note no 1(A)5.2 to the standalone financial statements: Derivative financial instruments, Note 3 to standalone financial statements: Derivative financial instruments
The company enters in to derivative contracts in order to manage and hedge risks such as foreign exchange rate on borrowings. The company enters in to either the Cash Flow Hedges or Fair Value Hedges depending on the risk being hedged. The application of hedge accounting and evaluating hedge effectiveness is complex and operationally cumbersome and requires close monitoring from company management.	Our procedure included: Design/ Controls Obtained an understanding of the risk management Policies and tested key controls (i) at the time of entering in to hedge relationship including authorisation by designated authority, documentation prepared by the management at the inception of the hedge transaction, (ii) with regard to ongoing monitoring and review of the hedge relationship by management including test of hedge effectiveness. Substantive Checking • Checked the recognition and measurement of derivatives instruments, for elected samples, as per Ind AS 109 • Examined hedge documentation with Ind AS 109 requirements • Test checked on a sample basis reconciliation of derivative instruments to independent confirmations obtained from third party • Test checked on a sample basis the applicability and accuracy of hedge accounting • Considered the appropriateness of the disclosures in relation to financial risk management, derivative instruments and hedge accounting in the standalone financial statements.

3	Information Technology
	Integration of IT enabled Accounting System
The company implemented SAP system during financial year 2018-19 to ensure effective dependence on information system and reliance on automated controls in financial accounting and reporting records. The company is still in the process of stabilization and integration of IT enabled accounting system.	Our procedures included: Evaluation procedure of computation of impairment of assets, derivative Assets, Forex Gain and Loss and Categorisation of Financial Assets.

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We identified "IT System and Controls" as key audit matter as it is under process of necessary customization to achieve full automation and the scale and complexity involved in computation of key financial factors such as impairment of loans, valuation of derivatives and hedge accounting, computation of foreign exchange gain/ loss and loss out to ERP system.	

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Standalone Financial Statements

A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

B. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

SPMR & ASSOCIATES * Chartered Accountants * FRN: 007578N accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial

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Statements represent the underlying transactions and events in a manner that achieves fair presentation

C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

i) planning the scope of our audit work and in evaluating the results of our work; and

ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matters

- As explained to us, the appointment of requisite number of independent directors under section 149(1) of The Companies Act, 2013 are awaited from Ministry of Finance. Accordingly, the Board remained constituted without complying with the requirements of the aforesaid section.

- As per guidelines of the Department of Investment and Public Asset Management, the company is supposed to pay minimum annual dividend of 30% of profit after tax or 5% of net worth of CPSEs, whichever is higher subject to maximum dividend permitted under the extant legal provisions. However, IIFCL vide letter dated 19th September 2019 has requested Government for exemption from payment of dividend up to financial year 2021-22. The reply to the letter from Government is awaited.

Our opinion is not modified in this regard.

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Chartered Accountants

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

   B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account

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

   E. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   F. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

   G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      The company being a Government company, the provisions of section 197 of the Act are not applicable to the company.

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

      i) As explained to us, the Company does not have any pending litigations which would impact its financial position in its Standalone Financial Statements except income tax litigation as listed in clause vii (b) to the "Annexure A" of Auditor Report.

      ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

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iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2020* ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For SPMR & Associates
Chartered Accountants
Firm Regn. No 007578N

Himanshu Agrawal

CA Himanshu Agrawal
Partner
M No 091953
UDIN: 22091953APFZHC1095
Place: New Delhi
Date: 18.08.2022

*Year Modified from 2016 to 2020

ANNEXURE 'A' TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED for the year ended 31st March, 2022.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

   * The company has maintained proper records showing full particulars of intangible assets;

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

   (c) According to the information and explanation given to us, no title deeds/ lease deed of the immovable properties are held in the name of the company and same is described below:

Description of property	Gross carrying value	Carrying value	Observation
Building	27479.81 Lacs	24,375.66 Lacs	Pending finalization of the lease deed by the implementing agency for office at NBCC Center East Kidwai Nagar, New Delhi, Office premises has been capitalised based on put to use.

   (d) The company has not revalued Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Hence, this clause is not applicable;

   (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions(Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;

2. (a) The company is in to lending business and is not required to hold any inventories as such. Clause 3(ii) of Companies (Auditor's Report) Order, 2020* is not applicable to the company;

   (b) The company has not been sanctioned any working capital limits exceeding Rs 5.00 crores;

3. The company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties covered in register maintained under section 189 of The Companies Act, 2013.

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*Paragraph added as per CARO requirements,
Year modified from 2016 to 2020 as per CARO requirements

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4. According to the information and explanation provided by the management, there were no transactions which attract provisions of sections 185 and 186 of the Companies Act.

5. According to the information and explanation provided by the management, the company has not accepted any deposit from the public.

6. According to the information and explanation provided by the management, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act;

7 (a) According to the information and explanation provided by the management, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

(b) Details of dues of income tax which have not been deposited as on 31st March 2022 on account of dispute are given below:

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount (Rs in Lakhs)	Amount paid under Protest (Rs in Lakhs) and shown as recoverable	Remarks
Income Tax Act 1961	Income Tax	AY 2016-17	CIT (A)	682.33	137.00	Appeal has been filed with CIT (A). Demand of Rs 498.61 lacs is pending and appearing on income tax portal. Penalty proceedings have been initiated by the department

8. According to the information and explanation provided by the management, there was no transaction which was not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

9. (a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below:-

Nature of borrowing, including	Name of lender*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any

SPMR & ASSOCIATES Chartered Accountants FRN: 007578N

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

(b) According to information and explanation given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender;

(c) According to information and explanation given to us and on the basis of our examination of books of account, term loans were applied for the purpose for which the loans were obtained.

(d) According to information and explanation given to us and on the basis of our examination of books of account, no funds raised on short term basis have been utilized for long term purposes;

(e) According to information and explanation given to us and on the basis of our examination of books of account, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) According to information and explanation given to us and on the basis of our examination of books of account, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

10. (a) The company has raised a sum of Rs 1500.00 crores by way of debt instruments, which have been used for the designated purposes;

(b) According to information and explanation given to us and on the basis of our examination of books of account, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the;

11. (a) According to information and explanation given to us, no fraud by the company or any fraud on the company by its officers or employee has been noticed or reported during the year;

(b) *No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) *The auditor has considered whistle-blower complaints, if any, received during the year by the company;

12. According to the information and explanation given to us and based on our examination of the books of account and other relevant records of the company, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

SPMR & ASSOCIATES FRN 007578N Chartered Accountants

*Para modified as per CARO requirements

13. In our opinion and according to the information and explanations given to us, the company is in compliance with provisions of sections 177 and 188 of Companies Act, where applicable for all the transactions with the related parties and the details of related party transaction have been disclosed in the standalone financial statements, etc., as required by the applicable accounting standards;

14. (a) The company has an internal audit system commensurate with the size and nature of its business;

    (b) The reports of the Internal Auditors for the period under audit were considered by the statutory auditor;

15. According to the information and explanation provided to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him;

16. (a) The company is registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) vide registration no N-14.03288 dated 09.09.2013;

    *(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

    *(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;

    *(d) The Group has no Core Investment Company (CIC) as part of the Group;

17. The company has not incurred cash losses in the financial year and in the immediately preceding financial year;

18. There has been no resignation of the statutory auditors during the year;

19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

*Para modified as per CARO requirements

SPMR & ASSOCIATES
FRN 007578N
Chartered Accountants

20. A sum of Rs 285.78 lacs remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;

*The company has not transferred any unspent amount to a Fund specified in Schedule VII to the Companies Act other than ongoing projects within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act

For SPMR & Associates
Chartered Accountants
Firm Regn. No 007578N

Himanshu Agrawal

CA Himanshu Agrawal
Partner,
M No 091953
UDIN: 22091953APFZHC1095
Place: New Delhi
Date: 18.08.2022

*Para added as per CARO requirements

ANNEXURE 'B' TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED**. ("The Company") as of 31^{st} March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

SPMR & ASSOCIATES
FRN 007578N
Chartered Accountants

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

SPMR & ASSOCIATES * Chartered Accountants * FRN 007578N

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SPMR & Associates
Chartered Accountants
Firm Regn. No 007578N

Himanshu Agrawal

CA Himanshu Agrawal
Partner,
M No 091953
UDIN: 22091953APFZHC1095
Place: New Delhi
Date: 18.08.2022

Annexure 'C' to the Independent Auditor's Report Annexure referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Sl. No.	Directions	Auditor's response
1	Whether the company has system in place to process all the accounting transactions through I system? If yes, the implications of the processing of accounting transactions outside IT system on the integrity of the accounts along with financial implications, if any, may be stated	The company has system in place to process all the accounting transactions through IT system and recording of transactions is in ERP Software, SAP. The ERP is in the process of stabilization and integration to automatically record all the accounting transactions due to which certain transactions such as, computation of impairment loss and provision for doubtful debts on loan, reversal of interest, income on account of creating FITL, Categorisation of Advances/ Reclassification of Assets as per Prudential norms issued by Reserve Bank of India, Computation of forex gain/loss in foreign currency transactions, Hedged contracts, interest on interest calculation under moratorium, are computed independent of accounting system
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of the debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	During the year under consideration, there is no case of restructuring any existing loan or case of waiver/ write off of the debts/loans/ interest etc. made by a lender to the company
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation	NIL

For SPMR & Associates
Chartered Accountants
Firm Regn. No 007578N

Himanshu Agrawal

CA Himanshu Agrawal
Partner, M No 091953
UDIN: 22091953APFZHC1095
Place: New Delhi
Date: 18.08.2022

*Paragraph on additional disclosures as per C & AG directions deleted

SPMR & ASSOCIATES
FRN 007578N
Chartered Accountants

SPMR & Associates
Chartered Accountants

COMPLIANCE CERTIFICATE

We have conducted the audit of annual standalone accounts of M/s India infrastructure Finance Company Limited for the period ended 31st March 2022 in accordance with the directions /sub-directions issued by the C& AG of India Under section 143(5) of the companies Act 2013 and certify that we have complied with all the directions /sub-directions issued.

For SPMR & Associates
Chartered Accountants
Firm Regn. No 007578N

Himanshu Agrawal

CA Himanshu Agrawal
Partner,
M No 091953
Place: New Delhi
Date: 25.08.2022
UDIN: 22091953ATOXBI6334

NON – BANKING FINANCIAL COMPANIES AUDITOR'S REPORT

To
The Board of Directors
India Infrastructure Finance Company Limited
5th Floor, Part A&B, Block B
East Kidwai Nagar,
New Delhi – 110023

As required by the Non – Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (RBI) on the matters specified in paragraph 3 and 4 of the said Directions to the extent applicable to India Infrastructure Finance Company Limited and according to the information and explanations given to us for the purpose of audit, we report that:

1. The company is engaged in the business of Non – Banking Financial Institution and it has obtained a certificate of Registration from Reserve Bank of India under the provision of section 45-I (a) of the Reserve Bank of India Act, 1934 vide registration no. N – 14.03288 dated 09.09.2013 and meeting the PrincipalBusiness Criteria (financial asset/ income pattern) as laid down vide the bank's press release dated April 08, 1999, and master direction Para 82 issued by DNBR.

2. The company is entitled to continue on hold such CoR in terms of its Principal Business Criteria (financial asset/ income pattern) as on March 31st, 2022.

3. The company is meeting the required net owned fund requirement as laid down in Master Direction – Non-Banking Financial Company – Systematically Important Non-Deposit taking company and deposit company (Reserve Bank) directions, 2016.

4. The board of directors has passed a resolution for non – acceptance of any deposits during the year ended 31.03.2022.

5. The company has not accepted any public deposits during the year 2021-22.

6. The company complied with the prudential norms relating to income recognition, accounting standards, asset classification andprovisioning for bad and doubtful debts as applicable to it in term of Non- Banking Financial Company – Systematically Important non – deposit taking Company and Deposit Company (Reserve Bank) directions, 2016.

For SPMR & Associates
Chartered Accountants
Firm Regn. No 007578N

SPMR & ASSOCIATES FRN: 007578N Chartered Accountants

Himanshu Agarwal

CA Himanshu Agrawal
Partner,
M No 091953
UDIN: 22091953ATHWHT9751
Place: New Delhi
Date: 25.08.2022

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
BALANCE SHEET AS AT THE 31st March 2022
CIN No. U67190DL2006GOI144520

(₹ in lac)

S.No.	PARTICULARS	NOTE No.	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
I	**ASSETS**			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	2	172,169.97	36,347.57
(b)	Bank Balance other than (a) above		771,546.12	1,017,715.88
(c)	Derivative Financial Instruments	3	85,281.90	61,363.78
(d)	Loans	4	3,872,207.45	3,664,310.02
(e)	Investments	5	662,015.94	656,318.37
(f)	Other Financial Assets	6	33,189.31	52,179.56
	Sub Total (1)		**5,596,410.69**	**5,488,235.19**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	7	33,715.26	37,689.12
(b)	Deferred Tax Asset (Net)	8	40,945.71	9,626.22
(c)	Property, Plant and Equipment	9	24,839.16	25,993.72
(d)	Other Intangible Assets	10	168.23	279.01
(e)	Other Non-Financial Assets	11	345.61	265.36
	Sub Total (2)		**100,013.97**	**73,853.43**
	TOTAL ASSETS (1+2)		**5,696,424.66**	**5,562,088.62**
II	**LIABILITIES AND EQUITY**			
A	**Liabilities**			
1	**Financial Liabilities**			
(a)	Debt Securities	12	1,998,997.24	1,848,997.24
(b)	Borrowings(Other than Debt Securities)	13	2,081,661.71	2,121,065.97
(c)	Other Financial Liabilities	14	76,024.32	72,350.12
	Sub Total (A-1)		**4,156,683.27**	**4,042,413.33**
2	**Non-Financial Liabilities**			
(a)	Provisions	15	324,389.44	406,168.73
(b)	Other Non-Financial Liabilities	16	41,652.53	48,059.49
	Sub Total (A-2)		**366,041.97**	**454,228.22**
	Sub Total (A)		**4,522,725.24**	**4,496,641.55**
B	**Equity**			
(a)	Equity Share Capital	17	999,991.62	999,991.62
(b)	Other Equity	18	173,707.80	65,455.45
	Sub Total (B)		**1,173,699.42**	**1,065,447.07**
	TOTAL LIABILITIES AND EQUITY (A+B)		**5,696,424.66**	**5,562,088.62**

Notes from 1 to 29 form integral part of Accounts.

In terms of our report of even date
For SPMR & Associates
Chartered Accountants
(Firm Regn. No: 007578N)

Sd/-

Himanshu Agarwal
(Partner)
Membership No: 091953

Place: New Delhi
Dated: 26.05.2022

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

Sd/-

Pawan K Kumar
(Deputy Managing Director)
DIN No.: 8901398

Sd/-

PR Jaishankar
(Managing Director)
DIN No.: 6711526

Sd/-

Manjari Mishra
(DGM & Company Secretary)

Sd/ -

Rajeev Mukhija
(Chief General Manager-CFO)

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2022

CIN No. U67190DL2006GOI144520

(₹ in lac)

S.No.	PARTICULARS	NOTE No.	Year Ended 31.03.2022	Year Ended 31.03.2021
I	**INCOME**			
A	**Revenue from Operations**			
(a)	Interest Income	**19**	356,567.15	330,269.23
(b)	Fees and Commision Income	**20**	5,188.50	4,287.04
	Total Revenue from Operations (A)		**361,755.65**	**334,556.28**
B	**Other Income**	**21**	59,463.49	66,770.90
	Total Income I (A+B)		**421,219.14**	**401,327.18**
II	**EXPENSES**			
(a)	Finance Cost	**22**	234,549.93	222,918.68
(b)	Fees and Commission Expense	**23**	4,974.07	4,934.50
(c)	Net Loss on Fair Value changes	**24**	(1,510.89)	2,537.32
(d)	Impairment on Financial Instruments	**25**	(76,200.29)	(44,834.61)
(e)	Employee Benefit Expense	**26**	3,860.52	3,140.16
(f)	Depreciation, Amortization & Impairment	**9,10**	1,315.24	1,449.42
(g)	Corporate Social Responsibilities		285.78	
(h)	Other Expenses	**27**	194,932.02	179,639.16
	Total Expenses II		**362,206.38**	**369,784.62**
	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		**59,012.76**	**31,542.56**
	Exceptional Items		-	
	Profit/ (Loss) Before Tax (I-II)		**59,012.76**	**31,542.56**
	Tax Expense:			
	(i) Current Tax			
	- Current Year		-	(15,045.66)
	- Earlier Year		(2,184.42)	-
	(ii) Deferred Tax		(5,402.78)	12,030.53
	Total Tax Expenses IX (i+ii)		**(7,587.21)**	**(3,015.13)**
	Profit/ (Loss) for the Year from continuing operations		**51,425.55**	**28,527.43**
	Profit/(loss) from discontinued operations		**-**	**-**
	Tax Expense of discontinued operations		**-**	**-**
	Profit/(loss) from discontinued operations(After tax)		**-**	**-**
	Profit/(loss) for the Year		**51,425.55**	**28,527.43**
	A. (i) Items that will not be reclassified to Profit and Loss			
	Remesurement of gains/(loss)defined benefit Obligation		32.36	65.40
	(ii) Income Tax relating to remesurement of defined benefit Obligation		(8.14)	(16.46)
	Other Comprehensive Income/(Expense) (A)		**24.21**	**48.94**
	Total Comprehensive Income/(Loss) for the Year		**51,449.77**	**28,576.37**
	Earning per Equity Share (for continuing operations)			
	Basic (₹)		0.51	0.27
	Diluted (₹)		0.51	0.27

Notes from 1 to 29 form integral part of Accounts.

In terms of our report of even date
For SPMR & Associates
Chartered Accountants
(Firm Regn. No: 007578N)

Sd/-

Himanshu Agarwal
(Partner)
Membership No: 091953

Place: New Delhi
Dated: 26.05.2022

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

Sd/-	Sd/-
Pawan K Kumar	**PR Jaishankar**
(Deputy Managing Director)	**(Managing Director)**
DIN No.: 8901398	**DIN No.: 6711526**
Sd/-	Sd/-
Manjari Mishra	**Rajeev Mukhija**
(DGM & Company Secretary)	**(Chief General Manager-CFO)**

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH 2022
CIN No. U67190DL2006GOI144520

₹ in Lac

S.NO.	PARTICULARS		Year Ended 31-03-2022 (Audited)	Year Ended 31-03-2021 (Audited)
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
(i)	Net Profit before Tax		59,012.76	31,542.57
	Adjustments for:			
(ii)	Depreciation and amortisation expense		1,315.24	1,449.42
(iii)	Provision/write offs:		98,355.63	94,480.31
(iv)	Provisions/ Amounts written back		(227.73)	(117.24)
(v)	Foreign Exchange Fluctuation Loss / (Profit) on borrowings		18,334.43	37,807.52
(vi)	(Profit)/ Loss on sale of fixed assets		0.49	3.17
(vii)	Interest accrued and due on loans and advances		3,866.10	3,805.71
(viii)	Interest accrued but not due on borrowings		3,666.61	(5,024.51)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**182,139.10**	**163,946.95**
(i)	Cash Flow From Lending Operations		(382,930.83)	(448,569.24)
(ii)	Sale of/ (Addition) to Operating Investments		8,727.17	3,958.91
(iii)	(Increase)/decrease in Trade Receivables		-	-
(iv)	(Increase)/decrease in other operating assets		26,641.18	82,701.56
(v)	(Increase)/decrease in other bank balances		246,169.75	(77,741.62)
(vi)	Increase/(decrease) in other operating liabilities		(5,588.47)	42,860.21
	CASH FLOW FROM OPERATIONS BEFORE TAX		**75,157.92**	**(232,843.22)**
	Taxes paid (Net)		(11,500.00)	(16,400.00)
	NET CASH FROM OPERATIONS	**A**	**63,657.92**	**(249,243.22)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
(i)	Purchase of Plant, Property and Equipment		(59.50)	(523.52)
(ii)	Sale for Fixed Assets		9.12	146.76
(iii)	(Increase)/decrease in Investments		(20,046.46)	-
	NET CASH FROM INVESTING ACTVITIES	**B**	**(20,096.84)**	**(376.74)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
(i)	Proceeds from Issue/ Allotment of Share Capital		-	-
(ii)	Net Proceeds from Borrowings		(57,738.68)	289,881.72
(iii)	Proceeds/ (Repayment) from Debt Securities		150,000.00	(5,388.11)
	NET CASH FROM FINANCING ACTIVITIES	**C**	**92,261.32**	**284,493.61**
	NET CHANGE IN CASH & CASH EQUIVALENT (A+B+C)		**135,822.40**	**34,873.65**
	Add: Opening Cash and Cash Equivalents		36,347.57	1,473.92
	Closing Cash and Cash Equivalents		**172,169.97**	**36,347.57**
	Closing Cash and Cash Equivalent Comprises of :-			
(i)	Cash in hand		-	-
(ii)	Current Accounts		172,169.97	36,347.57
(iii)	Flexi Deposit Accounts			-
	TOTAL		**172,169.97**	**36,347.57**

1) Figures of previous period (s) have been re-grouped /re-arranged wherever necessary to make them comparable to the reporting period presentation.

2)The following bank balances are not available for free use by the company:
(Increase)/ decrease in other bank balances of ₹ 2,46,169.75 lacs as on 31st March 2022 ((₹ 77,741.62) as on 31st March 2021) includes ₹ 8,000 lac as on 31st March 2022 (₹ 46,600.00 lac as on 31st March 2021) on which lien has been marked for interest payment of bonds and ₹ 4,24,230.60 lac as on 31st March 2022 (₹ 6,38,201 lac as on 31st March 2021) on which lien has been marked for overdraft.

In terms of our report of even date
For SPMR & Associates
Chartered Accountants
(Firm Regn. No: 007578N)

Sd/-

Himanshu Agarwal
(Partner)
Membership No: 091953

Place: New Delhi
Dated: 26.05.2022

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

Sd/-	Sd/-
Pawan K Kumar	**PR Jaishankar**
(Deputy Managing Director)	**(Managing Director)**
DIN No.: 8901398	**DIN No.: 6711526**
Sd/-	Sd/-
Manjari Mishra	**Rajeev Mukhija**
(DGM & Company Secretary)	**(CGM & Chief Financial Officer)**

Statement of changes in equity for the year ended 31st March 2022

A. Equity share capital

(₹ in lac)

Particulars	Amount
Balance as on 1st April 2021	999,991.62
Changes in Equity Share Capital due to Prior period error	-
Restated Balance as on 1st April 2021	999,991.62
Changes of equity shares capital during the year	-
Balance as on 31st March 2022	**999,991.62**

B. Other Equity

(₹ in lac)

Particulars	Reserve & Surplus										Total
	Capital reserve	Security Premium Account	DEBENTURE/ BOND REDEMPTION RESERVE	CASH FLOW HEDGE RESERVE	SPECIAL RESERVE U/S 36(1)(viii) OF INCOME TAX ACT, 1961	STAFF WELFARE RESERVE	CORPORATE SOCIAL RESPONSIBILITY RESERVE	RESERVE FUND U/S 45-IC OF RBI ACT 1934	OTHER COMPREHENSIVE INCOME	Retained Earning	
Balance as at 1st April, 2021	**585.14**	**235.50**	**99,995.05**	**(27,653.15)**	**145,940.91**	**75.10**	**122.45**	**8,772.52**	**(374.05)**	**(162,244.02)**	**65,455.45**
Prior period errors	-	-									-
Restated balance at the beginning of the reporting period	**585.14**	**235.50**	**99,995.05**	**(27,653.15)**	**145,940.91**	**75.10**	**122.45**	**8,772.52**	**(374.05)**	**(162,244.02)**	**65,455.45**
Profit for the year	-	-	-	-	-	-	-			51,425.55	51,425.55
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**51,425.55**	**51,425.55**
Amount utilized during the period	-	-	-	-	-	(7.31)	-		24.21	(10,577.18)	(10,560.27)
Cash Flow Hedge Reserve during the period	-	-	-	20,072.18	-	-	-	-		-	20,072.18
Transfer to retained earning	-	-	-	-	-	-	-			36,737.72	36,737.72
Transfer From Retained Earning			-		-	287.22	-	10,289.95		-	10,577.18
Balance as on 31st March 2022	**585.14**	**235.50**	**99,995.05**	**(7,580.98)**	**145,940.91**	**355.01**	**122.45**	**19,062.47**	**(349.84)**	**(84,657.93)**	**173,707.80**

Statement of changes in equity for the year ended 31st March 2021

A. Equity share capital

(₹ in lac)

Particulars	Amount
Balance as at 1st April, 2020	999,991.62
Changes in Equity Share Capital due to Prior period error	-
Restated Balance as on 1st April 2020	999,991.62
Changes in equity shares capital during the year	-
Balance as on 31st March 2021	**999,991.62**

B. Other Equity

(₹ in lac)

Particulars	Reserve & Surplus										Total
	Capital reserve	Security Premium Account	DEBENTURE/ BOND REDEMPTION RESERVE	CASH FLOW HEDGE RESERVE	SPECIAL RESERVE U/S 36(1)(viii) OF INCOME TAX ACT, 1961	STAFF WELFARE RESERVE	CORPORATE SOCIAL RESPONSIBILITY RESERVE	RESERVE FUND U/S 45-IC OF RBI ACT 1934	OTHER COMPREHENSIVE INCOME	Retained Earning	
Balance as at 1st April, 2020	**585.14**	**235.50**	**99,995.05**	**(33,957.27)**	**142,145.82**	**26.72**	**133.78**	**3,057.24**	**(374.05)**	**(181,261.63)**	**30,586.29**
Prior period errors											-
Restated balance at the beginning of the year	**585.14**	**235.50**	**99,995.05**	**(33,957.27)**	**142,145.82**	**26.72**	**133.78**	**3,057.24**	**(374.05)**	**(181,261.63)**	**30,586.29**
Profit for the year										28,527.43	28,527.43
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**28,527.43**	**28,527.43**
Amount utilized during the period						(19.02)	(11.33)		48.94	(9,577.77)	(9,559.18)
Cash Flow Hedge Reserve during the period				6,304.12						-	6,304.12
Transfer to retained earning						-				19.02	19.02
Transfer From Retained Earning			-		3,795.09	67.40		5,715.27			9,577.77
Balance as on 31st March 2021	**585.14**	**235.50**	**99,995.05**	**(27,653.15)**	**145,940.91**	**75.10**	**122.45**	**8,772.52**	**(325.11)**	**(162,292.95)**	**65,455.45**

In terms of our report of even date
For SPMR & Associates
Chartered Accountants
(Firm Regn. No: 007578N)

Sd/-

Himanshu Agarwal
(Partner)
Membership No: 091953

Place: New Delhi
Dated: 26.05.2022

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

Sd/-

Pawan K Kumar
(Deputy Managing Director)
DIN No.: 8901398

Sd/-

PR Jaishankar
(Managing Director)
DIN No.: 6711526

Sd/-

Manjari Mishra
(DGM & Company Secretary)

Sd/-

Rajeev Mukhija
(Chief General Manager-CFO)

Note 2: Cash and cash equivalents

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(A)	**CASH AND CASH EQUIVALENTS**		
(i)	Cash in hand	-	-
(ii)	Balance with Banks	172,169.97	36,347.57
	SUB-TOTAL (A)	**172,169.97**	**36,347.57**
(B)	**OTHER BANK BALANCES**		
(i)	Earmarked balances with banks for unclaimed interest on bonds	0.69	1.38
(ii)	Fixed Deposits with banks (Unencumbered) (original maturity more than three months)	339,314.83	332,913.50
(a)	Held as security against Interest Payment of Bonds	8,000.00	46,600.00
(b)	Pledged to avail overdraft facility from banks	424,230.60	638,201.00
	SUB-TOTAL (B)	**771,546.12**	**1,017,715.88**
	TOTAL	**943,716.10**	**1,054,063.44**

Note 3: Derivative financial instruments

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022		As at 31.03.2021	
		Notional Amount	**Fair Value**	**Notional Amount**	**Fair Value**
	ASSETS **Other Derivatives:** Cross Currency Principal and Interest Rate Swap	1,037,924.27	85,281.90	900,794.88	61,363.78
	Total derivative financial instruments	**1,037,924.27**	**85,281.90**	**900,794.88**	**61,363.78**

Note 4: Loans

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022 (Audited) Amotrised Cost	As at 31.03.2021(Audited) Amotrised Cost
(A)	**Loans**		
(i)	**Term Loans**		
I	**Infrastructural Loans: Standard Assets**		
a.	Direct Lending	1,337,758.91	1,402,240.91
b.	Pooled Municipality Debt Obligation (PMDO) Scheme	147.31	393.00
c.	Takeout financing Scheme	548,914.87	534,327.39
d.	Refinancing Scheme	1,587,733.33	1,221,883.33
e.	Bonds of Infrastructure Projects (Reckoned as Infrastructure Lending) *	97,500.00	-
II	**Infrastructural Loans: Sub-Standard Assets**		
a.	Direct Lending	20,841.87	54,979.25
b.	Pooled Municipality Debt Obligation (PMDO) Scheme	-	-
c.	Takeout financing Scheme	42,684.52	-
III	**Infrastructural Loans: Doubtful Assets**		
a.	Direct Lending	293,050.55	351,032.12
b.	Pooled Municipality Debt Obligation (PMDO) Scheme	0.14	7,385.33
c.	Takeout financing Scheme	6,600.51	96,647.17
IV	Loan to employees**	1,314.37	1,203.41
(ii)	**Others**		
	Loan and advances to related parties		
	Expenses Incurred on behalf of subsidiary companies	87.72	168.05
	Total (A) Gross	**3,936,634.08**	**3,670,259.96**
	Less: Impairment loss allowance^	-	-
	Less: Amount pending appropriation^^	64,426.62	5,949.94
	Total (A) Net	**3,872,207.46**	**3,664,310.02**
(B)	(i) Secured by tangible assets and intangible assets.		
	Considered Good	1,985,635.46	1,938,164.71
	Classified Doubtful	363,177.58	510,043.88
	(ii) Unsecured	1,587,821.06	1,222,051.39
	Total (B) Gross	**3,936,634.08**	**3,670,259.96**
	Less: Impairment loss allowance^	-	-
	Less: Amount pending appropriation^^	64,426.62	5,949.94
	Total (B) Net	**3,872,207.46**	**3,664,310.02**
(C)	(i) Public Sector	1,312,733.33	1,171,883.33
	(ii) Other than Public Sector	2,623,900.75	2,498,376.64
	Total (C) Gross	**3,936,634.07**	**3,670,259.96**
	Less: Impairment loss allowance^	-	-
	Less: Amount pending appropriation^^	64,426.62	5,949.94
	Total (C) Net	**3,872,207.45**	**3,664,310.02**
	Total	**3,872,207.45**	**3,664,310.02**

Footnote:

Sector	Particulars of Security #	Amount (₹ in Lac)	
Power and Other Sectors	Mortgage: First parri-passu charge by way of mortgage of Borrower's all immovable properties, present and future. Hypothecation: First parri-passu charge by way of hypothecation of all the Borrower's movable assets including plant and machinery etc. Pledging of shares minimum of 51% Escrow account and all rights and titles and interest of borrowers rank parri-passu	1,177,317.13	1,173,117.05
Road and Airport (PPP)	Right to receive annuity and toll collections of the project Escrow account and all rights and titles and interest of borrower rank pari passu Hypothecation: First parri-passu charge by way of hypothecation of all the Borrower's movable assets.	1,120,181.52	1,273,888.13
Financial Institutions under Refinancing Scheme and Bonds of Infrastructure Projects	Unsecured	1,637,733.33	1,221,883.33
	TOTAL#	**3,935,231.98**	**3,668,888.51**

\# The Infrastructure loan amount in Footnote giving particulars of security above includes ₹ 4,75,160.17 lac as on 31st March 2022 (₹ 4,99,377.86 lac as on 31st March 2021) being amount of loans due within a year. Further, aggregate provisions of ₹ 3,20,582.94 Lac has been made against these advances till 31st March 2022 (₹ 4,02,474.80 Lac till 31st March 2021).

* The Investment in the Bonds of Infrasructure Projects are treated as Loans and Advances puruant to the Reserve Bank of India's letter dated 22nd September 2021, allowing the Investment including refinancing by way of subscription to bonds /debentures for infrastructure projects, whether in project under implementation or completed projects, shall be considered as Infrastructure Lending for the purpose of deployment of minimum 75% of total assets by IIFCL towards Infrastructure Loans.

** Pursuant to applicability of provisions of The Companies Act, 2013 w.e.f. 1st April 2014 and approval of the Board of Directors in the meeting held on 20th May 2014, Chief General Manager- Chief Financial Officer is considered as Key Managerial Personnel. Accordingly, House Building Loan extended to him is classified as loans and advances to related parties. The total amount of loan was Nil as on 31st March 2022 (₹ 1.93 lac as on 31st March 2021).

^ Note: In reference to RBI master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1st September 2016 updated as on February 19, 2021, IIFCL has separately disclosed the provision on loan assets including provision as per ECL, (Note 15) made without netting them from the value of the Infrastructure Loan Assets (Note 4).

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

Note 5: Investments

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022			As at 31.03.2021(Audited)		
		FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
	Mutual funds(Unquoted) (Fully Paid) (See footnote b and c)						
(i)	IIFCL Mutual Fund IDF Series I	19,146.50	-	19,146.50	17,893.17	-	17,893.17
(ii)	IIFCL Mutual Fund IDF Series II	9,306.79	-	9,306.79	8,739.68	-	8,739.68
		28,453.29	-	28,453.29	26,632.85	-	26,632.85
	Government Securities (Unquoted) (See footnote b and c)						
(i)	6.29% (Non-Transferrable) Special GoI Security 2030	-	88,760.00	88,760.00	-	88,760.00	88,760.00
(ii)	6.34% (Non-Transferrable) Special GoI Security 2031	-	88,200.00	88,200.00	-	88,200.00	88,200.00
(iii)	6.34% (Non-Transferrable) Special GoI Security 2032	-	88,200.00	88,200.00	-	88,200.00	88,200.00
(iv)	6.39% (Non-Transferrable) Special GoI Security 2033	-	88,200.00	88,200.00	-	88,200.00	88,200.00
(v)	6.39% (Non-Transferrable) Special GoI Security 2034	-	88,200.00	88,200.00	-	88,200.00	88,200.00
(vi)	6.44% (Non-Transferrable) Special GoI Security 2035	-	88,200.00	88,200.00	-	88,200.00	88,200.00
		-	529,760.00	529,760.00	-	529,760.00	529,760.00
	Debt Securities						
a.	**Investment in Debentures (Unquoted) (Fully Paid) (See footnote b and c)**						
	Debentures in Bansal Pathways (Mangawan- Chakghat) Pvt Ltd	6,078.00	-	6,078.00	6,078.00	-	6,078.00
	Debentures in Bansal Pathways (N.R.R.-1) Private Limited	7,276.00	-	7,276.00	-	-	-
	Debentures in Bansal Pathways (N.R.R.-2) Private Limited	11,184.00	-	11,184.00	-	-	-
	Debentures in Surat Hazira Tollway Private Limited	-	-	-	13,786.00	-	13,786.00
		24,538.00	-	24,538.00	19,864.00	-	19,864.00
	Equity Instruments						
a.	**Equity Instruments - Unquoted (Fully Paid) (See footnotes b and c)**						
	National Industrial Corridor Development Corporation Ltd.	411.03	-	411.03	411.03	-	411.03
	Adhunik Power & Natural Resources Limited (Held by Security Trustee on behalf of IIFCL)	4,765.00		4,765.00	4,765.00		4,765.00
		5,176.02	-	5,176.02	5,176.02	-	5,176.02
b.	**Subsidiaries (invetsment at Cost)**						
(i)	India Infrastructure Finance Company (UK) Ltd.	-	61,180.95	61,180.95	-	42,240.32	42,240.32
(ii)	IIFCL Asset Management Company Ltd.	-	1,250.00	1,250.00	-	1,250.00	1,250.00
(iii)	IIFCL Projects Ltd.	-	475.00	475.00	-	475.00	475.00
		-	62,905.95	62,905.95	-	43,965.32	43,965.32
	Others						
a.	Investment in Venture Capital (Unquoted) (Fully Paid) (See footnotes b and c)						
(i)	IDFC Project Equity Domestic Investors Trust II (Fully Paid)	930.07	-	930.07	1,644.68	-	1,644.68
		930.07	-	930.07	1,644.68	-	1,644.68
b.	Investment in Security Receipts (Unquoted) (Fully Paid) (See footnote e)						
(i)	Edelweiss Asset Reconstruction Company Ltd. (EARC Trust-SC 207-Series I)	-	-	-	5,986.93	-	5,986.93
(ii)	Asset Reconstruction Company (India) Ltd. (Arcil-AST-VIII-Trust)	2,476.05	-	2,476.05	3,125.77	-	3,125.77
(iii)	Phoenix ARC Private Limited (Phoenix Trust FY 16-20)	554.63	-	554.63	606.39	-	606.39
(iv)	Edelweiss Asset Reconstruction Company Ltd. (EARC Trust-SC 276-Series I)	29,395.29	-	29,395.29	36,108.05	-	36,108.05
		32,425.97	-	32,425.97	45,827.13	-	45,827.14
	Total (A) Gross	**91,523.36**	**592,665.95**	**684,189.30**	**99,144.68**	**573,725.32**	**672,870.01**
(i)	Overseas Investments	-	61,180.95	61,180.95	-	42,240.32	42,240.32
(ii)	Investments in India	91,523.36	531,485.00	623,008.36	99,144.69	531,485.00	630,629.69
	Total (B)	**91,523.36**	**592,665.95**	**684,189.30**	**99,144.69**	**573,725.32**	**672,870.01**

Total (A) to tally with (B)	91,523.36	592,665.95	684,189.30	99,144.69	573,725.32	672,870.01
Less: Allowance for Impairment loss (C)	22,173.36	-	22,173.36	16,551.64	-	16,551.64
Total Net D = (A) -(C)	**69,349.99**	**592,665.95**	**662,015.94**	**82,593.04**	**573,725.32**	**656,318.37**

Allowance for Impairment loss:

PARTICULARS	As at 31.03.2022			As at 31.03.2021		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Adhunik Power & Natural Resources Limited (Held by Security Trustee on behalf of IIFCL)	4,191.05	-	4,191.05	4,191.05	-	4,191.05
Debentures in Bansal Pathways (Mangawan- Chakghat) Pvt Ltd	5,173.97	-	5,173.97	5,252.07	-	5,252.07
Debentures in Bansal Pathways NRR 1	5,617.32	-	5,617.32	-	-	-
Debentures in Bansal Pathways NRR 2	7,191.02	-	7,191.02	-	-	-
Debentures in Surat Hazira	-	-	-	7,108.52	-	7,108.52
Total	**22,173.36**	**-**	**22,173.36**	**16,551.64**		**16,551.64**

Footnotes:

(a) **Aggregate amount of unquoted investments - Cost/ Book Value** 662,015.94 659,627.91

(b) Refer Note 1(A)(6.2) for valuation of individual investments.

(c) **Ratings assigned by credit rating agencies and migration of ratings during the year:**
The domestic debt instruments of IIFCL have "AAA" rating- the highest rating assigned by CRISIL, CARE, India Ratings & Research, ICRA and Brickworks- Credit Rating Agencies.
The ratings assigned to the company were affirmed by Standard and Poor's as BBB-/Negative/A-3 which are at par with the sovereign ratings.

* NAV (in Rs.) per unit of the following investmets is under:

(i)	IIFCL Mutual Fund IDF Series I	1,472,808.24	1,376,397.86
(ii)	IIFCL Mutual Fund IDF Series II	930,679.41	873,968.04
(iii)	EARC Trust-SC 207-Series I	-	972.13
(iv)	EARC Trust-SC 276-Series I	764.58	939.19
(v)	Arcil-AST-VIII-Trust	250.00	315.60
(vi)	Phoenix Trust FY 16-20	225.00	246.00

The fluctuation in NAV is considered as temporary.

Note 6: Other financial assets

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
A	**Advances**		
	Advances recoverable from emloyees	49.87	36.73
	Security Deposit Paid	29.89	28.35
	Others	1,531.11	1,096.98
	SUB-TOTAL (A)	1,610.86	1,162.06
B	**Interest accrued and due on loans and advances**	1,953.69	5,819.79
	SUB-TOTAL (B)	1,953.69	5,819.79
C	**Interest accrued but not due on :**		
	Fixed Deposit with Banks	9,067.10	16,058.46
	Bonds	66.30	-
	Government Securities	93.66	93.66
	Loans & Advances	20,397.71	29,045.60
	SUB-TOTAL (C)	29,624.77	45,197.72
	Total (A)+(B)+(C)	**33,189.31**	**52,179.56**

Note 7: Current Tax Assets

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022 (Audited)	As at .03.2021(Audited)
(i)	Net Income Tax Recoverable	22,121.47	36,302.72
(ii)	Goods and Service Tax Recoverable	93.79	32.06
(iii)	Net Advance Tax Recoverable	11,500.00	1,354.34
	Total	**33,715.26**	**37,689.12**

Note 8: Deferred Tax Asset

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(I)	**Deferred tax Assets on account of:**		
(i)	Interest credited to Sundry Liabilities Account (Interest Capitalisation) offered for tax	11,070.69	13,171.98
(ii)	Expected Credit Loss	27,079.65	29,851.29
(iii)	Provision for Leave Encashment	57.28	34.93
(iv)	Depreciation	512.06	834.57
(v)	Provision for Sick Leave	44.68	39.97
(vi)	Others	1,827.74	1,970.06
(vii)	Provision for Medical Assistance Scheme	245.55	215.96
(viii)	Provision for Leave Fare Concession	19.78	17.41
(ix)	Provision for contingencies*	88.29	220.66
	Deferred Tax Assets	**40,945.71**	**46,356.83**
(II)	**Deferred tax Liability on account of:**		
(i)	Special Infrastructure Reserve created under section 36(1)(viii) of Income Tax Act, 1961	-	36,730.41
(ii)	Expenses on which TDS not deducted	-	0.20
	Deferred Tax Liability	**-**	**36,730.61**
	Deferred Tax Asset/(Liabilities) (Net)	**40,945.71**	**9,626.22**

* Created in respect of marked to market losses on derivatives

Note 9 : PROPERTY, PLANT & EQUIPMENT

(₹ in lac)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Addition	Disposals/ Adjustments	As at 03.2022(Audite	As at 01.04.2021	For the Year	Deductions/ Reversals	As at .2022(Audit	As at .2022(Audit	As at 31.03.2021
TANGIBLE ASSETS										
FURNITURE & FITTINGS	568.55	0.94	-	**569.49**	288.30	68.52	-	**356.81**	**212.68**	280.25
VEHICLES	91.82	0.24	-	**92.06**	17.92	23.14	-	**41.07**	**50.99**	73.89
OFFICE EQUIPMENTS	335.69	1.17	0.51	**336.35**	242.24	41.90	0.48	**283.65**	**52.71**	93.45
PLANT & MACHINERY	110.85	2.28	1.26	**111.87**	79.07	13.51	1.00	**91.59**	**20.29**	31.78
COMPUTER HARDWARE	147.04	35.16	7.35	**174.85**	55.99	49.86	6.90	**98.95**	**75.90**	91.05
BUILDING	27,468.96	10.85	-	**27,479.81**	2,138.40	965.75	-	**3,104.15**	**24,375.66**	25,330.56
ELECTRICAL EQUIPMENT	346.41	-	-	**346.41**	253.66	41.80	-	**295.48**	**50.93**	92.74
TOTAL	**29,069.32**	**50.63**	**9.12**	**29,110.83**	**3,075.60**	**1,204.48**	**8.38**	**4,271.70**	**24,839.17**	**25,993.72**
Previous Year	28,824.92	383.27	138.85	29,069.32	1,926.52	1,271.75	122.69	3,075.60	25,993.72	26,898.37

Note 10 : INTANGIBLE ASSETS

(₹ in lac)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/ AMORTIZATION				NET BLOCK	
	As at 01.04.2021	Addition	Disposals/ Adjustments	As at 03.2022(Audite	As at 01.04.2021	For the -	Deductions/ Reversals	As at .2022(Audit	As at .2022(Audit	As at 31.03.2021
COMPUTER SOFTWARE*	1,048.38	-	-	**1,048.38**	769.37	110.78	-	**880.15**	**168.23**	279.01
TOTAL	**1,048.38**	**-**	**-**	**1,048.38**	**769.37**	**110.78**	**-**	**880.15**	**168.23**	**279.01**
Previous Year	1,048.89	7.40	7.91	1,048.38	598.70	177.67	7.00	769.37	279.01	450.20

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

Note: The office of IIFCL has shifted to the new premises from 1st January 2019. The amount paid for acquiring the premises has been capitalized in the books of accounts. Since the lease agreement is yet to be executed, IIFCL has amortized the amount over the lease period of 30 years.

Note 11: Other non financial assets

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022 (Audited)	As at 31.03.2021(Audited)
(i)	Prepaid Expenses	13.07	23.07
(ii)	Other Advances	332.55	242.29
	Total	**345.61**	**265.36**

Note 12: DEBT SECURITIES

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022 (Audited)		As at 31.03.2021 (Audited)	
		Amortised Cost	**Total**	**Amortised Cost**	**Total**
(A)	**Others**				
I	**SECURED BONDS^**				
(i)	500 (500 as at 31st March 2021) 9.36% Bonds of face value ` 10 lac each, redeemable on 27/07/2042	5,000.00	5,000.00	5,000.00	5,000.00
(ii)	10,500 (10,500 as at 31st March 2021) 9.41% Bonds of face value ` 10 lac each, redeemable on 27/07/2037	105,000.00	105,000.00	105,000.00	105,000.00
(iii)	12,59,825 (12,59,825 as at 31st March 2021) 8.55% Tax Free Bonds Tranche III Series 3A of face value ` 1000 each, redeemable on 27/03/2034	12,598.25	12,598.25	12,598.25	12,598.25
(iv)	12,87,311 (12,87,311 as at 31st March 2021) 8.80% Tax Free Bonds Tranche III Series 3B of face value ` 1000 each, redeemable on 27/03/2034	12,873.11	12,873.11	12,873.11	12,873.11
(v)	125,470 (125,470 as at 31st March 2021) 8.55% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2034	1,254.70	1,254.70	1,254.70	1,254.70
(vi)	5,15,765 (5,15,765 as at 31st March 2021) 8.66% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2034	5,157.65	5,157.65	5,157.65	5,157.65
(vii)	75,43,989 (75,43,989 as at 31st March 2021) 8.66% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2034	75,439.89	75,439.89	75,439.89	75,439.89
(viii)	54,43,232 (54,43,232 as at 31st March 2021) 8.91% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2034	54,432.32	54,432.32	54,432.32	54,432.32
(ix)	1,59,113 (1,59,113 as at 31st March 2021) 8.50% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2033	1,591.13	1,591.13	1,591.13	1,591.13
(x)	18,68,982 (18,68,982 as at 31st March 2021) 8.50% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2033	18,689.82	18,689.82	18,689.82	18,689.82
(xi)	24,20,508 (24,20,508 as at 31st March 2021) 8.75% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2033	24,205.08	24,205.08	24,205.08	24,205.08
(xii)	265 (265 as at 31st March 2021) 8.37% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2033	2,650.00	2,650.00	2,650.00	2,650.00
(xiii)	20 (20 as at 31st March 2021)8.19% Tax Free Bonds Series V of face value ` 10 lac each, redeemable on 23/08/2033	200.00	200.00	200.00	200.00
(xiv)	42,472 (42,472 as at 31st March 2021) 7.08% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2033	424.72	424.72	424.72	424.72
(xv)	1,90,693 (1,90,693 as at 31st March 2021) 7.58% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2033	1,906.93	1,906.93	1,906.93	1,906.93
(xvi)	1,01,62,809 (1,01,62,809 as at 31st March 2021) 7.40% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2033	101,628.09	101,628.09	101,628.09	101,628.09
(xvii)	14,01,415 (14,01,415 as at 31st March 2021) 7.90% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2033	14,014.15	14,014.15	14,014.15	14,014.15
(xviii)	210 (210 as at 31st March 2021) 7.41% Tax Free Bonds Series IV-C of face value ` 10 lac each, redeemable on 21/11/2032	2,100.00	2,100.00	2,100.00	2,100.00
(xix)	3,400 (3,400 as at 31st March 2021) 7.41% Tax Free Bonds Series III-C of face value ` 10 lac each, redeemable on 15/11/2032	34,000.00	34,000.00	34,000.00	34,000.00
(xx)	1,22,807 (1,22,807 as at 31st March 2021) 8.55% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2029	1,228.07	1,228.07	1,228.07	1,228.07
(xxi)	1,59,58,486 (1,59,58,486 as at 31st March 2021) 8.55% Tax Free Bonds Tranche III Series 2A of face value ` 1000 each, redeemable on 27/03/2029	159,584.86	159,584.86	159,584.86	159,584.86
(xxii)	27,11,062 (27,11,062 as at 31st March 2021) 8.80% Tax Free Bonds Tranche III Series 2B of face value ` 1000 each, redeemable on 27/03/2029	27,110.62	27,110.62	27,110.62	27,110.62
(xxiii)	67,908 (67,908 as at 31st March 2021) 8.48% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2029	679.08	679.08	679.08	679.08
(xxiv)	27,98,922 (27,98,922 as at 31st March 2021) 8.48% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2029	27,989.22	27,989.22	27,989.22	27,989.22
(xxv)	14,10,950 (14,10,950 as at 31st March 2021) 8.73% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2029	14,109.50	14,109.50	14,109.50	14,109.50
(xxvi)	89,009 (89,009 as at 31st March 2021) 8.38% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2028	890.09	890.09	890.09	890.09
(xxvii)	30,35,330 (30,35,330 as at 31st March 2021) 8.38% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2028	30,353.30	30,353.30	30,353.30	30,353.30
(xxviii)	15,71,311 (15,71,311 as at 31st March 2021) 8.63% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2028	15,713.11	15,713.11	15,713.11	15,713.11
(xxix)	11,297 (11,297 as at 31st March 2021) 8.48% Tax Free Bonds Series VII of face value ` 10 lac each, redeemable on 05/09/2028	112,970.00	112,970.00	112,970.00	112,970.00
(xxx)	11,597 (11,597 as at 31st March 2021) 8.46% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2028	115,970.00	115,970.00	115,970.00	115,970.00
(xxxi)	6,303 (6,303 as at 31st March 2021) 8.26% Tax Free Bonds Series V of face value ` 10 lac each, redeemable on 23/08/2028	63,030.00	63,030.00	63,030.00	63,030.00
(xxxii)	3,51,554 (3,51,554 as at 31st March 2021) 7.02% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2028	3,615.54	3,615.54	3,615.54	3,615.54
(xxxiii)	1,04,064 (1,04,064 as at 31st March 2021) 7.52% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2028	1,040.64	1,040.64	1,040.64	1,040.64
(xxxiv)	67,41,162 (67,41,162 as at 31st March 2021) 7.36% Tax Feee Bonds of face value ` 1,000 each, redeemable on 22/01/2028	67,411.62	67,411.62	67,411.62	67,411.62
(xxxv)	8,68,391,501 (8,68,391 as at 31st March 2021) 7.86% Tax Free Bonds of face value ` 1,000 each, redeemable at 22/01/2028	8,683.91	8,683.91	8,683.91	8,683.91
(xxxvi)	500 (500 as at 31st March 2021) 7.38% Tax Free Bonds Series IV-B of face value ` 10 lac each, redeemable on 21/11/2027	5,000.00	5,000.00	5,000.00	5,000.00
(xxxvii)	1,000 (1,000 as at 31st March 2021) 7.38% Tax Free Bonds Series III-B of face value ` 10 lac each, redeemable on 15/11/2027	10,000.00	10,000.00	10,000.00	10,000.00
(xxxviii)	38,58,714 (38,58,714 as at 31st March 2021) 8.16% Tax Free Bonds Tranche III Series 1A of face value ` 1000 each, redeemable on 27/03/2024	38,587.14	38,587.14	38,587.14	38,587.14
(xxxix)	12,80,511 (12,80,511 as at 31st March 2021) 8.41% Tax Free Bonds Tranche III Series 1B of face value ` 1000 each, redeemable on 27/03/2024	12,805.11	12,805.11	12,805.11	12,805.11
(xL)	41,188 (41,188 as at 31st March 2021) 8.16% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2024	411.88	411.88	411.88	411.88

(xLi)	1,91,778 (1,91,778 as at 31st March 2021) 8.41% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2024	1,917.78	1,917.78	1,917.78	1,917.78
(xLii)	79,57,885 (79,57,885 as at 31st March 2021) 8.41% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2024	79,578.85	79,578.85	79,578.85	79,578.85
(xLiii)	41,69,571 (41,69,571 as at 31st March 2021) 8.66% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2024	40,695.71	40,695.71	40,695.71	40,695.71
(xLiv)	17,26,340 (17,26,340 as at 31st March 2021) 8.01% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2023	17,263.40	17,263.40	17,263.40	17,263.40
(xLv)	12,31,739 (12,31,739 as at 31st March 2021) 8.26% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2023	12,317.39	12,317.39	12,317.39	12,317.39
(xLvi)	27,719 (27,719 as at 31st March 2021) 8.01% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2023	277.19	277.19	277.19	277.19
(xLvii)	50 (50 as at 31st March 2021) 8.11% Tax Free Bonds Series VII of face value ` 10 lac each, redeemable on 05/09/2023	500.00	500.00	500.00	500.00
(xLviii)	100 (100 as at 31st March 2021) 8.01% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2023	1,000.00	1,000.00	1,000.00	1,000.00
(xLix)	19,27,319 (19,27,319 as at 31st March 2021) 6.86% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2023	19,273.19	19,273.19	19,273.19	19,273.19
(L)	98,318 (98,318 as at 31st March 2021) 7.36% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2023	983.18	983.18	983.18	983.18
(Li)	84,46,348 (84,46,348 as at 31st March 2021) 7.19% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2023	85,463.48	85,463.48	85,463.48	85,463.48
(Lii)	11,18,644 (11,18,644 as at 31st March 2021) 7.69% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2023	11,186.44	11,186.44	11,186.44	11,186.44
(Liii)	2,140 (2,140 as at 31st March 2021) 7.21% Tax Free Bonds Series IV-A of face value ` 10 lac each, redeemable on 21/11/2022	21,400.00	21,400.00	21,400.00	21,400.00
(Liv)	600 (600 as at 31st March 2021) 7.20% Tax Free Bonds Series III-A of face value ` 10 lac each, redeemable on 15/11/2022	6,000.00	6,000.00	6,000.00	6,000.00
(Lv)	79,110 (79,110 as at 31st March 2021) 8.30% Bonds of face value ` 1000 each, redeemable on 28/3/2026 with earliest buyback on 29/3/2018	791.10	791.10	791.10	791.10
		1,488,997.24	**1,488,997.24**	**1,488,997.24**	**1,488,997.24**
	UNSECURED BONDS^				
(i)	10,000 8.55% Bonds of face value ` 10 lac each, redeemable on 03/11/2024 #	100,000.00	100,000.00	100,000.00	100,000.00
(ii)	4,000 8.12% Bonds of face value ` 10 lac each, redeemable on 24/08/2024 #	40,000.00	40,000.00	40,000.00	40,000.00
(iii)	6,000 8.12% Bonds of face value ` 10 lac each, redeemable on 12/08/2024 #	60,000.00	60,000.00	60,000.00	60,000.00
(iv)	5,000 7.90% Bonds of face value ` 10 lac each, redeemable on 28/04/2024 #	50,000.00	50,000.00	50,000.00	50,000.00
(v)	5,000 8.10% Bonds of face value ` 10 lac each, redeemable on 08/04/2024 #	50,000.00	50,000.00	50,000.00	50,000.00
(vi)	2,000 8.68% Bonds of face value ` 10 lac each, redeemable on 18/12/2023 #	20,000.00	20,000.00	20,000.00	20,000.00
(vii)	2,000 9.35% Bonds of face value ` 10 lac each, redeemable on 17/11/2023 #	20,000.00	20,000.00	20,000.00	20,000.00
(viii)	2,000 8.82% Bonds of face value ` 10 lac each, redeemable on 19/12/2022 #	20,000.00	20,000.00	20,000.00	20,000.00
(ix)	15,000 7.17% Bonds of face value ` 10 lac each, redeemable on 12/03/2032	150,000.00	150,000.00	-	-
		510,000.00	**510,000.00**	**360,000.00**	**360,000.00**
	Total gross (A)	**1,998,997.24**	**1,998,997.24**	**1,848,997.24**	**1,848,997.24**
	Debt securities in India	1,998,997.24	1,998,997.24	1,848,997.24	1,848,997.24
	Debt securities outside India	-	-	-	-
	Total gross (B)	**1,998,997.24**	**1,998,997.24**	**1,848,997.24**	**1,848,997.24**
	Total (B) to tally with (A)	**1,998,997.24**	**1,998,997.24**	**1,848,997.24**	**1,848,997.24**

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

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

Unsecured Bonds are Guaranteed by Government of India [including Nil as on 31st March 2022 (Nil as on 31st March 2021) being the amount due to within 1 year from the end of reporting period] 360,000.00 360,000.00 360,000.00 360,000.00

Bonds or Debentures redeemed which the IIFCL has the power to reissue . Nil Nil

Note 13: Borrowings (Other than Debt securities)

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022 (Audited)		As at 31.03.2021(Audited)	
		Amortised Cost	Total	Amortised Cost	Total
a)	**Term loans**				
(i)	**From Other Parties**				
	Unsecured Loans:				
a.	Asian Development Bank (ADB)	1,097,295.83	1,097,295.83	1,067,195.03	1,067,195.03
b.	IBRD (World Bank)	111,754.83	111,754.83	115,355.34	115,355.34
c.	European Investment Bank (EIB)	155,391.23	155,391.23	170,189.02	170,189.02
d.	Kreditanstalt für Wiederaufbau (KFW)	13,126.16	13,126.16	13,815.95	13,815.95
e.	Japan International Cooperation Agency	185,282.61	185,282.61	176,960.00	176,960.00
f.	Short Term Loans from Banks	363,788.46	363,788.46	-	-
b)	**Loans repayble on demand**				
	Secured Loans:				
i)	from Banks* (Secured by pledge of fixed deposit receipts of ₹ 4,24,230.60 Lac as at 31st March 2022 (₹ 6,38,201.00 Lac as at 31st March 2021))	155,022.58	155,022.58	577,550.63	577,550.63
	Total (A)	**2,081,661.71**	**2,081,661.71**	**2,121,065.97**	**2,121,065.97**
	Borrowings in India	518,811.04	518,811.04	577,550.63	577,550.63
	Borrowings outside India-FC loans	1,562,850.67	1,562,850.67	1,543,515.34	1,543,515.34
	Total (B) to tally with (A)	**2,081,661.71**	**2,081,661.71**	**2,121,065.97**	**2,121,065.97**

All Unsecured Term loans from other parties are Guaranteed by Government of India out of which [₹ 52,583.92 Lac, ₹ 456.83 Lac, ₹ 7,214.80 Lac, ₹ 11,192.02 Lacs and ₹ 11,652.50 Lac amount as on 31st March 2022 ([₹ 48,678.93 Lac, ₹ 481.28 Lac, ₹ 6,994.71 Lac, ₹ 11,479.87 Lacs and ₹ Nil as on 31st March 2021) being the amount due to ADB, KFW, World Bank, EIB and JICA respectively within 1 year from the end of reporting period.

*	Net of Debit Balance	0.14	0.14	0.15	0.15

TERMS OF REPAYMENT OF LONG TERM LOANS

i) Asian Development Bank

Tranche	Loan Amount (including short term) as per Agreement ($ in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
I	3000	6M USD LIBOR +20bps	15.12.2012	15.06.2032	Semi-Annual	Each instalment of 2.50% of loan amount
II	2000	6M USD LIBOR +20bps	15.06.2014	15.12.2033	Semi-Annual	Each instalment of 2.50% of loan amount
III	2100	6M USD LIBOR +20bps	15.12.2014	15.06.2034	Semi-Annual	Ballooning instalments starting from 0.827816% to upto 5.550311% of loan amount
IV	2500	6M USD LIBOR +30bps	15.12.2015	15.06.2035	Semi-Annual	
V	2400	6M USD LIBOR +40bps	15.12.2016	15.06.2036	Semi-Annual	
VI	4000	Overnight SOFR+14bps +40bps	15.03.2018	15.03.2033	Semi-Annual	Ballooning instalments starting from 2.173900% to upto 4.559913% of loan amount
VII	3000	6M USD LIBOR +50bps	01.05.2023	01.05.2038	Semi-Annual	Ballooning instalments starting from 2.173900% to upto 4.559913% of loan amount
Total	**19000**					

ii) IBRD (World Bank)

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

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

iii) Kreditanstalt für Wiederaufbau (KFW)

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

iv) European Investment Bank

Tranche	Loan Amount as per Agreement (Euro in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
I	350.00	6M EURIBOR+All-in spread of 0.275%	22.06.2020	20.12.2034	Semi-Annual	Each instalment of Euro 11,66,666.67
II	400.00	6M EURIBOR+All-in spread of 0.436%	21.06.2021	20.12.2034	Semi-Annual	Each instalment of Euro 14,28,571.43
III	400.00	6M EURIBOR+All-in spread of 0.426%	21.06.2021	20.12.2034	Semi-Annual	Each instalment of Euro 14,28,571.43
IV	850.00	6M EURIBOR+All-in spread of 0.346%	21.06.2021	20.12.2034	Semi-Annual	Each instalment of Euro 30,35,714.29
Total	**2000.00**					

v) Japan International Cooperation Agency

Tranche	Loan Amount as per Agreement (Japanese Yen in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
Portion-I	10,000.00	6M JPY LIBOR with a floor of 0.10% and cap of 6.208%	20.03.2022	20.03.2036	Semi-Annual	First instalment of 3.448328% of loan amount and subsequent instalments of 3.448274% of loan amount.
Portion-II	90,000.00	6M JPY LIBOR with a floor of 0.10% and cap of 6.208%	20.03.2022	20.03.2036	Semi-Annual	First instalment of 3.448328% of loan amount and subsequent instalments of 3.448274% of loan amount.

Note 14: Other financial liabilities

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(i)	Security deposit received	2.15	7.15
(ii)	Others	2,770.00	2,757.40
(iii)	**Interest accrued but not due on borrowings**		
	On bonds and term loans	73,252.18	69,585.57
	Total	**76,024.32**	**72,350.12**

Note 15: Provisions

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
	Provision for employee benefits		
(i)	Leave Encashment	227.60	138.80
(ii)	Sick Leave	177.54	158.81
(iii)	Post-retirement medical benefit	975.65	858.08
(iv)	Leave Fare Concession	78.59	69.18
(v)	Wage Revision	1,315.51	966.84
	Others		
(i)	Marked to market losses on derivatives	350.82	876.74
(ii)	Contingent Provisions against Standard Assets	13,751.56	12,608.80
(iii)	Provisions against Sub-standard Assets	6,352.64	8,353.21
(iv)	Provisions against Doubtful Assets	147,007.81	219,613.84
(v)	Provisions against Restructured Assets	9,236.15	5,028.08
(vi)	Expense on Behalf of NPAs	680.78	625.10
(vii)	Expected Credit Loss as per Ind AS	144,234.78	156,871.25
	Total	**324,389.44**	**406,168.73**

Note 16: OTHER NON-FINANCIAL LIABILITIES

(₹ in lac)

S.No.	Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
(A)	**Other payables**		
(i)	Statutory Dues payable	251.61	768.30
(ii)	Unclaimed Interest on Bonds	0.69	1.38
(iii)	Commitment Charges payable	22.89	71.98
(iv)	Sundry Liabilities Account (Interest Capitalisation)*	40,804.76	46,904.51
(v)	Others	572.58	313.32
	Total	**41,652.53**	**48,059.49**

* The amount includes moratorium extended to borrowers of IIFCL from March 2020 to August 2020 in accordance with RBI Circular " COVID-19 Regulatory Package".

Note 17: EQUITY SHARE CAPITAL

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
A	**Authorised**		
	10,000,000,000 equity shares of Rs. 10/- each (10,000,000,000 equity shares of Rs. 10/- each as at 31st March 2021)	**1,000,000.00**	**1,000,000.00**
	Issued, Subscribed and Paid up		
B	9,999,916,230 (9,999,916,230 as at 31st March 2021) fully paid equity shares of Rs. 10/- each	999,991.62	999,991.62
	Total	**999,991.62**	**999,991.62**

Footnotes:

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

PARTICULARS	Year ended 31st March 2022		Year ended 31st March 2021	
	No. of Shares	₹ in Lac	No. of Shares	₹ in Lac
Shares outstanding at the beginning of the reporting period	9,999,916,230	999,991.62	9,999,916,230	999,991.62
Shares Issued during the reporting period	-	-	-	-
Shares outstanding at the end of the reporting period	9,999,916,230	999,991.62	9,999,916,230	999,991.62

b) Disclosure of Shareholding of Promoters

	Shares held by promoters as at 31st March 2022		Shares held by promoters as at 31st March 2021		% change during the year
Promoter Name	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Government of India	9,999,916,230	100.00%	9,999,916,230	100.00%	-

Note 18: OTHER EQUITY

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
(a)	**CAPITAL RESERVE (PROFIT ON SALE OF NON CURRENT SECURITIES)**		
	Opening Balance	585.14	585.14
	Closing Balance	**585.14**	**585.14**
(b)	**SECURITIES PREMIUM ACCOUNT (ON BONDS)**		
	Opening Balance	235.50	235.50
	Closing Balance	**235.50**	**235.50**
(c)	**DEBENTURE/ BOND REDEMPTION RESERVE**		
	Opening Balance	99,995.05	99,995.05
	Closing Balance	**99,995.05**	**99,995.05**
(d)	**CASH FLOW HEDGE RESERVE**		
	Opening Balance	(27,653.15)	(33,957.27)
	Add: Cash Flow Hedge Reserve during the year	20,072.18	6,304.12
	Closing Balance	**(7,580.98)**	**(27,653.15)**
(e)	**OTHER RESERVES**		
(i)	**SPECIAL RESERVE U/S 36(1)(viii) OF INCOME TAX ACT, 1961 (Footnote 1)**		
	Opening Balance	145,940.91	142,145.82
	Add: Transfer from Surplus in Statement of Profit and Loss (Net)	-	3,795.09
	Closing Balance	**145,940.91**	**145,940.91**
(ii)	**STAFF WELFARE RESERVE (Footnote 2)**		
	Opening Balance	75.10	26.72
	Add: Transfer from Surplus of Profit & Loss Account	287.22	67.40
	Less: Amount utilized during the year and transferred to Surplus in Statement of Profit and Loss	7.31	19.02
	Closing Balance	**355.01**	**75.10**
(iii)	**CORPORATE SOCIAL RESPONSIBILITY RESERVE (Footnote 3)**		
	Opening Balance	122.45	133.78
	Less: Amount Utilized	-	11.33
	Closing Balance	**122.45**	**122.45**
(iv)	**RESERVE FUND U/S 45-IC OF RBI ACT 1934 (Footnote 4)**		
	Opening Balance	**8,772.52**	**3,057.24**
	Add: Transfer from Surplus of Profit & Loss Account	10,289.95	5,715.27
	Closing Balance	**19,062.47**	**8,772.52**
(f)	**SURPLUS IN STATEMENT OF PROFIT AND LOSS**		
	Opening Balance	(162,618.06)	(181,635.68)
	Add: Profit after Tax	51,425.55	28,527.43
	Add: Transfer from Staff Welfare Reserve	7.31	19.02
	Add: Reversal of Deferred Tax Liability on Special reserve created u/s 36(1)(viii)	36,730.41	-
	Less: Transfer to Staff Welfare Reserve	287.22	67.40
	Less: Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	-	3,795.09
	Less: Re-measurement gain/(loss) on defined benefit plans	(24.21)	(48.94)
	Less: Transfer to Reserve Fund u/s 45-IC	10,289.95	5,715.27
	Closing Balance	**(85,007.76)**	**(162,618.06)**
	TOTAL	**173,707.79**	**65,455.45**

Footnotes:

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

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

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

4 The Reserve Fund is created as per section 45-IC of RBI Act 1934.

NOTE 19: INTEREST INCOME

(₹ in lac)

S.No.	PARTICULARS	Year Ended On Financial Assets measured at Amortised Cost	
		31.03.2022	31.03.2021
(i)	Interest on Loans and Advances under Direct Lending	149,732.55	155,756.12
(ii)	Interest on Loans under PMDO Scheme	128.63	109.41
(iii)	Interest on Loans and Advances under Refinancing Scheme	81,251.93	47,038.26
(iv)	Interest on Loans and Advances under Takeout Financing Scheme	52,063.69	41,635.46
(v)	Penal Interest	1,037.13	2,480.43
(vi)	Interest on Government Securities	33,720.18	33,720.16
(vii)	Interest on Bonds	454.53	-
(viii)	Interest on Deposits with Banks	38,178.49	49,529.40
	Total	**356,567.15**	**330,269.23**

NOTE 20: Fee and Commission Income

(₹ in lac)

S.No.	PARTICULARS	Year Ended	
		31.03.2022	31.03.2021
(i)	Upfront Fee	1,746.80	1,270.30
(ii)	Processing fee	266.68	75.74
(iii)	Pre-Payment Charges	585.32	1,183.99
(iv)	Commission Received	-	11.92
(v)	Fees from Credit Enhancement	539.34	585.63
(vi)	Other Charges	2,050.35	1,159.47
	Total	**5,188.50**	**4,287.04**

NOTE 21: Other Income

(₹ in lac)

S.No.	PARTICULARS	Year Ended	
		31.03.2022	31.03.2021
(i)	Recovery of loan written off	29,313.67	20,260.54
(ii)	Amounts/ Provisions other than provision on loan assets written back	227.73	117.24
(iii)	Miscellaneous Income	251.29	254.54
(iv)	Gain on Swap deals	28,238.08	45,184.43
(v)	Mark to market Gain/(Loss) on Derivaties	525.92	954.16
(vi)	Interest on Income Tax Refund	906.79	-
	Total	**59,463.49**	**66,770.90**

NOTE 22: FINANCE COSTS

(₹ in lac)

S.No.	PARTICULARS	Year Ended On Financial Liabilities measured at Amortised Cost	
		31.03.2022	31.03.2021
(i)	Interest on Bonds & Debentures	153,686.90	154,119.90
(ii)	Interest on Bank Borrowings	17,461.87	8,247.16
(iii)	Interest on loan from ADB	52,649.83	52,527.12
(iv)	Interest on loan from IBRD (World Bank)	10,425.09	7,657.37
(v)	Interest on loan from KFW	102.18	185.96
(vi)	Interest on loan from EIB	-	140.12
(vii)	Interest on loan from JICA	193.56	41.05
(viii)	Interest on Income Tax	30.50	-
	Total	**234,549.93**	**222,918.68**

NOTE 23: Fee and Commission Expense

(₹ in lac)

S.No.	PARTICULARS	Year Ended	
		31.03.2022	31.03.2021
(i)	Government guarantee fees	4,758.61	4,632.55
(ii)	Bond Servicing Expenses	149.75	117.47
(iii)	Commitment charges	65.70	184.48
	Total	**4,974.07**	**4,934.50**

NOTE 24: Net Loss on the Fair Value Changes

(₹ in lac)

S.No.	PARTICULARS	Year Ended	
		31.03.2022	31.03.2021
	(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
	(i) On trading portfolio		
	(ii) On financial instruments designated at fair value through profit or loss	(1,510.89)	2,537.32
	Total Net gain/(loss) on fair value changes (B)	**(1,510.89)**	**2,537.32**
	Fair Value changes: (C)		
	-Realised	-	-
	-Unrealised	(1,510.89)	2,537.32
	Total Net gain/(loss) on fair value changes(B) to tally with (C)	**(1,510.89)**	**2,537.32**
	* Fair value changes in this schedule are other than those arising on account of interest income/expenses.		

NOTE 25: IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in lac)

S.No.	PARTICULARS	Year Ended On Financial Instruments measured at Amortised Cost	
		31.03.2022	31.03.2021
(i)	Loans and Advances	(81,892.24)	(44,332.94)
(ii)	Investments	5,621.72	(649.37)
(iii)	Expense on behalf of NPAs	70.22	147.70
	Total	**(76,200.29)**	**(44,834.61)**

NOTE 26: Employee Benefit Expense

(₹ in lac)

S.No.	PARTICULARS	Year Ended	
		31.03.2022	31.03.2021
(i)	Salaries and wages	3,550.23	2,802.81
(ii)	Contribution to provident and other funds	164.52	242.40
(iii)	Staff welfare expenses	145.77	94.95
	Total	**3,860.52**	**3,140.16**

Note 27: OTHER EXPENSES

(₹ in lac)

S.No.	PARTICULARS	Year Ended	
		31.03.2022	31.03.2021
(i)	Rent, Taxes and Energy Costs	59.54	71.87
(ii)	Printing & Stationery	15.89	13.29
(iii)	Advertisemeny & Publicity	14.54	19.56
(iv)	Director's Fees, allowances and expenses	0.29	0.74
(v)	Audior's Fees and expenses	14.85	13.50
(vi)	Legal and professfional Charges	222.96	278.49
(vii)	Insurance	7.58	5.05
(viii)	Net loss on foreign currency transactions and translations	18,334.43	37,807.52
(ix)	Other Expenses	1,197.90	1,225.45
(x)	Loan Amount Written Off [See note 1(B)(20(b))]	175,064.03	140,203.69
	TOTAL	**194,932.02**	**179,639.16**

Note 1: SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

IIFCL is a public company domiciled and incorporated in India under the provisions of Companies. The registered office of the Company is situated at 5th Floor, Plate A & B, Block 2, NBCC Tower, East Kidwai Nagar, New Delhi, India.

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

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

1.1 **Accounting convention:** IIFCL presents its financial statements in accordance with the format provided in the Division III of Schedule III to Companies Act, 2013, for Non-Banking Financial Companies (NBFCs). The financial statements have been prepared on accrual basis and on a historical cost basis, except

a. Financial assets classified as Fair Value through Other Comprehensive Income (FVOCI),
b. Derivative financial instruments,
c. Financial assets and liabilities designated at fair value through profit or loss (FVTPL).
d. Defined benefit plans – plan assets measured at fair value.

All of which have been measured at fair value as required or allowed by relevant Ind AS. The financial statements are presented in Indian Rupees and all values are rounded to the nearest Rupees Lakhs, except when otherwise indicated.

1.2 **Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure thereof at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which results materialize.

IIFCL has not made any assumption about the future, and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Statement of compliance

The financial statements of IIFCL are prepared on going concern basis and in accordance with the requirements of Ind AS notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 vide Gazette notification no. G.S.R.111(E) dated 16th February 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, vide Gazette notification no. G.S.R.365(E) dated 30th March 2016.

These IND AS financial statements are prepared from Ind AS transition date for adoption of Ind AS by IIFCL for use as comparative financial statements and are not intended any other purpose.

The financial statements for the year ended 31st March 2022 were authorized and approved for issue by the Board of Directors on 26th May 2022.

3. Presentation of financial statements

Financial assets and financial liabilities are generally reported gross value in the Balance Sheet. They are only offset and reported net value when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the IIFCL and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net value when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

4. Recognition Of Income / Expenditure

4.1. For all financial instruments measured at amortized cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at FVTPL, interest income or expense is recorded using the EIR. The calculation takes into account all of the contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

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

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

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

4.5. The recovery from loan assets written off are treated as income in the year of receipt of recovery.

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

4.7. Income/Expenditure relating to a prior period, which does not exceed 0.1% of the total income, are treated as income/expenditure of current year.

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

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

4.10. Interest on Income Tax refund is accounted on actual basis, i.e. treated as income in the year of receipt of Income Tax Refund.

5. Financial instruments:

5.1. Recognition and Initial Measurement:

The company initially recognizes financial assets and financial liabilities on the settlement date. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

5.2. **Classification:**

A. Financial Assets:

Financial assets of the Company comprise cash and cash equivalents, bank balances, investments in equity shares of companies other than in subsidiaries & joint ventures, loans to subsidiaries/employees, advances to employees, security deposit, claims recoverable etc.

On initial recognition, a financial asset is classified:

a) Amortized Cost:

Financial Instruments are measured at amortized cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- Are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These instruments are initially recognized at fair value plus directly attributable transaction costs, impact of which exceeds 0.5% of the total income. The measurement of credit impairment is based on the three-stage expected credit loss model described in Note 6.7 Impairment of financial assets.

b) Fair Value through Other Comprehensive Income(OCI):

Financial Instruments are measured at fair value through other comprehensive income where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost. The expected credit loss model.

c) **Fair Value through Profit and Loss:**

- Items held for trading;
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise. Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

In addition, on initial recognition, IIFCL may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

d) **Equity instruments**

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by IIFCL in a business combination to which IND AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

All other financial assets are classified as measured at FVTPL.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method, impact of which exceeds 0.5% of the total income.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after IIFCL changes its business model for managing financial assets.

B. Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities, impact of which exceeds 0.5% of the total income. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Defining contractual cash flows solely payments of principal and interest:

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

C. **Derivative financial instruments:**

Derivative financial instruments are contracts whose value is derived from one or more underlying price, index or other variable, and typically comprise of instruments such as swaps, forward rate agreements, futures and options. IIFCL enters into derivative financial instruments in nature of hedging contacts to mitigate risk due to variation in foreign exchange rate where applicable involved in foreign currency borrowings of these contracts recognised in the balance sheet at fair value and are classified as trading except where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. The carrying value of a derivative is re measured at fair value throughout the life of the contract. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

a. Wherever the company has entered into forward contract or an instrument i.e., in substance of a forward exchange contract, the difference between the forward rate and the exchange rate on the date of forward exchange contract is recognized as income or expenses over the life of the contract as per Ind AS-21.
b. Hedging taken on foreign currency loans is adjusted on FIFO basis after adjusting for the Loans given in foreign currency (i.e. natural hedge).
c. Any profit or loss arising on cancellation or renewal of forward exchange contracts including interest rate swaps is recognized as income or as expense for the year.
d. In respect of interest rate swap transactions in JPY Yen entered by the company, the company is providing mark to market loss as on Balance Sheet Date.
e. The surplus or deficit on account of difference in spot exchange rate at the inception of forward contract and repayment of underlying foreign currency loan obligation recovered from or paid to counter party respectively as per the hedging contract is recognized as gain or loss at the time of repayment of such loan.
f. The foreign currency loan (which is an underlying transaction) and the swap contract (to hedge against any loss arising on the aforesaid loans) are treated as separate transactions.
g. Foreign currency borrowings are restated as per Indian Accounting Standard (Ind AS 21), The Effects of Changes in Foreign Exchange rates.

The guidance note on “Accounting for Derivative Contracts” issued by the ICAI in June 2015, is applied by the company from Financial year ended 31st March 2017. Any change in exchange rate, on amount of foreign currency borrowing as on reporting date since previous reporting date and from the date of drawdown borrowing during the period, is set off against Fair Value of Derivative Contracts and any gain or loss is recognized as Cash Flow Hedge Reserve. Fair Value of Derivative Contracts are provided by the respective Counter parties.

As per the Guidance Note, under a cash flow hedge, the hedging instrument is measured at fair value, but any gain or loss that is determined to be an effective hedge is recognized in equity, e.g., Cash Flow Hedge Reserve. This is intended to avoid volatility in Statement of Profit & Loss in a period when the gains or losses on the hedged items are not realized therein.

5.3. **De-recognition:**

Financial assets

IIFCL derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the IIFCL neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

In addition to above, in case of Loan Assets:

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

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

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

(d) A loan asset other than cases under Strategic Debt Restructuring Scheme (SDR), Scheme for Sustainable Structuring of Stressed Assets (S4A), Outside Strategic Debt Restructuring(SDR) scheme applicable as per RBI Regulations and considered withdrawn pursuant to RBI Notification No. RBI/131 DBR No. BP.BC.101/21.04.048/2017-18 dated February 12, 2018 or any other mutually agreed restructuring/settlement process shall be derecognized in case the loan asset has been categorized as Non-Performing Asset (NPA) for more than 5 years or the scheduled commercial operations of the project have been delayed for more than 4 years unless any substantive offer for sale/realization of loan asset is available.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the statement of profit and loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in the statement of profit and loss on de-recognition of such securities. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the company is recognised as a separate asset or liability.

Financial liabilities

The IIFCL derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

5.4. **Modification:**

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is de-recognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in de-recognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of profit and loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

5.5. Fair Value Measurement

A significant portion of financial instruments are carried on the balance sheet at fair value.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

If there is no quoted price in an active market, then the IIFCL uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the IIFCL determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in the statement of profit and loss on an appropriate basis.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is the amount payable on demand.

Unquoted equities are fair valued based on the below approach, in the order of hierarchy in which they appear, depending on the availability of the information available with the IIFCL:

a. Break-up value of the investee entity from the company's latest available financial statements.
b. At rupee one, if the latest financial statement is not available.

Units of Infrastructure Debt Funds & Alternate Investment Funds are valued as per latest available Net Asset Value. Security Receipts are valued as per latest available Net Asset Value or Book Value, whichever is lower.

5.6. Valuation techniques for Fair Value Measurement

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarized below:

- Level 1 financial instruments −Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the company has access to at the measurement date. The company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments−Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the IIFCL will classify the instruments as Level 3.
- Level 3 financial instruments −Those that include one or more unobservable input that is significant to the measurement as whole.

5.7. Impairment of financial assets

IIFCL applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- Debt instruments measured at amortised cost and fair value through other comprehensive income;
- Loan commitments; and
- Financial guarantee contracts.

No ECL is recognized on equity investments.

Financial assets are classified through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

All exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired since origination are classified under this stage.

Stage 2: Lifetime ECL – not credit impaired

All exposures where there has been a significant increase in credit risk since initial recognition but are not credits impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3: Lifetime ECL – credit impaired

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Calculation of Expected Credit Loss(ECL) on Loan Assets shall be minimum of Provisioning requirements as per RBI regulations which is as under:

(i) Standard Assets: General Provision is made on outstanding amount of loans, including on interest accrued but not due at the year end at 0.40%.

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

(iii) Doubtful Assets

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

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

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

(iv) Loss Assets

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

(v) Restructured loan Assets

For the following cases, the provisioning against Restructured Standard Assets will be as per RBI norms, including provision on diminution in fair value:

(a) Project loans restructured w.e.f. January 24, 2014, provisioning will be at the rate of 5%.

(b) Stock of restructured outstanding loans as on January 23, 2014 to all companies (as per RBI in case of stock of outstanding restructured loan, the provision is at 5%.

Determining the stage for classification of a financial asset

At each reporting date, all financials assets are classified in to the three stages based on the significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

An exposure will move from stage 1 through stage 3 as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk. Exposures that are less than 30 days past due are considered as stage 1.)

The provision for bad and doubtful debts for financial assets considered as stage 1 is based on a 12-month expected credit loss (ECL). Whereas the provision for bad and doubtful debts for financial assets considered as stage 2 and stage 3 is computed based on a life time ECL model. When an asset is uncollectible, it is derecognized against the related provision. Such assets are derecognised after all the necessary procedures have been completed and the amount of the loss has been determined.

However, there is a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless an entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The definition of default used for these purposes is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Accordingly, an account will be deemed to have been credit impaired and is therefore be moved to stage 3, if any of the following events were to happen:

- The account is over 90 Days Past Due (DPD);
- IIFCL consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees.

Days past due (DPD) is measured for the number of days interest and / or principal remains unpaid, a bill remains overdue, an account remains continuously over limit / drawing power, or the credit in the account is less than the interest charged in the account.

Low Credit risk Assumption

Ind AS 101 - "Financial Instruments" states that *"The credit risk on a financial instrument is considered low for the purposes of paragraph 5.5.10, if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not* necessarily*, reduce the ability of the borrower to fulfil its contractual cash flow obligations. (para B5.5.22)" Further, while it has given the example of an external rating of 'investment grade' as having low credit risk, it acknowledges that financial instruments are not required to be externally rated to be considered to have low credit risk (para B5.5.23).*

Accordingly an instrument is considered to be having low credit risk under the following situations:

- Zero unexpected loss as indicated by zero regulatory risk weight: Given that the unexpected loss estimated as per the regulatory risk-weights is 0%, the expected loss will also be zero. The ECL in such cases would be zero. Examples of such asset classes is domestic sovereign, foreign sovereigns with international rating of "AA" or better.
- Low unexpected loss as indicated by 20% regulatory risk weight: Given the low unexpected loss for portfolios corresponding to risk-weights of 20%, these will also have very low expected loss. However, ECL may be non-zero, or empirical evidence may show that default rates for such asset class / portfolio is zero. Examples of such asset classes are foreign sovereigns with international rating of "A", domestic scheduled IIFCLs (those failing regulatory requirement of capital adequacy are not low credit risk), externally rated domestic "AAA" corporates, staff loans. Observed default rates for these portfolios are also zero.

For the statements, all staff loans have been considered as low credit risk.

Level of segmentation in the portfolio used

Segmentation is aligned to the Internal Rating Based (IRB) models for the purpose of application of risk parameters. However, for forward looking estimates, the IIFCL may choose to group some of these sub-portfolios into broader categories or in some cases split them into sub-segments based on common risk drivers.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the IIFCL in accordance with the contract and the cash flows that the IIFCL expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the IIFCL if the commitment is drawn down and the cash flows that the IIFCL expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the IIFCL expects to recover.

ECLs are recognized using a provision for bad and doubtful debts account in Statement of Profit and Loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost. IIFCL recognizes the provision charge in profit and loss, with the corresponding amount recognized in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet.

Impairment Reserve:

As per the RBI circular RBI/2019-20/170 dated 13th March 2020, IIFCL shall hold impairment allowances as required by Ind AS. In parallel IIFCL shall also maintain the asset classification and compute provisions as per extant prudential norms on Income Recognition, Asset Classification and

Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc.

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), IIFCL is required to appropriate the difference from their net profit or loss after tax to a separate ‘Impairment Reserve’. The balance in the ‘Impairment Reserve’ shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

5.8. Accelerated Provisioning

IIFCL, as a prudent lender, in addition to normal provisioning to be done under RBI guidelines/ Expected Credit Loss(ECL) calculated as per Ind AS 109, in terms of applying stipulated percentages for secured/unsecured portions depending on asset classification, as may be amended from time to time, considers accelerated provisioning on a case-to-case basis, depending on the expected recovery scenario.

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

The accelerated provisioning depends broadly on the following parameters:

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

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

6. Leasing

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

7. **Property, Plant and equipment**

Property, Plant and equipment is stated at cost of acquisition excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value.

Property, Plant and equipment are derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of Profit and Loss on the date asset is derecognized.

8 **Intangible assets and Intangible Assets under development**

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure on already capitalized Intangible assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Expenditure on development shall be recognised as Intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets', otherwise it shall be recognised as an expense.

An item of Intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

9 **Depreciation/ Amortization**

Depreciation is calculated using write down method value method to the cost of property and equipment to their residual values over their estimated useful lives. Useful life is considered as per Schedule II of Companies Act 2013.

The office premise of IIFCL has been amortized over the lease period of 30 years.

Amortization is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. In case of lease asset, the estimated useful life is calculated on the basis of termination of lease period.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the income statement.

10 Impairment of non–financial assets

IIFCL assesses at each reporting date to ascertain indication that a non-financial asset may be impaired. Impairment ascertained as per assessment is recognized as expense.

11 Letter of Comforts (LOCs)

In the ordinary course of business, IIFCL issues Letter of Comforts (LoCs) to Banks, is generally to consortium members for issuing Letter of Credit/Financial Guarantee on behalf of lenders in favor of beneficiaries. LoCs are initially recognised in the financial statements within 'other liabilities') at fair value, being the premium received. Subsequent to initial recognition, the IIFCL's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortization recognised in the income statement, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee. Any increase in the liability relating to financial guarantees is recorded in the income statement in credit loss expense. The premium received is recognised in the income statement in net fees and commission income on a straight line basis over the life of the guarantee.

12 Provisions and Contingencies

Provisions are recognised when the IIFCL has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, IIFCL determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and Loss net of any reimbursement in other operating expenses.

A contingent liability is recognized and disclosed when there is:

a) A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Group; or
b) A present obligation arising from the past event which is not recognised as it is not probable that the outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Commitments include binding commitments to extend credit as per the agreements to lend to a customer so long as there is no violation of any condition established in the contract.

13 Taxes on Income

13.1 Current Taxes

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in India where IIFCL operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

13.2 Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences,

unused tax losses and unused tax credits can be utilized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary
differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

14 Earnings per Share

IIFCL presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the equity shareholders of the IIFCL by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to the equity shareholders and the weighted-average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

15 Employee Benefits

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

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

15.3 Employee benefits under defined contribution plans comprising NPS are recognized on the undiscounted obligation of the company to contribute to the plan. The same is paid to the IDBI Bank, which is the Point of Presence (POP) service provider for NPS facility and are expensed relating to the period..

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

15.5 Termination benefits are recognized as an expense immediately

15.6 Gain or loss arising out of actuarial valuation is recognized in the period in they occur in Other Comprehensive Income (OCI).

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

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

15.9 Leave Encashment has been provided on the basis of amount payable to LIC Group Leave Encashment Plan.

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

16 Critical accounting assumptions and estimates

The application of the IIFCL's accounting policies requires the use of judgements, estimates and assumptions. If different assumptions or estimates were applied, the resulting values would change, impacting the net assets and income of the IIFCL. Assumptions made at each reporting date are based on best estimates at that date. Although IIFCL has internal control systems in place to ensure that estimates are reliably measured, actual amounts may differ from those estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting policies which are most sensitive to the use of judgement, estimates and assumptions are specified below.

- **Fair value measurement**

  A significant portion of financial instruments are carried on the balance sheet at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where the classification of a financial asset or liability results in it being measured at fair value, wherever possible, the fair value is determined by reference to the quoted bid or offer price in the most advantageous active market to which the IIFCL has immediate access. An adjustment for credit risk is also incorporated into the fair value as appropriate. Fair value for a net open position that is a financial liability quoted in an active market is the current offer price, and for a financial asset the bid price, multiplied by the number of units of the instrument held or issued. Where no active market exists for a particular asset or liability, the IIFCL uses a valuation technique to arrive at the fair value, including the use of transaction prices obtained in recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques, based on market conditions and risks existing at reporting date. In doing so, fair value is estimated using a valuation technique that makes maximum use of observable market inputs and places minimal reliance upon entity-specific inputs. The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the IIFCL recognizes the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

- **Impairment charges on loans and advances**

  Judgement is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for loans and advances. In estimating these cash flows, the IIFCL makes judgements about the borrower's financial situation and the net realizable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance. A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, levels of arrears, credit utilization, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, real estate price indices, country risk and the performance of different individual groups).

- **Provisions other than loan impairment**

  Provisions are held in respect of a range of future obligations such as employee entitlements, restructuring costs and litigation provisions. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate which reflects both current interest rates and the risks specific to that provision.

- **Loans and advances**

  Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using the effective interest rate method.

17 Borrowings and debt securities

Borrowings and debt securities issued are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method, except where the Group designates liabilities at FVTPL.

18 Borrowing Costs

The Exchange differences on foreign currency borrowings are charged to Statement of Profit & Loss. The amount of exchange difference not exceeding the difference between interest on local currency borrowings and interest on foreign currency borrowings is considered as borrowings costs and is accounted for under Ind AS 23 – Borrowing Costs and the remaining exchange difference, if any, is accounted for under Ind AS 21 - The Effects of Changes in Foreign Exchange Rates.

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

19 Investment in Subsidiary

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

On the date of transition to Ind AS, the Company has considered the carrying value of Investment in subsidiaries as per previous GAAP to be the deemed cost as per Ind AS 101.

20 Foreign Exchange Transactions

20.1 Expenses and income in foreign currency are accounted for at the exchange rates of banks prevailing on the date of transactions.

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

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

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

20.3 Foreign Currency Loan liability is translated in Indian currency at RBI Reference rate prevailing on the date of reporting. The exchange difference is charged to Statement of Profit & Loss as per Accounting Standard 11, The Effect of Changes in Foreign Exchange Rates.

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

21 Derivative Accounting

21.1 Wherever the company has entered into forward contract or an instrument i.e., in substance of a forward exchange contract, the difference between the forward rate and the exchange rate on the date of forward exchange contract is recognized as income or expenses over the life of the contract as per Ind AS -21.

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

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

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

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

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

21.7 Foreign currency borrowings are restated as per Indian Accounting Standard 21, The Effects of Changes in Foreign Exchange Rates.

The guidance note issued by the ICAI on “Accounting for Derivative Contracts” issued in June 2015, is applicable from 1st April 2016 and the same is applied by the company from Financial year ended 31st March 2017. Any change in exchange rate, on amount of foreign currency borrowing as on reporting date since previous reporting date and from the date of drawdown borrowing during the period, is set off against Fair Value of Derivative Contracts and any gain or loss is recognized as Cash Flow Hedge Reserve. Fair Value of Derivative Contract are provided by the respective Counter parties.

As per the Guidance Note, under a cash flow hedge, the hedging instrument is measured at fair value, but any gain or loss that is determined to be an effective hedge is recognized in equity, e.g., Cash Flow Hedge Reserve. This is intended to avoid volatility in Statement of Profit & Loss in a period when the gains or losses on the hedged items are not realized therein.

22 Accounting For Revenue Grants

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

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

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

23 Cash Flow Statement

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

(B) OTHER NOTES TO THE FINANCIAL STATEMENTS

1. Prior Period Income & Expenses**(Ind AS-8)** which have been included under the regular heads in Statement of Profit & Loss are as under:

(` in lac)

Particular		Year ended 31st March 2022	Year Ended 31st March 2021
(A) Income			
(i)	Income on Loans & Advances	-	-
(ii)	Penal Interest	-	-
(iii)	Other Charges	-	-
	Total (A)	-	-
(B) Expenditure			
(i)	Establishment and other expenses	-	2.22
(ii)	Depreciation	-	(0.56)
	Total (B)	-	-
Net impact via Gain/(Loss) on current year profit [(A)-(B)]		-	1.66

2. **Changes in Accounting Policies**:

There is no change in accounting policies during the Year Ended 31st March 2022.

3. **Disclosure under Indian Accounting Standard 19 "Employee Benefits" (Ind AS-19)**

As per Ind AS-19 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

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

I. Assumptions for Gratuity Plan:

	2021-22	2020-21
Mortality rate	100 % IALM (2012 -14)	100 % IALM (2012 -14)
Withdrawal rate	1 % to 3 % depending on age	1 % to 3 % depending on age
Discount rate (p.a.)	7.18 %	6.80 %
Salary escalation (p.a.)	5.50 %	5.50 %

II. Sensitivity Analysis of the defined benefit obligation.

(` in lac)

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	**42,511,430**
a)	Impact due to increase of 0.50%	(2,505,522)
b)	Impact due to decrease of 0.50 %	2,738,831
b) Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	**42,511,430**
a)	Impact due to increase of 0.50%	1,134,381
b)	Impact due to decrease of 0.50 %	(1,274,422)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated by actuary.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

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

(` in lac)

	Net Defined Benefit (Asset)/ Liability	Year Ended 31st March 2022	Year Ended 31st March 2021
a)	Present value of obligation	425.11	379.69
b)	Fair value of plan assets	495.06	480.64
c)	Net assets / (liability) recognized in balance sheet as provision	69.95	100.95
	Change in plan assets		
a)	Fair value of plan assets at the beginning of the period	480.64	404.97
b)	Actual return on plan assets	34.50	30.88
c)	Mortality Charges	(0.99)	(0.47)
d)	Employer contribution	-	104.55
e)	Benefits paid	(19.09)	(56.29)
f)	Fair value of plan assets at the end of the period	495.06	480.64
	Change in Benefit Obligation		
a)	Present value of obligation as at the beginning of the period	379.69	365.41
b)	Acquisition adjustment	-	-
c)	Interest Cost	25.82	24.81
d)	Service Cost	53.56	47.44
e)	Past Service Cost including curtailment Gains/Losses	-	-
f)	Benefits Paid	(19.09)	(56.29)
g)	Total Actuarial (Gain)/Loss on Obligation	(14.87)	(1.69)
h)	Present value of obligation as at the End of the period	425.11	379.69
	Change in Net Defined Benefit Obligation		
a)	Net defined benefit liability at the start of the period	(100.95)	(39.55)
b)	Acquisition adjustment	-	-
c)	Total Service Cost	53.56	47.44
d)	Net Interest cost (Income)	(6.86)	(2.69)
e)	Re-measurements	(15.69)	(1.60)
f)	Contribution paid to the Fund	-	(104.55)
g)	Benefit paid directly by the enterprise	-	-
h)	Net defined benefit liability at the end of the period	(69.95)	(100.95)
	Bifurcation Actuarial Gain/Loss on Obligation		
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(20.45)	(0.50)
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	5.58	(1.19)

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

Assumptions for Leave Encashment Plan:

	2021-22	2020-21
Mortality rate	100 % IALM (2012 -14)	100 % IALM (2012 -14)
Withdrawal rate	1 % to 3 % depending on age	1 % to 3 % depending on age
Discount rate (p.a.)	7.18 %	6.80 %
Salary escalation (p.a.)	5.50 %	5.50 %

Sensitivity Analysis of the defined benefit obligation. (` in lac)

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	**68,792,481**
a)	Impact due to increase of 0.50%	(4,091,693)
b)	Impact due to decrease of 0.50 %	4,389,001
b) Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	**68,792,481**
a)	Impact due to increase of 0.50%	4,467,078
b)	Impact due to decrease of 0.50 %	(4,128,888)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(` in lac)

	Net Defined Benefit (Asset)/ Liability	Year Ended 31st March 2022	Year Ended 31st March 2021
a)	Present value of obligation	687.92	570.88
b)	Fair value of plan assets	460.33	432.08
c)	Net assets / (liability) recognized in balance sheet as provision	(227.59)	(138.80)
	Change in plan assets		
a)	Fair value of plan assets at the beginning of the period	432.08	324.03
b)	Actual return on plan assets	30.65	28.24
c)	Mortality Charges	(2.40)	(2.20)
d)	Employer contribution	-	121.53
e)	Benefits paid	-	(39.53)
f)	Fair value of plan assets at the end of the period	460.33	432.08
	Change in Benefit Obligation		
a)	Present value of obligation as at the beginning of the period	570.88	477.46
b)	Acquisition adjustment	-	-
c)	Interest Cost	38.82	32.42

d)	Service Cost	107.39	74.21
e)	Past Service Cost including curtailment Gains/Losses	-	-
f)	Benefits Paid	-	(39.53)
g)	Total Actuarial (Gain)/Loss on Obligation	(29.17)	26.32
h)	Present value of obligation as at the End of the period	687.92	570.88
	Change in Net Defined Benefit Obligation		
a)	Net defined benefit liability at the start of the period	138.80	153.43
b)	Acquisition adjustment	-	-
c)	Total Service Cost	107.39	74.21
d)	Net Interest cost (Income)	9.44	10.42
e)	Re-measurements	(28.03)	22.27
f)	Contribution paid to the Fund	-	(121.53)
g)	Benefit paid directly by the enterprise	-	-
h)	Net defined benefit liability at the end of the period	227.59	138.80
	Bifurcation Actuarial Gain/Loss on Obligation		
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(33.27)	(0.75)
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	4.10	27.07

II. OTHER EMPLOYEE BENEFITS (UNFUNDED)
Actuarial assumptions for other employee benefits (unfunded)

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

Assumptions for Leave Fare Concession:

	2021-22	2020-21
Mortality rate	100 % IALM (2012 -14)	100 % IALM (2012 -14)
Withdrawal rate	1 % to 3 % depending on age	1 % to 3 % depending on age
Discount rate (p.a.)	7.18 %	6.80 %
Salary escalation (p.a.)	5.50 %	5.50 %

Sensitivity Analysis of the defined benefit obligation.

(` in lac)

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	**7,859,050**
a)	Impact due to increase of 0.50%	(455,585)
b)	Impact due to decrease of 0.50 %	500,661

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(` in lac)

	Net Defined Benefit (Asset)/ Liability	Year Ended 31st March 2022	Year Ended 31st March 2021
a)	Present value of obligation	78.59	69.18
b)	Fair value of plan assets	-	-
c)	Net assets / (liability) recognized in balance sheet as provision	(78.59)	(69.18)
	Change in Benefit Obligation		
a)	Present value of obligation as at the beginning of the period	69.18	68.13
b)	Interest Cost	4.70	4.63
c)	Service Cost	18.32	12.01
d)	Benefits Paid	(58.74)	(0.08)
e)	Total Actuarial (Gain)/Loss on Obligation	45.12	(15.50)
f)	Present value of obligation as at the End of the period	78.59	69.18
	Change in Net Defined Benefit Obligation		
a)	Net defined benefit liability at the start of the period	69.18	68.13
b)	Service Cost	18.32	12.01
c)	Net Interest cost (Income)	4.70	4.63
d)	Re-measurements	45.12	(15.50)
e)	Contribution paid to the Fund	-	-
f)	Benefit paid directly by the enterprise	(58.74)	(0.08)
g)	Net defined benefit liability at the end of the period	78.59	69.18
	Bifurcation Actuarial Gain/Loss on Obligation		
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(3.19)	(0.08)
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	48.31	(15.42)

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

Assumptions for Sick Leave Plan:

	2021-22	2020-21
Mortality rate	100 % IALM (2012 -14)	100 % IALM (2012 -14)
Withdrawal rate	1 % to 3 % depending on age	1 % to 3 % depending on age

Discount rate (p.a.)	7.18 %	6.80 %
Salary escalation (p.a.)	5.50 %	5.50 %

Sensitivity Analysis of the defined benefit obligation.

(` in lac)

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	**17,754,123**
a)	Impact due to increase of 0.50%	(1,120,301)
b)	Impact due to decrease of 0.50 %	1,203,727
b) Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	**17,754,123**
a)	Impact due to increase of 0.50%	1,225,292
b)	Impact due to decrease of 0.50 %	(1,130,236)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(` in lac)

	Net Defined Benefit (Asset)/ Liability	Year Ended 31st March 2022	Year Ended 31st March 2021
a)	Present value of obligation	177.54	158.81
b)	Fair value of plan assets	-	-
c)	Net assets / (liability) recognized in balance sheet as provision	(177.54)	(158.81)
	Change in Benefit Obligation		
a)	Present value of obligation as at the beginning of the period	158.81	163.69
b)	Acquisition adjustment	-	-
c)	Interest Cost	10.80	11.11
d)	Service Cost	23.41	19.64
e)	Past Service Cost including curtailment Gains/Losses	-	-
f)	Benefits Paid	-	-
g)	Total Actuarial (Gain)/Loss on Obligation	(15.48)	(35.64)
h)	Present value of obligation as at the End of the period	177.54	158.81
	Change in Net Defined Benefit Obligation		
a)	Net defined benefit liability at the start of the period	158.81	163.69
b)	Acquisition adjustment	-	-
c)	Total Service Cost	23.41	19.64
d)	Net Interest cost (Income)	10.80	11.11
e)	Re-measurements	(15.48)	(35.64)
f)	Contribution paid to the Fund	-	-
g)	Benefit paid directly by the enterprise	-	-
h)	Net defined benefit liability at the end of the period	177.54	158.81
	Bifurcation Actuarial Gain/Loss on Obligation		
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-

b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(9.12)	(0.22)
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	(6.36)	35.41

E) **Post-retirement medical benefit (PRMB) (Introduced from Sep 2015):):** Actuarial valuation of the Post-retirement medical benefit (PRMB) liability as on 31st March 2021, as per Ind AS-19. The Company has Post-Retirement Medical Benefit (PRMB), under which retired employees and their dependents are provided medical facilities.

Assumptions for Post-retirement medical benefit (PRMB) Plan:

	2021-22	**2020-21**
Mortality rate	100 % IALM (2012 -14)	100 % IALM (2012 -14)
Withdrawal rate	1 % to 3 % depending on age	1 % to 3 % depending on age
Discount rate (p.a.)	7.18 %	6.80 %
Salary escalation (p.a.)	5.50 %	5.50 %

Sensitivity Analysis of the defined benefit obligation. (` in lac)

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	**97,565,426**
a)	Impact due to increase of 0.50 %	(1,349,529)
b)	Impact due to decrease of 0.50 %	1,483,221

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(` in lac)

	Net Defined Benefit (Asset)/ Liability	Year Ended 31st March 2022	Year Ended 31st March 2021
a)	Present value of obligation	975.65	858.08
b)	Fair value of plan assets	-	-
c)	Net assets / (liability) recognized in balance sheet as provision	(975.65)	(858.08)
	Change in Benefit Obligation		
a)	Present value of obligation as at the beginning of the period	858.08	789.56
b)	Interest Cost	58.35	53.37
c)	Service Cost	79.24	55.87
d)	Benefits Paid	(2.05)	(1.83)
e)	Total Actuarial (Gain)/Loss on Obligation	(17.96)	(38.89)
f)	Present value of obligation as at the End of the period	975.65	858.08
	Change in Net Defined Benefit Obligation		
a)	Net defined benefit liability at the start of the period	858.08	789.56
b)	Service Cost	79.24	55.87
c)	Net Interest cost (Income)	58.35	53.37
d)	Re-measurements	(17.96)	(38.89)
e)	Contribution paid to the Fund	-	-
f)	Benefit paid directly by the enterprise	(2.05)	(1.83)
g)	Net defined benefit liability at the end of the period	975.65	858.08

	Bifurcation Actuarial Gain/Loss on Obligation		
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(10.80)	(2.37)
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	(7.17)	(13.67)

F) The amount recognized in Other Comprehensive Income (OCI) for each employee benefit is as under: -

(` in lac)

Employee Benefit	Year Ended 31st March 2022	Year Ended 31st March 2021
Actuarial Gain/(Loss) on earned Leave	29.17	(26.32)
Actuarial Gain/(Loss) on Gratuity	14.87	1.69
Actuarial Gain/(Loss) on LFC	(45.12)	15.50
Actuarial Gain/(Loss) on PRMB	17.96	38.89
Actuarial Gain/(Loss) on SL	15.48	35.64
Total	**32.36**	**65.40**

4. The Company's main business is to provide finance/ refinance for Infrastructure Projects and the company does not have more than one reportable segment in terms of **Indian Accounting Standard-108, Operating Segments** issued by the Institute of Chartered Accountants of India.

5. As per **Indian Accounting Standard-24**,**Related Party Disclosures**, the disclosures of transactions with the related parties are given below:

A) Managerial Remuneration and related party disclosures

(i) Key Managerial Personnel

Whole Time Directors

- Shri P.R. Jaishankar - Managing Director (w.e.f. 29.05.2020)
- Shri Pawan K Kumar - Deputy Managing Director (w.e.f.01.10.2020)

Other than Directors

- Shri Rajeev Mukhija -Chief General Manager-CFO
- Smt. Manjari Mishra -Deputy General Manager-Company Secretary

(ii) Wholly owned Subsidiary Company:

(a) India Infrastructure Finance Company (UK) Ltd.
(b) IIFCL Projects Ltd.
(c) IIFCL Asset Management Company Ltd.

B) Transactions during Year Ended 31st March 2022 ((Previous period ended on 31st March 2021) with related parties:

(` in lac)

S.No.	Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
(a)	**Managerial Remuneration (Whole Time directors)**		
	(i) Shri PR Jaishankar (Managing Director) (*w.e.f. 29th May 2020 till 31st March 2021)		
	Remuneration	33.77	33.32*
	(ii) Shri Pawan K Kumar (Deputy Managing Director) (*w.e.f. 01st October 2020 till 31st March 2021)		
	Remuneration	36.29	16.92
(b)	**Managerial Remuneration (Other than directors)**		
	(i) Shri Rajeev Mukhija (Chief General Manager- CFO)		
	Remuneration	50.28	47.68
	(ii) Smt. Manjari Mishra (Deputy General Manager-CS)		
	Remuneration	44.13	34.07
(c)	**Rent received/ recoverable from subsidiaries/ associate companies**		
	IIFCL Projects Ltd.	80.37	76.88
	IIFCL Asset Management Company Ltd	78.92	83.48
(d)	**Amounts other than Rent recovered/recoverable from subsidiaries:**		
	IIFCL Projects Ltd.	11.15	14.13
	IIFCL Asset Management Company Ltd	9.77	14.75
	IIFC (UK) Ltd.	-	-
(d)	**Investments during the year:**		
	IIFC (UK) Ltd.	18,940.62	-

C) Balances Outstanding

(` in lac)

S.No.	Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
i)	**Investment in equity shares :**		
	Wholly owned subsidiaries :		
	(a) IIFC (UK) Ltd.	61,180.95	42,240.33
	(b) IIFCL Projects Ltd.	475.00	475.00
	(c) IIFCL Asset Management Company Ltd.	1,250.00	1,250.00
	Amount recoverable from subsidiaries/ associate		
	(a) IIFCL Projects Ltd.	45.45	51.92
	(b) IIFCL Asset Management Company Ltd.	49.77	115.81
	(c) IIFC (UK) Ltd.	7.50	0.32

6. In terms of **Ind AS-33, Earnings Per Share,** issued by the Institute of Chartered Accountants of India, Earnings per share (Basic & Diluted) is as under:

Particulars	Year Ended 31st March 2022		Year Ended 31st March 2021	
	Shares	**Amount ` in lac**	**Shares**	**Amount ` in lac**
Nominal Value of share (`)	10/-		10/-	
Number of Equity Share (No. in lac)	99,999.16		99,999.16	
Weighted Average Number of Equity Shares (No. in lac) (Denominator)	99,999.16		99,999.16	
Net Profit (after tax) (Numerator) (` in lac)		51,449.77		28,576.37
Earnings Per Share (Basic) (`)		0.51		0.29
Earnings Per Share (Diluted) (`)		0.51		0.29

7. Fixed assets possessed by the company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by **Ind AS -36** on "Impairment of Assets". As on 31st March 2022, there were no events or change in circumstances, which indicate any impairment in the assets.

8. **(A) Disclosure under Indian Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37)"**

(` in lac)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Proposed Wage Revision		
Opening Balance	966.84	658.11
Addition during the period	348.67	308.73
Amount Paid/ Transferred to current liabilities	-	-
Closing Balance	**1,315.51**	**966.84**
Contingent Provision against Standard Assets		
Opening Balance	12,604.84	10,788.99
Addition during the period	1,146.72	1,815.81
Closing Balance	**13,751.56**	**12,604.80**
Provision against Sub-standard Assets		
Opening Balance	8,353.21	16,361.29
Addition during the period	(2,000.57)	8,353.21
Provision write back on account of NPA write off	-	(16,361.29)
Closing Balance	**6,352.64**	**8,353.21**
Provision against Restructured Assets		
Opening Balance	5,028.08	492.35
Addition/Adjustment during the period	4,208.07	4,535.73
Provision write back on account of NPA write off	-	-
Closing Balance	**9,236.15**	**5,028.08**

Provision against Doubtful Assets		
Opening Balance	2,19,613.84	213,474.61
Addition during the period	(72,606.03)	6,139.23
Provision write back on account of NPA write off	-	-
Closing Balance	**1,47,007.81**	**2,19,613.84**
Provision for diminution in investments		
Opening Balance	16,551.64	17,201.01
Addition during the period	12,808.34	(649.37)
Provision adjusted on account being sale of investments	7,186.62	-
Closing Balance	**22,173.36**	**16,551.64**

(B)Other Disclosures:

(` in lac)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Income Tax (Net)		
Opening Balance	1,354.35	-
Addition during the period	10,145.65	15,045.65
Amount paid/ adjusted during the period	11,500.00	16,400.00
Closing Balance	**-**	**1,354.35**
Leave Fare Concession		
Opening Balance	69.18	68.13
Addition during the period	68.14	1.13
Amount paid/adjusted during the period	58.73	0.08
Closing Balance	**78.59**	**69.18**
Post-retirement Medical Benefit		
Opening Balance	858.08	68.18
Addition during the period	119.62	70.35
Amount paid/adjusted during the period	2.05	1.83
Closing Balance	**975.65**	**858.08**
Leave Encashment		
Opening Balance	138.80	153.43
Addition during the period	88.80	24.90
Amount paid/adjusted during the period	-	39.53
Closing Balance	**227.60**	**138.80**
Sick Leave		
Opening Balance	158.81	163.69
Addition during the period	18.73	(4.88)
Amount paid/adjusted during the period	-	-
Closing Balance	**177.54**	**158.81**
Marked to Market Losses on Derivative		
Opening Balance	876.74	1,830.89
Addition during the period	-	-
Amount paid/adjusted during the period	525.92	(954.15)
Closing Balance	**350.82**	**876.74**

9. Contingent liabilities and commitments (to the extent not provided for) are as under:-

(` In lac)

S.No.	Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
(A)	**Contingent liabilities:**		
	(a) Claims against the company not acknowledged as debt:		
	(i) Demand of Income Tax dues for Assessment Year 2008-09 made by the Income Tax Deptt. Vide order dated 7th March 2014	-	94.33
	(ii) Demand of Income Tax dues for Assessment Year 2016-17 made by the Income Tax Deptt. Vide order dated 28th December 2018.	682.33	682.33
	(iii) Demand of Income Tax dues for Assessment Year 2015-16 made by the Income Tax Deptt. Vide order dated 28th May 2020.	-	19.33
	(v) Demand of Service Tax dues – Demand paid along with interest under protest	71.52	71.52
	(b) Guarantees	Nil	Nil
	(c)Other money for which the company is contingently liable:		
	(i) Letter of Comfort for issue of Letter of Credit (LC) (The company has issued letters of comfort to respective lead banks/member bank in the consortium of lenders for issuing LC on behalf of respective borrowers for subsequently releasing the amount of LC towards disbursement of sanctioned loan assistance)	30,531.04	14,185.32
	(ii) Guarantee given under credit enhancement scheme	26,522.00	28,069.40
	Commitments:		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for: Estimated amount of contracts remaining to be executed on capital account (net of advances)	817.61	889.94
	(c) Other commitments : Estimated amount of contracts under Corporate Social Responsibility (CSR) as per provision of The Companies Act 2013 remaining to be executed (net of advances)	563.87	589.59

10. Earnings and Expenditure in Foreign Currency

(` in lac)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
(a) Earnings in foreign currency (Actual Receipt excluding interest received under IRS derivative contracts):		
(i) Interest	-	-
(ii) Grants Received	-	-
(iii) Dividend Received	-	-
TOTAL	**-**	**-**

(b) Expenditure in Foreign Currencies on account of interest and other matters (Actual outgo):		
(i) Interest on borrowings	63,370.77	60,551.61
(ii) Commitment Charges	-	184.48
(iii) Foreign Travelling	-	-
(iv) Other Expenses	-	26.32
TOTAL	**63,370.77**	**60,762.41**

11. Investment in Venture Capital Units

During the Year Ended 31st March 2022, the company has invested NIL (` Nil as at 31st March 2021) in Venture Capital Units of IDFC Project Equity Domestic Investors Trust II promoted by the company along-with IDFC, Citi bank (cumulative amount of investment by the company as on 31st March 2022, is ` 9,247.56 lac). Out of total commitment of ` 10,000 lac, the company have contributed as investor in the venture and does not have joint control. Since there is no distributable profit in the fund, no income is accounted for, in the books of accounts in relation to such investments. However, the company has received during the Year Ended, a sum of (` 714.67 lac (` 30.19 lac during year ended 31st March 2021) including tax paid NIL (` Nil lac during year ended 31st March 2021) in respect of redemption of venture capital units.

12. The company has created net deferred tax asset of ` 31,319.49 lac during Year Ended 31st March 2022 (decrease in deferred tax liability of ` 36,730.61 lac & decrease in deferred tax asset by ` 5,411.13 lac), Previous year ended 31st March 2021 the company created net deferred tax asset of ` 12,014.10 lac during year ended 31st March 2021 (increase in deferred tax liability of ` 955.37 lac & increase in deferred tax asset by ` 12,969.47 lac).

13. Based on information available with the company, there are suppliers/service providers who are registered as Micro, Small and Medium undertakings under "The Micro, Small and Medium Enterprises Development Act 2006" as on 31st March 2022. Hence the company has no outstanding liability towards Micro, Small and Medium Enterprises and other information to be prescribed under this act is **Nil.**

14. Derivative Transactions

a) During the year 2007-08, the company had entered into two interest rate swap (IRS) transactions of notional principal amounts of ` 5,000 lac each (equivalent to notional principal of JPY 2,73,23.62 lac) which will mature on 19th December 2022. According to these IRS deals, the company will pay interest @ 7.46% p.a. on JPY notional amount (wherein coupon payments remains fixed for 5 years at the rate of 1 JPY= ` 0.3658 in one deal and I JPY= ` 0.3662 in second deal) and receive interest @ 8.82% p.a. on ` notional principal amounts. The company has provided for entire Mark-to-Market loss, as computed by the counter party banks and confirmed by other valuer, on the above swap transactions amounting to ` 350.82 lac as at 31st March 2022 (`876.74 lac as at 31st March 2021) which includes gain of ` 525.92 lac for the Year Ended as at 31st March 2022 (gain of ` 876.74 lac for the year ended 31st March 2021).

b) Notional principal amount of ` 2,000 lac out of the two interest rate swap (IRS) transactions referred in note 14 (a) above, was unwound during the year ended 31st March 2014. Consequently, the aggregate notional principal amounts of two interest rate swap (IRS) transactions referred in note 14(a) above, is reduced to ` 8,000 lac.

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

(` in Lac)

Institution	Amount of Cross Currency Swaps	
	Year Ended 31st March 2022	Year Ended 31st March 2021
Asian Development Bank (ADB):-		
USD	13,359.58	11,811.91
INR	10,12,750.90	8,68,231.17
KreditanstaltfürWiederaufbau(KFW):-		
EURO	-	-
INR	-	-
IBRD World Bank:-		
USD	1,451.52	1,545.22
INR	1,10,035.52	1,13,580.64

As per the Mark-to-Market (M2M) valuations furnished by the counter party banks and other valuer on the above contracts, the net M2M gain as on 31st March 2022 amounts to ` 86,713.97 lac (Gross gain of ` 90,375.46 lac less Gross loss ` 3,662.29 lac) and M2M gain as on 31st March 2021 amounts to ` 60,487.04 lac (Gross gain of ` 63,041.57 lac less Gross loss ` 2,554.53 lac).

During the financial year ended 31st March 2012, the company sought the opinion of Expert Advisory Committee of the Institute of Chartered accountant of India to advice on the correct accounting treatment to be followed by the company for accounting treatments in respect of foreign currency loan to the extent hedged. In this regard, ICAI vide letter dated 22nd September 2015 provided opinion in the matter. ICAI also issued guidance note on “Accounting for Derivative Contracts” in June 2015 which is applicable from 1st April 2016 and the same is applied by the company from financial year ended 31st March 2017. Any change in exchange rate, on amount of foreign currency borrowing as on reporting date since previous reporting date and from the date of drawdown borrowing during the period, is set off against Fair Value of Derivative Contracts and any gain or loss is recognized as Cash Flow Hedge Reserve. Fair Value of Derivative Contracts are provided by the respective Counter parties

In this regard, IIFCL vide letter dated 26th December 2016 informed Institute of Chartered Accountants of India (ICAI), the issues faced by IIFCL pertaining to market to market/ Fair Value on hedge contracts while applying Guidance Note on Derivatives, with a copy to Reserve Bank of India. The matter has been referred to the Research Committee of ICAI as per their letter dated 3rd May 2017.

The details of hedged portion of loan restated at closing rate in line with Ind AS-21 are as follows:

(` in Lac)

Institution	Amount of Hedged Position	
	Year Ended 31st March 2022	Year Ended 31st March 2021
Asian Development Bank (ADB):-		
USD	13,359.58	11,811.91
INR	10,12,750.90	8,68,231.17
KreditanstaltfürWiederaufbau(KFW):-		
EURO	-	-
INR	-	-
IBRD World Bank:-		
USD	1,451.52	1,545.22
INR	1,10,035.52	1,13,580.64

Disclosure of financial currency exposure as per Guidance Note on Accounting for Derivative Contracts:-

(` in Lac)

I. Assets	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign Currency	Amount in (` in Lac)	Exchange Rate	Amount in Foreign Currency	Amount in (` in Lac)
Receivables (Trade & Other)	-	-	-	-	-	-	-
Other Monetary assets (e.g. ICDs/Loans given in FC)	-	-	-	-	-	-	-
Total Receivables (A)	-	-	-	-	-	-	-
Hedges by derivative contracts (B)	-	-	-	-	-	-	-
Unhedged Receivables (C=A - B)	-	-	-	-	-	-	-

II. Liabilities	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign Currency	Amount in (` in Lac)	Exchange Rate	Amount in Foreign Currency	Amount in (` in Lac)
Payables (Trade & Other)	-	-	-	-	-	-	-
Borrowings (ECB and Other)	USD EURO JPY	75.8071 84.6599 0.6223	15,949.04 1,990.52 2,97,738.41	12,09,050.65 1,68,517.39 1,85,282.61	73.5047 86.0990 0.6636	16,088.09 2,137.73 2,66,666.67	11,82,550.36 184004.96 1,76,960.00
Total Payables (D)	USD EURO JPY	75.8071 84.6599 0.6223	15,949.04 1,990.52 2,97,738.41	12,09,050.65 1,68,517.39 1,85,282.61	73.5047 86.0990 0.6636	16,088.09 2,137.73 2,66,666.67	11,82,550.36 184004.96 1,76,960.00
Hedges by derivative contracts (E)	USD EURO JPY	75.8071 84.6599 0.6223	14,811.10 - -	11,22,786.42 - -	73.5047 86.0990 0.6636	13,357.73 - -	9,81,811.81 - -
Unhedged Payables (F= D – E)	USD EURO JPY	75.8071 84.6599 0.6223	1,137.94 1,990.52 2,97,738.41	86,264.23 1,68,517.39 1,85,282.61	73.5047 86.0990 0.6636	2,730.96 2,137.73 2,66,666.67	2,00,738.55 1,84,004.97 1,76,960.0

III. Contingent Liabilities and Commitments	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign Currency	Amount in `	Exchange Rate	Amount in Foreign Currency	Amount in `
Contingent Liabilities	-	-	-	-	-	-	-
Commitments	-	-	-	-	-	-	-
Total (G)	-	-	-	-	-	-	-
Hedges by derivative contracts (H)	-	-	-	-	-	-	-
Unhedged Payables (I= G-H)	-	-	-	-	-	-	-
Total unhedged FC Exposures (J= C+F+I)	-	-	-	-	-	-	-

d) Unhedged position of foreign currency loans is as under:

(` in Lac)

Institution	Amount of Unhedged Position	
	Year Ended 31st March 2022	Year Ended 31st March 2021
Asian Development Bank (ADB):-		
USD	1,115.26	2,706.82
INR	84,544.92	1,98,963.86
KreditanstaltfürWiederaufbau(KFW):-		
Euro	155.05	160.47
INR	13,126.16	13,815.95
IBRD World Bank:-		
USD	22.68	24.14
INR	1,719.31	1,774.70
European Investment Bank (EIB)		
EURO	1,835.48	1,976.67
INR	1,55,391.23	1,70,189.02
Japan International Cooperation Agency(JICA)		
JPY	2,97,738.41	2,66,666.67
INR	1,85,282.61	1,76,960.00

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

S.No.	Exchange Rates	Year Ended 31st March 2022	Year Ended 31st March 2021
1	USD/INR	75.8071	73.5047
2	EURO/INR	84.6599	86.099
3	JPY/INR	0.6223	0.6636

15. Creation of Bond Redemption Reserve

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

b) In respect of publicly placed bonds: The company issued Tax Free Bonds of the face value of ` 1,000 each aggregating to ` 3,15,631.89 Lac in FY 2012-13, ` 6,87,754.25 lac in FY 2013-14 and Long Term Infrastructure Bonds of ` 9,096.18 Lac in FY 2010-11 totaling ` 10,12,482.32 Lac through public issue.

As per Rule 18(7)(b)(ii) of Companies (Share Capital and Debentures) Rules 2014, The Company shall create Debenture Redemption Reserve(DRR) for NBFCs registered with the RBI under Section 45-IA of the RBI(Amendment) Act,1997, 'the adequacy' of DRR will be 25% of the value of debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities) Regulations,2008, and no DRR is Required in the case of Privately Placed Debentures. Accordingly, the company has created bond redemption reserve of ` 99.995.05 lac up to 31$^{st}$ March 2022 (` 99.995.05 lac up to 31st March 2021).

The Ministry of Corporate Affairs, vide notification dated 19-August-2019 has amended the Companies (Share Capital & Debentures) Rules and accordingly the Company is no longer required to create Debenture Redemption Reserve on issuance of redeemable non-convertible debentures.

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

16. The pay revision of the employees of the company is due w.e.f.1st November 2017. Pending revision of pay, an estimated provision of ` 1,315.51 lac has been made for the period from 1st November 2017 to 31st March 2022 (` 966.84 lac up-to 31st March 2021).

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

(b) Prudential norms issued by RBI for NBFC-IFC are applicable to the Company. On registration as an NBFC-IFC, the company, being a Government owned company, was required to prepare a roadmap for compliance with various elements of the NBFC Regulations in consultation with the Government and submit the same to Reserve Bank of India (Department of Non-Banking Supervision) as directed by RBI vide notification No. DNBS. PD/CC No. 86/03.02.089/2006-07 dated 12th December 2006. In compliance with the requirement, company vide letter dated 21st November 2014 to RBI has submitted roadmap to comply with various elements of RBI Regulation w.e.f. 1st January 2015.

(c) The company has restructured/ rescheduled 6 loan accounts during 31st March 2022 having ` 87,518.17 lacs outstanding balance during 31st March 2022 (`40,037.12 in 3 loan accounts as on 31st March 2021) and there is no shortfall in value of security in these accounts as on 31st March 2021 refer note 1(A)(5.7)(v).

18. **Auditors' Remuneration includes:**

(` in lac)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
(i) Audit Fee	9.00	9.00
(ii) Taxation Matters	1.80	1.80
(iii) Certification Work	2.50	0.20
(iv) Audit Fee for Year Ended 31st March 2022/2021	2.70	2.70
Total	**16.00**	**13.70**

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

Assessment Year	Status
2008-09	IIFCL has filed an appeal against demand of Income Tax dues of ` 159 lac for assessment year 2008-09 raised by the Income Tax department Vide order dated 28.02.2014. The Commissioner of Income Tax [Appeals] - 4 passed the order dated 08.09.2015 and dismissed the appeal of IIFCL. IIFCL filed an appeal against the order before ITAT dated 16.11.2015. ITAT has restored the case to CIT(A) vide order dated 29.08.2017. IIFCL has filed declaration under Vivad se vishwas Scheme for the year. Pursuant to filing of declaration in Form 1, Form 3 has been issued by the department raising demand of Rs. 94.33 lac has been raised. IIFCL paid the demand on 3rd September 2021 and filed Form 4 on 3rd September 2021. Form 5 was issued on 17-Dec-2021.
2013-14	Assessment order u/s 143(3) dated 04.02.2016 received on 23.02.2016. Appeal filed with CIT(A) on 23.03.2016 & order received on 20.10.2016 after partial disallowances. Appeal filed to ITAT on 19.12.2016. Income Tax demand of Rs 48.31 lacs has been deposited. The ITAT vide order dated 17.01.2020 partially allowed the appeal of IIFCL. IIFCL has not preferred any further appeal and filed appeal effect letter to AO on 22.06.2020. IIFCL has filed declaration for opting Vivad se Vishwas Scheme for this year with refund of Rs 67 Lakh. Tax department has issued Form 3 wherein refund of Rs. 18.83 lakh has been determined with remark that credit of taxes paid before 14 March 2017 will be allowed in ITAT appeal effect order. Accordingly the credit of challan of Rs. 48.31 Lakh was not allowed. IIFCL filed the Form 4. Department issued Form 5 dated 20th December 2021. The request for consideration of credit of challan was raised vide letter dated 2nd September 2021.
2016-17	Assessment order u/s 143(3) dated 28.12.2018 received on 28.12.2018. Appeal filed before CIT(A) on 25.01.2019 against disallowances made in assessment order and deposited 20% tax demand of Rs. 137 lacs under protest and Rs. 46.71 lacs has been adjusted from refund of AY 2011-12. Appeal is currently pending before CIT(A) for adjudication. Notice u/s 154/155 proposing an addition of Rs. 81.88 lac was received, against which reply was submitted on 25.03.2020.
2017-18	IIFCL received the assessment Order u/s 143(3) passed by Income Tax Department dated 17.12.2019. IIFCL received penalty order u/s section 270A of the Income Tax Act, 1961, dated 01.04.2022 levying penalty of Rs. 35.07 lacs. IIFCL filed an appeal before CIT(A) on 29.04.2022.

20. Other Disclosures:

a. During the Year Ended 31st March 2022 the Company had assigned financial assets having a net book value of ` Nil lac (` Nil lac as on 31st March 2021) to Asset Reconstruction Companies. The company had in terms of the DBOD.BP.BC.No. 98/21.04.132/2013-14 dated 26th February 2014 and RBI master circular DNBR (PD) CC.No.043/03.10.119/2015-16 on prudential norms on income recognition and assets classification dated 1st July 2015 spread over the net short fall of **NIL**(NIL as on 31st March 2020) over a period of eight Half Years. Consequently, an amount of **Nil** has been charged off during the Year Ended 31st March 2022 (` Nil lac during the year ended 31st March 2021).

b. During the Year Ended 31st March 2022 the Company had written off 37 accounts amounting ` 1,75,064.03 lacs (`1,40,203.69 lac in 15 loan accounts as on 31st March 2021) refer note 1(A)(5.3).

IIFCL had made Provision for diminution in investments of Rs. 22,173.36 lacs in FY 2021-22 as under:

- During 2017-18 outstanding loan principal of Rs. 52,000.00 lac and interest other overdues thereon of Rs. 2,545.99 lac from M/s Adhunik Power and Natural Resources Limited (APNRL) sold to Edelweiss Asset Reconstruction Company Ltd. (EARC), an Asset Reconstruction Company, at consideration of Rs. 38,884.95 lac, including upfront realization of Rs. 108.18 lac, equity share capital of APNRL of Rs. 9,710.71 lac (i.e. fully paid equity shares of Rs. 10 each) and Security Receipts of Rs. 38,884.95 lac. EARC simultaneously, bought equity shares of APNRL of Rs. 10 each aggregating 4945.70 lac @ Rs. 1.2045 per share aggregating Rs. 595.72 lac. Accordingly, IIFCL considered the price for sale of equity shares of APNRL paid to IIFCL by EARC as fair value. Accordingly, the remaining equity shares held by IIFCL in APNRL as on 31st March 2018 are valued at Rs. 1.2045 per share, net of Provision for Diminution in Investments of Rs. 4,191.05 lac. IIFCL has valued the equity share capital on the basis of latest available fair valuation.
- Consequent to substitution of Concessionaire in case of M/s Topworth Tollways Pvt. Ltd., out of outstanding loan amount of Rs. 8,000.00, an amount of Rs. 6,078.00 lacs have been or discharged by issue of 0.01% coupon Optionally Convertible Redeemable Debentures carrying coupon rate @ 0.01% annually of incoming concessionaire i.e. Bansal Pathways Pvt. Ltd. The balance outstanding loan of Rs 1,922.00 lac would be carried over to Bansal Pathways (Mangawan- Chakghat) Pvt Ltd., the new concessionaire. Accordingly, provision for Diminution of Rs. 5,252.07 lacs in Investments is booked by debentures issued by Bansal Pathways (Mangawan- Chakghat) Pvt Ltd. are repayable at par after 25 years from receipt of debentures.
- The total principal outstanding of IIFCL in MEP Nagpur Ring Road 1 Private Limited of Rs 10,087.84 lacs as on 31.03.2021 has been taken over by Bansal Pathways Nagpur Ring Road 1 Private Limited in the form of term loan of Rs 2811.84 lacs and debentures of Rs 7,276 lacs carrying a coupon rate of 0.01%. Accordingly, provision for Diminution of Rs. 5,617.32 lacs is created on the debentures.
- IIFCL principal outstanding amount in MEP Nagpur Ring Road 2 Private Limited of Rs 11,184.00 lacs as on 31.03.2021 has been taken over by Bansal Pathways Nagpur Ring Road 2 Private Limited in the

form of debentures of Rs 11,184.00 lacs carrying a coupon rate of 0.01%. Accordingly, provision for Diminution of Rs. 7,191.02 lacs is created on the debentures.

c. Disclosures of Investment and Security Receipt as on 31st March 2022:

(` In Lac)

	Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i)	Book value of SRs backed by NPAs sold by the bank as underlying	29,394.87	3,030.68	-
	Provision held against (i)	-	-	-
(ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
	Provision held against (ii)	-	-	-
	Total (i) + (ii)	29,394.87	3,030.68	**-**

21. During the year, the Company has sent letters requesting submission of confirmation of balances to Statutory Auditors by Borrowers as on 31st December 2021 and banks, parties etc.. Some of the balances appearing under Infrastructure Loans, Borrowings and Other Debit and Credit Balances as on 31st March 2022 are subject to confirmation and reconciliation and in the opinion of management, no material impact of such confirmation and reconciliation and also on account of pending resetting of interest rates in some of the cases on financial statements is anticipated. Borrowers with outstanding balance aggregating ` 30,89,708.73 lac (Previous year ` 26,11,559.83 lac) (Excluding NPA Accounts) on 31st December 2021 representing 94.56% (Previous year 87.08%) of outstanding amount. Banks and other parties with material outstanding amounts have also given confirmations of outstanding amount of debit/credit as on 31st March 2021 as mentioned hereunder:

	FY 2021-22		**FY 2020-21**	
Particulars	**Balance Confirmation Amount(` in lacs)**	**% of Balance Confirmed**	**Balance Confirmation Amount(` in lacs)**	**% of Balance Confirmed**
Borrowings from Foreign Institutions	15,62,850.67	100%	15,43,515.33	100%
Overdraft Facility from Banks	5,18,811.04	100%	5,77,550.63	100%
Investment in Venture Capital Units	930.07	100%	1,644.68	100%
Investment in Security Receipts	32,425.97	100%	45,827.13	100%
Investment in Fixed deposits	7,71,546.12	100%	10,17,714.50	100%
Investment in Bonds/Government Securities (in dematerialization form)	529,760.00	100%	529,760.00	100%
Investment in Mutual Funds	28,453.29	100%	26,632.85	100%

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

a) Breakup of various heads of expenses included in CSR expenditure:

(` In Lac)

S.No.	Name of the Organization	Project Details	Year Ended 31st March 2022	Year Ended 31st March 2021
01	M/s Apeksha Homeo Society (AHS)	Creation of drop out free zone in selected districts of Maharashtra	6.00	-
02	M/s Solar Energy Corporation of India (SECI)	Distribution of Solar lanterns in backward districts of India	9.81	-
03	Transferred to UCSRA		269.85	-
04	Administrative Expenses		0.12	-
	Total		**285.78**	**-**

b) Additional disclosure in respect of CSR expenditure:

i. Gross amount required to be spent by the company during the Year Ended 31st March 2022- ` 2.86 lacs (` Nil lac as on 31st March 2021).

ii. Amount spent during the year ended:

(` In Lac)

Particulars	Year Ended 31st March 2022			Year Ended 31st March 2021		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i) Construction/ Acquisition of any Asset	-	-	-	-	-	-
(ii) On purpose other than (i) above#	15.93	-	**15.93**	-	-	-
Total	15.93	-	**15.93**	-	-	-

#The amount of Rs. 269.85 lacs has been transferred to the UCSRA.

iii. Shortfall at the end of the year – Rs. 269.85 lacs (The amount has been transferred to the UCSRA)

iv. Total of previous year shortfall – Nil

v. Reason for shortfall: IIFCL's CSR budget has significantly reduced during the last few years. Accordingly, an amount of Rs. 269.85 lacs from the CSR budget of IIFCL for FY2021-22 was strategically transferred to UCSRA (in compliance to provisions mentioned in Companies Act 2013) to support the ongoing long duration CSR projects of IIFCL, which were sanction in previous Financial Years.

vi. Nature of CSR expenditure : Development projects in compliance to schedule VII of the Companies Act 2013.

vii. Details of related party transaction eg. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standards : Nil

viii. Where a provision is made with respect to liability incurred by entering into a contractual obligation, the movement in the provision during the year shall be shown separately : Nil

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

(`in lac)

Particulars	Year Ended 31st March 2022		As on 31st March 2021	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities side:				
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	14,88,997.24		14,88,997.24	
: Unsecured	5,10,000.00		3,60,000.00	
(other than falling within the meaning of public deposits)				
(b) Deferred Credits				
(c) Term Loans	15,62,850.67		15,43,515.33	
(d) Inter-corporate loans and borrowing				-
(e) Commercial Paper				-
(f) Other Loans (short term bank loan)	5,18,811.04		5,77,550.63	-

Assets side:	Amount outstanding	
	Year Ended 31st March 2022	As on 31st March 2021
(2) Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:		
(a) Secured	22,98,813.02	24,48,376.64
(b) Unsecured	16,37,821.06	12,21,883.33
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating leas0065	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Investments:		
Current Investments:		
1. Quoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-

(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted:		
(i) Shares: (a) Equity (b) Preference	- -	- -
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
Long Term investments:		
1. Quoted:		
(i) Shares: (a) Equity (b) Preference	- -	- -
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted:		
(i) Shares: (a) Equity (b) Preference	68,081.97	49,141.34
(ii) Debentures and Bonds	24,538.00	19,864.00
(iii) Units of mutual funds	28,453.29	26,632.85
(iii) Government Securities	529,760.00	529,760.00
(iv) Others (advance against equity share capital)(Investment in venture capital units)	930.07	1,644.68
(v)Investment in security receipts	32,425.97	45,827.13
Total	**46,20,823.38**	**43,43,129.97**

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

Category	**Amount net of provisions (As on 31st March 2022)**		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	19,98,609.83	16,16,039.21	36,14,649.04
Total	**19,98,609.83**	**16,16,039.21**	**36,14,649.04**
Category	**Amount net of provisions (As on 31st March 2021)**		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	20,59,405.55	12,07,007.78	32,66,413.33
Total	20,59,405.55	12,07,007.78	32,66,413.33

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)			
Category	Amount net of provisions (As on 31st March 2022)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	62,905.95	62,905.95
(b) Companies in the same group	-	28,453.29	28,453.29
(c) Other related parties	-	-	-
2. Other than related parties	-	984.98	984.98
Category	Amount net of provisions (As on 31st March 2021)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	43,965.32	43,965.32
(b) Companies in the same group*	-	26,632.85	26,632.85
(c) Other related parties	-	-	-
2. Other than related parties	-	984.98	984.98

(7) Other information		
Particulars	As on 31st March 2022	As on 31st March 2021
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	3,63,177.58	5,10,043.88
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	1,35,288.05	1,97,718.01
(iii) Assets acquired in satisfaction of debt	Nil	Nil

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

24.1 Capital

(` in lac)

Particulars	As at 31st March 2022	As at 31st March 2021
Tier I Capital	11,39,675.93	10,91,914.54
Tier II Capital	51,283.73	39,938.00
Total Capital	11,90,959.65	11,31,852.54
Total Risk Weighted Assets	**41,02,698.13**	**36,67,338.97**
Capital Ratios		
Tier I Capital as Percentage of Total Risk Assets (%)	27.78	29.77
Tier II Capital as Percentage of Total Risk Assets (%)	1.25	1.09
Total Capital (%)	**29.03**	**30.86**
Liquidity Coverage Ratio (LCR)	1295.67%	4375.31%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

24.2 Investments

(` in lac)

S.No.	Particulars	For the Year ended 31st March 2022	For the year ended 31st March 2021
1	Value of investments		
(i)	Gross value of investments	6,84,189.30	6,72,870.00
(a)	In India	6,23,008.36	6,30,629.68
(b)	Outside India	61,180.95	42,240.32
(ii)	Provisions for depreciation		-
(a)	In India	22,173.36	16,551.64
(b)	Outside India	-	-
(iii)	Net value of investments	6,62,015.94	6,56,318.37
(a)	In India	6,00,834.99	6,14,078.05
(b)	Outside India	61,180.95	42,240.32
2	Movements of provisions held towards depreciation of investments		
(i)	Opening balance	16,551.64	17,201.01
	Add: Provisions made during the year	12,808.34	-
	Less: Write off/Write back of excess provisions during the year	7,186.62	649.37
	Closing balance	22,173.36	16,551.64

24.3 Derivatives

24.3.1 Forward Rate Agreement/ Interest Rate Swap

(` in lac)

S.No.	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
1	The notional Principal of swap agreements	8000.00	8000.00
2	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
3	Collateral required by the NBFC upon entering into swaps	-	-
4	Concentration of credit risk arising from the swaps	-	-
5	The fair value of the swap book	350.82	876.74

24.3.2 Risk Exposure in Derivatives:

Qualitative Disclosure

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

a) IIFCL undertakes derivative transactions to mitigate currency and interest rate risk of foreign currency borrowings. The company has put in place the Hedging Policy which forms a part of Resource and Treasury policy duly approved by Board of Directors. The company's derivative transactions are governed by this policy which outlines the instruments which would be used for hedging as per the underlying liabilities.

b) IIFCL undertakes derivative transaction for purpose of hedging and mitigating interest rate and currency risks (Market risk) arising on Foreign currency borrowings.
c) IIFCL undertakes derivative transactions for the purpose of hedging exchange and interest rate risk of foreign currency borrowings and not for any other purpose. The terms of Derivative transactions match with the corresponding underlying (Liabilities) for continuous effectiveness. The said effectiveness is ascertained at the time of inception of hedge through matching term concept.
d) IIFCL reports the status of derivative transaction and their MTM to Senior Management on monthly basis and to the Board of Directors on Half Yearly basis. Further the MTM is being independently monitored by R&T Advisors of IIFCL on Half Yearly basis.
e) Exchange traded Interest Rate Derivatives on IIFCL Books are Nil.
f) IIFCL undertakes Cross Currency Interest Rate Swap to hedge its Foreign Currency exposures. The figures shown in Quantitative disclosure cannot be segregated since the deals are booked on a consolidated basis for principal and Interest cash flows.
g) The accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation is disclosed in Accounting Policy 1(A)(5.2)
h) As per Resources & Treasury Policy, approved for each financial year by the Management & Investment Committee of the Board of Directors, IIFCL shall keep its position hedged between 65-70% of the total exposure. Further the exchange fluctuation difference of the open position net of with the saving of forward premium should not breach 10% of the net worth of the company at any point of time. Further if rupee depreciates 5% or more within the financial year on portfolio basis, IIFCL would keep its position hedged at approx. 75%.

Risk Management Structure

a) IIFCL manages risk as per Integrated Risk Management Framework duly approved by the Board of Directors. Besides, Resources and Treasury policy of IIFCL is approved by Management and Investment committee of the Board annually. These framework policy, provide the guiding parameters based on which IIFCL takes decisions for managing the Currency Risk that it is exposed to on account of foreign currency loan.
b) IIFCL has also constituted Board Level Risk Management Committee & Board level Asset Liability Management Committee (ALCO Committee) for strengthening the risk management in the business operations. ALCO monitors liquidity & interest rate risks which includes periodic analysis of short term and long term liquidity profile of asset receipts and debt service obligations. Derivative transactions include cross currency swaps and currency swaps to hedge liabilities. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

Type of Risks Involved

i. Credit Risk - Credit risk involves the risk of loss arising from the diminution in credit quality of a borrower along with the risk that the borrower may default on contractual repayments under a loan or an advance. IIFCL has Integrated Risk Management Framework to manage credit risk in infrastructure lending.
ii. Market Risk - Market risk is the risk of loss due to adverse changes in the market value (the price) of an instrument or portfolio of instruments. Market risk comprises of currency risk and Interest rate risk. Currency risk arises on account of any change/ fluctuation in exchange rate between rupee and foreign currencies. The interest rate risk exposure is mainly from changes in interest rates over the period of time. IIFCL faces market risks and interest rate risks as a part of its business activity.

iii. Liquidity Risk - Liquidity risk is the risk of loss due to failure of the institution to meet funding requirements or execute a transaction utilizing funds borrowed at reasonable price. Thers may be market liquidity risk or funding liquidity risk. IIFCL manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of combined credit lines.

iv. Operational Risk - Operational risk is the risk of loss occurring as a result of inadequate system and control, deficiencies in information system, human error or a management failure. The operational risk management policy of IIFCL seeks to manage the operational risks.

Quantitative Disclosures

(` in Lac)

S.No.	Particulars	For the Year Ended 31st March 2022		For the year ended 31st March 2021	
		Currency derivatives	Interest Rate derivative	Currency derivatives	Interest Rate derivative
(i)	Derivatives (Notional Principal Amount)	10,37,924.27	10,37,924.27	9,00,794.88	9,00,794.88
	For hedging	10,37,924.27	10,37,924.27	9,00,794.88	9,00,794.88
(ii)	Marked to Market positions(1)	84,931.08	84,931.08	60,487.04	60,487.04
	a. Asset (+)	91,394.17	91,394.17	63,041.57	63,041.57
	b. Liability(-)	(6,463.09)	(6,463.09)	(2,554.53)	(2,554.53)
(iii)	Credit Exposures	-	-	-	-
(iv)	Unhedged Exposures	4,40,064.23	4,40,064.23	5,61,703.52	5,61,703.52

24.4 Disclosures relating to Securitization

Details of Financial Assets sold to Securitization/ Reconstruction Company for Asset reconstruction:

(` in Lac)

S.No.	Particulars	For the Year Ended 31st March 2022	For the year ended 31st March 2021
(i)	No. of Accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC/ RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate (gain)/loss over net book value	-	-

24.5 Details of Non- performing Financial Assets sold:

(` in Lac)

S.No.	Particulars	For the Year Ended 31st March 2022	For the year ended 31st March 2021
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate consideration received	-	-

24.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March 2022:

(` in lac)

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3months	Over 3 months to 6 months	Over 6 Months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	1,55,022.58	275000.00	88,788.46	-	-	-	-	-	5,18,811.04
Market Borrowings	-	-	-	-	1,64,306.29	5,45,354.45	791.10	1288545.4	19,98,997.24
Assets									
Receivables under financing activity	1,04,593.75	49,241.82	1,55,336.08	1,12,026.36	3,32,035.52	13,50,338.29	12,06,948.51	19,93,922.53	52,25,400.13
Investment	-	-	-	-	-	-	-	5,29,760.00	5,29,760.00
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	3,397.00	-	29,610.28	8,232.36	41,859.24	1,88,916.36	2,02,649.19	10,88,186.24	15,62,850.67

Maturity pattern of certain items of assets and liabilities as at 31st March 2021:

(` in lac)

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3months	Over 3 months to 6 months	Over 6 Months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	5,77,550.63	-	-	-	-	-	-	-	5,77,550.63
Market Borrowings	-	-	-	-	-	4,09,660.74	3,00,791.10	11,38,545.40	18,48,997.24
Assets									
Receivables under financing activity	23,885.70	19,483.89	1,54,191.10	1,90,476.50	3,66,989.00	13,48,482.01	7,25,595.02	24,23,274.79	52,52,378.00
Investment	-	-	-	-	-	-	-	5,29,760.00	5,29,760.00
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	3,520.92	-	22,421.89	7,597.69	34,094.28	1,73,176.35	1,91,428.70	11,11,275.49	15,43,515.34

24.7 Exposures

24.7.1 Exposure to Real estate sector

The Company does not have any direct or indirect exposure to the real estate sector as at 31st March 2022 (previous year Nil).

24.7.2 Exposure to Capital Market:

(` in lac)

S.No.	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs),convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	930.07	1,644.68

24.8 Additional Disclosures: Provisions and Contingencies

(` in Lac)

S.No.	Breakup of Provisions and Contingencies reflected in Statement of Profit & Loss	For the Year Ended 31st March 2022	For the year ended 31st March 2021
(i)	Provision towards NPA	2,27,889.54	3,12,325.87
(ii)	Provision for income tax (including deferred tax)	7,587.21	3,015.12
(iii)	Provision for Standard Assets (including restructured accounts & SDR accounts)	92,693.40	90,149.31

24.9 Concentration of Advances, Exposure and NPAs:

(i) Concentration of Advances

(` in lac)

Particular	For the Year Ended 31st March 2022	For the year ended 31st March 2021
Total Advances to twenty largest borrowers	24,36,226.13	21,55,342.24
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	61.91%	58.75%

(ii) Concentration of Exposure

(` in lac)

Particular	For the Year Ended 31st March 2022	For the year ended 31st March 2021
Total Exposure to twenty largest borrowers	24,36,226.13	21,55,342.24
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	61.91%	58.75%

(iii)Concentration of NPAs

(` in Lac)

Particular	For the Year Ended 31st March 2022	For the year ended 31st March 2021
Total Exposure to top four NPA accounts	1,41,051.09	1,65,927.36

(iv) Sector- wise NPAs

S.No.	Sector	% of NPAs to Total Advances in that sector	
		For the Year Ended 31st March 2022	For the year ended 31st March 2021
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	9.22%	13.90%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

(v) Movement of NPAs:

(` in Lac)

S.No.	Particular	For the Year Ended 31st March 2022	For the year ended 31st March 2021
(i)	Net NPAs to Net Advances (%)	3.44%	5.39%
(i)	Net NPAs to Gross Advances (%)	3.65%	5.89%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	5,10,043.88	6,62,307.29
	(b) Additions/reversal during the year	63,526.39	54,979.25
	(c) Reductions/write off during the year	2,10,392.69	2,07,242.66
	(d) Closing balance	3,63,177.58	5,10,043.88
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,97,718.20	3,27,832.88
	(b) Additions/reversal during the year	37,757.57	23,784.91
	(c) Reductions during the year	1,00,187.73	1,53,899.59
	(d) Closing balance	1,35,288.05	1,97,718.20
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	3,12,325.68	3,34,474.41
	(b) Provisions made during the year	25,768.82	31,194.34
	(c) Write off/ write- back of excess provisions	1,10,204.96	53,343.07
	(d) Closing balance	2,27,889.54	3,12,325.68

24.10 Customer Complaints

S.No.	Particular	For the year ended 31st March 2022	For the year ended 31st March 2021
(a)	No. of complaints pending at the beginning of the year	0	0
(b)	No. of complaints received during the year	821	828
(c)	No. of complaints redressed during the year	821	828
(d)	No. of complaints pending at the end of the year	0	0

24.11 Additional Disclosures

S.No.	Disclosure	Comment
(i)	Registration/ license/authorization obtained from other financial regulator	Corporate Identification No. U67190DL2006GOI144520 obtained from Ministry of Corporate Affairs
(ii)	Ratings assigned by credit rating agencies and migration of ratings during the year	AAA stable assigned by various Rating agencies for domestic bonds issued by company. International Credit Rating of the company for 2020-21 is S&P BBB – There is no migration of rating during current year 2020-21.
(iii)	Penalties, if any, levied by any regulator	Nil
(iv)	Information viz., area, country and joint venture partners	
	(a) Joint Ventures	None
	(b) Overseas Subsidiary	IIFC (UK) Ltd. wholly owned subsidiary of company operates from London, United Kingdom and undertakes financing infrastructure projects in India,

24.12 Disclosure of Restructured Accounts

S. No.	Type of Restructuring		Under CDR Mechanism	Under SME Debt Restructuring Mechanism	Others (` in lac)					Total (` in lac)				
	Asset Classification		Total	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
	Details													
1	Restructured Accounts as on 01.04.2021	No. of borrowers	-	-	4	1	16		21	4	1	16		21
		Amount outstanding	-	-	45,781.58	13,591.57	90,338.11		1,49,711.26	45,781.58	13,591.57	90,338.11		1,49,711.26
		Provision thereon	-	-	4,991.95	2,718.31	67,907.00		75,617.26	4,991.95	2,718.31	67,907.00		75,617.26
2	Fresh restructuring during the FY 2020-21	No. of borrowers			6				6	6				6
		Amount outstanding			87,518.17				87,518.17	87,518.17				87,518.17
		Provision thereon			4,375.91				4,375.91	4,375.91				4,375.91
3	Upgradations to restructured standard category during the FY 2020-21	No. of borrowers												
		Amount outstanding												
		Provision thereon												
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY 2020-21	No. of borrowers												
		Amount outstanding												
		Provision thereon												
5	Down gradations of restructured accounts during the FY 2020-21	No. of borrowers												
		Amount outstanding												
		Provision thereon												
6	Write offs/Prepayment of restructured accounts during the FY 2020-21	No. of borrowers												
		Amount outstanding												
		Provision thereon												
7	Restructured Accounts as on 31.03.2022(closing figures)	No. of borrowers			10	1	16		27	4	1	16		21
		Amount outstanding			132082.39	13591.57	90338.11		236012.07	132082.39	13591.57	90338.11		236012.07
		Provision thereon			9236.16	2718.31	67907		79861.47	9236.16	2718.31	67907		79861.47

24.13 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of Joint Venture/Subsidiary	Other Partner in the JV	Country	Total Assets (Amount in $)
IIFC (UK) Ltd.	None	United Kingdom	Nil. IIFCL does not hold any overseas assets with IIFC (UK) Ltd.

25. Capital management:

In reference to the disclosure regarding Capital Management as per requirement of Para 134-136 of Ind AS 1, presentation of Financial Statement, it is mentioned that IIFCL being a Non-Banking Financial Company-Infrastructure Finance Company (NBFC-IFC), IIFCL is required to maintain capital, referred to as owned funds, as per RBI Regulations.

As per RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Owned Fund means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Government of India has infused capital in IIFCL from time to time. This has enabled IIFCL to comply with capital requirements stipulated by RBI. Moreover, IIFCL considers distribution of dividend taking into account impact on capital i.e. net owned funds subject to the directions of Government of India. No changes were made in the objectives, policies or processes w.r.t. capital management during the reporting years.

26. Department of Investment & Public Asset Management (DIPAM), Ministry of Finance, vide their Office Memorandum (OM) F. No. 5/1/2016-Policy dated 27th May 2016 issued "Guidelines on Capital Restructuring of CPSEs". The guidelines provide for payment of Dividend, issue of Bonus Shares, Buyback of Shares and Splitting of Shares by PSUs. The Guidelines for issue of Bonus Shares and Splitting of Shares are not applicable to IIFCL.

As per Guidelines of Payment of dividend, IIFCL was required to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions. However, IIFCL vide letter dated 21st September 2016 had requested Government for exemption from payment of dividend for at least 3 years which amounts to ` 36,323.41 lacs in FY 2015-16, ` 37,119.74 lacs in FY 2016-17, ` 31,995.93 lacs in FY 2017-18 and ` 23,442.79 lacs in FY 2018-19 and ` 51,528.90 in FY 2019-20. Further, IIFCL vide letter dated 19th September 2019 had requested Government for exemption from payment of dividend atleast upto FY 2021-22. The payment of dividend of FY 2020-21 amounts to ` 53,272.35 lacs. The reply of IIFCL's Letter is awaited. Further, as per RBI circular RBI/2021-22/59, DOR.ACC.REC.No.23/21.02.067/2021-22 that provides a minimum requirement that a NBFC has to declare dividend if its NNPA is less than 6% in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared

As per these guidelines of Buy Back of shares, every CPSE having net worth of at least Rs. 2000 crore and Cash and Bank balance of Rs. 1000 crore shall exercise the option to buy back shares. Further, IIFCL vide letter dated 18th September 2019 had requested Government for exemption from payment of dividend and buy back of shares at least up to FY 2021-22. The reply of IIFCL's Letter is awaited.

27. During the course of Statutory Audit for FY 2021-22, the auditors have indicated as under:

Investment in India Infrastructure Finance Company (UK) Limited, a subsidiary Company, has been valued by the Company at carrying cost i.e., Rs. 611.80 Lakhs. As perused from the financial statements of the Subsidiary Company, net worth of the Subsidiary Company in UK has been completely eroded. As explained to us, financial statements of the Subsidiary Company have been prepared under Indian Accounting Standard (Ind AS) and huge provisions have been created under Expected Credit Loss Model. In the opinion of the Management, the financial statements of the subsidiary Company in UK are prepared on going concern basis and as explained to us, assessment of the fair value of the Investment in the subsidiary company in UK cannot be ascertained. Therefore, in absence of the fair valuation of the Investment in the Subsidiary Company i.e., IIFC UK, we are unable to offer any comment upon the impact of the impairment, if any, on the Statement of Profit and Loss Account, the reserve and the Investment (Amount unascertained).

Management Reply:

It is submitted that India Infrastructure Finance Company (UK) Limited (IIFC(UK)) do not have any regulatory requirement to maintain capital at a specified level. However, IIFCL infused equity of USD 50 million in IIFC(UK) during FY 2008 to FY 2010. IIFC(UK) declared dividend of USD 30 million in FY2012-13 and USD 20 million in FY 2015-16 aggregating to USD 50 million. IIFCL had further infused equity share capital of USD 25 million in FY 2019-20 and subsequently USD 25 million in FY 2021-22 in IIFC (UK) Ltd..

Further, IIFCL undertook deep provisioning and cleaning of its loan book as a result of:

• Issuance of RBI circular dated 12th February 2018 (Resolution of Stressed Assets – Revised Framework) resulting in withdrawal of all scheme like Framework for Revitalizing Distressed Assets, CDR, Flexible Structuring of Existing Long Term Project Loans, SDR, Change in Ownership outside SDR, and S4A;

• Implementation of Insolvency and Bankruptcy Code resulting in NPA cases being mandatorily referred to NCLT for resolution in a time bound manner.

Similar deep provisioning and cleaning of the loan book was undertaken at IIFC(UK) in FY 2018-19 on the lines of IIFCL. This resulted in erosion of net worth of IIFC(UK).

IIFCL is intending to provide fresh capital to IIFC(UK) by way subscribing to equity capital of IIFC(UK) of upto USD 250 million over a period of 10 years out of which USD 50 million already subscribed during FY 2019-20 and FY 2021-22 as mentioned above.

Further, IIFC (UK) Ltd. has posted Profit after Tax (PAT) amounting USD 9.26 million, USD 4.99 million and USD 16.37 million in FY 2019-20, FY 2020-21 and FY 2021-22 respectively. Further, the Net worth of IIFC(UK) Ltd. as on 31st March 2022 stands at USD 2.61 million.

IIFCL has not recognized erosion of Equity Share Capital held in IIFC(UK) Ltd. as loss, considering IIFC(UK) Ltd. as a going concern entity and loss incurred by company not being permanent.

28. Pursuant to policy no. 1(A)(5.2(A)(a)) Upfront Fee, professing fee or any other fee directly attributable to loan assets not exceeding 0.5% of total income are initially recognized on accrual basis in Statement of Profit & Loss.

29. IIFCL had participated in part funding the project for Six laning of existing four lane Barwa Adda – Panagarh section of NH-02 from Km 398.240 to Km 521.120 (in the state of Jharkhand and West Bengal toll basis under NHDP Phase V. The promoters of the project i.e. IL&FS and its group companies are in NCLT and Hon'ble NCLAT by its order dated October 15, 2018 inter alia stayed the institution of any suit or proceedings against IL&FS and its group companies and imposed a moratorium on the payment of dues to lenders. Presently, the company has approached the consortium with restructuring plan. Lenders are deliberating on the terms and conditions of restructuring.

30. IIFCL has been allotted Built up space (Commercial Area, Residential Area and Parking Slots) at Kidwai Nagar by NBCC Ltd. on leasehold basis. As per the terms of allotment, Stamp Duty, Registration Fee, GST on sale Consideration/other allied charges, Ground Rent and Property Tax are to be paid as and when demanded by NBCC.

31. Deferred tax Liability on Special Reserve - The Company has passed a Board resolution in the meeting of Board of Directors held on 26th May 2022 that it has no intention to withdraw any amount from the Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961. Accordingly, the Special Reserve created and maintained is not capable of being reversed. Accordingly, IIFCL has reversed the Deferred Tax Liability of Rs. 36,730.41 lacs as on 31st March 2022 and does not create deferred tax liability on the said reserve.

32. IIFCL vide letter dated 22nd July 2021 requested RBI to provide clarification on inclusion of investment by way of bonds / debentures in the definition of infrastructure lending. RBI, vide letter dated 22nd September 2021, clarified that Investment including refinancing by way of subscription to bonds /debentures for infrastructure projects, whether in project under implementation or completed projects, shall be considered as Infrastructure Lending for the purpose of deployment of minimum 75% of total assets by IIFCL towards Infrastructure Loans.

During the financial year ended 31st March 2022, the company has subscribed to Bonds of Infrastructure Projects, amounting to Rs. 97,500.00 lacs (Previous Year Nil). These form a part of the Company's infrastructure financing activities and have been classified under Loans and Advances. IIFCL believes that this classification results in a better presentation of the substance of these receivables and also aligns with the clarification received from Reserve Bank of India.

33. Government of India vide letter dated 9th February 2012 informed IIFCL that it has been decided that the equity of National Industrial Corridor Development Corporation Limited (NICDC) erstwhile Delhi Mumbai Industrial Corridor Development Corporation Limited (DMICDC) to the extent of 41% will be acquired by IIFCL, notwithstanding that IIFCL is not mandated to acquire equity share as per SIFTI, Scheme for Financing Viable Infrastructure Projects, under which IIFCL carries out its activities. Subsequent to the further infusion in the equity of NICDC, of the shareholding of IIFCL was changed to 4.1% in FY 2012-13. Accordingly, IIFCL has valued the investment at cost.

34. In accordance with the Guidelines relating to COVID-19 Regulatory Package dated 27th March 2020 and 17th April 2020, the RBI allowed Commercial banks, Co-operative banks, Financial institutions and NBFCs to grant a 3-month moratorium on payment of instalments of all term loans which were standard assets as on 29th February 2020. The objective was to help alleviate the hardship of borrowers which was brought on by the national lockdown. The moratorium was initially granted for three months on payment of all instalments, including principal/ or interest components etc. falling due between 1st March 2020 and 31st May 2020. On 22nd May 2020, RBI extended this moratorium period by 3 months i.e. up to August 31, 2020. Interest continued to accrue on the outstanding portion of the loan during the moratorium period. For all accounts where the moratorium was granted, the ageing of accounts remained stand still during the moratorium period. Lenders were required to put in place Board approved policy prior to offering their customers the moratorium. Lenders have adopted different methods in offering the moratorium either an 'opt-in' or 'opt-out' structure.

IIFCL has extended Moratorium for payment of Interest and Principal in eligible cases of Term Loans granted, for the period March 2020 to August 2020 in accordance with RBI Circulars. The repayment of the facility created, in such cases have been stipulated within the repayment period of the Original Term Loan. During Year Ended 30th September 2020, IIFCL recognized deferred interest income in moratorium loan cases without treating the same as restructuring in terms of direction no DCB.BPD (PCB) MC No. 12/09.14.000/2015-16 dated July 1, 2015. IIFCL vide letter dated 12th November 2020 requested RBI to guide that the recognition of interest income by IIFCL is in line with regulatory conformity. RBI reply in this regard is still awaited. Consequently as on 31st March 2021, IIFCL has conservatively deferred recognition of unrealized interest income of Rs. 45,914.50 lacs for moratorium period on moratorium loan cases till realization subsequently.

During the year ended 31st March 2022 IIFCL has received repayments amounting Rs. 6,045.94 lacs.

35. In accordance with the instructions of RBI Circular dated 07.04.2021 on "Asset Classification and Income Recognition following the expiry of Covid 19 regulatory package", the Bank shall refund/adjust 'interest on interest' charged to all borrowers including those who had availed of working capital facilities during moratorium period i.e. 01.03.2020 to 31.08.2020, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount to be refunded/adjusted for different facilities has been finalized by the Indian Bank Association (IBA) in consultation with other industry participants/bodies, for adopting by all the lending institutions. Accordingly, IBA vide its letter dated 19.04.2021 has informed methodology finalised for refund/adjustment as per Supreme Court judgement. Accordingly, IIFCL has not recognised the estimated amount of interest on interest income of Rs.2,500 lacs during the year ended on 31st March 2021. The credit of the interest income is yet to be given to the borrowers.

36. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate (Ind AS 12) :

(` in lacs)

Particulars	31st March 2022	31st March 2021
Profit before Tax	59,012.76	31,542.57
Statutory Income Tax Rate	25.17%	25.17%
Expected Income Tax Expense	14,852.33	7,938.63
Tax Effect of Income Tax Adjustment:		
Benefit of Deduction u/s 36(1) of Income Tax Act	-	-
Net Provisions Disallowed	(20,610.64)	(11,283.98)
Non- allowability of Income Tax	6,080.66	21,925.02
Income tax Earlier Years	(2,184.42)	-
Others	(322.36)	(33,625.35)
Deferred Tax	(5,402.78)	12,030.53
Tax Expense	**(7,587.21)**	**(3,015.14)**

37. Fair value measurement hierarchy of financial assets and liabilities measured at amortized cost/Fair Value:

a. Fair Value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived form prices)

Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

(` in lacs)

Particulars	31.03.2022		
	Level 1	Level 2	Level 3
Financial Asset:			
Amortised Cost	-	-	54,41,778.80
FVTPL	-	60,879.26	93,752.63
Financial Liability:			
Amortised Cost	19,98,997.24	-	21,57,686.03

Particulars	31.03.2021		
	Level 1	Level 2	Level 3
Financial Asset:			
Amortised Cost	-	-	53,44,278.42
FVTPL	-	72,459.98	71,496.83
Financial Liability:			
Amortised Cost	18,48,997.24	-	21,93,416.08

b. Fair value of financial assets and liabilities that are measured at amortized cost:

(` in lacs)

Particular	31.03.2022		31.03.2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets	55,96,410.69	55,96,410.69	53,44,278.42	53,44,278.42
Financial Liabilities	41,56,683.27	41,56,683.27	40,42,413.32	40,42,413.32

38. Detail of Stage wise Exposure and Impairment Loss

(` in lacs)

Particular	Stage 1	Stage 2	Stage 3	Total
As on 31st March 2022				
Total Exposure	34,72,279.25	97,694.24	3,63,177.58	39,33,151.08
Impairment Allowance	53,064.75	39,628.65	2,27,889.54	3,20,582.94
ECL%	1.53%	40.56%	62.75%	8.15%
As on 31st March 2021				
Total Exposure	30,03,616.43	1,47,594.66	5,10,043.88	36,61,254.97
Impairment Allowance	39,938.19	50,211.11	3,12,325.87	4,02,475.18
ECL%	1.33%	34.02%	61.24%	10.99%

39. Disclosure for Reconciliation of Provisions as per IRACP norms and Stage wise Expected Credit Loss:

(` in lacs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
-1	-2	-3	-4	(5)=(3)-(4)	-6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	34,72,279.25	53064.75243	34,19,214.50	22,358.65	30,706.11
	Stage 2	97,694.24	39628.6525	58,065.59	629.07	38,999.58
	FITL	4,038.15	4,038.15	-	4,038.15	-
Subtotal		35,74,011.65	96,731.56	34,77,280.09	27,025.87	69,705.69
Non-Performing Assets (NPA)						
Substandard	**Stage 3**	63,526.39	25768.82	37,757.57	6352.64	19,416.18
Doubtful - up to 1 year	Stage 3	11,620.14	4713.58	6,906.56	1,162.01	3,551.57
1 to 3 years	Stage 3	66,466.23	50385.14	16,081.09	19,523.01	30,862.13
More than 3 years	Stage 3	221564.83	147021.99	74,542.84	1,26,322.78	20,699.21
Subtotal for doubtful		2,99,651.20	2,02,120.71	97,530.49	1,47,007.80	55,112.91
Loss	**Stage 3**	0	0	0	0	0
Subtotal for NPA		**3,63,177.59**	**2,27,889.53**	**1,35,288.06**	**1,53,360.44**	**74,529.09**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income	Stage 1			0		0
	Stage 2			0		0
	Stage 3			0		0
Subtotal		**0**	**0**	**0**	**0**	**0**
	Stage 1	34,72,279.25	53,064.75	34,19,214.50	22,358.65	30,706.11
	FITL	4,038.15	4,038.15	-	4,038.15	-
	Stage 2	97,694.24	39,628.65	58,065.59	629.07	38,999.58
Total	**Stage 3**	3,63,177.59	2,27,889.54	1,35,288.05	1,53,360.44	74,529.10
	Total	**39,37,189.24**	**3,24,621.10**	**36,12,568.14**	**1,80,386.31**	**1,44,234.78**

40. Public disclosure on liquidity risk:

i. Funding Concentration based on significant counterparty (both deposits and borrowings) :

Sr. No.	Number of Significant Counterparties	Amount (₹ lacs)	% of Total deposits	% of Total Liabilities
1.	Asian Development Bank	10,97,295.83	-	26.89%
2.	World Bank	1,11,754.83	-	2.74%
3.	European Investment Bank	1,55,391.23	-	3.81%
4.	Japan International Cooperation Agency	1,85,282.61	-	4.54%

ii. Top 20 large deposits (amount in ₹ crore and % of total deposits) – NIL as IIFCL is registered to commence/carry on the business of non-banking financial institution without accepting public deposits.

iii. Top 10 borrowings (amount in ₹ crore and % of total borrowings) - ₹ 40,80,658.95 lacs and 100%.

iv. Funding Concentration based on significant instrument/product:

Sr. No.	Name of the instrument/product	Amount (₹ lacs)	% of Total Liabilities
1.	Secured Bonds	14,88,997.24	36.49%
2.	Unsecured Bonds	5,10,000.00	12.50%
3.	Foreign Currency Borrowings	15,62,850.67	38.30%
4.	Bank Overdraft/STL from Banks	5,18,811.04	12.71%

v. Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets -Nil

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets -NIL

(c) Other short-term liabilities as a % of Total public funds – NIL
Other short-term liabilities as a % of Total liabilities –16.94%.
Other short-term liabilities as a % of Total assets -13.45%.

vi. Institutional set-up for liquidity risk management:

IIFCL endeavours to maintain sufficient Liquidity to take care of its business requirements as per Resource and Treasury Policy of IIFCL. Further, the Liquidity Risk Management of IIFCL has undertaken through the Asset Liability Management Framework of IIFCL (ALM Policy) and the organizational setup for the same is as below:

- Board of Directors
- Risk Management Committee
- Asset-Liability Management Committee
- Risk Management Department
- ALM Support Group

Also, the Risk Management Committee, which reports to the Board and consists of Directors, Managing Director, Deputy Managing Director is responsible for overall risk faced by IIFCL including Liquidity Risk.

Further, IIFCL not only measures the liquidity positions on an ongoing basis but also examines how liquidity requirements are likely to evolve under different assumptions using following tools/techniques:

- Bucketing and Bucketing Assumptions
- Cash Flow Measurement – Structural Liquidity Report
- Dynamic Liquidity Report
- Interest Rate Risk
- Back Testing
- Limits Monitoring
- Stock Based Approach - Liquidity Ratios
- Liquidity Coverage Ratio (LCR)
- Stress Testing framework for Liquidity Risk
- Funding Strategy
- Currency Risk
- Contingency Funding Plan

41. Disclosure pertaining to Liquidity Coverage Ratio (LCR):

RBI vide circular dated November 4, 2019 issued the guidelines covering liquidity risk management for all non-deposit taking NBFCs with asset size of Rs.10,000 crore and above. The guidelines aim to maintain a liquidity buffer in terms of LCR by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for next 30 days. HQLA are defined by RBI as the liquid assets that can be readily sold or immediately convertible into cash at little/no loss of value or can be used as collateral to obtain funds in stress situations. As per the guidelines, the LCR requirement shall be binding on NBFCs from December 1, 2020. From December 1, 2020, the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024. Further, minimum LCR of 60% has been prescribed by RBI to be held as on December 1, 2021. As evident, currently IIFCL's liquidity coverage ratio is as per the regulatory limits of 60%.

LCR Disclosure Template									
		30-06-2021		30-09-2021		31-12-2021		31-03-2022	
	INR in Lacs	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	**Total High Quality Liquid Asset (HQLA)	3,13,715.23	3,13,715.23	2,13,667.08	2,13,667.08	5,21,582.00	5,21,582.00	5,61,778.39	5,61,778.39
Cash Outflows									
2	Deposits (for deposit taking Companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	3,533.06	4,063.02	1,04,559.90	1,20,243.89	-	-
5	Addition requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	3,322.51	3,820.89	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	391.40	450.11	2,910.52	3,347.10	1,382.00	1,589.30	50,000.00	57,500.00
6	Other Contractual funding obligations	13,674.99	15,726.24	3,357.75	3,861.41	48,251.48	55,489.20	13,010.86	14,962.49
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash Outflows**	14,066.39	16,176.35	13,123.84	15,092.42	1,54,193.38	1,77,322.39	63,010.86	72,462.49
Cash Inflows									
9	Secured Lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	23,434.11	17,575.58	25,831.31	19,373.48	25,273.86	18,955.40	29,996.81	22,497.61
11	Other Cash inflows	16.75	12.56	14,859.54	11,144.66	22,719.40	17,039.55	8,808.84	6,606.63
12	**Total Cash Inflows**	23,450.86	17,588.15	40,690.85	30,518.14	47,993.26	35,994.95	38,805.65	29,104.24
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	**Total HQLA**	3,13,715.23	3,13,715.23	2,13,667.08	2,13,667.08	5,21,582.00	5,21,582.00	5,61,778.39	5,61,778.39
14	**Total Net Cash Outflows**	4,044.09	4,044.09	3,773.10	3,773.10	1,41,327.44	1,41,327.44	43,358.25	43,358.25
15	**Liquidity Coverage Ratio(%)**	7,757.38	7,757.38	5,662.90	5,662.90	369.06	369.06	1,295.67	1,295.67

**- HQLA comprises of Cash, balance with bank, unencumbered portion of fixed deposits with banks

42. **The brief details regarding Fraud Loan Assets are as under:**

S.no	PROJECT NAME	DESCRIPTION
1.	M/s SEW LSY Highways Limited	IIFCL had sanctioned Rupee term loan of 240 crore and disbursed an amount of Rs. 89.45 Crore for part funding the total debt of Rs. 1700 crore for the project involving four laning of Delhi —Saharanpur — Yamunotri Section of SH 57 in the state of Uttar Pradesh. On the basis of findings of Forensic Audit Report, PNB (Lead Lender) declared the account as fraud on 27.03.2019 and requested other lenders to take appropriate action. Subsequent to declaration of captioned project account as fraud by Lead bank in May 2019, Lead Bank has filed a complaint/FIR, which is submitted and duly receipted by CBI on 19.08.2019. The matter was placed before the Board of Directors of IIFCL, in its meeting held on February 29, 2020, and the Board, resolved, inter-alia, to declare the account as fraud. Lenders had recalled their facility and filed recovery application in DRT, Hyderabad on 10.08.2017.
2.	M/s Ranchi Expressways Ltd.	IIFCL had sanctioned Rupee term loan of 140 crore and disbursed an amount of Rs. 126.04 Crore for part funding the project debt of Rs. 1151.60 Crore for the project involving four laning of Ranchi- Rargaon-Jamshedpur Section in the state of Jharkhand on BOT (Annuity) basis under National Highways Development Program Phase III. Hon'ble High Court, vide order dated 14.11.2017 directed Serious Fraud Investigation Office (SFIO) to inquire and ascertain whether the matter involves serious case of fraud which requires to be investigated. SFIO conducted the inquiry and submitted a report before the High Court. As per the report, the Borrower has diverted a total of Rs. 264.01 Crore meant for the project work. On the basis of findings /conclusion of SFIO Report, Hon'ble High Court ordered Central Bureau of Investigation (CBI) to investigate in the matter and CBI, Ranchi had filed an FIR on March 12, 2019 and the matter is under investigation. Forensic Auditor in its audit report has also observed that equity /unsecured loan were infused by the promoter through round tripping of funds. Also, Funds provided towards EPC advance /payments were not utilized for the project work. Further, equity/unsecured loan infused by the promoters were diverted to related companies. The same tantamount to diversion/siphoning of funds as per extant Regulatory guidelines. The matter was placed before the Board of Directors of IIFCL, in its meeting held on February 29, 2020, and the Board, resolved, inter-alia, to declare the account as fraud. Lenders had recalled their facility and filed recovery application in DRT, Hyderabad on 15.06.2020.
3.	M/s Reliance Communication Ltd.	IIFCL had sanctioned Rupee term loan of Rs, 250 crore and disbursed an amount of Rs. 248 Crore to the account to be deployed for creation

	(RCOM)	of assets in RCOM as part of capital expenditure forming integral part of the proposed assets to be created in Holding Company/Subsidiaries. Forensic Auditor in its audit report, has also observed that Borrowed Funds to the extent of Rs. 15,436 crores was misappropriated and is in non-compliance to the terms of sanction letters and considered as diversion of funds. Invoice financing /discounting was used for round-tripping of loans to and /or from related parties. In absence of supporting documents from the management, these transactions appeared to be misappropriation and can be classified as diversion of loan funds asper extant Regulatory guidelines. The matter was placed before the Board of Directors of IIFCL during its meeting held March 2021 and the Board resolved, inter-alia, to declare the account as fraud in line with SBI. The Company was referred under Corporate Insolvency Resolution Process (CIRP) and the CIRP commenced from 21.05.2018. IIFCL has filed its claim before the RP which are admitted under CIRP.
4.	JAS Infrastructure and Power Ltd	IIFCL had sanctioned Rupee term loan of Rs. 525.00 crore (disbursed Rs. 14.13 crores) for setting up 2X660 MW Coal based thermal power plant with supercritical Parameter Syria, Bank District, Bihar. The project was promoted by Abhijeet Power Ltd. and Corporate Ispat Alloys Ltd. The account slipped into Sub-standard category on 30.10.2013 with IIFCL, as during 2012, captive block allotted to the project appeared in the CAG report on coal block allocations in Aug, 2012. The forensic auditor in its report has stated inter-alia that the borrowed funds have been moved from the Borrower Company to group companies without creating any assets, siphoning of funds borrowed from Banks and Financial institutions utilized for the purposes other than that it was borrowed for etc. PNB (second largest lender) has declared the account as fraud and filed complaint with CBI in March 2019. The Board of IIFCL in its meeting held on June 29, 2020 has approved declaration of the account as fraud. Presently, project is admitted under NCLT, Kolkata and is under Liquidation stage.
5.	Topworth Tollways (Bela) Pvt. Ltd	IIFCL had sanctioned Term Loan of Rs. 40.00 crore for part funding the total debt of Rs. 315.74 cr for the project involving construction, development, maintenance and management of Satna to Bela Road (NH-75) in the state of' Madhya Pradesh Project. As the concessionaire failed to achieve milestones to complete the project. Concessioning Authority i.e. Madhya Pradesh Road Development Corporation (MPRDC) had issued Termination Notice to concessionaire on 11.05.2015 as per decision of Ministry of Road and Transport & Highways, New Delhi. Based on the Forensic Audit report, after due deliberations on the observation mentioned in the audit report and on non-submission of the required information, despite repeated follow up by the forensic auditors as well as the lenders, the consortium lenders decided to declare the account as Fraud. Accordingly, Lead Bank (Central Bank of India) had declared the account as fraud w.e.f. 07.12.2019 and

		reported the matter to RBI. Subsequently, IIFCL's Board of Directors in its meeting held on 21.12.2019 accorded approval for declaring the captioned project account as fraud. IIFCL had issued Recall notice to the Borrower Company on 26.09.2017 followed by filing of recovery suit in DRT Mumbai against the company in January 2019.
6.	Ind-Barath Power (Madras) Limited	IIFCL in consortium with PFC (lead lender) and REC has part funded Ind-Barath Power (Madras) Limited (IBPML) for setting up 1x 660 MW coal based thermal power project at Tuticorin, Tamil Nadu. IIFCL had sanctioned RTL of Rs 250 crore and disbursed Rs 89.24 crore in TRA Account maintained with Axis Bank. Funds from TRA had been diverted by the Borrower. Consortium had recalled the loan and filed a criminal complaint with EOW, Delhi Police on February 08, 2018, which is under investigation. The developments in the account have been reported to the Board of IIFCL at the meeting held on March 22, 2018 and instance of fraud was reported to RBI on March 28, 2018.
7.	Gangotri Jhabua Jobat Kukshi Tollways Pvt Ltd.	IIFCL had sanctioned and disbursed Rupee term loan of 39.11 crore for part funding the project promoted by M/s Gangotri Enterprises Ltd for carrying out two laning of Jhabua Jobat Kukshi section of road (State Highway-39) from km 0.00 km to 92.42 km (length of 95.00 km) on Build-Operate-Transfer (BOT) basis in the state of Madhya Pradesh. Forensic Auditor in its audit report had reported that the Borrower is not depositing the toll proceeds into the Escrow Account. IIFCL has taken up the matter of non-deposition of toll with Lead Bank and Authority viz., MPRDC. Lenders and MPRDC had also instructed the Borrower to strictly follow the provisions of Agreements failing which necessary action would be initiated against the Borrower. On account of the above non-compliance the account was declared as Fraud and reported to RBI in Feb 2020. IIFCL has filed recovery suit in DRT, New Delhi.
8.	Transstroy Obedullaganj Betul Tollways Pvt. Ltd.	IIFCL in consortium has part funded the project for Four Laning of Obedullaganj to Betul section of NH-69 in the state of Madhya Pradesh (MP) to be executed as BOT (Toll) . Forensic Auditor (M/s Sarath Associates) in its audit report, has observed that:- • The end use of the promoter's contribution and the bank loans totaling to Rs 453.48 crores could not be fully verified as the borrower had transferred entire funds to EPC contractor viz., Transtroy India Limited and the EPC contractor did not cooperate in providing the supporting documents for the expenses incurred by it against the Obdulagunj and Betul Road project. • An amount of Rs 90.93 crores were used in paying against the IDC charges. Rs 38.48 crores were claimed as expenses incurred at site but no supporting documents were provided in support of such expenses. Balance amount of Rs 324.07 crores could not be verified independently with any support documents. Based on the above observations, Lead Bank (central Bank of India)

		declared the captioned account as Fraud on 05.12.2020. Accordingly, in line with Lead Bank, IIFCL declared the captioned account as Fraud on 21/06/2021. The Joint recovery suit has been filed in DRT, Hyderabad in October 2017.
9.	Transstroy Hoskote Dobbaspet Tollways Pvt. Ltd.	IIFCL in consortium has part funded the project for Four laning of existing road on Hoskote- Dobbaspet Section of NH-207 in the state of Karnataka on DBFOT basis. Forensic Auditor (M/s Sarath Associates) in its audit report, has observed that:- • The EPC contractor (Transstroy India) failed to provide the records and supporting documents for the funds transferred by SPV as evidence of expenses incurred, inspite of repeated attempts for submission of the same during the Forensic Audit. Further, it also failed to justify the reasons why only 11.34% of the total project was completed against the 44.70% of the fund utilisation of the total project cost and the huge gap in fund utilisation vis-a-vis work completion. there is a possible diversion of funds by EPC contractor. Further there was no proper justification for the expenses incurred and also noncooperation in submitting the required information. Based on the above observations, Lead Bank (central Bank of India) declared the captioned account as Fraud on 17.03.2021. Accordingly, in line with Lead Bank, IIFCL declared the captioned account as Fraud on 21/06/2021. The Joint recovery suit has been filed in DRT, Hyderabad on 15.12.2018
10	Transstroy Bhopal Biaora Tollways Ltd.	IIFCL in consortium has part funded the project for Four laning of the Bhopal-Biaora section of National Highway no.12 in the State of Madhya Pradesh on toll basis. Forensic Auditor (M/s Sarath Associates) in its audit report, has observed that:- • Out of the total project estimated cost of Rs 711.59 crores , an amount of Rs. 499.92 crores which is equivalent to 70.25% was spent by the borrower, however only 43.15% of work was completed as per the LIE report. 18.64% of completion as certified by IE in the letter of MPRDCL. EPC contractor could not justify for the gap and also failed in providing the supporting documents for spending such expenses towards the project. • The EPC contractor failed to provide the record, and supporting documents for the funds transferred by SPV as evidence of expenses incurred, during the Forensic Audit. Further, it also failed to justify the reasons why only 43.15% of the total project was completed a8ainst the 70,25% of the fund utilization of the total project cost and the huge gap in fund utilization vis-a-vis work completion, there is a possible diversion of funds by EPC contractor, Further there was no proper justification for the

		expenses incurred and also non-cooperation in submitting the required information. Based on the above observations, Lead Bank (central Bank of India) declared the captioned account as Fraud on 17.03.2021. Accordingly, in line with Lead Bank, IIFCL declared the captioned account as Fraud on 21/06/2021. The Joint recovery suit has been filed in DRT, Hyderabad on 16.10.2017.
11	Kiratpur Ner Chowk Expressway Limited	IIFCL in consortium has part funded the project for Development and Construction of Four laning of the Kiratpur — Ner- Chowk section of NH-21 in the state of Punjab and Himachal Pradesh under NHDP Phase III Toll basis. Forensic Auditor, in its audit report, has concluded as under:- As per of various Investigations conducted by RBI various agencies regarding group accounts it has been observed that one of its group company IFIN engaged in financing, lend money to various entities/ group companies who in turn further lend to IL&FS Transportation Networks Limited, by by-passing RBI directions on concentration of credit in a single company or a group company. These group companies which acted as a conduit was assuring that loan from IFIN will not have to be repaid till ITNL pay them back. As per findings the exposure were taken on special purpose vehicles of IL&FS Transportation Networks Limited by assignment of loan originally given to ITNL. Based on the above observations, Lead Bank (Indian Bank) declared the captioned account as Fraud on 22.09.2021. Accordingly, in line with Lead Bank, IIFCL declared the captioned account as Fraud on 12/11/2021. NHAI had released an amount of Rs. 662.53 crores on 31.03.2021 into the Escrow Account towards settlement amount. IIFCL had received its pro-rata share of Rs. 122.80 crore on 09.04.2021.

43. The previous year figures have been regrouped wherever considered necessary.

In terms of our Report of even date **For SPMR & Associates** **Chartered Accountants**	**For and on behalf of the Board of Directors of** **India Infrastructure Finance Company Ltd.**	
Sd/-	Sd/-	Sd/ -
Himanshu Agarwal **(Partner)** **(Membership No- 091953)**	**Pawan Kumar Kumar** **(Deputy Managing Director)** **(DIN No:-8901398)**	**PR Jaishankar** **(Managing Director)** **(DIN No:-6711526)**
Place: New Delhi **Dated: 26.05.2022**	**Sd/-** **Manjari Mishra** **(DGM & Company Secretary)**	**Sd/-** **Rajeev Mukhija** **(CGM- CFO)**

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of India Infrastructure Finance Company Limited (IIFCL) for the year ended 31 March, 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 18 August 2022 which supersedes their earlier Audit Report dated 26 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of India Infrastructure Finance Company Limited for the year ended 31 March, 2022 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. The audit report has been revised by the Statutory Auditor to give effect to two of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under Section 143(6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Profitability

A.1 Balance Sheet

A.1 **Liabilities and Equity**
Non-Financial Liabilities - Other Non-Financial Liabilities- (Note No. 16)
Sundry Liabilities Account (Interest Capitalization) - ₹ 408.05 crore
Interest Income (Note No. 19) – ₹ 3565.67 crore

A reference is invited to Modified Independent Auditor's Report for the Financial Year 2020-21 (Based on C&AG observations) wherein it was pointed out that Profit before Tax was understated by ₹ 459.15 crore and Sundry Liabilities were overstated by the same amount due to reversal of interest income which accrued during the moratorium period on term loans.

IIFCL received ₹ 60.46 crore out of the above interest income during Financial year 2021-22 which has been recognised as income on cash basis and therefore did not recognize the balance interest income of ₹ 398.69 crore during the current year which resulted in non-compliance of accrual basis of accounting.

This has resulted in understatement of prior period income by ₹ 60.46 crore, interest income by ₹ 398.69 crore and overstatement of Sundry Liabilities Account (Interest Capitalization) by ₹ 398.69 crore. Consequently, profits for the year are also understated by ₹ 398.69 crore.

A.2 Assets
Financial Assets – Loans – (Note No. 4) - ₹ 38722.07 crore
Impairment on Financial Instruments - (Note No. 25) - ₹ (762.00) crore

A reference is invited to the Significant Accounting Policy No. 5.3(d) for De-recognition of Financial assets which stipulates that, "*A loan asset other than cases under Strategic Debt Restructuring Scheme (SDR), Scheme for Sustainable Structuring of Stressed Assets (S4A), Outside Strategic Debt Restructuring (SDR) scheme applicable as per RBI Regulators and considered withdrawn pursuant to RBI Notification No. RBI/131 DBR No. BP.BC.101/21.04.048/2017-18 dated February 12, 2018 or any other mutually agreed restructuring/settlement process shall be derecognized in case the loan asset has been categorized as Non-Performing Asset (NPA) for more than 5 years or the scheduled commercial operations of the project have been delayed for more than 4 years unless any substantive offer for sale/realization of loan asset is available*".

Loan account of Raebareilly Allahabad Highway Pvt. Ltd. (RAHPL) was overdue with IIFCL since September 2016 and was declared NPA on 31 March 2017. Principal outstanding from RAHPL is ₹ 49.08 crore as on 31 March 2022 against which provision of ₹ 24.54 crore (50 *per cent*) has been made.

Though there was no substantive offer available for realization of loan asset, the same has not been derecognized which resulted in non-compliance to the aforesaid significant Accounting Policy and conservatism principle of accounting.

This has resulted in overstatement of loans and understatement of impairment on financial instruments by ₹ 24.54 crore (₹ 49.08 crore *minus* ₹ 24.54 crore). Consequently, profit for the year is also overstated to the same extent.

For and on behalf of the
Comptroller & Auditor General of India

Apanda

(S. Ahlladini Panda)
Principal Director of Audit
(Industry and Corporate Affairs)
New Delhi.

Place: New Delhi
Date: 13.09.2022

REMODIFIED INDEPENDENT AUDITOR'S REPORT*
(Based on observations of C & AG of India)

TO THE MEMBERS OF

India Infrastructure Finance Company Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of India Infrastructure Finance Company Limited (hereinafter referred to as "the Holding Company")and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements/ financial results/ financial information of subsidiaries, the aforesaid Consolidated Financial Statements include the annual financial results of the following entities:

1. India Infrastructure Finance (UK) Limited
2. IIFCL Projects Limited
3. IFCL ASSET MANAGEMENT COMPANY LIMITED

give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

*Modifications have been given in footnotes

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Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone Financial Statements.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Other Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl No	Management	How the matter was addressed in our audit
1	Impairment of Loans and Advances to customers Please refer to the accounting policies in Note 1 (A) 5 to the Standalone financial statements, Impairment Note No 16 to the standalone financial statements, use of estimates and judgements in determination of Expected Credit Loss and Note no 5.7 to the standalone financial statements:	

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The impairment of loans is based on Expected Credit Loss (ECL) Model as per Ind As 109- Financial Instruments. The Company's impairment allowance is based on certain management estimates including the historical default rates and loss ratio. The recognition and measurement of impairment loss of loans and advances involves significant management judgement. The areas where management has excercised significant judgements are: • Loan Staging Criteria • Calculation of probability of default/ Loss given default • Determination of exposure of default • Consideration of probability weighted scenarios and forward looking macro-economic factors The applicability of ECL model requires huge data input. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	We performed audit procedures set out below: Design/ Controls • Evaluated the appropriateness of the impairment principles used by management as per requirements of Ind AS 109, our understanding of the business and industry practice. • Assessed the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Evaluated management's controls over collation of relevant information used for determining estimates for management overlays. • Tested review controls over measurement of impairment allowances and disclosures in financial statements.

2	Valuation of Derivative Instruments and Hedge Accounting
	Please refer to the accounting policies in note no 1(A)5.2 to the standalone financial statements: Derivative financial instruments, Note 3 to standalone financial statements: Derivative financial instruments
The company enters in to derivative contracts in order to manage and hedge risks such as foreign exchange rate on borrowings. The company enters in to either the Cash Flow Hedges or Fair Value Hedges depending	Our procedure included: Design/ Controls Obtained an understanding of the risk management Policies and tested key controls (i) at the time of entering in to hedge relationship including authorisation by designated authority, documentation prepared by the management at the inception of the hedge transaction, (ii)

on the risk being hedged. The application of hedge accounting and evaluating hedge effectiveness is complex and operationally cumbersome and requires close monitoring from company management.	with regard to ongoing monitoring and review of the hedge relationship by management including test of hedge effectiveness.
	Substantive Checking • Checked the recognition and measurement of derivatives instruments, for elected samples, as per Ind AS 109 • Examined hedge documentation with Ind AS 109 requirements • Test checked on a sample basis reconciliation of derivative instruments to independent confirmations obtained from third party • Test checked on a sample basis the applicability and accuracy of hedge accounting • Considered the appropriateness of the disclosures in relation to financial risk management, derivative instruments and hedge accounting in the standalone financial statements.

3	Information Technology	
	Integration of IT enabled Accounting System	
The company implemented SAP system during financial year 2018-19 to ensure effective dependence on information system and reliance on automated controls in financial accounting and reporting records. The company is still in the process of stabilization and integration of IT enabled accounting system. We identified "IT System and Controls" as key audit matter as it is under process of necessary customization to achieve full automation and the scale and complexity involved in computation of key financial factors such as impairment of loans, valuation of derivatives and hedge accounting, computation of foreign exchange gain/ loss and loss out to ERP system.		Our procedures included: Evaluation procedure of computation of impairment of assets, derivative Assets, Forex Gain and Loss and Categorisation of Financial Assets.

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We did not audit the financial statements / financial information of three subsidiaries whose financial statements / financial information reflect total assets of Rs. 12,71,595.86 lacs as at 31st March, 2022, total revenues of Rs. 57,216.26 lacs and net cash flows amounting to Rs. (10,480.86 lacs) for the year ended on that date, as considered in the consolidated financial statements. Attention of the readers is drawn to the provisions of Standard on Auditing (SA) 710, Comparative Information—Corresponding Figures and Comparative Financial Statements.

For the year ended 31st March, 2022, as considered in the consolidated financial statements, in respect of three subsidiaries, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

*There have been no adverse comment in the auditors' reports of subsidiaries incorporated in these consolidated statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

We have sought and, except for the possible effect of the matter described in sub-paragraph (b) of the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

*Para added to comply with CARO requirements

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In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

Except for the matter described in sub-paragraph of the Basis for Opinion paragraph above, the reports on the accounts of the Holding Company, and its subsidiaries, associate companies and jointly controlled companies incorporated in India, audited under Section 143(8) of the Act by branch auditors have been sent to us, and have been properly dealt with in preparing this report.

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

In our opinion, except for the effect of the matters described in the Basis for Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The matters described in the Basis for Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.

On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group's companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Opinion paragraph above.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

Except for the possible effect of the matter described in paragraph of the Basis of Opinion above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 11 to the consolidated financial statements.

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Except for the possible effect of the matter described in paragraph of the Basis of Opinion above, provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 25 to the consolidated financial statements in respect of such items as it relates to the Group and (b) the Group's share of net profit/loss in respect of its associates.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For SPMR & Associates
Chartered Accountants
Firm Regn. No 007578N

Himanshu Agrawal

CA Himanshu Agrawal
Partner,
M No 091953
UDIN:
Place: New Delhi
Date: 25.08.2022

SPMR & ASSOCIATES FRN. 007578N Chartered Accountants

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **India Infrastructure Finance Company Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SPMR & Associates
Chartered Accountants
Firm Regn. No 007578N

Himanshu Agrawal

CA Himanshu Agrawal
Partner,
M No. 091953
UDIN:
Place: New Delhi
Date: 25.08.2022

SPMR & ASSOCIATES
FRN. 007578N
Chartered Accountants

ANNEXURE "B" referred to in paragraph 2 of our report of even date to the members of India Infrastructure Finance Company Limited on the accounts of the Company for the year ended 31st March 2022.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

(i) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars, including quantitative details of all intangible assets.

(b)A substantial portion of the Property, Plant and Equipment have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, except as given below the title deeds of immovable Properties are held in the name of company

Description of property	Gross carrying value	Carrying value	Observation
Building	27479.81 Lacs	24,375.66 Lacs	Pending finalization of the lease deed by the implementing agency for office at NBCC center East Kidwai Nagar, New Delhi, Office premises has been capitalised based on put to use.

(d) The Company has not revalued its properties, plant and equipment during the year; therefore, the Clause 3(i)(d) is not applicable.

(e) As informed, the Company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, therefore the Clause 3(i)(e) is not applicable.

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(ii) (a) As explained to us, the inventories were physically verified during the year by the Management and no material discrepancies were noticed on such physical verification.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, made investments, given guarantees, and security, hence Clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits from the public. Therefore, reporting under clause (v) of CARO is not applicable to the Company

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the companies Act 2013.

(vii) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Income-tax etc, and other material statutory dues applicable to it with the appropriate authorities, and there were no arrears of such dues at the end of the year which have remained outstanding for a period of more than six months from the date they became payable.

(b) As Details of dues of Income Tax and Goods and Services Tax which have not been deposited as at March 31, 2022 on account of dispute are given below:

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount (Rs in Lakhs)	Amount paid under Protest (Rs in Lakhs) and shown as recoverable	Remarks*

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Income Tax Act 1961	Income Tax	AY 2016-17	CIT (A)	682.33	137.00	Appeal has been filed with CIT (A). Demand of Rs 498.61 lacs is pending and appearing on income tax portal. Penalty proceedings have been initiated by the department

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) During the year the company has not defaulted in repayment of Principal and interest to Banks and Financial institution,

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority at the end of the year.

(c) The Company has applied term loans for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has complied with the provisions of clause 3(ix)(f) of the Order.

(x) (a) The Company has raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and has complied with clause 3(x)(a) of the Order.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

*Table modified and updated figures entered

SPMR & ASSOCIATES
FRN 007578N
Chartered Accountants

(xii) In our opinion, the Company is not a nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) Based on information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial Statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business;

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

(xvii) The company has not incurred cash loss during the current year as well as in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the

SPMR & ASSOCIATES * Chartered Accountants * FRN 007578N

facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The company has not followed the CSR provisions and has sought exemptions from the Central Government for the same. A sum of Rs 285.78 lacs remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

*The company has not transferred any unspent amount to a Fund specified in Schedule VII to the Companies Act other than ongoing projects within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act

For SPMR & Associates
Chartered Accountants
Firm Regn. No 007578N

Himanshu Agrawal

CA Himanshu Agrawal
Partner,
M No 091953
UDIN:
Place: New Delhi
Date: 25.08.2022

SPMR & ASSOCIATES * Chartered Accountants * FRN. 007578N

*Paragraph added

SPMR & Associates
Chartered Accountants

COMPLIANCE CERTIFICATE

We have conducted the audit of annual consolidated accounts of M/s India infrastructure Finance Company Limited for the period ended 31st March 2022in accordance with the directions /sub-directions issued by the C&AG of India Under section 143(5) of the CompaniesAct 2013 and certify that we have complied with all the directions /sub-directions issued.

For SPMR & Associates
Chartered Accountants
Firm Regn. No 007578N

Himanshu Agrawal

CA Himanshu Agrawal
Partner,
M No 091953
Place: New Delhi
Date: 25.08.2022
UDIN:22091953ATOXKA5430

C-113, LGF, Dayanand Colony, Lajpat Nagar-IV, New Delhi - 110 024, India, T: 011-4162 0055 | E : info@spmr.in | W : www.spmr.in

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2022
CIN No. U67190DL2006GOI144520

(₹ in lac)

S.No.	PARTICULARS	NOTE No.	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
I	**ASSETS**			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	2	172,586.43	47,244.85
(b)	Bank Balance other than (a) above		1,021,988.64	1,351,785.29
(c)	Derivative Financial Instruments	3	85,281.90	61,363.78
(d)	Receivables	4	265.84	939.31
(e)	Loans	5	4,891,812.37	4,832,392.93
(f)	Investments	6	599,133.21	612,353.04
(g)	Other Financial Assets	7	34,032.27	52,757.10
	Sub Total (1)		**6,805,100.66**	**6,958,836.32**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	8	33,753.81	37,816.22
(b)	Deferred Tax Asset (Net)	9	41,042.44	9,726.06
(c)	Property, Plant and Equipment	10	24,911.50	26,070.03
(d)	Other Intangible Assets	11	168.80	279.45
(e)	Other Non-Financial Assets	12	1,005.65	845.40
	Sub Total (2)		**100,882.20**	**74,737.16**
	TOTAL ASSETS (1+2)		**6,905,982.86**	**7,033,573.48**
II	**LIABILITIES AND EQUITY**			
A	**Liabilities**			
1	**Financial Liabilities**			
(a)	Payables	13	57.58	-
(b)	Debt Securities	14	3,090,619.48	3,218,389.80
(c)	Borrowings(Other than Debt Securities)	15	2,121,008.76	2,121,066.14
(d)	Other Financial Liabilities	16	76,965.95	73,170.42
	Sub Total (A-1)		**5,288,651.77**	**5,412,626.36**
2	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	17	13,977.24	13,657.70
(b)	Provisions	18	443,873.46	561,835.49
(c)	Deferred Tax Liabilites (Net)	9	-	-
(d)	Other Non-Financial Liabilities	19	41,704.42	48,140.13
	Sub Total (A-2)		**499,555.11**	**623,633.32**
	Sub Total (A)		**5,788,206.89**	**6,036,259.68**
B	**Equity**			
(a)	Equity Share Capital	20	999,991.62	999,991.62
(b)	Other Equity	21	117,784.35	(2,677.82)
	Sub Total (B)		**1,117,775.97**	**997,313.80**
	TOTAL LIABILITIES AND EQUITY (A+B)		**6,905,982.86**	**7,033,573.48**

Notes from 1 to 30 form integral part of Accounts.

In terms of our report of even date
For SPMR & Associates
Chartered Accountants
(Firm Regn. No: 007578N)

Sd/-

Himanshu Agarwal
(Partner)
Membership No: 091953

Place: New Delhi
Dated: 23.06.2022

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

Sd/-	Sd/-
Pawan K Kumar	**PR Jaishankar**
(Deputy Managing Director)	**(Managing Director)**
DIN No.: 8901398	**DIN No.: 6711526**
Sd/-	Sd/-
Manjari Mishra	**Rajeev Mukhija**
(DGM & Company Secretary)	**(Chief General Manager-CFO)**

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2022
CIN No. U67190DL2006GOI144520

(₹ In Lakhs)

S.No.	PARTICULARS	NOTE No.	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
I	**INCOME**			
A	**Revenue from Operations**			
(a)	Interest Income	22	411,539.48	399,051.82
(b)	Fees and Commision Income	23	6,838.73	5,492.37
	Total Revenue from Operations (A)		**418,378.23**	**404,544.20**
B	**Other Income**	24	59,292.08	66,589.57
	Total Income I (A+B)		**477,670.31**	**471,133.77**
II	**EXPENSES**			
(a)	Finance Cost	25	242,115.46	237,619.98
(b)	Fees and Commission Expense	26	13,098.58	13,344.28
(c)	Net Loss on Fair Value Changes	27	(1,511.69)	2,536.56
(d)	Impairment on Financial Instruments	28	(49,958.80)	(3,800.03)
(e)	Employee Benefit Expense	29	5,057.12	4,293.23
(f)	Depreciation, Amortization & Impairment	10,11	1,337.62	1,472.88
(g)	Corporate Social Responsibilities		285.78	-
(h)	Other Expenses	30	195,529.39	180,141.36
	Total Expenses II		405,953.46	435,608.27
	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		71,716.84	35,525.50
	Exceptional Items		-	-
	Profit/ (Loss) Before Tax (I-II)		71,716.84	35,525.50
	Tax Expense:			
	(i) Current Tax			
	- Current Year		(234.75)	(15,210.25)
	- Earlier Year		(2,169.92)	128.53
	(ii) Deferred Tax		(5,395.94)	12,057.78
	Total Tax Expenses IX (i+ii)		**(7,800.60)**	**(3,023.94)**
	Profit/ (Loss) for the Year from continuing operations		**63,916.24**	**32,501.56**
	Profit/(loss) from discontinued operations		**-**	**-**
	Tax Expense of discontinued operations		**-**	**-**
	Profit/(loss) from discontinued operations(After tax)		**-**	**-**
	Profit/(loss) for the Year		**63,916.24**	**32,501.56**
	A. (i) Items that will not be reclassified to Profit and Loss			
	Remesurement of gains/(loss)defined benefit Obligation		72.28	51.61
	(ii) Income Tax relating to remesurement of defined benefit Obligation		(18.19)	(12.99)
	Other Comprehensive Income		**54.09**	**38.62**
	Total Comprehensive Income/(Loss) for the Year		**63,970.33**	**32,540.18**
	Earning per Equity Share (for continuing operations)			
	Basic (Rs.)		0.64	0.33
	Diluted (Rs.)		0.64	0.33

Notes from 1 to 30 form integral part of Accounts.

In terms of our report of even date
For SPMR & Associates
Chartered Accountants
(Firm Regn. No: 007578N)

Sd/-

Himanshu Agarwal
(Partner)
Membership No: 091953

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

Sd/-	Sd/-
Pawan K Kumar	**PR Jaishankar**
(Deputy Managing Director)	**(Managing Director)**
DIN No.: 8901398	**DIN No.: 6711526**
Sd/-	Sd/-
Manjari Mishra	**Rajeev Mukhija**
(DGM & Company Secretary)	**(Chief General Manager-CFO)**

Place: New Delhi
Dated: 23.06.2022

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022
CIN No. U67190DL2006GOI144520

₹ in Lac

S.NO.	PARTICULARS		As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
(i)	Net Profit before Tax		71,716.84	35,525.50
	Adjustments for:			
(ii)	Depreciation and amortisation expense		1,337.62	1,472.88
(iii)	Provision/write offs:		62,179.95	101,727.02
(iv)	Provisions/ Amounts written back		(227.73)	(117.24)
(v)	Foreign Exchange Fluctuation Loss / (Profit) on borrowings		-	37,807.52
(vi)	(Profit)/ Loss on sale of fixed assets		0.49	3.17
(vii)	Interest accrued and due on loans and advances		3,866.10	3,805.71
(viii)	Interest accrued but not due on borrowings		3,950.89	(7,163.85)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**142,824.16**	**173,060.71**
(i)	Cash Flow From Lending Operations		(292,925.54)	(500,525.67)
(ii)	Sale of/ (Addition) to Investments		8,727.16	3,309.54
(iii)	(Increase)/decrease in Trade Receivables		673.47	(39.21)
(iv)	(Increase)/decrease in other operating assets		14,881.28	83,440.83
(v)	(Increase)/decrease in other bank balances		329,796.65	2,228.18
(vi)	Increase/(decrease) in other operating liabilities		53,164.03	41,151.51
	CASH FLOW FROM OPERATIONS BEFORE TAX		**257,141.19**	**(197,374.11)**
	Taxes paid (Net)		(2,404.67)	(15,081.73)
	NET CASH FROM OPERATIONS	A	**254,736.51**	**(212,455.83)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
(i)	Purchase of Plant, Property and Equipement		(65.42)	(411.78)
(ii)	Sale of Plant, Property and Equipement		(3.51)	18.60
(iii)	(Increase)/decrease in Investments		(1,129.05)	
	NET CASH FROM INVESTING ACTVITIES	B	**(1,197.98)**	**(393.18)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
(i)	Proceeds from Borrowings		(57.38)	289,837.05
(ii)	Proceeds/ (Repayment) from Debt Securities		(127,770.32)	(40,434.87)
	NET CASH FROM FINANCING ACTIVITIES	C	**(127,827.71)**	**249,402.18**
D	**EFFECT OF FOREIGN EXCHANGE TRANSLATION DIFFERENCE**	D	**(369.30)**	**538.41**
	NET CHANGE IN CASH & CASH EQUIVALENT (A+B+C+D)		**125,341.56**	**37,091.59**
	Add: Opening Cash and Cash Equivalents		47,244.85	10,153.25
	Closing Cash and Cash Equivalents		**172,586.42**	**47,244.85**
(i)	Cash in hand		0.91	0.81
(ii)	Current Accounts		172,372.51	36,432.43
(iii)	Flexi Deposit Accounts		213.00	10,811.62
	TOTAL		**172,586.42**	**47,244.85**

1) Figures of previous period (s) have been re-grouped /re-arranged wherever necessary to make them comparable to the reporting period presentation.
2)The following bank balances are not available for free use by the company:
(Increase)/ decrease in other bank balances of ₹ 3,29,796.65 lacs as on 31st March 2022 (2,228.18 lacs as on 31st March 2021) includes ₹ 8,000 lac as on 31st March 2022 (₹ 46,600.00 lac as on 31st March 2021) on which lien has been marked for interest payment of bonds and ₹ 4,24,230.60 lac as on 31st March 2022 (₹ 6,43,315.55 lac as on 31st March 2021) on which lien has been marked for overdraft.

In terms of our report of even date
For SPMR & Associates
Chartered Accountants
(Firm Regn. No: 007578N)

Sd/-

Himanshu Agarwal
(Partner)
Membership No: 091953

Place: New Delhi
Dated: 23.06.2022

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

Sd/- Sd/-

Pawan K Kumar
(Deputy Managing Director)
DIN No.: 8901398

PR Jaishankar
(Managing Director)
DIN No.: 6711526

Sd/- Sd/-

Manjari Mishra
(DGM & Company Secretary)

Rajeev Mukhija
(CGM & Chief Financial Officer)

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (IIFCL)
Statement of Changes in Equity

Statement of changes in equity for the nine months ended 31st March 2022

A. Equity share capital

(₹ in lac)

Particulars	Amount
Balance as on 1st April 2021	999,991.62
Changes in Equity Share Capital due to Prior period error	-
Restated Balance as on 1st April 2021	999,991.62
Changes of equity shares capital during the year	-
Balance as on 31st March 2022	**999,991.62**

B. Other Equity

(₹ in lac)

Particulars	Reserve & Surplus											Total
	Capital reserve	Security Premium Account	DEBENTURE/ BOND REDEMPTION RESERVE	CASH FLOW HEDGE RESERVE	SPECIAL RESERVE U/S 36(1)(viii) OF INCOME TAX ACT, 1961	STAFF WELFARE RESERVE	CORPORATE SOCIAL RESPONSIBILITY RESERVE	FOREIGN CURRENCY TRANSLATION DIFFERENCE RESERVE	IMPAIRMENT RESERVE	RESERVE FUND U/S 45-IC OF RBI ACT 1934	Retained Earning	
Balance as at 1st April, 2021	**585.14**	**235.50**	**99,995.05**	**(27,653.15)**	**145,940.91**	**75.12**	**122.45**	**14,621.64**	**-**	**8,772.52**	**(245,373.00)**	**(2,677.82)**
Prior period errors	-	-									-	-
Restated balance at the beginning of the reporting period	**585.14**	**235.50**	**99,995.05**	**(27,653.15)**	**145,940.91**	**75.12**	**122.45**	**14,621.64**	**-**	**8,772.52**	**(245,373.00)**	**(2,677.82)**
Profit for the year	-	-	-	-	-	-	-	-			63,916.21	63,916.21
Other Comprehensive Income for the year (net of income tax)	-	-	-	-	-	-	-	-			-	-
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**63,916.21**	**63,916.21**
Amount utilized during the period	-	-	-	-	-	(12.11)	-	-			(55,702.10)	(55,714.19)
Cash Flow Hedge Reserve during the period	-	-	-	20,072.18								20,072.18
Transfer to Foreign Currency Translation Difference Reserve								(369.30)				(369.30)
Transfer to Retained Earning	-	-	-	-	-	-	-	-			36,807.22	36,807.22
Transfer From Retained Earning			-	-	-	294.17	-	-	45,165.93	10,289.95	-	55,750.06
Balance as at 31st March 2022	**585.14**	**235.50**	**99,995.05**	**(7,580.98)**	**145,940.91**	**357.20**	**122.45**	**14,252.34**	**45,165.93**	**19,062.47**	**(200,351.66)**	**117,784.36**

Statement of changes in equity for the half year ended 31st March 2021

A. Equity share capital

(₹ in lac)

Particulars	Amount
Balance as at 1st April, 2020	999,991.62
Changes in Equity Share Capital due to Prior period error	-
Restated Balance as on 1st April 2020	999,991.62
Changes of equity shares capital during the year	-
Balance as at 31st March 2021	**999,991.62**

B. Other Equity

(₹ in lac)

Particulars	Reserve & Surplus											Total
	Capital reserve	Security Premium Account	DEBENTURE/ BOND REDEMPTION RESERVE	CASH FLOW HEDGE RESERVE	SPECIAL RESERVE U/S 36(1)(viii) OF INCOME TAX ACT, 1961	STAFF WELFARE RESERVE	CORPORATE SOCIAL RESPONSIBILITY RESERVE	FOREIGN CURRENCY TRANSLATION DIFFERENCE RESERVE	IMPAIRMENT RESERVE	RESERVE FUND U/S 45-IC OF RBI ACT 1934	Retained Earning	
Balance as at 1st April 2020	**585.14**	**235.50**	**99,995.05**	**(33,957.27)**	**142,145.82**	**26.72**	**133.78**	**14,083.23**	**7,164.93**	**3,057.24**	**(275,520.08)**	**(42,049.94)**
Prior period errors	-											-
Restated balance at the beginning of the year	**585.14**	**235.50**	**99,995.05**	**(33,957.27)**	**142,145.82**	**26.72**	**133.78**	**14,083.23**	**7,164.93**	**3,057.24**	**(275,520.08)**	**(42,049.94)**
Profit for the year	-										32,501.53	32,501.53
Other Comprehensive Income for the year (net of income tax)											-	-
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**				**32,501.53**	**32,501.53**
Amount utilized during the period						(23.00)	(11.33)				(2,373.47)	(2,407.81)
Cash Flow Hedge Reserve during the period				6,304.12								6,304.12
Transfer to Foreign Currency Translation Difference Reserve								538.41				538.41
Transfer to Retained Earning											19.02	19.02
Transfer From Retained Earning			-		3,795.09	71.38			(7,164.93)	5,715.28		2,416.82
Balance as at 31st March 2021	**585.14**	**235.50**	**99,995.05**	**(27,653.15)**	**145,940.91**	**75.10**	**122.45**	**14,621.64**	**-**	**8,772.52**	**(245,373.00)**	**(2,677.82)**

In terms of our report of even date
For SPMR & Associates
Chartered Accountants
(Firm Regn. No: 007578N)

Sd/-

Himanshu Agarwal
(Partner)
Membership No: 091953

Place: New Delhi
Dated: 23.06.2022

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

Sd/-

Pawan K Kumar
(Deputy Managing Director)
DIN No.: 8901398

Sd/-

PR Jaishankar
(Managing Director)
DIN No.: 6711526

Sd/-

Manjari Mishra
(AGM & Company Secretary)

Sd/-

Rajeev Mukhija
(Chief General Manager-CFO)

Note 2: Cash and cash equivalents

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(A)	**CASH AND CASH EQUIVALENTS**		
(i)	Cash on hand	0.91	0.81
(ii)	Balance with Banks	172,372.51	36,432.43
(iii)	Fixed Deposits with banks (Unencumbered)	213.00	10,811.62
	SUB-TOTAL (A)	**172,586.43**	**47,244.85**
(B)	**OTHER BANK BALANCES**		
(i)	Earmarked balances with banks for unclaimed interest on bonds	0.69	1.38
(ii)	Fixed Deposits with banks (Unencumbered) (original maturity more than three and upto twelve months)	341,233.05	332,913.50
(iii)	Fixed Deposits with banks (Unencumbered) (original maturity more than twelve months)	248,524.30	328,953.86
(a)	Held as security against Interest Payment of Bonds	8,000.00	46,600.00
(b)	Pledged to avail overdraft facility from banks	424,230.60	643,316.55
	SUB-TOTAL (B)	**1,021,988.64**	**1,351,785.29**
	TOTAL	**1,194,575.08**	**1,399,030.14**

Note 3: Derivative financial instruments

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022		As at 31.03.2021	
		Notional Amount	Fair Value	Notional Amount	Fair Value
	ASSETS				
	Other Derivatives:				
	Cross Currency Interest Rate Swap	1,037,924.27	85,281.90	900,794.88	61,363.78
	Total derivative financial instruments	**1,037,924.27**	**85,281.90**	**900,794.88**	**61,363.78**

Note 4: Trade receivables

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
	Reveivables considered good, Unsecured:		
	Related Parties	6.38	-
	Others	259.46	939.31
	Total	**265.84**	**939.31**

	Age Wise analysis of Trade Receivables	**31.03.2022**	**31.03.2021**
(a)	Less than 6 months	265.84	939.31
(b)	6 months to 1 Year	-	-
(c)	1 - 2 Year	-	-
(d)	2 - 3 Year	-	-
(e)	More than 3 Years	-	-

Note 5: Loans

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(A)	**Loans**		
(i)	**Term Loans**		
I	**Infrastructural Loans: Standard Assets**		
a.	Direct Lending	2,085,477.43	2,258,289.63
b.	Pooled Municipality Debt Obligation (PMDO) Scheme	147.31	393.00
c.	Takeout financing Scheme	548,914.87	534,327.39
d.	Refinancing Scheme	1,587,733.33	1,221,883.33
e.	Bonds of Infrastructure Projects (Reckoned as Infrastructure Lending) *	97,500.00	-
II	**Infrastructural Loans: Sub-Standard Assets**		
a.	Direct Lending	49,478.08	54,979.25
b.	Pooled Municipality Debt Obligation (PMDO) Scheme	-	-
c.	Takeout financing Scheme	42,684.52	-
III	**Infrastructural Loans: Doubtful Assets**		
a.	Direct Lending	536,259.81	663,028.43
b.	Pooled Municipality Debt Obligation (PMDO) Scheme	0.14	7,385.33
c.	Takeout financing Scheme	6,600.51	96,647.17
IV	Loan to employees**	1,355.26	1,241.27
(ii)	**Others**		
I	**Loan and advances to related parties**		
a.	Expenses Incurred on behalf of subsidiary companies	87.72	168.05
	Total (A) Gross	**4,956,238.99**	**4,838,342.85**
	Less: Impairment loss allowance^	-	-
	Less: Amount pending appropriation^^	64,426.62	5,949.92
	Total (A) Net	**4,891,812.37**	**4,832,392.93**
(B)	(i) Secured by tangible assets and intangible assets.		
	Considered Good	2,733,394.87	2,794,251.28
	Classified Doubtful	635,023.06	822,040.19
	(ii) Unsecured	1,587,821.06	1,222,051.39
	Total (B) Gross	**4,956,238.99**	**4,838,342.85**
	Less: Impairment loss allowance^	-	-
	Less: Amount pending appropriation^^	64,426.62	5,949.92
	Total (B) Net	**4,891,812.37**	**4,832,392.93**
(C)	(i) Public Sector	1,312,733.33	1,221,883.33
	(ii) Other than Public Sector	3,643,505.66	3,616,459.52
	Total (C) Gross	**4,956,238.99**	**4,838,342.85**
	Less: Impairment loss allowance^	-	-
	Less: Amount pending appropriation^^	64,426.62	5,949.92
	Total (C) Net	**4,891,812.37**	**4,832,392.93**
	Total	**4,891,812.37**	**4,832,392.93**

Footnote:

Sector	Particulars of Security #	Amount (₹ in Lac)	
Power and Other Sectors	Mortgage: First parri-passu charge by way of mortgage of Borrower's all immovable properties, present and future. Hypothecation: First parri-passu charge by way of hypothecation of all the Borrower's movable assets including plant and machinery etc. Pledging of shares minimum of 51% Escrow account and all rights and titles and interest of borrowers rank parri-passu	2,196,881.16	2,341,162.07
Road and Airport (PPP)	Right to receive annuity and toll collections of the project Escrow account and all rights and titles and interest of borrower rank pari passu Hypothecation: First parri-passu charge by way of hypothecation of all the Borrower's movable assets.	1,120,181.52	1,273,888.13
Financial Institutions under Refinancing Scheme and Bonds of Infrastructure Projects	Unsecured	1,637,733.33	1,221,883.33
	TOTAL#	**4,954,796.00**	**4,836,933.54**

The Infrastructure loan amount in Footnote giving particulars of security above includes ₹ 6,35,898.84 lac as on 31st March 2022 (₹ 582,205.47 lac as on 31st March 2021) being amount of loans due within a year and principal overdue amount. Further, aggregate provisions of ₹ 4,39,656.30 Lac has been made against total advances till 31st March 2022 (₹ 5,57,763.19 Lac till 31st March 2021).

* The Investment in the Bonds of Infrasructure Projects are treated as Loans and Advances puruant to the Reserve Bank of India's letter dated 22nd September 2021, allowing the Investment including refinancing by way of subscription to bonds /debentures for infrastructure projects, whether in project under implementation or completed projects, shall be considered as Infrastructure Lending for the purpose of deployment of minimum 75% of total assets by IIFCL towards Infrastructure Loans.

** Pursuant to applicability of provisions of The Companies Act, 2013 w.e.f. 1st April 2014 and approval of the Board of Directors in the meeting held on 20th May 2014, Chief General Manager- Chief Financial Officer is considered as Key Managerial Personnel. Accordingly, House Building Loan extended to him is classified as loans and advances to related parties. The total amount of loan was Nil as on 31st March 2022 (₹ 1.93 lac as on 31st March 2021).

^ Note: In reference to RBI master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1st September 2016 updated as on February 19, 2021, IIFCL has separately disclosed the provision on loan assets including provision as per ECL, (Note 15) made without netting them from the value of the Infrastructure Loan Assets (Note 4).

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

Note 6: Investments

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022				As at 31.03.2021			
		FVTPL	Amortised Cost	Others*	Total	FVTPL	Amortised Cost	Others*	Total
	Mutual funds								
(i)	IIFCL Mutual Fund IDF Series I	19,146.50	-	-	19,146.50	17,893.17	-	-	17,893.17
(ii)	IIFCL Mutual Fund IDF Series II	9,306.79	-	-	9,306.79	8,739.68	-	-	8,739.68
(iii)	Mutual Fund Investment by IAMCL	23.22	-	-	23.22	-	-	-	-
		28,476.51	**-**	**-**	**28,476.51**	**26,632.85**	**-**	**-**	**26,632.85**
	Government Securities								
	6.29% (Non-Transferrable) Special GoI Security 2030	-	88,760.00	-	88,760.00	-	88,760.00	-	88,760.00
	6.34% (Non-Transferrable) Special GoI Security 2031	-	88,200.00	-	88,200.00	-	88,200.00	-	88,200.00
	6.34% (Non-Transferrable) Special GoI Security 2032	-	88,200.00	-	88,200.00	-	88,200.00	-	88,200.00
	6.39% (Non-Transferrable) Special GoI Security 2033	-	88,200.00	-	88,200.00	-	88,200.00	-	88,200.00
	6.39% (Non-Transferrable) Special GoI Security 2034	-	88,200.00	-	88,200.00	-	88,200.00	-	88,200.00
	6.44% (Non-Transferrable) Special GoI Security 2035	-	88,200.00	-	88,200.00	-	88,200.00	-	88,200.00
		-	**529,760.00**	**-**	**529,760.00**	**-**	**529,760.00**	**-**	**529,760.00**
	Debt Securities								
	Investment in Debentures (Unquoted) (Fully Paid)								
	Debentures in Bansal Pathways (Mangawan- Chakghat) Pvt Ltd	6,078.00	-	-	6,078.00	6,078.00	-	-	6,078.00
	Debentures in Bansal Pathways (N.R.R.-1) Private Limited	7,276.00	-	-	7,276.00	-	-	-	-
	Debentures in Bansal Pathways (N.R.R.-2) Private Limited	11,184.00	-	-	11,184.00	-	-	-	-
	Debentures in Surat Hazira Tollway Private Limited	-	-	-	-	13,786.00	-	-	13,786.00
		24,538.00	**-**	**-**	**24,538.00**	**19,864.00**	**-**	**-**	**19,864.00**
	Equity Instruments								
a.	**Unquoted Equity Instruments**								
	Delhi Mumbai Industrial Corridor Development Corporation Ltd.	411.03	-	-	411.03	411.03	-	-	411.03
	Adhunik Power & Natural Resources Limited (Held by Security Trustee on behalf of IIFCL)	4,765.00	-	-	4,765.00	4,765.00	-	-	4,765.00
		5,176.02	**-**	**-**	**5,176.02**	**5,176.02**	**-**	**-**	**5,176.02**
	Others								
a.	Investment in Venture Capital (Unquoted) (Fully Paid)								
(i)	IDFC Project Equity Domestic Investors Trust II (Fully Paid)	930.07	-	-	930.07	1,644.68	-	-	1,644.68
				-					
b.	Investment in Security Receipts (Unquoted) (Fully Paid)			-					
(i)	Edelweiss Asset Reconstruction Company Ltd. (EARC Trust-SC 135-Series I)	-	-	-	-	-	-	-	-
(ii)	Edelweiss Asset Reconstruction Company Ltd. (EARC Trust-SC 207-Series I)	5,958.66	-	-	5,958.66	5,986.93	-	-	5,986.93
(iii)	Asset Reconstruction Company (India) Ltd. (Arcil-AST-VIII-Trust)	2,476.05	-	-	2,476.05	3,125.77	-	-	3,125.77
(iv)	Phoenix ARC Private Limited (Phoenix Trust FY 16-20)	946.56	-	-	946.56	606.39	-	-	606.39
(v)	Edelweiss Asset Reconstruction Company Ltd. (EARC Trust-SC 276-Series I)	23,044.69	-	-	23,044.69	36,108.05	-	-	36,108.05
		32,425.97	**-**	**-**	**32,425.97**	**45,827.13**	**-**	**-**	**45,827.13**
	Total (A) Gross	**91,546.58**	**529,760.00**	**-**	**621,306.58**	**99,144.68**	**529,760.00**	**-**	**628,904.68**
(i)	Overseas Investments	-	-	-	-	-	-	-	-
(ii)	Investments in India	91,546.58	529,760.00	-	621,306.58	99,144.68	529,760.00	-	628,904.68
	Total (B)	**91,546.58**	**529,760.00**	**-**	**621,306.58**	**99,144.68**	**529,760.00**		**628,904.68**
	Total (A) to tally with (B)	91,546.58	529,760.00	-	621,306.58	99,144.68	529,760.00	-	628,904.68
	Less: Allowance for Impairment loss (C)	22,173.36	-	-	22,173.36	16,551.64	-	-	16,551.64
	Total Net D = (A) -(C)	**69,373.21**	**529,760.00**		**599,133.21**	**82,593.04**	**529,760.00**	**-**	**612,353.04**

Details of Allowance for Impairment Loss

S.No.	PARTICULARS	As at 31.03.2022				As at 31.03.2021			
		FVTPL	Amortised Cost	Others	Total	FVTPL	Amortised Cost	Others	Total
(i)	Adhunik Power & Natural Resources Limited (Held by Security Trustee on behalf of IIFCL)	4,191.05	-	-	4,191.05	4,191.05	-	-	4,191.05
(ii)	Debentures in Bansal Pathways (Mangawan- Chakghat) Pvt Ltd	5,173.97	-	-	5,173.97	5,252.07	-	-	5,252.07
(iv)	Debentures in Bansal Pathways NRR 1	5,617.32			5,617.32	-	-	-	-
(v)	Debentures in Bansal Pathways NRR 2	7,191.02			7,191.02	-	-	-	-
(vi)	Debentures in Surat Hazira	-	-	-	-	7,108.52	-	-	7,108.52
	Total	**22,173.36**	**-**	**-**	**22,173.36**	**16,551.64**	**-**	**-**	**16,551.64**

*Financial Instruments has been measured at Cost.

Footnotes:

		31.03.2022	31.03.2021
(a)	**Aggregate amount of quoted investments:**		
(i)	Cost/ Book Value	-	-
(ii)	Market Value	-	-
(b)	**Aggregate amount of unquoted investments - Cost/ Book Value**	599,133.21	612,353.04

(c) Refer Note 1(A)(6.2) for valuation of individual investments.

(d) **Ratings assigned by credit rating agencies and migration of ratings during the year:**
The domestic debt instruments of IIFCL have "AAA" rating- the highest rating assigned by CRISIL, CARE, India Ratings & Research, ICRA and Brickworks- Credit Rating Agencies.

* NAV (in Rs.) per unit of the following investmets is under:

		31.03.2022	31.03.2021
(i)	IIFCL Mutual Fund IDF Series I	1,472,808.24	1,376,397.86
(ii)	IIFCL Mutual Fund IDF Series II	930,679.41	873,968.04
(iii)	EARC Trust-SC 135-Series I	-	-
(iv)	EARC Trust-SC 207-Series I	-	972.13
(v)	EARC Trust-SC 276-Series I	764.58	939.19
(vi)	Arcil-AST-VIII-Trust	250.00	315.60
(vii)	Phoenix Trust FY 16-20	225.00	246.00

The fluctuation in NAV is considered as temporary.

Note 7: Other financial assets

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
A	**Advances**		
	Advances recoverable from emloyees	51.16	36.73
	Security Deposit Paid	42.48	39.82
	Others	1,540.06	1,096.98
	SUB-TOTAL (A)	1,633.70	1,173.53
B	**Interest accrued and due on loans and advances**	1,953.69	5,819.79
	SUB-TOTAL (B)	1,953.69	5,819.79
C	**Interest accrued but not due on :**		
	Fixed Deposit with Banks	9,665.20	16,624.52
	Bonds	66.30	-
	Government Securities	93.66	93.66
	Loans & Advances	20,619.72	29,045.60
	SUB-TOTAL (C)	30,444.88	45,763.78
	Total (A)+(B)+(C)	**34,032.26**	**52,757.10**

Note 8: Current Tax Assets

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(i)	Net Income Tax Recoverable	22,131.33	36,316.77
(ii)	Goods and Service Tax Recoverable	111.17	53.20
(iii)	Net Advance Tax Recoverable	11,511.30	1,446.26
	Total	**33,753.81**	**37,816.22**

Note 9: Deferred Tax Asset

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(I)	**Deferred tax Assets on account of:**		
(i)	Interest credited to Sundry Liabilities Account (Interest Capitalisation) offered for tax	11,070.69	13,171.98
(ii)	Expected Credit Loss	27,079.65	29,851.29
(iii)	Provision for Leave Encashment	69.07	45.35
(iv)	Depreciation	514.18	830.33
(v)	Provision for Sick Leave	44.68	39.97
(vi)	Others	1,827.73	1,970.01
(vii)	Provision for Medical Assistance Scheme	256.88	226.20
(viii)	Provision for Wage Revision	36.17	28.22
(ix)	Provision for Leave Fare Concession	29.58	26.70
(x)	Provision for Gratuity	11.59	9.66
(xi)	Deffered Tax Asset of IAMCL	13.93	36.29
(xii)	Provision for contingencies*	88.29	220.66
	Deferred Tax Assets	**41,042.44**	**46,456.67**
(II)	**Deferred tax Liability on account of:**		
(i)	Special Infrastructure Reserve created under section 36(1)(viii) of Income Tax Act, 1961	-	36,730.41
(ii)	Expenses on which TDS not deducted	-	0.20
	Deferred Tax Liability	**-**	**36,730.60**
	Deferred Tax Asset/(Liabilitiy) (Net)	**41,042.44**	**9,726.06**

* Created in respect of marked to market losses on derivatives

Note 10 : FIXED ASSETS

(₹ in lac)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Addition	Disposals/ Adjustments	As at 31.03.2022	As at 01.04.2021	For the Period	Deductions/ Reversals	As at 31.03.2022	As at 31.03.2022	As at 31.03.2020
TANGIBLE ASSETS										
FURNITURE & FITTINGS	618.06	5.79	-	**623.83**	326.28	73.25	0.02	**399.51**	**224.33**	291.78
VEHICLES	102.94	0.24	-	**103.16**	22.87	25.21	0.44	**47.65**	**55.51**	80.07
OFFICE EQUIPMENTS	340.53	7.33	0.51	**347.35**	246.25	44.03	0.47	**289.81**	**57.55**	94.28
PLANT & MACHINERY	139.36	2.28	0.38	**141.26**	107.51	14.38	1.00	**120.90**	**20.36**	31.85
COMPUTER HARDWARE	185.91	41.53	7.35	**220.08**	79.90	60.09	7.01	**132.97**	**87.11**	106.01
LEASEHOLD DEVELOPMENTS	92.22	-	(2.83)	**95.05**	48.01	6.98	-	**55.00**	**40.05**	44.21
BUIDLING	27,468.96	10.85	-	**27,479.81**	2,138.40	965.75	-	**3,104.15**	**24,375.66**	25,330.56
ELECTRICAL EQUIPMENT	346.41	-	-	**346.41**	255.14	40.33	-	**295.49**	**50.92**	91.27
TOTAL	**29,294.40**	**68.02**	**5.42**	**29,356.96**	**3,224.37**	**1,230.02**	**8.93**	**4,445.47**	**24,911.50**	**26,070.02**
Previous Year	29,033.93	400.87	140.38	29,294.39	2,052.05	1,294.99	122.69	3,224.36	26,070.03	26,981.87

Note 11 : INTANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Addition	Disposals/ Adjustments	As at 31.03.2022	As at 01.04.2021	For the Period	Deductions/ Reversals	As at 31.03.2022	As at 31.03.2022	As at 31.03.2020
COMPUTER SOFTWARE*	1,052.20	0.39	-	**1,052.59**	772.75	111.04	(0.00)	**883.79**	**168.80**	279.45
TOTAL	**1,052.20**	**0.39**	**-**	**1,052.59**	**772.75**	**111.04**	**(0.00)**	**883.79**	**168.80**	**279.45**
Previous Year	1,052.37	7.74	7.91	1,052.20	601.46	178.29	7.00	772.75	279.45	450.91

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

Note: The office of IIFCL has shifted to the new premises from 1st January 2019. The amount paid for acquiring the premises has been capitalized in the books of accounts. Since the lease agreement is yet to be executed, IIFCL has amortized the amount over the lease period of 30 years.

Note 12: Other non financial assets

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(i)	Prepaid Expenses	45.33	43.74
(ii)	Other Advances	952.33	793.63
(iii)	Prepaid Staff Cost	8.00	8.03
	Total	**1,005.65**	**845.40**

Note 13: Payables

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
	Trade Payables		
	Total outstanding dues of creditors other than micro enterprises and small enterprises	57.58	-
	Total	**57.58**	**-**

	Age Wise analysis of Trade Receivables	31.03.2022	31.03.2021
(a)	Less than 1 Year	57.58	-
(b)	1 - 2 Year	-	-
(c)	2 - 3 Year	-	-
(d)	More than 3 Years	-	-

Note 14: DEBT SECURITIES

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022		As at 31.03.2021	
		Amortised Cost	Total	Amortised Cost	Total
(A)	**Others**				
I	**SECURED BONDS^**				
(i)	500 (500 as at 31st March 2021) 9.36% Bonds of face value ` 10 lac each, redeemable on 27/07/2042	5,000.00	5,000.00	5,000.00	5,000.00
(ii)	10,500 (10,500 as at 31st March 2021) 9.41% Bonds of face value ` 10 lac each, redeemable on 27/07/2037	105,000.00	105,000.00	105,000.00	105,000.00
(iii)	12,59,825 (12,59,825 as at 31st March 2021) 8.55% Tax Free Bonds Tranche III Series 3A of face value ` 1000 each, redeemable on 27/03/2034	12,598.25	12,598.25	12,598.25	12,598.25
(iv)	12,87,311 (12,87,311 as at 31st March 2021) 8.80% Tax Free Bonds Tranche III Series 3B of face value ` 1000 each, redeemable on 27/03/2034	12,873.11	12,873.11	12,873.11	12,873.11
(v)	125,470 (125,470 as at 31st March 2021) 8.55% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2034	1,254.70	1,254.70	1,254.70	1,254.70
(vi)	5,15,765 (5,15,765 as at 31st March 2021) 8.66% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2034	5,157.65	5,157.65	5,157.65	5,157.65
(vii)	75,43,989 (75,43,989 as at 31st March 2021) 8.66% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2034	75,439.89	75,439.89	75,439.89	75,439.89
(viii)	54,43,232 (54,43,232 as at 31st March 2021) 8.91% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2034	54,432.32	54,432.32	54,432.32	54,432.32
(ix)	1,59,113 (1,59,113 as at 31st March 2021) 8.50% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2033	1,591.13	1,591.13	1,591.13	1,591.13
(x)	18,68,982 (18,68,982 as at 31st March 2021) 8.50% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2033	18,689.82	18,689.82	18,689.82	18,689.82
(xi)	24,20,508 (24,20,508 as at 31st March 2021) 8.75% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2033	24,205.08	24,205.08	24,205.08	24,205.08
(xii)	265 (265 as at 31st March 2021) 8.37% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2033	2,650.00	2,650.00	2,650.00	2,650.00
(xiii)	20 (20 as at 31st March 2021)8.19% Tax Free Bonds Series V of face value ` 10 lac each, redeemable on 23/08/2033	200.00	200.00	200.00	200.00
(xiv)	42,472 (42,472 as at 31st March 2021) 7.08% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2033	424.72	424.72	424.72	424.72
(xv)	1,90,693 (1,90,693 as at 31st March 2021) 7.58% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2033	1,906.93	1,906.93	1,906.93	1,906.93
(xvi)	1,01,62,809 (1,01,62,809 as at 31st March 2021) 7.40% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2033	101,628.09	101,628.09	101,628.09	101,628.09
(xvii)	14,01,415 (14,01,415 as at 31st March 2021) 7.90% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2033	14,014.15	14,014.15	14,014.15	14,014.15
(xviii)	210 (210 as at 31st March 2021) 7.41% Tax Free Bonds Series IV-C of face value ` 10 lac each, redeemable on 21/11/2032	2,100.00	2,100.00	2,100.00	2,100.00
(xix)	3,400 (3,400 as at 31st March 2021) 7.41% Tax Free Bonds Series III-C of face value ` 10 lac each, redeemable on 15/11/2032	34,000.00	34,000.00	34,000.00	34,000.00
(xx)	1,22,807 (1,22,807 as at 31st March 2021) 8.55% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2029	1,228.07	1,228.07	1,228.07	1,228.07
(xxi)	1,59,58,486 (1,59,58,486 as at 31st March 2021) 8.55% Tax Free Bonds Tranche III Series 2A of face value ` 1000 each, redeemable on 27/03/2029	159,584.86	159,584.86	159,584.86	159,584.86
(xxii)	27,11,062 (27,11,062 as at 31st March 2021) 8.80% Tax Free Bonds Tranche III Series 2B of face value ` 1000 each, redeemable on 27/03/2029	27,110.62	27,110.62	27,110.62	27,110.62
(xxiii)	67,908 (67,908 as at 31st March 2021) 8.48% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2029	679.08	679.08	679.08	679.08
(xxiv)	27,98,922 (27,98,922 as at 31st March 2021) 8.48% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2029	27,989.22	27,989.22	27,989.22	27,989.22
(xxv)	14,10,950 (14,10,950 as at 31st March 2021) 8.73% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2029	14,109.50	14,109.50	14,109.50	14,109.50
(xxvi)	89,009 (89,009 as at 31st March 2021) 8.38% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2028	890.09	890.09	890.09	890.09
(xxvii)	30,35,330 (30,35,330 as at 31st March 2021) 8.38% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2028	30,353.30	30,353.30	30,353.30	30,353.30
(xxviii)	15,71,311 (15,71,311 as at 31st March 2021) 8.63% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2028	15,713.11	15,713.11	15,713.11	15,713.11
(xxix)	11,297 (11,297 as at 31st March 2021) 8.48% Tax Free Bonds Series VII of face value ` 10 lac each, redeemable on 05/09/2028	112,970.00	112,970.00	112,970.00	112,970.00
(xxx)	11,597 (11,597 as at 31st March 2021) 8.46% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2028	115,970.00	115,970.00	115,970.00	115,970.00
(xxxi)	6,303 (6,303 as at 31st March 2021) 8.26% Tax Free Bonds Series V of face value ` 10 lac each, redeemable on 23/08/2028	63,030.00	63,030.00	63,030.00	63,030.00
(xxxii)	3,51,554 (3,51,554 as at 31st March 2021) 7.02% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2028	3,615.54	3,615.54	3,615.54	3,615.54
(xxxiii)	1,04,064 (1,04,064 as at 31st March 2021) 7.52% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2028	1,040.64	1,040.64	1,040.64	1,040.64
(xxxiv)	67,41,162 (67,41,162 as at 31st March 2021) 7.36% Tax Feee Bonds of face value ` 1,000 each, redeemable on 22/01/2028	67,411.62	67,411.62	67,411.62	67,411.62
(xxxv)	8,68,391,501 (8,68,391 as at 31st March 2021) 7.86% Tax Free Bonds of face value ` 1,000 each, redeemable at 22/01/2028	8,683.91	8,683.91	8,683.91	8,683.91

(xxxvi)	500 (500 as at 31st March 2021) 7.38% Tax Free Bonds Series IV-B of face value ` 10 lac each, redeemable on 21/11/2027	5,000.00	5,000.00	5,000.00	5,000.00
(xxxvii)	1,000 (1,000 as at 31st March 2021) 7.38% Tax Free Bonds Series III-B of face value ` 10 lac each, redeemable on 15/11/2027	10,000.00	10,000.00	10,000.00	10,000.00
(xxxviii)	38,58,714 (38,58,714 as at 31st March 2021) 8.16% Tax Free Bonds Tranche III Series 1A of face value ` 1000 each, redeemable on 27/03/2024	38,587.14	38,587.14	38,587.14	38,587.14
(xxxix)	12,80,511 (12,80,511 as at 31st March 2021) 8.41% Tax Free Bonds Tranche III Series 1B of face value ` 1000 each, redeemable on 27/03/2024	12,805.11	12,805.11	12,805.11	12,805.11
(xL)	41,188 (41,188 as at 31st March 2021) 8.16% Tax Free Bonds Tranche III of face value ` 1,000 each, redeemable on 27/03/2024	411.88	411.88	411.88	411.88
(xLi)	1,91,778 (1,91,778 as at 31st March 2021) 8.41% Tax Free Bonds Series IV of face value ` 1,000 each, redeemable on 22/01/2024	1,917.78	1,917.78	1,917.78	1,917.78
(xLii)	79,57,885 (79,57,885 as at 31st March 2021) 8.41% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2024	79,578.85	79,578.85	79,578.85	79,578.85
(xLiii)	41,69,571 (41,69,571 as at 31st March 2021) 8.66% Tax Free Bonds Series IV of face value ` 1000 each, redeemable on 22/01/2024	40,695.71	40,695.71	40,695.71	40,695.71
(xLiv)	17,26,340 (17,26,340 as at 31st March 2021) 8.01% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2023	17,263.40	17,263.40	17,263.40	17,263.40
(xLv)	12,31,739 (12,31,739 as at 31st March 2021) 8.26% Tax Free Bonds of face value ` 1,000 each, redeemable on 12/11/2023	12,317.39	12,317.39	12,317.39	12,317.39
(xLvi)	27,719 (27,719 as at 31st March 2021) 8.01% Tax Free Bonds Series III of face value ` 1,000 each, redeemable on 12/11/2023	277.19	277.19	277.19	277.19
(xLvii)	50 (50 as at 31st March 2021) 8.11% Tax Free Bonds Series VII of face value ` 10 lac each, redeemable on 05/09/2023	500.00	500.00	500.00	500.00
(xLviii)	100 (100 as at 31st March 2021) 8.01% Tax Free Bonds Series VI of face value ` 10 lac each, redeemable on 30/08/2023	1,000.00	1,000.00	1,000.00	1,000.00
(xLix)	19,27,319 (19,27,319 as at 31st March 2021) 6.86% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2023	19,273.19	19,273.19	19,273.19	19,273.19
(L)	98,318 (98,318 as at 31st March 2021) 7.36% Tax Free Bonds of face value ` 1,000 each, redeemable on 26/03/2023	983.18	983.18	983.18	983.18
(Li)	84,46,348 (84,46,348 as at 31st March 2021) 7.19% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2023	85,463.48	85,463.48	85,463.48	85,463.48
(Lii)	11,18,644 (11,18,644 as at 31st March 2021) 7.69% Tax Free Bonds of face value ` 1,000 each, redeemable on 22/01/2023	11,186.44	11,186.44	11,186.44	11,186.44
(Liii)	2,140 (2,140 as at 31st March 2021) 7.21% Tax Free Bonds Series IV-A of face value ` 10 lac each, redeemable on 21/11/2022	21,400.00	21,400.00	21,400.00	21,400.00
(Liv)	600 (600 as at 31st March 2021) 7.20% Tax Free Bonds Series III-A of face value ` 10 lac each, redeemable on 15/11/2022	6,000.00	6,000.00	6,000.00	6,000.00
(Lv)	79,110 (79,110 as at 31st March 2021) 8.30% Bonds of face value ` 1000 each, redeemable on 28/3/2026 with earliest buyback on 29/3/2018	791.10	791.10	791.10	791.10
		1,488,997.24	**1,488,997.24**	**1,488,997.24**	**1,488,997.24**
II	**UNSECURED BONDS^**				
(i)	10,000 8.55% Bonds of face value ` 10 lac each, redeemable on 03/11/2024 #	100,000.00	100,000.00	100,000.00	100,000.00
(ii)	4,000 8.12% Bonds of face value ` 10 lac each, redeemable on 24/08/2024 #	40,000.00	40,000.00	40,000.00	40,000.00
(iii)	6,000 8.12% Bonds of face value ` 10 lac each, redeemable on 12/08/2024 #	60,000.00	60,000.00	60,000.00	60,000.00
(iv)	5,000 7.90% Bonds of face value ` 10 lac each, redeemable on 28/04/2024 #	50,000.00	50,000.00	50,000.00	50,000.00
(v)	5,000 8.10% Bonds of face value ` 10 lac each, redeemable on 08/04/2024 #	50,000.00	50,000.00	50,000.00	50,000.00
(vi)	2,000 8.68% Bonds of face value ` 10 lac each, redeemable on 18/12/2023 #	20,000.00	20,000.00	20,000.00	20,000.00
(vii)	2,000 9.35% Bonds of face value ` 10 lac each, redeemable on 17/11/2023 #	20,000.00	20,000.00	20,000.00	20,000.00
(viii)	2,000 8.82% Bonds of face value ` 10 lac each, redeemable on 19/12/2022 #	20,000.00	20,000.00	20,000.00	20,000.00
(ix)	15,000 7.17% Bonds of face value ` 10 lac each, redeemable on 12/03/2032	150,000.00	150,000.00	-	-
(x)	400 Interest linked to US$ 6 months LIBOR Bonds of face value $ 1 million each, subscribed by RBI, redeemable on 29/01/2029 #	303,228.40	303,228.40	294,018.80	294,018.80
(xi)	532 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 26/03/2025 #	403,293.77	403,293.77	391,045.00	391,045.00
(xii)	231 Interest linked to US$ 6 months LIBOR Bonds of face value $ 1 million each, subscribed by RBI, redeemable on 06/03/2024 #	175,114.40	175,114.40	169,795.86	169,795.86
(xiii)	160 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 04/03/2023 #	121,291.36	121,291.36	117,607.52	117,607.52
(xiv)	117 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 05/07/2022 #	88,694.31	88,694.31	86,000.50	86,000.50
(xv)	123 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 30/03/2022 #	-	-	90,410.78	90,410.78
(xvi)	170 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 27/02/2022 #	-	-	124,957.99	124,957.99
(xvii)	130 Interest linked to US$ 6 months LIBOR Non Convertible Bonds of face value $ 1 million each, subscribed by RBI, redeemable at par on 16/09/2021 #	-	-	95,556.11	95,556.11
		1,601,622.24	**1,601,622.24**	**1,729,392.56**	**1,729,392.56**
	Total gross (A)	**3,090,619.48**	**3,090,619.48**	**3,218,389.80**	**3,218,389.80**
	Debt securities in India	1,848,997.24	1,998,997.24	1,848,997.24	1,848,997.24
	Debt securities outside India	1,091,622.24	1,091,622.24	1,273,836.45	1,273,836.45
	Total gross (B)	**2,940,619.48**	**3,090,619.48**	**3,122,833.69**	**3,122,833.69**
	Total (B) to tally with (A)	**3,090,619.48**	**3,090,619.48**	**3,218,389.80**	**3,218,389.80**

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

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

# Unsecured Bonds are Guaranteed by Government of India [including Nil as on 31st March 2022 (Nil as on 31st March 2021) being the amount due to within 1 year from the end of reporting period]	1,451,622.24	1,451,622.24	1,633,836.45	1,633,836.45
Bonds or Debentures redeemed which the IIFCL has the power to reissue .		Nil		Nil

TERMS OF REPAYMENT OF LONG TERM LOANS

i) **Asian Development Bank**

Tranche	Loan Amount (including short term) as per Agreement ($ in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
I	3000	6M USD LIBOR +20bps	15.12.2012	15.06.2032	Semi-Annual	Each instalment of 2.50% of loan amount
II	2000	6M USD LIBOR +20bps	15.06.2014	15.12.2033	Semi-Annual	Each instalment of 2.50% of loan amount
III	2100	6M USD LIBOR +20bps	15.12.2014	15.06.2034	Semi-Annual	Ballooning instalments starting from 0.827816% to upto 5.550311% of loan amount
IV	2500	6M USD LIBOR +30bps	15.12.2015	15.06.2035	Semi-Annual	
V	2400	6M USD LIBOR +40bps	15.12.2016	15.06.2036	Semi-Annual	
VI	4000	Overnight SOFR+14bps +40bps	15.03.2018	15.03.2033	Semi-Annual	Ballooning instalments starting from 2.173900% to upto 4.559913% of loan amount
VII	3000	6M USD LIBOR +50bps	01.05.2023	01.05.2038	Semi-Annual	Ballooning instalments starting from 2.173900% to upto 4.559913% of loan amount
Total	**19000**					

ii) **IBRD (World Bank)**

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

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

iii) **Kreditanstalt für Wiederaufbau (KFW)**

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

iv) **European Investment Bank**

Tranche	Loan Amount as per Agreement (Euro in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
I	350.00	6M EURIBOR+All-in spread of 0.275%	22.06.2020	20.12.2034	Semi-Annual	Each instalment of Euro 11,66,666.67
II	400.00	6M EURIBOR+All-in spread of 0.436%	21.06.2021	20.12.2034	Semi-Annual	Each instalment of Euro 14,28,571.43
III	400.00	6M EURIBOR+All-in spread of 0.426%	21.06.2021	20.12.2034	Semi-Annual	Each instalment of Euro 14,28,571.43
IV	850.00	6M EURIBOR+All-in spread of 0.346%	21.06.2021	20.12.2034	Semi-Annual	Each instalment of Euro 30,35,714.29
Total	**2000.00**					

v) **Japan International Cooperation Agency**

Tranche	Loan Amount as per Agreement (Japanese Yen in Lac)	Rate of Interest	Repayment from	Repayment upto	Frequency of repayment	Amt of repayment
Portion-I	10,000.00	6M JPY LIBOR with a floor of 0.10% and cap of 6.208%	20.03.2022	20.03.2036	Semi-Annual	First instalment of 3.448328% of loan amount and subsequent instalments of 3.448274% of loan amount.
Portion-II	90,000.00	6M JPY LIBOR with a floor of 0.10% and cap of 6.208%	20.03.2022	20.03.2036	Semi-Annual	First instalment of 3.448328% of loan amount and subsequent instalments of 3.448274% of loan amount.

Note 15: Borrowings (Other than Debt securities)

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022		As at 31.03.2021	
		Amortised Cost	Total	Amortised Cost	Total
a)	**Term loans**				
(i)	**From Other Parties**				
	Unsecured Loans:				
a.	Asian Development Bank (ADB)	1,097,295.83	1,097,295.83	1,067,195.03	1,067,195.03
b.	IBRD (World Bank)	111,754.83	111,754.83	115,355.34	115,355.34
c.	European Investment Bank (EIB)	155,391.23	155,391.23	170,189.02	170,189.02
d.	Kreditanstalt für Wiederaufbau (KFW)	13,126.16	13,126.16	13,815.95	13,815.95
e.	Japan International Cooperation Agency	185,282.61	185,282.61	176,960.00	176,960.00
f.	Short Term Loans from Banks	363,788.46	363,788.46	-	-
g.	Other Loans - IIFC UK	39,347.05	39,347.05	-	-
b)	**Loans repayble on demand**				
	Secured Loans:				
i)	from Banks	155,022.58	155,022.58	577,550.80	577,550.80
	(Secured by pledge of fixed deposit receipts of ₹ 4,24,230.60 Lac as at 31st March 2022 (₹ 6,38,201.00 Lac as at 31st March 2021))				
	Total (A)	**2,121,008.76**	**2,121,008.76**	**2,121,066.13**	**2,121,066.13**
	Borrowings in India	518,811.04	518,811.04	577,550.80	577,550.80
	Borrowings outside India-FC loans	1,602,197.72	1,602,197.72	1,543,515.33	1,543,515.33
	Total (B) to tally with (A)	**2,121,008.76**	**2,121,008.76**	**2,121,066.13**	**2,121,066.13**

All Unsecured Term loans from other parties are Guaranteed by Government of India out of which [₹ 52,583.92 Lac, ₹ 456.83 Lac, ₹ 7,214.80 Lac, ₹ 11,192.02 Lacs and ₹ 11,652.50 Lac amount as on 31st March 2022 ([₹ 48,678.93 Lac, ₹ 481.28 Lac, ₹ 6,994.71 Lac, ₹ 11,479.87 Lacs and ₹ Nil as on 31st March 2021) being the amount due to ADB, KFW, World Bank, EIB and JICA respectively within 1 year from the end of reporting period.

*	Net of Debit Balance	0.14	0.14	0.15	0.15

Note 16: Other financial liabilities

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(i)	Security deposit received	2.15	7.15
(ii)	Others	2,829.28	2,979.64
(iii)	**Interest accrued but not due on borrowings**		
	On bonds and term loans	74,134.52	70,183.63
	Total	**76,965.95**	**73,170.42**

Note 17: Current Tax liabilities

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(i)	Provision for Income Tax	13,977.24	13,657.70
(ii)	Income Tax (Net)	-	-
	Total	**13,977.24**	**13,657.70**

Note 18: Provisions

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
	Provision for employee benefits		
(i)	Leave Encashment	290.13	211.23
(ii)	Sick Leave	177.54	158.81
(iii)	Post-retirement medical benefit	1,047.08	940.60
(iv)	Leave Fare Concession	117.79	105.95
(v)	Wage Revision	1,501.35	1,109.89
(vi)	Gratiuty	51.66	43.98
	Others		
(i)	Marked to market losses on derivatives	350.82	876.74
(ii)	Contingent Provisions against Standard Assets	16,742.44	22,412.38
(iii)	Provisions against Sub-standard Assets	6,352.64	8,353.21
(iv)	Provisions against Doubtful Assets	302,347.62	337,547.34
(v)	Provisions against Restructured Assets	9,236.15	5,028.08
(vi)	Expense on Behalf of NPAs	680.78	625.10
(vii)	Expected Credit Loss as per Ind AS	104,977.45	184,422.18
	Total	**443,873.46**	**561,835.49**

Note 19 : OTHER NON-FINANCIAL LIABILITIES

(₹ in lac)

S.No.	Particulars	As at 31.03.2022	As at 31.03.2021
(A)	**Other payables**		
(i)	Statutory Dues payable	303.03	804.97
(ii)	Unclaimed Interest on Bonds	0.69	1.38
(iii)	Commitment Charges payable	22.89	71.98
(iv)	Sundry Liabilities Account (Interest Capitalisation)	40,804.76	46,904.51
(v)	Others	573.05	357.29
	Total	**41,704.42**	**48,140.13**

Note 20: EQUITY SHARE CAPITAL

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
A	**Authorised** 10,000,000,000 equity shares of Rs. 10/- each (10,000,000,000 equity shares of Rs.10/- each as at 31st March 2021)	**1,000,000.00**	**600,000.00**
B	**Issued, Subscribed and Paid up** 9,999,916,230 (9,999,916,230 as at 31st March 2021) fully paid equity shares of Rs. 10/- each	999,991.62	999,991.62
	Total	**999,991.62**	**999,991.62**

Footnotes:

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

PARTICULARS	Year ended 31st March 2022		Year ended 31st March 2021	
	No. of Shares	₹ in Lac	No. of Shares	₹ in Lac
Shares outstanding at the beginning of the reporting period	9,999,916,230	999,991.62	9,999,916,230	999,991.62
Shares Issued during the reporting period	-	-	-	-
Shares outstanding at the end of the reporting period	9,999,916,230	999,991.62	9,999,916,230	999,991.62

b) Disclosure of Shareholding of Promoters

	Shares held by promoters as at 31st		Shares held by promoters as at 31st		% change during the year
Promoter Name	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Government of India	9,999,916,230	100.00%	9,999,916,230	100.00%	-

c) Financial institutions utilize share capital for strengthening owned funds to meet requirement of capital for maintaining capital adequacy, exposure norms and leverage ratio as per regulatory requirements. The amount of share capital in turn supports financing new and existing infrastructure projects. IIFCL has accordingly, utilized the entire amount of capital provided by the Government of India during 2019-20.

Note 21: OTHER EQUITY

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(a)	**CAPITAL RESERVE (PROFIT ON SALE OF NON CURRENT**		
	Opening Balance	585.14	585.14
	Closing Balance	**585.14**	**585.14**
(b)	**SECURITIES PREMIUM ACCOUNT (ON BONDS)**		
	Opening Balance	235.50	235.50
	Closing Balance	**235.50**	**235.50**
(c)	**DEBENTURE/ BOND REDEMPTION RESERVE**		
	Opening Balance	99,995.05	99,995.05
	Add: Transfer from Surplus in Statement of Profit and Loss	-	-
	Closing Balance	**99,995.05**	**99,995.05**
(d)	**CASH FLOW HEDGE RESERVE**		
	Opening Balance	(27,653.15)	(33,957.27)
	Add: Cash Flow Hedge Reserve during the period	20,072.18	6,304.12
	Closing Balance	**(7,580.98)**	**(27,653.15)**
(e)	**OTHER RESERVES**		
(i)	**SPECIAL RESERVE U/S 36(1)(viii) OF INCOME TAX ACT, 1961**		
	Opening Balance	145,940.91	142,145.82
	Add: Transfer from Surplus in Statement of Profit and Loss (Net)	-	3,795.09
	Closing Balance	**145,940.91**	**145,940.91**
(ii)	**STAFF WELFARE RESERVE (Footnote 2)**		
	Opening Balance	75.12	26.75
	Add: Transfer from Surplus of Profit & Loss Account	294.17	71.38
	Less: Amount utilized during the year and transferred to Surplus in Statement of Profit	12.11	23.00
	Closing Balance	**357.20**	**75.12**
(iii)	**CORPORATE SOCIAL RESPONSIBILITY RESERVE (Footnote 3)**		
	Opening Balance	122.45	133.78
	Less: Amount Utilized	-	11.33
	Closing Balance	**122.45**	**122.45**
(iv)	**FOREIGN CURRENCY TRANSLATION DIFFERENCE RESERVE**		
	Opening Balance	14,621.64	14,083.23
	Add/ Less: Adjustments during the year	(369.30)	538.41
	Closing Balance	**14,252.34**	**14,621.64**
(v)	**Impairment Reserve (Footnote 4)**		
	Opening Balance	-	**7,164.93**
	Add/ Less: Adjustments during the year	45,165.93	(7,164.93)
	Closing Balance	**45,165.93**	**-**
(vi)	**RESERVE FUND U/S 45-IC OF RBI ACT 1934 (Footnote 5)**		
	Opening Balance	8,772.52	3,057.24
	Add: Transfer from Surplus of Profit & Loss Account	10,289.95	5,715.28
	Closing Balance	**19,062.47**	**8,772.52**
(f)	**SURPLUS IN STATEMENT OF PROFIT AND LOSS**		
	Opening Balance	(245,373.00)	(275,520.08)
	Add: Profit after Tax	63,916.21	32,501.53
	Add: Transfer from Staff Welfare Reserve	7.31	19.02
	Add: Transfer of Deferred Tax LIability on Special Reserve u/s 36(1)(viii)	36,730.41	-
	Add: Prior Period Item	69.51	
	Less: Transfer to Staff Welfare Reserve	294.17	71.38
	Less: Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act,	-	3,795.09
	Less: Transfer to Impairment Allowance Reserve	45,165.93	(7,164.93)
	Less: Tax Adjustments	6.12	(4.73)
	Less: Re-measurement gain/(loss) on defined benefit plans	(54.08)	(38.62)
	Less: Transfer to Reserve Fund u/s 45-IC	10,289.95	5,715.28
	Closing Balance	**(200,351.66)**	**(245,373.00)**
	TOTAL	**117,784.36**	**(2,677.82)**

Footnotes:

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

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

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

4 The impairmnet allowance reserve is created as per RBI circular RBI/2019-20/170 dated 13th March 2020 for the impairment on loan assets as per Ind AS is lower than the provisions as per RBI's Income Recognition, Asset Classification and Provisioning (IRACP) norms.

5 The Reserve Fund is created as per section 45-IC of RBI Act 1934.

NOTE 22: INTEREST INCOME

(₹ in lac)

S.No.	PARTICULARS	As at On Financial Assets measured at Amortised Cost 31.03.2022	As at On Financial Assets measured at Amortised Cost 31.03.2021
(i)	Interest on Loans and Advances under Direct Lending	202,183.65	216,333.99
(ii)	Interest on Loans under PMDO Scheme	128.63	109.41
(iii)	Interest on Loans and Advances under Refinancing Scheme	81,251.93	47,038.26
(iv)	Interest on Loans and Advances under Takeout Financing Scheme	52,063.69	41,635.46
(v)	Penal Interest	1,037.13	2,480.43
(vi)	Interest on Government Securities	33,720.18	33,720.16
(vii)	Interest on Bonds	454.53	-
(viii)	Interest on Deposits with Banks	40,699.74	57,734.12
	Total	**411,539.48**	**399,051.82**

NOTE 23: Fee and Commission Income

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(i)	Upfront Fee	1,746.80	1,570.75
(ii)	Processing fee	266.68	75.74
(iii)	Pre-Payment Charges	585.32	1,183.99
(iv)	Commission Received	-	11.92
(v)	Fees from Credit Enhancement	539.34	585.63
(vi)	Consultancy and Service Fees	613.20	386.22
(vii)	Investment Management Fees	572.68	473.63
(viii)	Other Charges	2,514.70	1,204.49
	Total	**6,838.73**	**5,492.36**

NOTE 24: Other Income

(₹ in lac)

S.No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
(i)	Recovery of loan written off	29,313.67	20,260.54
(ii)	Amounts/ Provisions other than provision on loan assets written back	227.73	117.24
(iii)	Miscellaneous Income	75.20	70.06
(iv)	Unwinding Interest Income Staff Loan (Income)	3.14	2.75
(v)	Gain on Swap Deals	28,238.08	45,184.43
(vi)	Mark to market (Gain)/Loss on Derivaties	525.92	954.16
(vii)	Interest on Income Tax Refund	908.34	0.39
	Total	**59,292.08**	**66,589.57**

NOTE 25: FINANCE COSTS

(₹ in lac)

S.No.	PARTICULARS	As at On Financial Liabilities measured at Amortised Cost	
		31.03.2022	31.03.2021
(i)	Interest on Bonds & Debentures	153,686.90	154,119.90
(ii)	Interest on Bank Borrowings	25,027.39	22,948.47
(iii)	Interest on loan from Multilaterals	52,649.83	52,527.12
(iv)	Interest on loan from IBRD (World Bank)	10,425.09	7,657.37
(v)	Interest on loan from KFW	102.18	185.96
(vi)	Interest on loan from EIB	-	140.12
(vii)	Interest on loan from JICA	193.56	41.05
(viii)	Interest on Income Tax	30.50	-
	Total	**242,115.46**	**237,619.98**

NOTE 26: Fee and Commission Expense

(₹ in lac)

S.No.	PARTICULARS	As at	
		31.03.2022	31.03.2021
(i)	Government guarantee fees	12,883.12	13,042.33
(ii)	Bond Servicing Expenses	149.75	117.47
(iii)	Commitment charges	65.70	184.48
	Total	**13,098.58**	**13,344.28**

NOTE 27: Net Loss on the Fair Value Changes

(₹ in lac)

S.No.	PARTICULARS	As at	
		31.03.2022	31.03.2021
	(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
	(i) On trading portfolio		
	(ii) On financial instruments designated at fair value through profit or loss	(1,511.69)	2,536.56
	Total Net gain/(loss) on fair value changes (B)	**(1,511.69)**	**2,536.56**
	Fair Value changes: (C)		
	-Realised	-	-
	-Unrealised	(1,511.69)	2,536.56
	Total Net gain/(loss) on fair value changes(B) to tally with (C)	**(1,511.69)**	**2,536.56**
	* Fair value changes in this schedule are other than those arising on account of interest income/expenses.		

NOTE 28: IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in lac)

S.No.	PARTICULARS	As at On Financial Instruments measured at Amortised Cost	
		31.03.2022	31.03.2021
(i)	Loan Assets	(55,650.75)	(3,298.36)
(ii)	Investments	5,621.72	(649.37)
(iii)	Expense on behalf of NPAs	70.22	147.70
	Total	**(49,958.80)**	**(3,800.03)**

NOTE 29: Employee Benefit Expense

(₹ in lac)

S.No.	PARTICULARS	As at	
		31.03.2022	**31.03.2021**
(i)	Salaries and wages	4,657.27	3,003.28
(ii)	Contribution to provident and other funds	238.57	320.73
(iii)	Staff welfare expenses	160.38	968.31
(iv)	Prepaid Staff Cost	0.91	0.90
	Total	**5,057.12**	**4,293.23**

Note 30: OTHER EXPENSES

(₹ in lac)

S.No.	PARTICULARS	As at	
		31.03.2022	**31.03.2021**
(i)	Rent, Taxes and Energy Costs	178.74	205.12
(ii)	Printing & Stationery	18.19	13.29
(iii)	Advertisemeny & Publicity	14.54	19.56
(iv)	Director's Fees, allowances and expenses	5.29	4.74
(v)	Audior's Fees and expenses	126.72	15.32
(vi)	Legal and professfional Charges	312.84	375.60
(vii)	Insurance	22.69	17.14
(viii)	Net loss on foreign currency transactions and translations	18,334.43	37,807.52
(ix)	Other Expenses	1,452.88	1,479.38
(x)	Loan Amount Written Off [See note 1(B)(20(b))]	175,063.08	140,203.69
	Total	**195,529.39**	**180,141.36**

Note 1: SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

IIFCL is a public company domiciled and incorporated in India under the provisions of Companies. The registered office of the Company is situated at 5th Floor, Plate A & B, Block 2, NBCC Tower, East Kidwai Nagar, New Delhi, India.

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

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

1.1 The Consolidated Financial Statements comprise the individual financial statements of India Infrastructure Finance Company Limited (the parent company) and financial statements of its subsidiaries, India Infrastructure Finance Company (UK) Limited (IIFC (UK) Ltd.), IIFCL Projects Limited and IIFCL Asset Management Company Limited (together constituting as the group) as on 31st March 2022 and for the period ended on that date. The Consolidated Financial Statements have been prepared on the following basis:

i) The Financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of Assets, Liabilities, Income and Expenses, after eliminating intra–group transactions resulting in unrealized profits or losses as per Ind AS 110 on “Consolidated Financial Statements”.

ii) The assets and liabilities, both monetary and non-monetary, of the foreign subsidiary are translated at the closing exchange rate.

iii) Income and expense items of the foreign subsidiary are translated at the RBI reference rate between the reporting currency and the foreign currency at the date of transaction.

iv) All resulting exchange difference is accumulated in a foreign currency translation reserve.

1.2 The Individual Financial Statements of the following subsidiaries have been Consolidated in the consolidated Financial Statements:

Name of Subsidiary	Country of Incorporation	Current Period	Previous Period
		Proportion of Ownership Interest (%)	Proportion of Ownership Interest (%)
IIFC (UK) Limited	United Kingdom	100%	100%
IIFCL Projects Limited	India	100%	100%
IIFCL Asset Management Company Limited	India	100%	100%

1.3 The wholly owned foreign subsidiary company's i.e. IIFC (U.K) Limited financial statements have been converted as per Generally Accepted Accounting Practices in India applied for preparing financial statements of the Parent Company.

1.4 <u>Accounting convention</u>: IIFCL presents its financial statements in accordance with the format provided in the Division III of Schedule III to Companies Act, 2013, for Non-Banking Financial Companies (NBFCs). The financial statements have been prepared on accrual basis and on a historical cost basis, except

a. Financial assets classified as Fair Value through Other Comprehensive Income (FVOCI),
b. Derivative financial instruments,
c. Financial assets and liabilities designated at fair value through profit or loss (FVTPL).
d. Defined benefit plans – plan assets measured at fair value.

All of which have been measured at fair value as required or allowed by relevant Ind AS. The financial statements are presented in Indian Rupees and all values are rounded to the nearest Rupees Lakhs, except when otherwise indicated.

1.5 <u>Use of estimates:</u> The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure thereof at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which results materialize.

IIFCL has not made any assumption about the future, and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Statement of compliance

The financial statements of IIFCL are prepared on going concern basis and in accordance with the requirements of Ind AS notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 vide Gazette notification no. G.S.R.111(E) dated 16th February 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, vide Gazette notification no. G.S.R.365(E) dated 30th March 2016.

These IND AS financial statements are prepared from Ind AS transition date for adoption of Ind AS by IIFCL for use as comparative financial statements and are not intended any other purpose.

The financial statements for the year ended 31st March 2022 were authorized and approved for issue by the Board of Directors on 23rd June 2022.

3. Presentation of financial statements

Financial assets and financial liabilities are generally reported gross value in the Balance Sheet. They are only offset and reported net value when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the IIFCL and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net value when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

4. Recognition Of Income / Expenditure

4.1. For all financial instruments measured at amortized cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at FVTPL, interest income or expense is recorded using the EIR. The calculation takes into account all of the contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

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

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

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

4.5. The recovery from loan assets written off are treated as income in the year of receipt of recovery.

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

4.7. Income/Expenditure relating to a prior period, which does not exceed 0.1% of the total income, are treated as income/expenditure of current year.

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

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

4.10. Interest on Income Tax refund is accounted on actual basis, i.e. treated as income in the year of receipt of Income Tax Refund.

5. Financial instruments:

5.1. Recognition and Initial Measurement:

The company initially recognizes financial assets and financial liabilities on the settlement date. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

5.2. Classification:

A. Financial Assets:

Financial assets of the Company comprise cash and cash equivalents, bank balances, investments in equity shares of companies other than in subsidiaries & joint ventures, loans to subsidiaries/employees, advances to employees, security deposit, claims recoverable etc.

On initial recognition, a financial asset is classified:

a) **Amortized Cost:**

Financial Instruments are measured at amortized cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- Are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These instruments are initially recognized at fair value plus directly attributable transaction costs, impact of which exceeds 0.5% of the total income. The measurement of credit impairment is based on the three-stage expected credit loss model described in Note 6.7 Impairment of financial assets.

b) **Fair Value through Other Comprehensive Income(OCI):**

Financial Instruments are measured at fair value through other comprehensive income where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost. The expected credit loss model.

c) **Fair Value through Profit and Loss:**

- Items held for trading;
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise. Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

In addition, on initial recognition, IIFCL may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

d) Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by IIFCL in a business combination to which IND AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

All other financial assets are classified as measured at FVTPL.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method, impact of which exceeds 0.5% of the total income.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after IIFCL changes its business model for managing financial assets.

B. Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities, impact of which exceeds 0.5% of the total income. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Defining contractual cash flows solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

C. Derivative financial instruments:

Derivative financial instruments are contracts whose value is derived from one or more underlying price, index or other variable, and typically comprise of instruments such as swaps, forward rate agreements, futures and options. IIFCL enters into derivative financial instruments in nature of hedging contacts to mitigate risk due to variation in foreign exchange rate where applicable involved in foreign currency borrowings of these contracts recognised in the balance sheet at fair value and are classified as trading except where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. The carrying value of a derivative is re measured at fair value throughout the life of the contract. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

a. Wherever the company has entered into forward contract or an instrument i.e., in substance of a forward exchange contract, the difference between the forward rate and the exchange rate on the date of forward exchange contract is recognized as income or expenses over the life of the contract as per Ind AS-21.
b. Hedging taken on foreign currency loans is adjusted on FIFO basis after adjusting for the Loans given in foreign currency (i.e. natural hedge).
c. Any profit or loss arising on cancellation or renewal of forward exchange contracts including interest rate swaps is recognized as income or as expense for the year.
d. In respect of interest rate swap transactions in JPY Yen entered by the company, the company is providing mark to market loss as on Balance Sheet Date.
e. The surplus or deficit on account of difference in spot exchange rate at the inception of forward contract and repayment of underlying foreign currency loan obligation recovered from or paid to counter party respectively as per the hedging contract is recognized as gain or loss at the time of repayment of such loan.
f. The foreign currency loan (which is an underlying transaction) and the swap contract (to hedge against any loss arising on the aforesaid loans) are treated as separate transactions.
g. Foreign currency borrowings are restated as per Indian Accounting Standard (Ind AS 21), The Effects of Changes in Foreign Exchange rates.

The guidance note on “Accounting for Derivative Contracts” issued by the ICAI in June 2015, is applied by the company from Financial year ended 31st March 2017. Any change in exchange rate, on amount of foreign currency borrowing as on reporting date since previous reporting date and from the date of drawdown borrowing during the period, is set off against Fair Value of Derivative Contracts and any gain or loss is recognized as Cash Flow Hedge Reserve. Fair Value of Derivative Contracts are provided by the respective Counter parties.

As per the Guidance Note, under a cash flow hedge, the hedging instrument is measured at fair value, but any gain or loss that is determined to be an effective hedge is recognized in equity, e.g., Cash Flow Hedge Reserve. This is intended to avoid volatility in Statement of Profit & Loss in a period when the gains or losses on the hedged items are not realized therein.

5.3. <u>De-recognition:</u>

<u>Financial assets</u>

IIFCL derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the IIFCL neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

In addition to above, in case of Loan Assets:

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

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

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

(d) A loan asset other than cases under Strategic Debt Restructuring Scheme (SDR), Scheme for Sustainable Structuring of Stressed Assets (S4A), Outside Strategic Debt Restructuring(SDR) scheme applicable as per RBI Regulations and considered withdrawn pursuant to RBI Notification No. RBI/131 DBR No. BP.BC.101/21.04.048/2017-18 dated February 12, 2018 or any other mutually agreed restructuring/settlement process shall be derecognized in case the loan asset has been categorized as Non-Performing Asset (NPA) for more than 5 years or the scheduled commercial operations of the project have been delayed for more than 4 years unless any substantive offer for sale/realization of loan asset is available.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the statement of profit and loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in the statement of profit and loss on de-recognition of such securities. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the company is recognised as a separate asset or liability.

Financial liabilities

The IIFCL derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

5.4. **Modification:**

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is de-recognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in de-recognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of profit and loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

5.5. **Fair Value Measurement**

A significant portion of financial instruments are carried on the balance sheet at fair value.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

If there is no quoted price in an active market, then the IIFCL uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the IIFCL determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in the statement of profit and loss on an appropriate basis.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is the amount payable on demand.

Unquoted equities are fair valued based on the below approach, in the order of hierarchy in which they appear, depending on the availability of the information available with the IIFCL:

a. Break-up value of the investee entity from the company's latest available financial statements.
b. At rupee one, if the latest financial statement is not available.

Units of Infrastructure Debt Funds & Alternate Investment Funds are valued as per latest available Net Asset Value. Security Receipts are valued as per latest available Net Asset Value or Book Value, whichever is lower.

5.6. **Valuation techniques for Fair Value Measurement**

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarized below:

- Level 1 financial instruments −Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the company has access to at the measurement date. The company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments−Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the IIFCL will classify the instruments as Level 3.
- Level 3 financial instruments −Those that include one or more unobservable input that is significant to the measurement as whole.

5.7. <u>Impairment of financial assets</u>

IIFCL applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- Debt instruments measured at amortised cost and fair value through other comprehensive income;
- Loan commitments; and
- Financial guarantee contracts.

No ECL is recognized on equity investments.

Financial assets are classified through the following three stages based on the change in credit risk since initial recognition:

Stage 1: <u>12-months ECL</u>

All exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired since origination are classified under this stage.

Stage 2: <u>Lifetime ECL – not credit impaired</u>

All exposures where there has been a significant increase in credit risk since initial recognition but are not credits impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3: <u>Lifetime ECL – credit impaired</u>

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Calculation of Expected Credit Loss(ECL) on Loan Assets shall be minimum of Provisioning requirements as per RBI regulations which is as under:

(i) <u>Standard Assets</u>: General Provision is made on outstanding amount of loans, including on interest accrued but not due at the year end at 0.40 %.

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

(iii) Doubtful Assets

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

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

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

(iv) Loss Assets

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

(v) Restructured loan Assets

For the following cases, the provisioning against Restructured Standard Assets will be as per RBI norms, including provision on diminution in fair value:

(a) Project loans restructured w.e.f. January 24, 2014, provisioning will be at the rate of 5%.

(b) Stock of restructured outstanding loans as on January 23, 2014 to all companies (as per RBI in case of stock of outstanding restructured loan, the provision is at 5%.

Determining the stage for classification of a financial asset

At each reporting date, all financials assets are classified in to the three stages based on the significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

An exposure will move from stage 1 through stage 3 as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk. Exposures that are less than 30 days past due are considered as stage 1.)

The provision for bad and doubtful debts for financial assets considered as stage 1 is based on a 12-month expected credit loss (ECL). Whereas the provision for bad and doubtful debts for financial assets considered as stage 2 and stage 3 is computed based on a life time ECL model. When an asset is uncollectible, it is derecognized against the related provision. Such assets are derecognised after all the necessary procedures have been completed and the amount of the loss has been determined.

However, there is a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless an entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The definition of default used for these purposes is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Accordingly, an account will be deemed to have been credit impaired and is therefore be moved to stage 3, if any of the following events were to happen:

- The account is over 90 Days Past Due (DPD);
- IIFCL consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees.

Days past due (DPD) is measured for the number of days interest and / or principal remains unpaid, a bill remains overdue, an account remains continuously over limit / drawing power, or the credit in the account is less than the interest charged in the account.

Low Credit risk Assumption

Ind AS 101 - "Financial Instruments" states that *"The credit risk on a financial instrument is considered low for the purposes of paragraph 5.5.10, if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not* necessarily*, reduce the ability of the borrower to fulfil its contractual cash flow obligations. (para B5.5.22)" Further, while it has given the example of an external rating of 'investment grade' as having low credit risk, it acknowledges that financial instruments are not required to be externally rated to be considered to have low credit risk (para B5.5.23).*

Accordingly an instrument is considered to be having low credit risk under the following situations:

- Zero unexpected loss as indicated by zero regulatory risk weight: Given that the unexpected loss estimated as per the regulatory risk-weights is 0%, the expected loss will also be zero. The ECL in such cases would be zero. Examples of such asset classes is domestic sovereign, foreign sovereigns with international rating of "AA" or better.
- Low unexpected loss as indicated by 20% regulatory risk weight: Given the low unexpected loss for portfolios corresponding to risk-weights of 20%, these will also have very low expected loss. However, ECL may be non-zero, or empirical evidence may show that default rates for such asset class / portfolio is zero. Examples of such asset classes are foreign sovereigns with international rating of "A", domestic scheduled IIFCLs (those failing regulatory

requirement of capital adequacy are not low credit risk), externally rated domestic "AAA" corporates, staff loans. Observed default rates for these portfolios are also zero.

For the statements, all staff loans have been considered as low credit risk.

Level of segmentation in the portfolio used

Segmentation is aligned to the Internal Rating Based (IRB) models for the purpose of application of risk parameters. However, for forward looking estimates, the IIFCL may choose to group some of these sub-portfolios into broader categories or in some cases split them into sub-segments based on common risk drivers.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the IIFCL in accordance with the contract and the cash flows that the IIFCL expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the IIFCL if the commitment is drawn down and the cash flows that the IIFCL expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the IIFCL expects to recover.

ECLs are recognized using a provision for bad and doubtful debts account in Statement of Profit and Loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost. IIFCL recognizes the provision charge in profit and loss, with the corresponding amount recognized in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet.

Impairment Reserve:

As per the RBI circular RBI/2019-20/170 dated 13th March 2020, IIFCL shall hold impairment allowances as required by Ind AS. In parallel IIFCL shall also maintain the asset classification and compute provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc.

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), IIFCL is required to appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

5.8. Accelerated Provisioning

IIFCL, as a prudent lender, in addition to normal provisioning to be done under RBI guidelines/ Expected Credit Loss (ECL) calculated as per Ind AS 109 in terms of applying stipulated percentages for secured/unsecured portions depending on asset classification, as may be amended from time to time, considers accelerated provisioning on a case-to-case basis, depending on the expected recovery scenario.

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

The accelerated provisioning depends broadly on the following parameters:

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

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

6. Leasing

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

7. **Property, Plant and equipment**

Property, Plant and equipment is stated at cost of acquisition excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value.

Property, Plant and equipment are derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of Profit and Loss on the date asset is derecognized.

8 **Intangible assets and Intangible Assets under development**

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure on already capitalized Intangible assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Expenditure on development shall be recognised as Intangible asset if it meets the eligibility criteria as per Ind AS 38 ‘Intangible Assets’, otherwise it shall be recognised as an expense.

An item of Intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

9 **Depreciation/ Amortization**

Depreciation is calculated using write down method value method to the cost of property and equipment to their residual values over their estimated useful lives. Useful life is considered as per Schedule II of Companies Act 2013.

The office premise of IIFCL has been amortized over the lease period of 30 years.

Amortization is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. In case of lease asset, the estimated useful life is calculated on the basis of termination of lease period.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the income statement.

10 Impairment of non–financial assets

IIFCL assesses at each reporting date to ascertain indication that a non-financial asset may be impaired. Impairment ascertained as per assessment is recognized as expense.

11 Letter of Comforts (LOCs)

In the ordinary course of business, IIFCL issues Letter of Comforts (LoCs) to Banks, is generally to consortium members for issuing Letter of Credit/Financial Guarantee on behalf of lenders in favor of beneficiaries. LoCs are initially recognised in the financial statements within 'other liabilities') at fair value, being the premium received. Subsequent to initial recognition, the IIFCL's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortization recognised in the income statement, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee. Any increase in the liability relating to financial guarantees is recorded in the income statement in credit loss expense. The premium received is recognised in the income statement in net fees and commission income on a straight line basis over the life of the guarantee.

12 Provisions and Contingencies

Provisions are recognised when the IIFCL has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, IIFCL determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and Loss net of any reimbursement in other operating expenses.

A contingent liability is recognized and disclosed when there is:

a) A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Group; or

b) A present obligation arising from the past event which is not recognised as it is not probable that the outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Commitments include binding commitments to extend credit as per the agreements to lend to a customer so long as there is no violation of any condition established in the contract.

13 Taxes on Income

13.1 Current Taxes

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in India where IIFCL operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

13.2 Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences,

unused tax losses and unused tax credits can be utilized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary

differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

14 Earnings per Share

IIFCL presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the equity shareholders of the IIFCL by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to the equity shareholders and the weighted-average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

15 Employee Benefits

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

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

15.3 Employee benefits under defined contribution plans comprising NPS are recognized on the undiscounted obligation of the company to contribute to the plan. The same is paid to the IDBI Bank, which is the Point of Presence (POP) service provider for NPS facility and are expensed relating to the period..

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

15.5 Termination benefits are recognized as an expense immediately

15.6 Gain or loss arising out of actuarial valuation is recognized in the period in they occur in Other Comprehensive Income (OCI).

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

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

15.9 Leave Encashment has been provided on the basis of amount payable to LIC Group Leave Encashment Plan.

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

16 Critical accounting assumptions and estimates

The application of the IIFCL's accounting policies requires the use of judgements, estimates and assumptions. If different assumptions or estimates were applied, the resulting values would change, impacting the net assets and income of the IIFCL. Assumptions made at each reporting date are based on best estimates at that date. Although IIFCL has internal control systems in place to ensure that estimates are reliably measured, actual amounts may differ from those estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting policies which are most sensitive to the use of judgement, estimates and assumptions are specified below.

- **Fair value measurement**

  A significant portion of financial instruments are carried on the balance sheet at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where the classification of a financial asset or liability results in it being measured at fair value, wherever possible, the fair value is determined by reference to the quoted bid or offer price in the most advantageous active market to which the IIFCL has immediate access. An adjustment for credit risk is also incorporated into the fair value as appropriate. Fair value for a net open position that is a financial liability quoted in an active market is the current offer price, and for a financial asset the bid price, multiplied by the number of units of the instrument held or issued. Where no active market exists for a particular asset or liability, the IIFCL uses a valuation technique to arrive at the fair value, including the use of transaction prices obtained in recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques, based on market conditions and risks existing at reporting date. In doing so, fair value is estimated using a valuation technique that makes maximum use of observable market inputs and places minimal reliance upon entity-specific inputs. The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the IIFCL recognizes the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

- **Impairment charges on loans and advances**

  Judgement is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for loans and advances. In estimating these cash flows, the IIFCL makes judgements about the borrower's financial situation and the net realizable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance. A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, levels of arrears, credit utilization, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, real estate price indices, country risk and the performance of different individual groups).

- **Provisions other than loan impairment**

  Provisions are held in respect of a range of future obligations such as employee entitlements, restructuring costs and litigation provisions. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate which reflects both current interest rates and the risks specific to that provision.

- **Loans and advances**

  Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using the effective interest rate method.

17 Borrowings and debt securities

Borrowings and debt securities issued are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method, except where the Group designates liabilities at FVTPL.

18 Borrowing Costs

The Exchange differences on foreign currency borrowings are charged to Statement of Profit & Loss. The amount of exchange difference not exceeding the difference between interest on local currency borrowings and interest on foreign currency borrowings is considered as borrowings costs and is accounted for under Ind AS 23 – Borrowing Costs and the remaining exchange difference, if any, is accounted for under Ind AS 21 - The Effects of Changes in Foreign Exchange Rates.

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

19 Investment in Subsidiary

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

On the date of transition to Ind AS, the Company has considered the carrying value of Investment in subsidiaries as per previous GAAP to be the deemed cost as per Ind AS 101.

20 Foreign Exchange Transactions

20.1 Expenses and income in foreign currency are accounted for at the exchange rates of banks prevailing on the date of transactions.

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

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

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

20.3 Foreign Currency Loan liability is translated in Indian currency at RBI Reference rate prevailing on the date of reporting. The exchange difference is charged to Statement of Profit & Loss as per Accounting Standard 11, The Effect of Changes in Foreign Exchange Rates.

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

21 Derivative Accounting

21.1 Wherever the company has entered into forward contract or an instrument i.e., in substance of a forward exchange contract, the difference between the forward rate and the exchange rate on the date of forward exchange contract is recognized as income or expenses over the life of the contract as per Indian Accounting Standard-21.

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

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

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

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

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

21.7 Foreign currency borrowings are restated as per Indian Accounting Standard 21, The Effects of Changes in Foreign Exchange rates.

The guidance note issued by the ICAI on “Accounting for Derivative Contracts” issued in June 2015, is applicable from 1st April 2016 and the same is applied by the company from Financial year ended 31st March 2017. Any change in exchange rate, on amount of foreign currency borrowing as on reporting date since previous reporting date and from the date of drawdown borrowing during the period, is set off against Fair Value of Derivative Contracts and any gain or loss is recognized as Cash Flow Hedge Reserve. Fair Value of Derivative Contract are provided by the respective Counter parties.

As per the Guidance Note, under a cash flow hedge, the hedging instrument is measured at fair value, but any gain or loss that is determined to be an effective hedge is recognized in equity, e.g., Cash Flow Hedge Reserve. This is intended to avoid volatility in Statement of Profit & Loss in a period when the gains or losses on the hedged items are not realized therein.

22 Accounting For Revenue Grants

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

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

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

23 Cash Flow Statement

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

(B) OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. (a) The Subsidiaries considered in the preparation of the consolidated financial statements are India Infrastructure Finance Company (U.K.) Limited incorporated at United Kingdom, IIFCL Projects Limited and IIFCL Asset Management Company Limited incorporated at India.

(b) The Consolidated Financial Statements of India Infrastructure Finance Company Limited is for the Year ended 31st March 2022. The financial statements of the subsidiary companies are also made for the Year ended 31st March 2022.

2. Prior Period Income & Expenses **(Ind AS-8)** which have been included under the regular heads in Statement of Profit & Loss are as under:

(` in lac)

Particular	Year ended 31st March 2022	Year ended 31st March 2021
(A) Income		
(i) Income on Loans & Advances	-	-
(ii) Penal Interest	-	-
(iii) Other Charges	-	-
Total (A)	**-**	**-**
(B) Expenditure		
(i) Establishment and other expenses	-	-
(ii) Salaries and Wages	-	-
Total (B)	-	-
Net impact via Gain/(Loss) on current year profit [(A)-(B)]	**-**	**-**

3. Changes in Accounting Policies:

There is no Change is Accounting Policies during the Year ended 31st March 2022.

4. **Disclosure under Ind AS 19 (revised 2005) "Employee Benefits" (Ind AS 19)**

As per Ind AS-19 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

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

Principal assumptions used for actuarial valuation are:

Method used	Projected Unit Credit Method
i) Discounting Rate	6.79 %
ii) Future cost escalation rate	5.50 %
iii) Expected Rate of return on plan assets	6.79 %

I. Assumptions for Gratuity Plan:

	2021-22	2020-21
Mortality rate	100 % IALM (2012 -14)	100 % IALM (2012 -14)
Withdrawal rate	1 % to 3 % depending on age	1 % to 3 % depending on age
Discount rate (p.a.)	7.18 %	6.80 %
Salary escalation (p.a.)	5.50 %	5.50 %

II. Sensitivity Analysis of the defined benefit obligation.

(` in lac)

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	**42,511,430**
a)	Impact due to increase of 0.50%	(2,505,522)
b)	Impact due to decrease of 0.50 %	2,738,831
b) Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	**42,511,430**
a)	Impact due to increase of 0.50%	1,134,381
b)	Impact due to decrease of 0.50 %	(1,274,422)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated by actuary.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

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

(` in lac)

	Net Defined Benefit (Asset)/ Liability	Year ended 31st March 2022	Year Ended 31st March 2021
a)	Present value of obligation	425.11	379.69
b)	Fair value of plan assets	495.06	480.64
c)	Net assets / (liability) recognized in balance sheet as provision	69.95	100.95
	Change in plan assets		
a)	Fair value of plan assets at the beginning of the period	480.64	404.97
b)	Actual return on plan assets	34.50	30.88
c)	Mortality Charges	(0.99)	(0.47)
d)	Employer contribution	-	104.55
e)	Benefits paid	(19.09)	(56.29)
f)	Fair value of plan assets at the end of the period	495.06	480.64
	Change in Benefit Obligation		
a)	Present value of obligation as at the beginning of the period	379.69	365.41
b)	Acquisition adjustment	-	-
c)	Interest Cost	25.82	24.81
d)	Service Cost	53.56	47.44
e)	Past Service Cost including curtailment Gains/Losses	-	-
f)	Benefits Paid	(19.09)	(56.29)
g)	Total Actuarial (Gain)/Loss on Obligation	(14.87)	(1.69)
h)	Present value of obligation as at the End of the period	425.11	379.69
	Change in Net Defined Benefit Obligation		
a)	Net defined benefit liability at the start of the period	(100.95)	(39.55)
b)	Acquisition adjustment	-	-
c)	Total Service Cost	53.56	47.44
d)	Net Interest cost (Income)	(6.86)	(2.69)
e)	Re-measurements	(15.69)	(1.60)
f)	Contribution paid to the Fund	-	(104.55)
g)	Benefit paid directly by the enterprise	-	-
h)	Net defined benefit liability at the end of the period	(69.95)	(100.95)
	Bifurcation Actuarial Gain/Loss on Obligation		
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(20.45)	(0.50)
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	5.58	(1.19)

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

	2021-22	2020-21
Mortality rate	100 % IALM (2012 -14)	100 % IALM (2012 -14)
Withdrawal rate	1 % to 3 % depending on age	1 % to 3 % depending on age
Discount rate (p.a.)	7.18 %	6.80 %
Salary escalation (p.a.)	5.50 %	5.50 %

Sensitivity Analysis of the defined benefit obligation. (` in lac)

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	**68,792,481**
a)	Impact due to increase of 0.50%	(4,091,693)
b)	Impact due to decrease of 0.50 %	4,389,001
b) Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	**68,792,481**
a)	Impact due to increase of 0.50%	4,467,078
b)	Impact due to decrease of 0.50 %	(4,128,888)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(` in lac)

	Net Defined Benefit (Asset)/ Liability	Year ended 31st March 2022	Year Ended 31st March 2021
a)	Present value of obligation	687.92	570.88
b)	Fair value of plan assets	460.33	432.08
c)	Net assets / (liability) recognized in balance sheet as provision	(227.60)	(177.19)
	Change in plan assets		
a)	Fair value of plan assets at the beginning of the period	432.08	324.03
b)	Actual return on plan assets	30.65	28.24
c)	Mortality Charges	(2.40)	(2.20)
d)	Employer contribution	-	121.53
e)	Benefits paid	-	(39.53)
f)	Fair value of plan assets at the end of the period	460.33	432.08
	Change in Benefit Obligation		
a)	Present value of obligation as at the beginning of the period	570.88	477.46
b)	Acquisition adjustment	-	-
c)	Interest Cost	38.82	32.42
d)	Service Cost	107.39	74.21
e)	Past Service Cost including curtailment Gains/Losses	-	-
f)	Benefits Paid	-	(39.53)

g)	Total Actuarial (Gain)/Loss on Obligation	(29.17)	26.32
h)	Present value of obligation as at the End of the period	687.92	570.88
	Change in Net Defined Benefit Obligation		
a)	Net defined benefit liability at the start of the period	138.80	153.43
b)	Acquisition adjustment	-	-
c)	Total Service Cost	107.39	74.21
d)	Net Interest cost (Income)	9.44	10.42
e)	Re-measurements	(28.03)	22.27
f)	Contribution paid to the Fund	-	(121.53)
g)	Benefit paid directly by the enterprise	-	-
h)	Net defined benefit liability at the end of the period	227.60	138.80
	Bifurcation Actuarial Gain/Loss on Obligation		
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(33.27)	(0.75)
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	4.10	27.07

II. OTHER EMPLOYEE BENEFITS (UNFUNDED)
Actuarial assumptions for other employee benefits (unfunded)

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

Assumptions for Leave Fare Concession:

	2021-22	**2020-21**
Mortality rate	100 % IALM (2012 -14)	100 % IALM (2012 -14)
Withdrawal rate	1 % to 3 % depending on age	1 % to 3 % depending on age
Discount rate (p.a.)	7.18 %	6.80 %
Salary escalation (p.a.)	5.50 %	5.50 %

Sensitivity Analysis of the defined benefit obligation.

(` in lac)

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	**7,859,050**
a)	Impact due to increase of 0.50%	(455,585)
b)	Impact due to decrease of 0.50 %	500,661

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(` in lac)

	Net Defined Benefit (Asset)/ Liability	Year ended 31st March 2022	Year Ended 31st March 2021
a)	Present value of obligation	78.59	69.18
b)	Fair value of plan assets	-	-
c)	Net assets / (liability) recognized in balance sheet as provision	(78.59)	(69.18)
	Change in Benefit Obligation		
a)	Present value of obligation as at the beginning of the period	69.18	68.13
b)	Interest Cost	4.70	4.63
c)	Service Cost	18.32	12.01
d)	Benefits Paid	(58.74)	(0.08)
e)	Total Actuarial (Gain)/Loss on Obligation	45.12	(15.50)
f)	Present value of obligation as at the End of the period	78.59	69.18
	Change in Net Defined Benefit Obligation		
a)	Net defined benefit liability at the start of the period	69.18	68.13
b)	Service Cost	18.32	12.01
c)	Net Interest cost (Income)	4.70	4.63
d)	Re-measurements	45.12	(15.50)
e)	Contribution paid to the Fund	-	-
f)	Benefit paid directly by the enterprise	(58.74)	(0.08)
g)	Net defined benefit liability at the end of the period	78.59	69.18
	Bifurcation Actuarial Gain/Loss on Obligation		
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(3.19)	(0.08)
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	48.31	(15.42)

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

Assumptions for Sick Leave Plan:

	2021-22	**2020-21**
Mortality rate	100 % IALM (2012 -14)	100 % IALM (2012 -14)
Withdrawal rate	1 % to 3 % depending on age	1 % to 3 % depending on age
Discount rate (p.a.)	7.18 %	6.80 %
Salary escalation (p.a.)	5.50 %	5.50 %

Sensitivity Analysis of the defined benefit obligation.

(` in lac)

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	**17,754,123**
a)	Impact due to increase of 0.50%	(1,120,301)
b)	Impact due to decrease of 0.50 %	1,203,727

b) Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	**17,754,123**
a)	Impact due to increase of 0.50%	1,225,292
b)	Impact due to decrease of 0.50 %	(1,130,236)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(` in lac)

	Net Defined Benefit (Asset)/ Liability	**Year ended 31st March 2022**	**Year Ended 31st March 2021**
a)	Present value of obligation	177.54	158.81
b)	Fair value of plan assets	-	-
c)	Net assets / (liability) recognized in balance sheet as provision	(177.54)	(158.81)
	Change in Benefit Obligation		
a)	Present value of obligation as at the beginning of the period	158.81	163.69
b)	Acquisition adjustment	-	-
c)	Interest Cost	10.80	11.11
d)	Service Cost	23.41	19.64
e)	Past Service Cost including curtailment Gains/Losses	-	-
f)	Benefits Paid	-	-
g)	Total Actuarial (Gain)/Loss on Obligation	(15.48)	(35.64)
h)	Present value of obligation as at the End of the period	177.54	158.81
	Change in Net Defined Benefit Obligation		
a)	Net defined benefit liability at the start of the period	158.81	163.69
b)	Acquisition adjustment	-	-
c)	Total Service Cost	23.41	19.64
d)	Net Interest cost (Income)	10.80	11.11
e)	Re-measurements	(15.48)	(35.64)
f)	Contribution paid to the Fund	-	-
g)	Benefit paid directly by the enterprise	-	-
h)	Net defined benefit liability at the end of the period	177.54	158.81
	Bifurcation Actuarial Gain/Loss on Obligation		
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(9.12)	(0.22)
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	(6.36)	35.41

E) Post-retirement medical benefit (PRMB) (Introduced from Sep 2015):): Actuarial valuation of the Post-retirement medical benefit (PRMB) liability as on 31st March 2021, as per Ind AS-19. The Company has Post-Retirement Medical Benefit (PRMB), under which retired employees and their dependents are provided medical facilities.

Assumptions for Post-retirement medical benefit (PRMB) Plan:

	2021-22	2020-21
Mortality rate	100 % IALM (2012 -14)	100 % IALM (2012 -14)
Withdrawal rate	1 % to 3 % depending on age	1 % to 3 % depending on age
Discount rate (p.a.)	7.18 %	6.80 %
Salary escalation (p.a.)	5.50 %	5.50 %

Sensitivity Analysis of the defined benefit obligation.

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	**97,565,426**
a)	Impact due to increase of 0.50 %	(1,349,529)
b)	Impact due to decrease of 0.50 %	1,483,221

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(` in lac)

	Net Defined Benefit (Asset)/ Liability	Year ended 31st March 2022	Year Ended 31st March 2021
a)	Present value of obligation	975.65	858.08
b)	Fair value of plan assets	-	-
c)	Net assets / (liability) recognized in balance sheet as provision	(975.65)	(858.08)
	Change in Benefit Obligation		
a)	Present value of obligation as at the beginning of the period	858.08	789.56
b)	Interest Cost	58.35	53.37
c)	Service Cost	79.24	55.87
d)	Benefits Paid	(2.05)	(1.83)
e)	Total Actuarial (Gain)/Loss on Obligation	(17.96)	(38.89)
f)	Present value of obligation as at the End of the period	975.65	858.08
	Change in Net Defined Benefit Obligation		
a)	Net defined benefit liability at the start of the period	858.08	789.56
b)	Service Cost	79.24	55.87
c)	Net Interest cost (Income)	58.35	53.37
d)	Re-measurements	(17.96)	(38.89)
e)	Contribution paid to the Fund	-	-
f)	Benefit paid directly by the enterprise	(2.05)	(1.83)
g)	Net defined benefit liability at the end of the period	975.65	858.08
	Bifurcation Actuarial Gain/Loss on Obligation		
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(10.80)	(2.37)
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	(7.17)	(13.67)

1.2) The amount recognized in Other Comprehensive Income (OCI) for each employee benefit is as under:

(` in lac)

Employee Benefit	Year ended 31st March 2022	Year Ended 31st March 2021
Actuarial Gain/(Loss) on earned Leave	39.39	(39.11)
Actuarial Gain/(Loss) on Gratuity	29.99	(0.32)
Actuarial Gain/(Loss) on LFC	(44.61)	22.61
Actuarial Gain/(Loss) on PRMB	32.03	32.80
Actuarial Gain/(Loss) on SL	15.48	35.64
Total	**72.28**	**51.61**

5. The Company's main business is to provide finance/ refinance for Infrastructure Projects, UK subsidiary i.e. India Infrastructure Finance Company (U.K.) Limited is also engage in the business of providing finance for infrastructure projects where as the IIFCL Projects Limited is engaged in infrastructure project development & advisory activities and IIFCL Asset Management Company Limited (IAMCL) is set up to engage in management of Infrastructure Debt Funds (IDFs) through Mutual Fund route. As IAMCL is yet to start management of IDF, segment information is not furnished for the same. Segment information as required by **Indian Accounting Standard (Ind AS) 108** issued by the Institute of Chartered Accountants of India is furnished below:

(` in lac)

Particular	Financing	Advisory Services	Investment Management Fee	Total
Segment Reporting Revenue				
Revenue from Operation	4,16,936.85	1,308.09	717.21	4,18,962.15
Less: Inter segment Revenue	-	583.94	-	583.94
Total Operating Income	4,16,936.85	724.15	717.21	4,18,378.21
Profit Before Tax	58,833.50	21.06	377.62	59,232.18
Tax	(7,587.20)	(140.84)	(72.57)	(7,800.61)
Profit After Tax	63,730.94	(119.78)	305.05	63,916.21
Segment Assets	69,00,404.19	2,678.31	2,854.58	69,05,937.08
Segment Liabilities	57,87,635.13	385.25	186.50	57,88,206.88
Capital Employed	11,12,769.06	2,293.06	2,668.08	11,17,730.20
Depreciation and Amortization	1,325.39	7.65	-	1,333.04
Capital Expenditure	52.31	14.25	1.46	68.02
Non Cash Expenditure	1,93,397.51	-	-	1,93,397.51

6. As per **Indian Accounting Standard (Ind AS)-24**,**Related Party Disclosures**, the disclosures of transactions with the related parties are given below:

A) Managerial Remuneration and related party disclosures

(i) Key Managerial Personnel

Whole Time Directors

-Shri PR Jaishankar - Managing Director (w.e.f. 29.05.2020)

-Shri Pawan K Kumar - Deputy Managing Director (w.e.f.01.10.2020)

Other than Directors

- Shri Rajeev Mukhija - Chief General Manager-CFO
- Smt. Manjari Mishra - Deputy General Manager-Company Secretary

(ii) Wholly owned Subsidiary Company

(a) India Infrastructure Finance Company (UK) Limited

(b) IIFCL Projects Ltd.

(c) IIFCL Asset Management Company Ltd.

B) Transactions during the Year ended 31st March 2022 (Previous Year Ended 31st March 2021) with related parties:

(` in lac)

S.No.	Particulars	Year ended 31st March 2022	Year ended 31st March 2021
(a)	**Managerial Remuneration (Directors)**		
	(i) Shri PR Jaishankar (Managing Director) (*w.e.f. 29th May 2020 till 31st March 2021)		
	Remuneration	33.77	33.32*
	(ii) Shri Pawan K Kumar (Deputy Managing Director) (*w.e.f. 01st October 2020 till 31st March 2021)		
	Remuneration	36.29	16.92*
	(iii) Sh. Anil Taneja (Director and Chief Executive Officer, IAMCL) till 31st August 2020		
	Remuneration	-	22.38
	(iv) Sh. Satish Kumar Nagpal(Director and Chief Executive Officer, IAMCL) (appointed w.e.f. 3rd February 2021)		
	Remuneration	36.00	6.00
	(v) Sh. Palash Srivastava (Director and Chief Executive Officer, IPL)		
	Remuneration	54.00	54.00
(b)	**Managerial Remuneration (Other than directors)**		
	(i) Shri Rajeev Mukhija (Chief General Manager- CFO)		
	Remuneration	50.28	47.68
	(ii) Smt. Manjari Mishra (Deputy General Manager-CS)		
	Remuneration	44.13	34.07
	(iii) Sh. Ajay PS Saini (Company Secretary, IAMCL)		
	Remuneration	46.73	44.94
	(iv) Smt. Sonu Sharma (Head Finance and CFO, IAMCL) (appointed w.e.f. 20th February 2020 till 02nd September 2020)		
	Remuneration	-	2.95
	(v) Mr. Vivek Kumar Singh(Head Finance and CFO, IAMCL) (appointed w.e.f. 02nd September 2020)		
	Remuneration	13.42	18.88
	(vi) Smt. Deepti Jha (Head Finance and CFO, IAMCL)		
	Remuneration	12.85	-
(d)	**(i) Sitting fee paid to Part Time Non- Official Directors:**		
	Shri Sanjeev Channa	2.80	3.60
	Mr. Harish Kant Parikh	2.00	-
	Sudhir Arya	0.40	-
	Mr. R. P. Vaishnaw	-	0.40

(ii) Pursuant to the applicability of relevant provisions of the Companies Act, 2013 w.e.f. 1st April 2014, the following information is disclosed as per Clause 2 of General instructions for the preparation of consolidated financial statements of Schedule III of Companies Act, 2013:

Name of the Entity	**Net Assets* i.e. total assets minus total liabilities**		**Share in profit or loss**	
	As % of consolidated net assets	**Amount (` in Lac)**	**As % of consolidated profit or loss**	**Amount (` in Lac)**
	As on 31.03.2022	**As on 31.03.2022**	**As on 31.03.2022**	**As on 31.03.2022**
Parent				
India Infrastructure Finance Company Limited	99.37%	11,73,699.45	80.43%	51,449.77
Subsidiaries				
Indian				
IIFCL Projects Ltd.	0.21%	2,293.06	0.59%	375.49
IIFCL Asset Management Company Ltd.	0.24%	2,713.88	0.38%	244.34
Foreign				
IIFC(UK) Ltd.	0.18%	1,975.54	18.60%	11,900.70
Minority Interests in all subsidiaries	-	-	-	-
Associates (Investment as per equity method)				
Indian	-	-	-	-
Foreign	-	-	-	-
Joint Ventures (as per proportionate consolidation/ investment as per equity method)				
Indian	-	-	-	-
Foreign	-	-	-	-

(iii) The salient features of the financial statements of subsidiaries as per Companies Act, 2013:

(` in lac)

Name of Subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Turn-over	Profit before Tax	Provision for Tax	Profit after Tax	Share-holding
IIFCL Projects Ltd.	` in Lac	475.00	1,818.06	2,203.31	385.25	1,316.30	514.44	140.84	373.59	100 %
IIFCL Asset Management Company Ltd.	` in Lac	1250.00	1,463.88	1,650.38	1,463.88	718.76	288.94	72.57	216.37	100 %
IIFC(UK) Ltd.	` in Lac	62,905.95	(59,205.41)	12,05,704.49	12,64,909.90	55,181.21	11,900.70	-	11,900.70	100 %
	USD (in million)	100.00	2.61	1514.22	1511.52	70.24	16.37	-	16.37	

7. **Provisions of Ind AS-17, Leases**

a) Financial Lease: NIL

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

(` in lac)

Particulars	Year ended 31st March 2022	Year Ended 31st March 2021
Total of future minimum lease payments (Gross Investment)	120.93	183.95
Present value of lease payments	112.57	166.56
10 Year G-Sec Yield	6.34 %	6.56%
Maturity profile of total of future minimum lease payments		
Not later than one year	60.47	61.32
Later than one year but not later than five year	60.47	122.63
Later than five year	-	-
Total	**120.94**	**183.95**

8. In terms of **Ind AS-33, Earnings Per Share,** issued by the Institute of Chartered Accountants of India, Earnings per share (Basic & Diluted) is as under:

Particulars	Year ended 31st March 2022		Year Ended 31st March 2021	
	Shares	Amount ` in lac	Shares	Amount ` in lac
Nominal Value of share (`)	10/-		10/-	
Number of Equity Share (No. in lac)	99,999.16		99,999.16	
Weighted Average Number of Equity Shares (No. in lac) (Denominator) (Basic)	99,999.16		99,999.16	
Weighted Average Number of Equity Shares (No. in lac) (Denominator) (Diluted)	99,999.16		99,999.16	
Net Profit (after tax) (Numerator) (` in lac)		63,970.33		32,501.53
Earnings Per Share (Basic) (`)		0.64		0.33
Earnings Per Share (Diluted) (`)		0.64		0.33

9. Fixed assets possessed by the company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by **Ind AS -36** on "Impairment of Assets". As on 31st March 2022, there were no events or change in circumstances, which indicate any impairment in the asset.

10. **(A) Disclosure under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"**

(` in lac)

Particulars	Year ended 31st March 2022	Year Ended 31st March 2021
Proposed Wage Revision		
Opening Balance	1,109.89	721.35
Addition during the period	391.46	338.54
Amount Paid/ Transferred to current liabilities	-	-
Closing Balance	1,501.35	**1,109.89**

Contingent Provision against Standard Assets		
Opening Balance	22,412.38	26,678.88
Addition/Adjustment during the period	(5,669.95)	(4,266.50)
Closing Balance	**16,742.44**	**22,412.38**
Provision against Sub-standard Assets		
Opening Balance	8,353.21	32,471.00
Addition during the period	(2,000.57)	8,353.21
Provision write back on account of NPA write off	-	(32,471.00)
Closing Balance	**6,352.64**	**8,353.21**
Provision against Restructured Assets		
Opening Balance	5,028.08	492.35
Addition/Adjustment during the period	4,208.07	4535.73
Provision write back on account of NPA write off	-	-
Closing Balance	**9,236.15**	**5,028.08**
Provision against Doubtful Assets		
Opening Balance	3,37,547.34	3,37,317.13
Addition during the period	(35,199.72)	230.21
Provision write back on account of NPA write off	-	-
Closing Balance	**3,02,347.62**	**3,37,547.34**
Provision for diminution in investments		
Opening Balance	16,551.64	17,201.01
Addition during the period	12,808.34	(649.37)
Provision adjusted on account being sale of investments	7,186.62	-
Closing Balance	**22,173.36**	**16,551.64**

(B)Other Disclosures:

(` in lac)

Particulars	**Year ended 31st March 2022**	**Year Ended 31st March 2021**
Income Tax (Net)		
Opening Balance	12,211.44	14,869.45
Addition during the period	2,404.67	15,081.73
Amount paid/ adjusted during the period	12,150.17	17,739.74
Closing Balance	**2,465.94**	**12,211.44**
Leave Fare Concession		
Opening Balance	105.95	100.66
Addition during the period	88.11	5.37
Amount paid/adjusted during the period	76.27	0.08
Closing Balance	**117.79**	**105.95**
Post-retirement Medical Benefit		
Opening Balance	940.60	813.57
Addition during the period	108.53	129.05
Amount paid/adjusted during the period	2.05	1.99
Closing Balance	**1,047.08**	**940.60**
Leave Encashment		
Opening Balance	211.23	206.40
Addition during the period	92.10	51.61
Amount paid/adjusted during the period	13.20	46.78
Closing Balance	**290.13**	**211.23**

Sick Leave		
Opening Balance	158.81	163.69
Addition during the period	18.73	-
Amount paid/adjusted during the period	-	(4.88)
Closing Balance	**177.54**	**158.81**
Marked to Market Losses on Derivative		
Opening Balance	876.74	1,830.89
Addition during the period	-	-
Amount paid/adjusted during the period	525.92	(954.15)
Closing Balance	**350.82**	**876.74**

11. Contingent liabilities and commitments (to the extent not provided for) are as under:-

(` In lac)

S.No.	Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
(A)	**Contingent liabilities:**		
	(a) Claims against the company not acknowledged as debt:		
	(i) Demand of Income Tax dues for Assessment Year 2008-09 made by the Income Tax Deptt. Vide order dated 7th March 2014	-	94.33
	(ii) Demand of Income Tax dues for Assessment Year 2016-17 made by the Income Tax Deptt. Vide order dated 28th December 2018.	682.33	682.33
	(iii) Demand of Income Tax dues for Assessment Year 2015-16 made by the Income Tax Deptt. Vide order dated 28th May 2020.	-	19.33
	(v) Demand of Service Tax dues – Demand paid along with interest under protest	71.52	71.52
	(b) Guarantees	Nil	Nil
	(c)Other money for which the company is contingently liable:		
	(i) Letter of Comfort for issue of Letter of Credit (LC) (The company has issued letters of comfort to respective lead banks/member bank in the consortium of lenders for issuing LC on behalf of respective borrowers for subsequently releasing the amount of LC towards disbursement of sanctioned loan assistance)	30,531.04	14,185.32
	(ii) Guarantee given under credit enhancement scheme	26,522.00	28,069.40
	Commitments:		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for: Estimated amount of contracts remaining to be executed on capital account (net of advances)	817.61	889.94
	(c) Other commitments : Estimated amount of contracts under Corporate Social Responsibility (CSR) as per provision of The Companies Act 2013 remaining to be executed (net of advances)	563.87	589.59

12. **Investment in Venture Capital Units**

During the Year Ended 31st March 2022, the company has invested NIL (` Nil as at 31st March 2021) in Venture Capital Units of IDFC Project Equity Domestic Investors Trust II promoted by the company along-with IDFC, Citi bank (cumulative amount of investment by the company as on 31st March 2022, is ` 9,247.56 lac). Out of total commitment of ` 10,000 lac, the company have contributed as investor in the venture and does not have joint control. Since there is no distributable profit in the fund, no income is accounted for, in the books of accounts in relation to such investments. However, the company has received during the Year Ended, a sum of (` 714.67 lac (` 30.19 lac during year ended 31st March 2021) including tax paid NIL (Nil lac during year ended 31st March 2021) in respect of redemption of venture capital units.

13. The company has reversed net deferred tax asset of ` 31,316.37 lac during Year ended 31st March 2022 (decrease in deferred tax liability of ` 36,730.60 lac & decrease in deferred tax asset by ` 5,414.24 lac), Previous year ended 31st March 2021 the company created net deferred tax asset of ` 12,044.86 lac during Year ended 31st March 2021 (increase in deferred tax liability of ` 955.15 lac & increase in deferred tax asset by ` 13,000.01 lac).

14. Based on information available with the company, there are no suppliers/service providers who are registered as Micro, Small and Medium undertakings under "The Micro, Small and Medium Enterprises Development Act 2006" as on 31st March 2022. Hence the company has no outstanding liability towards Micro, Small and Medium Enterprises and other information to be prescribed under this act is **Nil**

15. **Derivative Transactions**

a) During the year 2007-08, the company had entered into two interest rate swap (IRS) transactions of notional principal amounts of ` 5,000 lac each (equivalent to notional principal of JPY 2,73,23.62 lac) which will mature on 19th December 2022. According to these IRS deals, the company will pay interest @ 7.46% p.a. on JPY notional amount (wherein coupon payments remains fixed for 5 years at the rate of 1 JPY= ` 0.3658 in one deal and I JPY= ` 0.3662 in second deal) and receive interest @ 8.82% p.a. on ` notional principal amounts. The company has provided for entire Mark-to-Market loss, as computed by the counter party banks and confirmed by other valuer, on the above swap transactions amounting to ` 350.82 lac as at 31st March 2022 (`876.74 lac as at 31st March 2021) which includes gain of ` 525.92 lac for the Year Ended as at 31st March 2022 (gain of ` 876.74 lac for the year ended 31st March 2021).

b) Notional principal amount of ` 2,000 lac out of the two interest rate swap (IRS) transactions referred in note 14 (a) above, was unwound during the year ended 31st March 2014. Consequently, the aggregate notional principal amounts of two interest rate swap (IRS) transactions referred in note 14(a) above, is reduced to ` 8,000 lac.

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

(` in Lac)

Institution	Amount of Cross Currency Swaps	
	Year ended 31st March 2022	Year Ended 31st March 2021
Asian Development Bank (ADB):-		
USD	13,359.58	11,811.91
INR	10,12,750.90	8,68,231.17
KreditanstaltfürWiederaufbau(KFW):-		
EURO	-	-
INR	-	-
IBRD World Bank:-		
USD	1,451.52	1,545.22
INR	1,10,035.52	1,13,580.64

As per the Mark-to-Market (M2M) valuations furnished by the counter party banks and other valuer on the above contracts, the net M2M gain as on 31st March 2022 amounts to ` 86,713.97 lac (Gross gain of ` 90,375.46 lac less Gross loss ` 3,662.29 lac) and M2M gain as on 31st March 2021 amounts to ` 60,487.04 lac (Gross gain of ` 63,041.57 lac less Gross loss ` 2,554.53 lac).

During the financial year ended 31st March 2012, the company sought the opinion of Expert Advisory Committee of the Institute of Chartered accountant of India to advice on the correct accounting treatment to be followed by the company for accounting treatments in respect of foreign currency loan to the extent hedged. In this regard, ICAI vide letter dated 22nd September 2015 provided opinion in the matter. ICAI also issued guidance note on “Accounting for Derivative Contracts” in September 2015 which is applicable from 1st April 2016 and the same is applied by the company from financial year ended 31st March 2017. Any change in exchange rate, on amount of foreign currency borrowing as on reporting date since previous reporting date and from the date of drawdown borrowing during the period, is set off against Fair Value of Derivative Contracts and any gain or loss is recognized as Cash Flow Hedge Reserve. Fair Value of Derivative Contracts are provided by the respective Counter parties

In this regard, IIFCL vide letter dated 26th December 2016 informed Institute of Chartered Accountants of India (ICAI), the issues faced by IIFCL pertaining to market to market/ Fair Value on hedge contracts while applying Guidance Note on Derivatives, with a copy to Reserve Bank of India. The matter has been referred to the Research Committee of ICAI as per their letter dated 3rd May 2017.

The details of hedged portion of loan restated at closing rate in line with Ind AS-21 are as follows:

(` in Lac)

Institution	Amount of Hedged Position	
	Year ended 31st March 2022	Year Ended 31st March 2021
Asian Development Bank (ADB):-		
USD	13,359.58	11,811.91
INR	10,12,750.90	8,68,231.17
KreditanstaltfürWiederaufbau(KFW):-		
EURO	-	-
INR	-	-
IBRD World Bank:-		
USD	1,451.52	1,545.22
INR	1,10,035.52	1,13,580.64

Disclosure of financial currency exposure as per Guidance Note on Accounting for Derivative Contracts:-

(` in Lac)

I. Assets	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign Currency	Amount in `	Exchange Rate	Amount in Foreign Currency	Amount in `
Receivables (Trade & Other)	-	-	-	-	-	-	-
Other Monetary assets (e.g. ICDs/Loans given in FC)	-	-	-	-	-	-	-
Total Receivables (A)	-	-	-	-	-	-	-
Hedges by derivative contracts (B)	-	-	-	-	-	-	-
Unhedged Receivables (C=A - B)	-	-	-	-	-	-	-
II. Liabilities	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign Currency	Amount in `	Exchange Rate	Amount in Foreign Currency	Amount in `
Payables (Trade &	-	-	-	-	-	-	-

Other)							
Borrowings (ECB and Other)	USD EURO JPY	75.8071 84.6599 0.6223	15,949.04 1,990.52 2,97,738.41	12,09,050.65 1,68,517.39 1,85,282.61	73.5047 86.0990 0.6636	16,088.09 2,137.73 2,66,666.67	11,82,550.36 184004.96 1,76,960.00
Total Payables (D)	USD EURO JPY	75.8071 84.6599 0.6223	15,949.04 1,990.52 2,97,738.41	12,09,050.65 1,68,517.39 1,85,282.61	73.5047 86.0990 0.6636	16,088.09 2,137.73 2,66,666.67	11,82,550.36 184004.96 1,76,960.00
Hedges by derivative contracts (E)	USD EURO JPY	75.8071 84.6599 0.6223	14,811.10 - -	11,22,786.42 - -	73.5047 86.0990 0.6636	13,357.73 - -	9,81,811.81 - -
Unhedged Payables (F= D – E)	USD EURO JPY	75.8071 84.6599 0.6223	1,137.94 1,990.52 2,97,738.41	86,264.23 1,68,517.39 1,85,282.61	73.5047 86.0990 0.6636	2,730.96 2,137.73 2,66,666.67	2,00,738.55 1,84,004.97 1,76,960.0
III. Contingent Liabilities and Commitments	**Foreign Currency**	**Current Year**			**Previous Year**		
		Exchange Rate	**Amount in Foreign Currency**	**Amount in `**	**Exchange Rate**	**Amount in Foreign Currency**	**Amount in `**
Contingent Liabilities	-	-	-	-	-	-	-
Commitments	-	-	-	-	-	-	-
Total (G)	-	-	-	-	-	-	-
Hedges by derivative contracts (H)	-	-	-	-	-	-	-
Unhedged Payables (I= G-H)	-	-	-	-	-	-	-
Total unhedged FC Exposures (J= C+F+I)	-	-	-	-	-	-	-

d) Unhedged position of foreign currency loans is as under:

(` in Lac)

Institution	Amount of Unhedged Position	
	Year ended 31st March 2022	Year Ended 31st March 2021
Asian Development Bank (ADB):-		
USD	1,115.26	2,706.82
INR	84,544.92	1,98,963.86
KreditanstaltfürWiederaufbau(KFW):-		
Euro	155.05	160.47
INR	13,126.16	13,815.95
IBRD World Bank:-		
USD	22.68	24.14
INR	1,719.31	1,774.70
European Investment Bank (EIB)		
EURO	1,835.48	1,976.67
INR	1,55,391.23	1,70,189.02
Japan International Cooperation Agency(JICA)		
JPY	2,97,738.41	2,66,666.67
INR	1,85,282.61	1,76,960.00

e) In terms of Accounting Policy 1(A)21, the exchange rates (i.e. RBI reference rates) prevailing on the date of closure of accounts are as follows:

S.No.	Exchange Rates	Year ended 31st March 2022	Year Ended 31st March 2021
1	USD/INR	75.8071	73.5047
2	EURO/INR	84.6599	86.099
3	JPY/INR	0.6223	0.6636

16. Creation of Bond Redemption Reserve

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

b) In respect of publicly placed bonds: The company issued Tax Free Bonds of the face value of ` 1,000 each aggregating to ` 3,15,631.89 Lac in FY 2012-13, ` 6,87,754.25 lac in FY 2013-14 and Long Term Infrastructure Bonds of ` 9,096.18 Lac in FY 2010-11 totaling ` 10,12,482.32 Lac through public issue.

As per Rule 18(7)(b)(ii) of Companies (Share Capital and Debentures) Rules 2014, The Company shall create Debenture Redemption Reserve(DRR) for NBFCs registered with the RBI under Section 45-IA of the RBI(Amendment) Act,1997, 'the adequacy' of DRR will be 25% of the value of debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities) Regulations,2008, and no DRR is required in the case of Privately Placed Debentures. Accordingly the company has created bond redemption reserve of ` 99,995.05 lac up to 31st March 2021).

The Ministry of Corporate Affairs, vide notification dated 19-August-2019 has amended the Companies (Share Capital & Debentures) Rules and accordingly the Company is no longer required to create Debenture Redemption Reserve on issuance of redeemable non-convertible debentures.

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

17. The pay revision of the employees of the company is due w.e.f.1st November 2017. Pending revision of pay, an estimated provision of ` 1,501.35 lac has been made for the period from 1st November 2017 to 31st March 2022.

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

(b) Prudential norms issued by RBI for NBFC-IFC are applicable to the Company. On registration as an NBFC-IFC, the company, being a Government owned company, was required to prepare a roadmap for compliance with various elements of the NBFC Regulations in consultation with the Government and submit the same to Reserve Bank of India (Department of Non-Banking Supervision) as directed by RBI vide notification No. DNBS. PD/CC No. 86/03.02.089/2006-07 dated 12th December 2006. In compliance with the requirement, company vide letter dated 21st November 2014 to RBI has submitted roadmap to comply with various elements of RBI Regulation w.e.f. 1st January 2015.

(c) The company has restructured/ rescheduled 6 loan accounts during 31st March 2022 having ` 87,518.17 lacs outstanding balance during 31st March 2022 (`40,037.12 in 3 loan accounts as on 31st March 2021) and there is no shortfall in value of security in these accounts as on 31st March 2021 refer note 1(A)(5.7)(v).

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

Assessment Year	Status
2008-09	IIFCL has filed an appeal against demand of Income Tax dues of ` 159 lac for assessment year 2008-09 raised by the Income Tax department Vide order dated 28.02.2014. The Commissioner of Income Tax [Appeals] - 4 passed the order dated 08.09.2015 and dismissed the appeal of IIFCL. IIFCL filed an appeal against the order before ITAT dated 16.11.2015. ITAT has restored the case to CIT(A) vide order dated 29.08.2017. IIFCL has filed declaration under Vivad se vishwas Scheme for the year. Pursuant to filing of declaration in Form 1, Form 3 has been issued by the department raising demand of Rs. 94.33 lac has been raised. IIFCL paid the demand on 3rd September 2021 and filed Form 4 on 3rd September 2021. Form 5 was issued on 17-Dec-2021.
2013-14	Assessment order u/s 143(3) dated 04.02.2016 received on 23.02.2016. Appeal filed with CIT(A) on 23.03.2016 & order received on 20.10.2016 after partial disallowances. Appeal filed to ITAT on 19.12.2016. Income Tax demand of Rs 48.31 lacs has been deposited. The ITAT vide order dated 17.01.2020 partially allowed the appeal of IIFCL. IIFCL has not preferred any further appeal and filed appeal effect letter to AO on

	22.06.2020. IIFCL has filed declaration for opting Vivad se Vishwas Scheme for this year with refund of Rs 67 Lakh. Tax department has issued Form 3 wherein refund of Rs. 18.83 lakh has been determined with remark that credit of taxes paid before 14 March 2017 will be allowed in ITAT appeal effect order. Accordingly the credit of challan of Rs. 48.31 Lakh was not allowed. IIFCL filed the Form 4. Department issued Form 5 dated 20th December 2021. The request for consideration of credit of challan was raised vide letter dated 2nd September 2021.
2016-17	Assessment order u/s 143(3) dated 28.12.2018 received on 28.12.2018. Appeal filed before CIT(A) on 25.01.2019 against disallowances made in assessment order and deposited 20% tax demand of Rs. 137 lacs under protest and Rs. 46.71 lacs has been adjusted from refund of AY 2011-12. Appeal is currently pending before CIT(A) for adjudication. Notice u/s 154/155 proposing an addition of Rs. 81.88 lac was received, against which reply was submitted on 25.03.2020.
2017-18	IIFCL received the assessment Order u/s 143(3) passed by Income Tax Department dated 17.12.2019. IIFCL received penalty order u/s section 270A of the Income Tax Act, 1961, dated 01.04.2022 levying penalty of Rs. 35.07 lacs. IIFCL filed an appeal before CIT(A) on 29.04.2022.

20. Other Disclosures:

a) During the Year Ended 31st March 2022 the Company had assigned financial assets having a net book value of ` Nil lac (` Nil lac as on 31st March 2021) to Asset Reconstruction Companies. The company had in terms of the DBOD.BP.BC.No. 98/21.04.132/2013-14 dated 26th February 2014 and RBI master circular DNBR (PD) CC.No.043/03.10.119/2015-16 on prudential norms on income recognition and assets classification dated 1st July 2015 spread over the net short fall of **NIL**(NIL as on 31st March 2021) over a period of eight Half Years. Consequently, an amount of **Nil** has been charged off during the Year ended 31st March 2022 (` Nil lac during the year ended 31st March 2021).

b) During the Year Ended 31st March 2022 the Company had written off 37 accounts amounting ` 1,75,064.03 lacs (`1,40,203.69 lac in 15 loan accounts as on 31st March 2021) refer note 1(A)(5.3).

c) IIFCL had made Provision for diminution in investments of Rs. 22,173.36 lacs in FY 2021-22 as under:

- During 2017-18, Lenders collectively divested aggregating to 26% in favour of EW India Special Fund Assets Fund II Pte. Ltd. for giving effect to the change in management as per Strategic Debt Restructuring guidelines of Reserve Bank of India. As part of the deal, outstanding loan principal of Rs. 52,000.00 lac and interest and other overdues thereon of Rs. 2,545.99 lac from M/s Adhunik Power and Natural Resources Limited (APNRL) sold to Edelweiss Asset Reconstruction Company Ltd. (EARC), an Asset Reconstruction Company, at consideration of Rs. 38,884.95 lac, including upfront realization of Rs. 108.18 lac, equity share capital of APNRL of Rs. 9,710.71 lac (i.e. fully paid equity shares of Rs. 10 each) and Security Receipts of Rs. 38,884.95 lac. EARC simultaneously, bought equity shares of APNRL of Rs. 10 each aggregating Rs. 4945.70 lac @ Rs. 1.2045 per share aggregating Rs. 595.72 lac. Accordingly, IIFCL considered the price for sale of equity shares of APNRL paid to IIFCL by EARC as fair value. Accordingly, the remaining equity shares held by SBICAPS Trustee Company Limited on behalf of IIFCL in APNRL as on 31st March 2019, as IIFCL is not mandated to acquire equity share, incl. borrower companies as per SIFTI, Scheme for Financing Viable Infrastructure Projects, under which IIFCL carries out its activities are valued at Rs. 1.2045 per share. The Provision for Diminution in Equity Investments is Rs. 4,191.05 lac. IIFCL has valued the investment at the latest available Fair Value.

- Consequent to substitution of Concessionaire in case of M/s Topworth Tollways Pvt. Ltd., out of outstanding loan amount of Rs. 8,000.00, an amount of Rs. 6,078.00 lacs have been or discharged by issue of 0.01% coupon Optionally Convertible Redeemable Debentures carrying coupon rate @ 0.01% annually of incoming concessionaire i.e. Bansal Pathways Pvt. Ltd. The balance outstanding loan of Rs 1,922.00 lac would be carried over to Bansal Pathways (Mangawan- Chakghat) Pvt Ltd., the new concessionaire. Accordingly, provision for Diminution of Rs. 5,252.07 lacs in Investments is booked by Debentures issued by Bansal Pathways (Mangawan- Chakghat) Pvt Ltd. are repayable at par after 25 years.
- The total principal outstanding of IIFCL in MEP Nagpur Ring Road 1 Private Limited of Rs 10,087.84 lacs as on 31.03.2021 has been taken over by Bansal Pathways Nagpur Ring Road 1 Private Limited in the form of term loan of Rs 2811.84 lacs and debentures of Rs 7,276 lacs carrying a coupon rate of 0.01%. Accordingly, provision for Diminution of Rs. 5,617.32 lacs is created on the debentures.
- IIFCL principal outstanding amount in MEP Nagpur Ring Road 2 Private Limited of Rs 11,184.00 lacs as on 31.03.2021 has been taken over by Bansal Pathways Nagpur Ring Road 2 Private Limited in the form of debentures of Rs 11,184.00 lacs carrying a coupon rate of 0.01%. Accordingly, provision for Diminution of Rs. 7,191.02 lacs is created on the debentures.

d) Disclosures of Investment and Security Receipt as on 31st March 2022:

(` In Lac)

	Particulars	**SRs issued within past 5 years**	**SRs issued more than 5 years ago but within past 8 years**	**SRs issued more than 8 years ago**
(i)	Book value of SRs backed by NPAs sold by the bank as underlying	29,394.87	3,030.68	-
	Provision held against (i)	-	-	-
(ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
	Provision held against (ii)	-	-	-
	Total (i) + (ii)	**29,394.87**	**3,030.68**	**-**

21. During the year, the Company has sent letters requesting submission of confirmation of balances to Statutory Auditors by Borrowers as on 31st December 2021 and banks, parties etc.. Some of the balances appearing under Infrastructure Loans, Borrowings and Other Debit and Credit Balances as on 31st March 2022 are subject to confirmation and reconciliation and in the opinion of management, no material impact of such confirmation and reconciliation and also on account of pending resetting of interest rates in some of the cases on financial statements is anticipated. Borrowers with outstanding balance aggregating ` 30,89,708.73 lac (Previous year ` 26,11,559.83 lac) (Excluding NPA Accounts) on 31st December 2021 representing 94.56% (Previous year 87.08%) of outstanding amount. Banks and other parties with material outstanding amounts have also given confirmations of outstanding amount of debit/credit as on 31st March 2021 as mentioned hereunder:

	FY 2021-22		**FY 2020-21**	
Particulars	**Balance Confirmation Amount(` in lacs)**	**% of Balance Confirmed**	**Balance Confirmation Amount(` in lacs)**	**% of Balance Confirmed**
Borrowings from Foreign Institutions	15,62,850.67	100%	15,43,515.33	100%
Overdraft Facility from Banks	5,18,811.04	100%	5,77,550.63	100%
Investment in Venture Capital Units	930.07	100%	1,644.68	100%
Investment in Security Receipts	32,425.97	100%	45,827.13	100%
Investment in Fixed deposits	7,71,546.12	100%	10,17,714.50	100%
Investment in Bonds/Government Securities (in dematerialization form)	529,760.00	100%	529,760.00	100%
Investment in Mutual Funds	28,453.29	100%	26,632.85	100%

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

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

S.No.	**Name of the Organization**	**Project Details**	**Year Ended 31st March 2022**	**Year Ended 31st March 2021**
01	M/s Apeksha Homeo Society (AHS)	Creation of drop out free zone in selected districts of Maharashtra	6.00	-
02	M/s Solar Energy Corporation of India (SECI)	Distribution of Solar lanterns in backward districts of India	9.81	-
03	Transferred to UCSRA		269.85	-
04	Administrative Expenses		0.12	-
	Total		**285.78**	**-**

b) Additional disclosure in respect of CSR expenditure:

i. Gross amount required to be spent by the company during the Year Ended 31st March 2022 is ` 285.78 lacs (` Nil lac as on 31st March 2021).

ii. Amount spent during the year:

(` In Lac)

Particulars	**Year ended 31st March 2022**			**Year Ended 31st March 2021**		
	In Cash	**Yet to be paid in cash**	**Total**	**In Cash**	**Yet to be paid in cash**	**Total**
(i) Construction/ Acquisition of any Asset	-	-	-	-	-	-
(ii) On purpose other than (i) above#	15.93	-	**15.93**	-	-	-
Total	15.93	-	**15.93**	-	-	-

#The amount of Rs. 269.85 lacs has been transferred to the UCSRA.

iii. Shortfall at the end of the year – Rs. 269.85 lacs (The amount has been transferred to the UCSRA)

iv. Total of previous year shortfall – Nil

v. Reason for shortfall: IIFCL's CSR budget has significantly reduced during the last few years. Accordingly, an amount of Rs. 269.85 lacs from the CSR budget of IIFCL for FY2021-22 was strategically transferred to UCSRA (in compliance to provisions mentioned in Companies Act 2013) to support the ongoing long duration CSR projects of IIFCL, which were sanction in previous Financial Years.

vi. Nature of CSR expenditure : Development projects in compliance to schedule VII of the Companies Act 2013.

vii. Details of related party transaction eg. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standards : Nil

viii. Where a provision is made with respect to liability incurred by entering into a contractual obligation, the movement in the provision during the year shall be shown separately : Nil

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

(`in lac)

Particulars	As on 31st March 2022		As on 31st March 2021	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities side:				
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	14,88,997.24		14,88,997.24	
: Unsecured	16,01,622.24		17,29,392.56	
(other than falling within the meaning of public deposits)				
(b) Deferred Credits				
(c) Term Loans	15,62,850.66		15,43,515.33	
(d) Inter-corporate loans and borrowing	-		-	
(e) Commercial Paper	-		-	
(f) Other Loans (short term bank loan)	5,58,158.09		5,77,550.80	

Assets side:	**Amount outstanding**	
	As on 31st March 2022	**As on 31st March 2021**
(2) Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:		
(a) Secured	33,18,417.93	36,16,291.47
(b) Unsecured	16,37,821.06	12,22,051.39
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Investments:		
Current Investments:		
1. Quoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-

(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
Long Term investments:		
1. Quoted:		
(i) Shares: (a) Equity (b) Preference	- -	- -
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted:		
(i) Shares: (a) Equity (b) Preference	5,176.02 -	5,176.02 -
(ii) Debentures and Bonds	24,538.00	19,864.00
(iii) Units of mutual funds	28,476.51	26,632.85
(iii) Government Securities	529,760.00	529,760.00
(iv) Others (advance against equity share capital)(Investment in venture capital units)	930.07	1,644.68
(v)Investment in security receipts	32,425.97	45,827.13
Total	**55,77,545.56**	**54,67,247.54**

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

Category	**Amount net of provisions (As on 31st March 2022)**		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	28,49,100.49	16,16,039.21	44,65,139.70
Total	**28,49,100.49**	**16,16,039.21**	**44,65,139.70**
Category	**Amount net of provisions (As on 31st March 2021)**		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	30,73,403.83	12,07,007.78	42,80,411.61
Total	**30,73,403.83**	**12,07,007.78**	**42,80,411.61**

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

Category	**Amount net of provisions (As on 31st March 2022)**		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties			

2. Other than related parties	-	984.98	984.98
Category	**Amount net of provisions (As on 31st March 2021)**		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties			
2. Other than related parties	-	984.98	984.98

(7) Other information

Particulars	As on 31st March 2022	As on 31st March 2021
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	6,35,023.06	8,22,040.19
(ii) Net Non-Performing Assets		
(a) Related parties		-
(b) Other than related parties	2,94,920.91	3,69,803.98
(iii) Assets acquired in satisfaction of debt		-

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

24.1 Capital (Holding Company)

(` in lac)

Particulars	As at 31st March 2022	As at 31st March 2021
Tier I Capital	11,39,675.93	10,91,914.54
Tier II Capital	51,283.73	39,938.00
Total Capital	11,90,959.66	**11,31,852.54**
Total Risk Weighted Assets	**41,02,698.13**	36,67,338.97
Capital Ratios		
Tier I Capital as Percentage of Total Risk Assets (%)	27.78	29.77
Tier II Capital as Percentage of Total Risk Assets (%)	1.25	1.09
Total Capital (%)	**29.03**	**30.86**
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

24.2 Investments

(` in lac)

S.No.	Particulars	For Year ended 31st March 2022	For Year Ended 31st March 2021
1	Value of investments		
(i)	Gross value of investments	6,84,189.30	6,72,870.00
(a)	In India	6,23,008.36	6,30,629.68
(b)	Outside India	61,180.95	42,240.32
(ii)	Provisions for depreciation		
(a)	In India	22,173.36	16,551.64

(b)	Outside India	-	-
(iii)	Net value of investments	6,62,015.94	6,56,318.36
(a)	In India	6,00,834.99	6,14,078.04
(b)	Outside India	61,180.95	42,240.32
2	Movements of provisions held towards depreciation of investments		
(i)	Opening balance	16,551.64	17,201.01
	Add: Provisions made during the year	12,808.34	-
	Less: Write off/Write back of excess provisions during the year	7,186.62	649.37
	Closing balance	22,173.36	16,551.64

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24.3 Derivatives

24.3.1 Forward Rate Agreement/ Interest Rate Swap

(` in lac)

S.No.	Particulars	For Year ended 31st March 2022	For Year Ended 31st March 2021
1	The notional Principal of swap agreements	8000.00	8,000.00
2	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
3	Collateral required by the NBFC upon entering into swaps	-	-
4	Concentration of credit risk arising from the swaps	-	-
5	The fair value of the swap book	350.82	876.74

24.3.2 Risk Exposure in Derivatives:

Qualitative Disclosure

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

a) IIFCL undertakes derivative transactions to mitigate currency and interest rate risk of foreign currency borrowings. The company has put in place the Hedging Policy which forms a part of Resource and Treasury policy duly approved by Board of Directors. The company's derivative transactions are governed by this policy which outlines the instruments which would be used for hedging as per the underlying liabilities.

b) IIFCL undertakes derivative transaction for purpose of hedging and mitigating interest rate and currency risks (Market risk) arising on Foreign currency borrowings.

c) IIFCL undertakes derivative transactions for the purpose of hedging exchange and interest rate risk of foreign currency borrowings and not for any other purpose. The terms of Derivative transactions match with the corresponding underlying (Liabilities) for continuous effectiveness. The said effectiveness is ascertained at the time of inception of hedge through matching term concept.

d) IIFCL reports the status of derivative transaction and their MTM to Senior Management on monthly basis and to the Board of Directors on Quarterly basis. Further the MTM is being independently monitored by R&T Advisors of IIFCL on quarterly basis.

e) Exchange traded Interest Rate Derivatives on IIFCL Books are Nil.

f) IIFCL undertakes Cross Currency Interest Rate Swap to hedge its Foreign Currency exposures. The figures shown in Quantitative disclosure cannot be segregated since the deals are booked on a consolidated basis for principal and Interest cash flows.

g) The accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation is disclosed in Accounting Policy 1(A)(4).

h) As per Resources & Treasury Policy, approved for each financial year by the Management & Investment Committee of the Board of Directors, IIFCL shall keep its position hedged between 65-70% of the total exposure. Further the exchange fluctuation difference of the open position net of with the saving of forward premium should not breach 10% of the net worth of the company at any point of time. Further if rupee depreciates 5% or more within the financial year on portfolio basis, IIFCL would keep its position hedged at approx. 75%.

Risk Management Structure

a) IIFCL manages risk as per Integrated Risk Management Framework duly approved by the Board of Directors. Besides, Resources and Treasury policy of IIFCL is approved by Management and Investment committee of the Board annually. These framework policy, provide the guiding parameters based on which IIFCL takes decisions for managing the Currency Risk that it is exposed to on account of foreign currency loan.

b) IIFCL has also constituted Board Level Risk Management Committee & Board level Asset Liability Management Committee (ALCO Committee) for strengthening the risk management in the business operations. ALCO monitors liquidity & interest rate risks which includes periodic analysis of short term and long term liquidity profile of asset receipts and debt service obligations. Derivative transactions include cross currency swaps and currency swaps to hedge liabilities. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

Type of Risks Involved

i. Credit Risk - Credit risk involves the risk of loss arising from the diminution in credit quality of a borrower along with the risk that the borrower may default on contractual repayments under a loan or an advance. IIFCL has Integrated Risk Management Framework to manage credit risk in infrastructure lending.

ii. Market Risk - Market risk is the risk of loss due to adverse changes in the market value (the price) of an instrument or portfolio of instruments. Market risk comprises of currency risk and Interest rate risk. Currency risk arises on account of any change/ fluctuation in exchange rate between rupee and foreign currencies. The interest rate risk exposure is mainly from changes in interest rates over the period of time. IIFCL faces market risks and interest rate risks as a part of its business activity.

iii. Liquidity Risk - Liquidity risk is the risk of loss due to failure of the institution to meet funding requirements or execute a transaction utilizing funds borrowed at reasonable price. Thers may be market liquidity risk or funding liquidity risk. IIFCL manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of combined credit lines.

iv. Operational Risk - Operational risk is the risk of loss occurring as a result of inadequate system and control, deficiencies in information system, human error or a management failure. The operational risk management policy of IIFCL seeks to manage the operational risks.

Quantitative Disclosures (` in Lac)

S.No.	Particulars	For Year ended 31st March 2022		For the year ended 31st March 2021	
		Currency derivatives	Interest Rate derivative	Currency derivatives	Interest Rate derivative
(i)	Derivatives (Notional Principal Amount)	10,37,924.27	10,37,924.27	9,00,794.88	9,00,794.88
	For hedging	10,37,924.27	10,37,924.27	9,00,794.88	9,00,794.88
(ii)	Marked to Market positions(1)	84,931.08	84,931.08	60,487.04	60,487.04
	a. Asset (+)	91,394.17	91,394.17	63,041.57	63,041.57
	b. Liability(-)	(6,463.09)	(6,463.09)	(2,554.53)	(2,554.53)
(iii)	Credit Exposures	-	-	-	-
(iv)	Unhedged Exposures	4,40,064.23	4,40,064.23	5,61,703.52	5,61,703.52

24.4 Disclosures relating to Securitization

Details of Financial Assets sold to Securitization/ Reconstruction Company for Asset reconstruction:

(` in Lac)

S.No.	Particulars	For Year ended 31st March 2022	For the year ended 31st March 2021
(i)	No. of Accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC/ RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate (gain)/loss over net book value	-	-

24.5 Details of Non- performing Financial Assets sold:

(` in Lac)

S.No.	Particulars	For Year ended 31st March 2022	For Year Ended 31st March 2021
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate consideration received	-	-

24.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March 2022:

(` in lac)

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3months	Over 3 months to 6 months	Over 6 Months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	1,55,022.58	2,75,000.00	88,788.46	88,694.31	1,21,291.36	5,78,408.17	8,338.78	3,03,228.40	16,18,772.06
Market Borrowings	-	-	-	-	1,64,306.29	5,45,354.45	791.10	12,88,545.40	19,98,997.24
Assets	-	-	-	-	-	-	-	-	-
Receivables under financing activity	2,05,153.55	51788.94	1,68,409.90	1,28,974.20	3,59,645.62	17,43,483.42	14,04,104.63	22,62,446.61	63,24,006.86
Investment	8,338.78	13,886.27	7,601.03	95,917.89	1,20,106.08	-	-	5,29,760.00	7,75,610.04
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	3,397.00	-	29,610.28	8,232.36	41,859.24	1,88,916.36	2,02,649.19	10,88,186.24	15,62,850.67

Maturity pattern of certain items of assets and liabilities as at 31st March 2021:

(` in lac)

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	5,77,550.63	-	-	95,556.11	2,15,368.77	3,73,403.88	3,91,045.00	2,94,018.80	19,46,943.19
Market Borrowings	-	-	-	-	-	4,09,660.74	3,00,791.10	11,38,545.40	18,48,997.24
Assets	-	-	-	-	-	-	-	-	-
Receivables under financing activity	26,725.27	21,542.02	1,70,618.47	2,12,930.77	4,06,037.28	15,95,709.12	11,87,497.61	27,99,362.50	64,20,423.02
Investment	-	-	-	-	-	-	-	5,29,760.00	5,29,760.00
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	3,520.92	-	22,421.89	7,597.69	34,094.28	1,73,176.35	1,91,428.70	11,11,275.49	15,43,515.33

24.7 Exposures

24.7.1 Exposure to Real estate sector

The Company does not have any direct or indirect exposure to the real estate sector as at 31st March 2021 (previous year Nil).

24.7.2 Exposure to Capital Market:

(` in lac)

S.No.	Particulars	For Year ended 31st March 2022	For the year ended 31st March 2021
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs),convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	930.07	1,644.48

24.8 Additional Disclosures: Provisions and Contingencies

(` in Lac)

S.No.	Breakup of Provisions and Contingencies reflected in Statement of Profit & Loss	For Year ended 31st March 2022	For Year Ended 31st March 2021
(i)	Provision towards NPA	3,40,102.15	4,52,236.20
(ii)	Provision for income tax (including deferred tax)	7,800.60	3,023.95
(iii)	Provision for Standard Assets (including restructured accounts & SDR accounts)	99,554.15	1,05,526.99

24.9 Concentration of Advances, Exposure and NPAs:

(i) Concentration of Advances

(` in lac)

Particular	For Year ended 31st March 2022	For the year ended 31st March 2021
Total Advances to twenty largest borrowers	27,92,393.46	25,70,482.59
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	56.93%	53.50%

(ii) Concentration of Exposure

(` in lac)

Particular	For Year ended 31st March 2022	For the year ended 31st March 2021
Total Exposure to twenty largest borrowers	27,92,393.46	25,70,482.59
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	56.93%	53.50%

(iii) Concentration of NPAs

(` in Lac)

Particular	For Year ended 31st March 2022	For the year ended 31st March 2021
Total Exposure to top four NPA accounts	2,11,420.81	2,62,573.53

(iv) Sector- wise NPAs

S.No.	Sector	% of NPAs to Total Advances in that sector	
		For Year ended 31st March 2022	For year ended 31st March 2021
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	12.81%	17.00%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

(v) Movement of NPAs: **(` in Lac)**

S.No.	Particular		For Year ended 31st March 2022	For the year ended 31st March 2021
(i)	Net NPAs to Net Advances (%)		6.24%	7.65%
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	8,22,040.19	9,84,546.24
	(b)	Additions during the year	99,857.88	46,938.01
	(c)	Reductions/write off during the year	2,86,875.02	2,09,444.07
	(d)	Closing balance	6,35,023.05	8,22,040.19
(iii)	Movement of Net NPAs			
	(a)	Opening balance	3,69,804.18	5,21,329.28
	(b)	Additions during the year	59,017.98	1,363.21
	(c)	Reductions during the year	1,33,901.25	1,52,888.32
	(d)	Closing balance	2,94,920.91	3,69,804.18
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	4,52,236.01	4,63,216.96
	(b)	Provisions made during the year	40,839.90	45,574.80
	(c)	Write off/ write- back of excess provisions	1,52,973.76	56,555.75
	(d)	Closing balance	3,40,102.15	4,52,236.01

24.10 Customer Complaints

S.No.	Particular	For Year ended 31st March 2022	For the year ended 31st March 2021
(a)	No. of complaints pending at the beginning of the year	0	0
(b)	No. of complaints received during the year	821	828
(c)	No. of complaints redressed during the year	821	828
(d)	No. of complaints pending at the end of the year	0	0

24.11 Additional Disclosures

S.No.	Disclosure	Comment
(i)	Registration/ license/authorization obtained from other financial regulator	Corporate Identification No. U67190DL2006GOI144520 obtained from Ministry of Corporate Affairs
(ii)	Ratings assigned by credit rating agencies and migration of ratings during the year	AAA stable assigned by various Rating agencies for domestic bonds issued by company. International Credit Rating of the company for 2021-21 is S&P BBB – There is no migration of rating during current year 2020-21.
(iii)	Penalties, if any, levied by any regulator	Nil
(iv)	Information viz., area, country and joint venture partners	
	(a) Joint Ventures	None
	(b) Overseas Subsidiary	IIFC (UK) Ltd. wholly owned subsidiary of company operates from London, United Kingdom and undertakes financing infrastructure projects in India,

24.12 Disclosure of Restructured Accounts

S. No.	Type of Restructuring		Under CDR Mechanism	Under SME Debt Restructuring Mechanism	Others (` in lac)					Total (` in lac)				
	Asset Classification		Total	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
	Details													
1	Restructured Accounts as on 01.04.2021	No. of borrowers	-	-	4	1	16		21	4	1	16		21
		Amount outstanding	-	-	45,781.58	13,591.57	90,338.11		1,49,711.26	45,781.58	13,591.57	90,338.11		1,49,711.26
		Provision thereon	-	-	4,991.95	2,718.31	67,907.00		75,617.26	4,991.95	2,718.31	67,907.00		75,617.26
2	Fresh restructuring during the FY 2021-22	No. of borrowers			6				6	6				6
		Amount outstanding			87,518.17				87,518.17	87,518.17				87,518.17
		Provision thereon			4,375.91				4,375.91	4,375.91				4,375.91
3	Upgradations to restructured standard category during the FY 2021-22	No. of borrowers												
		Amount outstanding												
		Provision thereon												
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY 2021-22	No. of borrowers												
		Amount outstanding												
		Provision thereon												
5	Down gradations of restructured accounts during the FY 2021-22	No. of borrowers												
		Amount outstanding												
		Provision thereon												
6	Write offs/Prepayment of restructured accounts during the FY 2021-22	No. of borrowers												
		Amount outstanding												
		Provision thereon												
7	Restructured Accounts as on 31.03.2022 (closing figures)	No. of borrowers			10	1	16		27	4	1	16		21
		Amount outstanding			132082.39	13591.57	90338.11		236012.07	132082.39	13591.57	90338.11		236012.07
		Provision thereon			9236.16	2718.31	67907		79861.47	9236.16	2718.31	67907		79861.47

24.13 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of Joint Venture/Subsidiary	Other Partner in the JV	Country	Total Assets (Amount in $)
IIFC (UK) Ltd.	None	United Kingdom	Nil. IIFCL does not hold any overseas assets with IIFC (UK) Ltd.

25. Capital management:

In reference to the disclosure regarding Capital Management as per requirement of Para 134-136 of Ind AS 1, presentation of Financial Statement, it is mentioned that IIFCL being a Non-Banking Financial Company-Infrastructure Finance Company (NBFC-IFC), IIFCL is required to maintain capital, referred to as owned funds, as per RBI Regulations.

As per RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Owned Fund means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Government of India has infused capital in IIFCL from time to time. This has enabled IIFCL to comply with capital requirements stipulated by RBI. Moreover, IIFCL considers distribution of dividend taking into account impact on capital i.e. net owned funds subject to the directions of Government of India. No changes were made in the objectives, policies or processes w.r.t. capital management during the reporting years.

26. Department of Investment & Public Asset Management (DIPAM), Ministry of Finance, vide their Office Memorandum (OM) F. No. 5/1/2016-Policy dated 27th May 2016 issued “Guidelines on Capital Restructuring of CPSEs”. The guidelines provide for payment of Dividend, issue of Bonus Shares, Buyback of Shares and Splitting of Shares by PSUs. The Guidelines for issue of Bonus Shares, Buyback of Shares and Splitting of Shares are not applicable to IIFCL.

As per Guidelines of Payment of dividend, IIFCL was required to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions. However, IIFCL vide letter dated 21st September 2016 had requested Government for exemption from payment of dividend for at least 3 years which amounts to ` 36,323.41 lacs in FY 2015-16, ` 37,119.74 lacs in FY 2016-17, ` 31,995.93 lacs in FY 2017-18 and ` 23,442.79 lacs in FY 2018-19 and ` 51,528.90 in FY 2019-20. Further, IIFCL vide letter dated 19th September 2019 had requested Government for exemption from payment of dividend atleast upto FY 2021-22. The payment of dividend of FY 2020-21 amounts to ` 53,272.35 lacs. The reply of IIFCL’s Letter is awaited. Further, as per RBI circular RBI/2021-22/59, DOR.ACC.REC.No.23/21.02.067/2021-22 that provides a minimum requirement that a NBFC has to declare dividend if its NNPA is less than 6% in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared

As per these guidelines of Buy Back of shares, every CPSE having net worth of at least Rs. 2000 crore and Cash and Bank balance of Rs. 1000 crore shall exercise the option to buy back shares. Further, IIFCL vide letter dated 18th September 2019 had requested Government for exemption from payment of dividend and buy back of shares at least up to FY 2021-22. The reply of IIFCL's Letter is awaited.

27. IIFCL in consortium with PFC (lead lender) and REC has part funded Ind-Barath Power (Madras) Limited (IBPML) for setting up 1x 660 MW coal based thermal power project at Tuticorin, Tamil Nadu. IIFCL had sanctioned RTL of Rs 250 crore and disbursed Rs 89.24 crore in TRA Account maintained with Axis Bank. Funds from TRA had been diverted by the Borrower. Consortium had recalled the loan and filed a criminal complaint with EOW, Delhi Police on February 08, 2018, which is under investigation. The developments in the account have been reported to the Board of IIFCL at the meeting held on March 22, 2018 and instance of fraud was reported to RBI on March 28, 2018.

28. Pursuant to policy no. 1(A)(5.2(A)(a)) Upfront Fee, professing fee or any other fee directly attributable to loan assets not exceeding 0.5% of total income are initially recognized on accrual basis in Statement of Profit & Loss.

29. IIFCL had participated in part funding the project for Six laning of existing four lane Barwa Adda – Panagarh section of NH-02 from Km 398.240 to Km 521.120 (in the state of Jharkhand and West Bengal toll basis under NHDP Phase V. The promoters of the project i.e. IL&FS and its group companies are in NCLT and Hon'ble NCLAT by its order dated October 15, 2018 inter alia stayed the institution of any suit or proceedings against IL&FS and its group companies and imposed a moratorium on the payment of dues to lenders. Presently, the company has approached the consortium with restructuring plan. Lenders are deliberating on the terms and conditions of restructuring.

30. IIFCL has been allotted Built up space (Commercial Area, Residential Area and Parking Slots) at Kidwai Nagar by NBCC Ltd. on leasehold basis. As per the terms of allotment, Stamp Duty, Registration Fee, GST on sale Consideration/other allied charges, Ground Rent and Property Tax are to be paid as and when demanded by NBCC.

31. Deferred tax Liability on Special Reserve - The Company has passed a Board resolution in the meeting of Board of Directors held on 26th May 2022 that it has no intention to withdraw any amount from the Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961. Accordingly, the Special Reserve created and maintained is not capable of being reversed. Accordingly, IIFCL has reversed the Deferred Tax Liability of Rs. 36,730.41 lacs as on 31st March 2022 and does not create deferred tax liability on the said reserve.

32. IIFCL vide letter dated 22nd July 2021 requested RBI to provide clarification on inclusion of investment by way of bonds / debentures in the definition of infrastructure lending. RBI, vide letter dated 22nd September 2021, clarified that Investment including refinancing by way of subscription to bonds /debentures for infrastructure projects, whether in project under implementation or completed projects, shall be considered as Infrastructure Lending for the purpose of deployment of minimum 75% of total assets by IIFCL towards Infrastructure Loans. During the financial year ended 31st March 2022, the company has subscribed to Bonds of Infrastructure Projects, amounting to Rs. 97,500.00 lacs (Previous Year Nil). These form a part of the Company's infrastructure financing activities and have been classified under Loans and Advances. IIFCL believes that this classification results in a better presentation of the substance of these receivables and also aligns with the clarification received from Reserve Bank of India.

33. Deferred tax Liability on Special Reserve - The Company has passed a Board resolution in the meeting of Board of Directors held on 26th May 2022 that it has no intention to withdraw any amount from the Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961. Accordingly, the Special Reserve created and maintained is not capable of being reversed. Accordingly, IIFCL has reversed the Deferred Tax Liability of Rs. 36,730.41 lacs as on 31st March 2022 and does not create deferred tax liability on the said reserve.

34. IIFCL Projects Limited and IIFCL Asset management Company Limited are not registered as NBFC and Audited Financial Statements have been prepared for consolidation as per Division II of Schedule III whereas IIFCL is registered as NBFC and has prepared financial statement as per Division III of Schedule III.

35. In accordance with the Guidelines relating to COVID-19 Regulatory Package dated 27th March 2020 and 17th April 2020, the RBI allowed Commercial banks, Co-operative banks, Financial institutions and NBFCs to grant a 3-month moratorium on payment of instalments of all term loans which were standard assets as on 29th February 2020. The objective was to help alleviate the hardship of borrowers which was brought on by the national lockdown. The moratorium was initially granted for three months on payment of all instalments, including principal/ or interest components etc. falling due between 1st March 2020 and 31st May 2020. On 22nd May 2020, RBI extended this moratorium period by 3 months i.e. up to August 31, 2020. Interest continued to accrue on the outstanding portion of the loan during the moratorium period. For all accounts where the moratorium was granted, the ageing of accounts remained stand still during the moratorium period. Lenders were required to put in place Board approved policy prior to offering their customers the moratorium. Lenders have adopted different methods in offering the moratorium either an 'opt-in' or 'opt-out' structure.

IIFCL has extended Moratorium for payment of Interest and Principal in eligible cases of Term Loans granted, for the period March 2020 to August 2020 in accordance with RBI Circulars. The repayment of the facility created, in such cases have been stipulated within the repayment period of the Original Term Loan. During half year ended 31st March 2021, IIFCL recognized deferred interest income in moratorium loan cases without treating the same as restructuring in terms of direction no DCB.BPD (PCB) MC No. 12/09.14.000/2015-16 dated July 1, 2015. IIFCL vide letter dated 12th November 2020 requested RBI to guide that the recognition of interest income by IIFCL is in line with regulatory conformity. RBI reply in this regard is still awaited. Consequently as on 31st March 2021, IIFCL has conservatively deferred recognition of unrealized interest income of Rs. 45,914.50 lacs for moratorium period on moratorium loan cases till realization subsequently.
During the year ended 31st March 2022 IIFCL has received repayments amounting Rs. 6,045.94 lacs.

36. In accordance with the instructions of RBI Circular dated 07.04.2021 on "Asset Classification and Income Recognition following the expiry of Covid 19 regulatory package", the Bank shall refund/adjust 'interest on interest' charged to all borrowers including those who had availed of working capital facilities during moratorium period i.e. 01.03.2020 to 31.08.2020, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount to be refunded/adjusted for different facilities has been finalized by the Indian Bank Association (IBA) in consultation with other industry participants/bodies, for adopting by all the lending institutions. Accordingly, IBA vide its letter dated 19.04.2021 has informed methodology finalised for refund/adjustment as per Supreme Court judgement. Accordingly, IIFCL has not recognised the estimated amount of interest on interest income of Rs.2,500 lacs during the year ended on 31st March 2022. The credit of the interest income is yet to be given to the borrowers.

37. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate (Ind AS 12) :

(` in lacs)

Particulars	**31st March 2022**	**31st March 2021**
Profit before Tax	71,716.84	35,525.48
Statutory Income Tax Rate	25.168%	25.168%
Expected Income Tax Expense	18,049.70	8,941.05
Tax Effect of Income Tax Adjustment:		
Benefit of Deduction u/s 36(1) of Income Tax Act	-	-
Net Provisions Disallowed	(12,573.63)	(11,283.98)
Non- allowability of Income Tax	6,080.66	21,925.02
Income tax Earlier Years	(2,169.92)	128.53
Others	3,809.73	(10,677.49)
Deferred Tax	(5,395.94)	(12,057.78)
Tax Expense	7,800.60	3,023.95

38. Fair value measurement hierarchy of financial assets and liabilities measured at amortized cost/Fair Value:

1.1. Fair Value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived form prices)

Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

(` in lacs)

Particulars	**31.03.2022**		
	Level 1	**Level 2**	**Level 3**
Financial Asset:			
Amortised Cost	-	-	67,14,854.48
FVTPL	-	60,879.26	93,752.63
Financial Liability:			
Amortised Cost	30,90,677.06	-	21,97,974.71

Particulars	31.03.2021		
	Level 1	Level 2	Level 3
Financial Asset:			
Amortised Cost	-	-	68,14,879.49
FVTPL	-	72,459.98	71,496.83
Financial Liability:			
Amortised Cost	18,48,997.24	-	35,63,629.11

1.2. Fair value of financial assets and liabilities that are measured at amortized cost:

(` in lacs)

Particular	31.03.2022		31.03.2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets	68,69,486.37	68,69,486.37	69,58,836.30	69,58,836.30
Financial Liabilities	52,88,651.77	52,88,651.77	54,12,626.35	54,12,626.35

39. Detail of Stage wise Exposure and Impairment Loss

(` in lacs)

Particular	Stage 1	Stage 2	Stage 3	Total
As on 31st March 2022				
Total Exposure	40,63,132.65	2,54,559.36	6,35,023.06	49,52,715.08
Impairment Allowance	58,541.12	41,013.02	3,40,102.16	4,39,656.30
ECL%	1.44%	16.11%	53.56%	8.88%
As on 31st March 2021				
Total Exposure	37,00,810.19	2,73,901.73	8,54,588.07	48,29,299.99
Impairment Allowance	40,745.48	58,271.93	4,58,745.78	5,57,763.19
ECL%	1.10%	21.27%	53.68%	11.55%

40. Disclosure for Reconciliation of Provisions as per IRACP norms and Stage wise Expected Credit Loss:

(` in lacs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
-1	-2	-3	-4	(5)=(3)-(4)	-6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	40,63,132.65	58,541	40,04,592	24,722	33,819
	Stage 2	2,54,559.36	41,013.02	2,13,546.34	1,256.53	39,756.49
	FITL	4,038.15	4,038.15	-	4,038.15	-
Subtotal		43,21,730.17	1,03,592.30	42,18,137.87	30,016.74	73,575.56
Non-Performing Assets (NPA)						
Substandard	**Stage 3**	92,162.60	40,086.93	52,075.68	10,648.07	29,438.85
Doubtful - up to 1 year	Stage 3	11,620.14	4713.58	6,906.56	1,162.01	3,551.57
1 to 3 years	Stage 3	2,12,915.32	73,124.49	1,39,790.82	78,102.64	-4,978.15
More than 3 years	Stage 3	3,18,325	2,22,177	96,148	2,23,083	-906
Subtotal for doubtful		5,42,860.47	3,00,015.22	2,42,845.25	3,02,347.62	-2,332.39
Loss	**Stage 3**	0	0	0	0	0
Subtotal for NPA		**6,35,023.07**	**3,40,102.15**	**2,94,920.92**	**3,12,995.69**	**27,106.46**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income	Stage 1			0		0
	Stage 2			0		0
	Stage 3			0		0
Subtotal		**0**	**0**	**0**	**0**	**0**
	Stage 1	40,63,132.65	58,541.13	40,04,591.53	24,722.06	33,819.07
	FITL	4,038.15	4,038.15	-	4,038.15	-
	Stage 2	2,54,559.36	41,013.02	2,13,546.34	1,256.53	39,756.49
Total	**Stage 3**	6,35,023.07	3,40,102.15	2,94,920.92	3,12,995.69	27,106.46
	Total	**49,56,753.24**	**4,43,694.45**	**45,13,058.79**	**3,43,012.43**	**1,00,682.02**

41. The previous year figures have been regrouped wherever considered necessary.

In terms of our Report of even date
For SPMR & Associates
Chartered Accountants

For and on behalf of the Board of Directors of
India Infrastructure Finance Company Ltd.

Sd/-

Himanshu Agarwal
(Partner)
(Membership No- 091953)

Sd/-

Pawan Kumar
(Deputy Managing Director)
(DIN No:-8901398)

Sd/-

PR Jaishankar
(Managing Director)
(DIN No:-6711526)

Place: New Delhi
Dated: 23.06.2022

Sd/-

Manjari Mishra
(DGM & Company Secretary)

Sd/-

Rajeev Mukhija
(CGM- CFO)

Form AOC-I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures for the Year Ended 31st March 2022

Part "A": Subsidiaries

(` in Lac/ USD in million)

S.No.	Particulars	I	II	III	
1	Name of the subsidiary	**IIFCL Projects Ltd.**	**IIFCL Asset Management Company Ltd.**	**India Infrastructure Finance Company (UK) Ltd.**	
				INR	**USD**
2	The date since when subsidiary was acquired	14-Feb-2012	28-Mar-2012	07-Feb-2008	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not Applicable	Not Applicable	USD (Exchange rate as on 31st March 2022 USD 1= ` 75.8071)	
5	Share capital	475	1250	62,905.95	100
6	Reserves & surplus	1,818.06	1,463.88	(59,205.41)	(97.39)
7	Total assets	2,203.31	1,650.38	12,05,704.49	1514.22
8	Total Liabilities	385.25	1,463.88	12,64,909.90	1511.52
9	Investments	Nil	Nil	Nil	
10	Turnover	1,316.30	718.76	55,181.21	70.24
11	Profit before taxation	514.44	288.94	11,900.70	16.37
12	Provision for taxation	140.84	72.57	-	-
13	Profit after taxation	373.59	216.37	11,900.70	16.37
14	Proposed Dividend	Nil	Nil	Nil	
15	% of shareholding	100%	100%	100%	

Notes:

1. Subsidiaries which are yet to commence operations- Nil
2. Subsidiaries which have been liquidated or sold during the year. Nil
3. Adjustments for disclosing the Provision on Loan Assets in Non-Financial Liabilities in Financial of IIFC(UK) ltd has been done before conversion to INR.

Part "B": Associates and Joint Ventures

Not Applicable

In terms of our Report of even date
For SPMR & Associates
Chartered Accountants

For and on behalf of the Board of Directors of
India Infrastructure Finance Company Ltd.

Sd/-

Himanshu Agarwal
(Partner)
(Membership No- 091953)

Sd/-

Pawan Kumar Kumar
(Deputy Managing Director)
(DIN No:-8901398)

Sd/-

PR Jaishankar
(Managing Director)
(DIN No:-6711526)

Place: New Delhi
Dated: 23.06.2022

Sd/ -
Manjari Mishra
(DGM & Company Secretary)

Sd/-
Rajeev Mukhija
(CGM- CFO)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of consolidated financial statements of India Infrastructure Finance Company Limited (IIFCL) for the year ended 31 March, 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the consolidated financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 25 August 2022 which supersedes their earlier Audit Report dated 26 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of the India Infrastructure Finance Company Limited for the year ended 31 March 2022 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statement of the India Infrastructure Finance Company Limited (the Company) but did not conduct Supplementary audit of IIFCL Projects Limited and IIFCL Asset Management Company Limited (the subsidiaries) for the year ended on that date. Further, section 139 (5) and 143 (6) (a) of the Act are not applicable to India Infrastructure Finance Company (UK) limited (the subsidiary) being entity incorporated in foreign country under the respective laws for appointment of their Statutory Auditors and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the statutory auditor to give effect to two of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under Section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

A. Comments on Consolidated Profitability

A.1 Balance Sheet

A.1 Liabilities and Equity

Non-Financial Liabilities - Other Non-Financial Liabilities- (Note No. 19)
Sundry Liabilities Account (Interest Capitalization) - ₹ 417.04 crore
Interest Income (Note No. 22) – ₹ 4115.39 crore

A reference is invited to Modified Independent Auditor's Report for the Financial Year 2020-21 (Based on C&AG observations) wherein it was pointed out that Profit before Tax was understated by ₹ 459.15 crore and Sundry Liabilities were overstated by the same amount due to reversal of interest income which accrued during the moratorium period on term loans.

IIFCL received ₹ 60.46 crore out of the above interest income during financial year 2021-22 which has been recognised as income on cash basis and therefore did not recognize the balance interest income of ₹ 398.69 crore during the current year which resulted in non-compliance of accrual basis of accounting.

This has resulted in understatement of prior period income by ₹ 60.46 crore, interest income by ₹ 398.69 crore and overstatement of Sundry Liabilities Account (Interest Capitalization) by ₹ 398.69 crore. Consequently, profits for the year are also understated by ₹ 398.69 crore.

A.2 Assets

Financial Assets – Loans – (Note No. 5) - ₹ 48918.12 crore
Impairment on Financial Instruments - (Note No. 28) – Loan Assets - ₹ (556.51) crore

A reference is invited to the Significant Accounting Policy No. 5.3(d) for De-recognition of Financial assets which stipulates that, "*A loan asset other than cases under Strategic Debt Restructuring Scheme (SDR), Scheme for Sustainable Structuring of Stressed Assets (S4A), Outside Strategic Debt Restructuring (SDR) scheme applicable as per RBI Regulators and considered withdrawn pursuant to RBI Notification No. RBI/131 DBR No. BP.BC.101/21.04.048/2017-18 dated February 12, 2018 or any other mutually agreed restructuring/settlement process shall be derecognized in case the loan asset has been categorized as Non-Performing Asset (NPA) for more than 5 years or the scheduled commercial operations of the project have been delayed for more than 4 years unless any substantive offer for sale/realization of loan asset is available*".

Loan account of Raebareilly Allahabad Highway Pvt. Ltd. (RAHPL) was overdue with IIFCL since September 2016 and was declared NPA on 31 March 2017. Principal outstanding from RAHPL is ₹ 49.08 crore as on 31 March 2022 against which provision of ₹ 24.54 crore (50 *per cent*) has been made.

Though there was no substantive offer available for realization of loan asset, the same has not been derecognized which resulted in non-compliance to the aforesaid significant Accounting Policy and conservatism principle of accounting.

This has resulted in overstatement of loans and understatement of impairment on financial instruments by ₹ 24.54 crore (₹ 49.08 crore *minus* ₹ 24.54 crore). Consequently, profit for the year is also overstated to the same extent.

For and on behalf of the
Comptroller and Auditor General of India

Apanda

(S. Ahlladini Panda)
Principal Director of Audit,
Industry & Corporate Affairs.
New Delhi.

Place: New Delhi
Date: 15.09.2022

India Infrastructure Finance Company Limited
(A Government of India Enterprise)

CIN: U67190DL2006G01144520

Regd. Office: Fifth Floor, Block -2 Plate A & B, NBCC Tower,
East Kidwai Nagar, New Delhi-110023

Phone : +91-11- 24662777 ; Fax : +91-11-20815125

CIN: U67190DL2006G01144520

Email: info@iifcl.in ; Website : www.iifcl.in

ATTENDANCE SLIP

Name of the Attending Member (In block letters)	
Folio	
Number of shares held	
Name of proxy (In block letters, to be filled if the proxy attends instead of the members)	

I, hereby record my presence at the 17thAnnual General Meeting of the Company held on Wednesday 28th day of September, 2022 at 1.00 p.m.at Conference Hall, Department of Financial Services, Ministry of Finance, Government of India, Jeevan Deep Building, Sansad Marg, New Delhi-110001.

Member's / Proxy's **Signature**

Notes:

1. The attendance slip should be signed as per the specimen signature registered with the company. Such duly completed and signed Attendance Slip(s) should be handed over to the Company Secretary at the venue.

2. Members are please requested to carry photo-1D card for identification/verification.

3. Shareholders present in person or through registered proxy only shall be entertained.

4. No gifts will be distributed at the Annual General Meeting.

Form No. MGT 11
Proxy Form
[Pursuant to section 105(6) of the Companies Act 2013 and Rules 19(3) of the Companies (Management and Administration) Rules, 2014)]
CIN: U67190DL2006601144520

Name of the Company: India Infrastructure Finance Company Limited

Registered Office: Fifth Floor, Block -2 Plate A & B, NBCC Tower, East Kidwai Nagar, New Delhi-110023

Name of the Member(s):	
Registered Address:	
Email Id:	
Folio No. / Client Id:	
DP ID:	

I/we being the member(s) of__________________________ shares of the above named company hereby appoint

1. Name : ____
   Address : ____
   Email ID : ____
   Signature : ____, or failing him
2. Name : ____
   Address : ____
   Email ID : ____
   Signature : ____, or failing him
3. Name : ____
   Address : ____
   Email ID : ____
   Signature : ____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company to be held on 28th day of September, 2022 at 1.00 p.m. at Conference Hall, Department of Financial Services, Ministry of Finance, Government of India, Jeevan Deep Building, Sansad Marg, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No,
1. ____
2. ____
3. ____

Affix Revenue Stamp of ₹ 1

Signed this _____ day of ______ 2022
Signature of shareholder
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.