



# THE ADVANTAGE

## INVIGORATE

Revitalizing infrastructure projects; the competitive interest rates with longer duration further strengthens financial viability and returns. Besides, executing partial takeout of the senior debt providing structured benefits like moratorium, back-ended repayment schedule, improves the risk profile and leads to stronger credit rating for projects and upgrades their marketability to the Capital Markets.

## INSULATE

With primarily fixed rate funding, all projects stay insulated from fluctuating financial markets, which in turn improves their long term viability & profitability. This protection extends further to the investments by creating a stable risk return profile through regulatory ringfencing of asset exposure of Infradebt.

## INCREMENTAL RETURNS

There's always room for improvement, even at the top. Competitive interest rates coupled with structured benefits lead to sustained cash flows. This improves project valuations and transforms them into attractive investment opportunities for investors.

## INVIOLEABLE COMMITMENT

Built on strong foundations, the Infradebt IDF-NBFC framework was conceived by the Ministry of Finance and it has been operationalised by four of India's leading financial institutions - ICICI Bank, Bank of Baroda, Citicorp Finance (India) Ltd. and Life Insurance Corporation of India.

# CONTENTS

<i>Corporate Information.....</i>	<i>02</i>
<i>Infrastructure Debt Fund .....</i>	<i>03</i>
<i>About Us .....</i>	<i>04</i>
<i>Shareholders.....</i>	<i>05</i>
<i>Directors' Report.....</i>	<i>06</i>
<i>Financial Statements.....</i>	<i>31</i>
<i>Independent Auditor's Report .....</i>	<i>32</i>
<i>Balance Sheet.....</i>	<i>36</i>
<i>Statement of Profit and Loss .....</i>	<i>37</i>
<i>Cash Flow Statement.....</i>	<i>38</i>
<i>Significant Accounting Policies and Notes to Accounts.....</i>	<i>39</i>



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

<b>Ms. Lalita D. Gupte</b>	<i>Chairperson</i>
<b>Mr. M. D. Mallya</b>	<i>Independent Director</i>
<b>Mr. Uday Chitale</b>	<i>Independent Director</i>
<b>Mr. K. M. Jayarao</b>	<i>Nominee Director</i>
<b>Mr. Krishna Manvi</b>	<i>Nominee Director</i>
<b>Mr. Manish Kumar</b>	<i>Nominee Director</i>
<b>Ms. Sadhana Dhamane</b>	<i>Nominee Director</i>
<b>Mr. Suvek Nambiar</b>	<i>Managing Director &amp; CEO</i>

## SENIOR MANAGEMENT

<b>Mr. Akash Deep Jyoti</b>	<i>Head – Risk &amp; Compliance</i>
<b>Mr. Rajesh K. Gupta</b>	<i>Head – Assets</i>
<b>Mr. Surendra Maheshwari</b>	<i>Chief Financial Officer</i>

## COMPANY SECRETARY

**Gaurav Tolwani**

## STATUTORY AUDITORS

<b>S. R. Batliboi &amp; Co. LLP</b>	<i>Chartered Accountants</i>
-------------------------------------	------------------------------

## REGISTERED OFFICE

ICICI Bank Towers  
Bandra-Kurla Complex  
Mumbai – 400 051

## REGISTRAR & TRANSFER AGENT

### For Equity:

3I Infotech Limited  
Tower #5, 3<sup>rd</sup> Floor,  
International Infotech Park  
Vashi Railway Station Complex, Vashi,  
Navi Mumbai – 400 703

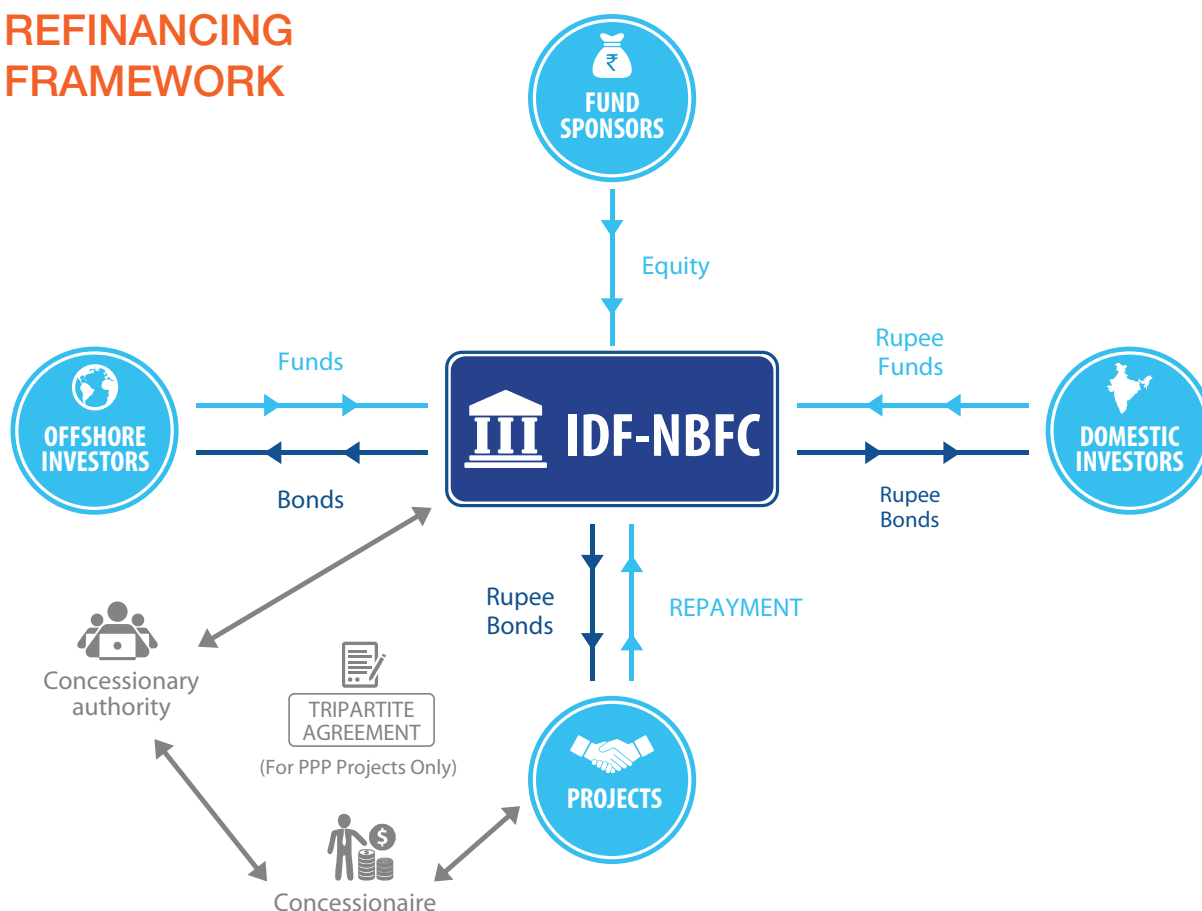
### For Debentures:

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup-(W),  
Mumbai-400 078

# INFRASTRUCTURE DEBT FUND

Created under the Non Banking Financial Company (NBFC) framework, Infrastructure Debt Fund (IDF-NBFC) provides an alternative channel of infrastructure funding by bringing in long-term investors. These include domestic and offshore institutions like insurance companies, mutual funds, provident and pension funds seeking reliable investments. Raising resources through rupee or dollar denominated bonds of minimum five year maturity, IDF-NBFC refinances the existing debt of infrastructure projects which have completed one year of commercial operations. Investing in Public Private Partnership (PPP) Projects, IDF-NBFC executes a Tripartite Agreement with the Concessionaire and the Concessionary Authority, the confirming party being the existing lenders. IDF-NBFC can also invest in Non-PPP projects which have completed one year of commercial operations (without Tripartite Agreement). With relatively lower risk assets, IDF-NBFC carries the advantage of a concession on credit concentration norms along with 100% income tax exemption, making it an ideal choice for institutions considering stable long-term earnings. With strong financial expertise, India Infradebt Limited (Infradebt) is the first IDF-NBFC that creates a win-win for both Investors and Projects alike.

## REFINANCING FRAMEWORK





## ABOUT US

Formed with the objective of refinancing the existing debt of Public Private Infrastructure Projects and rebuilding their long term financial resilience, Infradebt is a joint venture among four of India's leading financial institutions. Built on sound business practices, Infradebt has received a long-term domestic credit rating of AAA with stable outlook awarded by 3 leading rating agencies – CRISIL (majority owned by S&P), ICRA (majority owned by Moody's), India Ratings (100% subsidiary of FITCH).

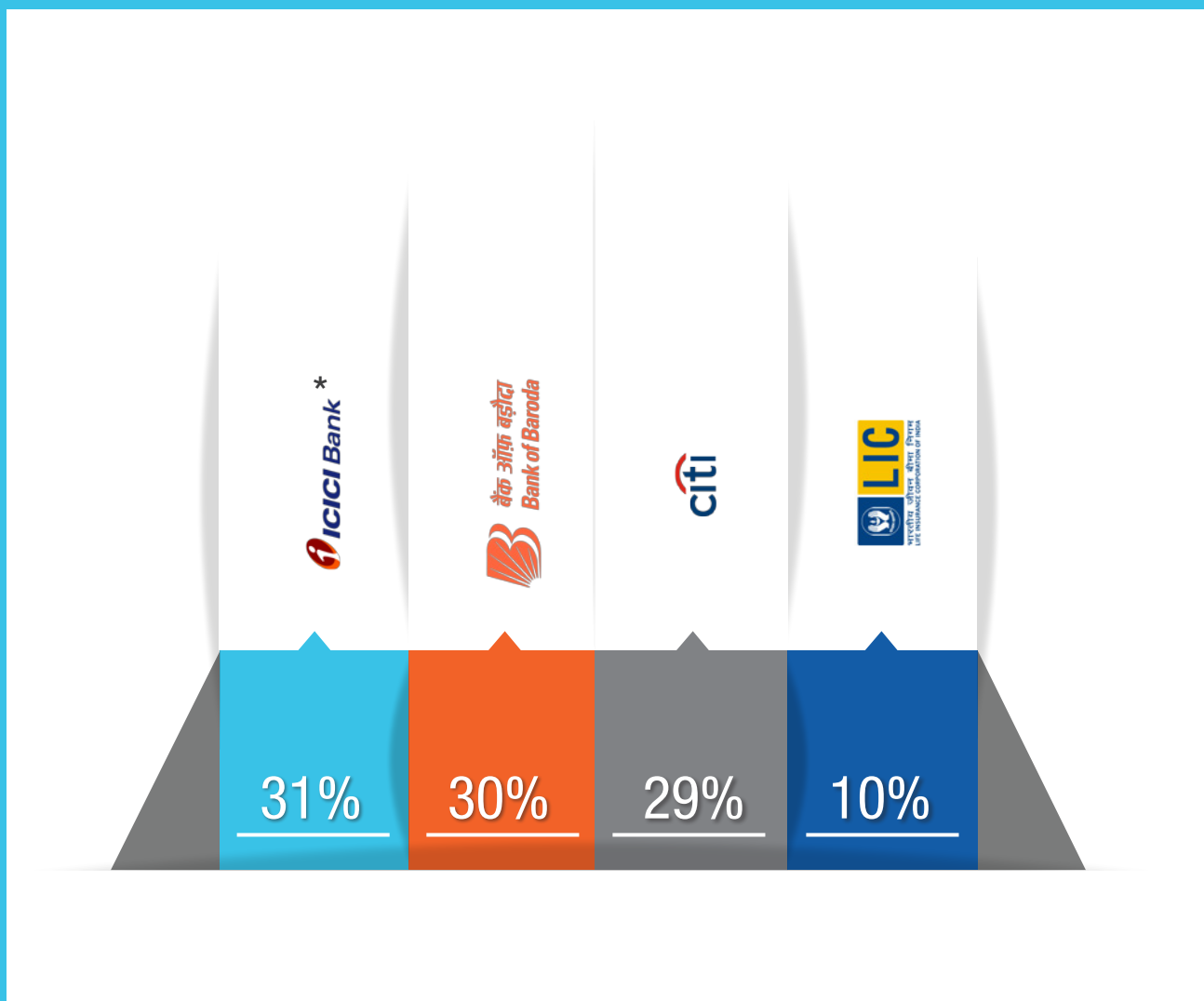
### AS ON MARCH 31, 2016:

- Corpus of over ~ ₹ 25.40 billion, to be raised up to ₹ 125.00 billion in next few years
- Shareholder's fund of ~ ₹ 3.80 billion
- Ten Domestic bond issues concluded at competitive rates and subscribed by mutual funds, pension funds, provident funds and insurance companies
- Takeout financing concluded for 18 projects

### MILESTONES



# SHAREHOLDERS



\* Together with wholly owned subsidiary ICICI Home Finance Company Limited

# DIRECTORS' REPORT

## Dear Members,

Your Directors have pleasure in presenting the Fourth Annual Report of India Infradebt Limited (Infradebt/Company) with the audited statement of accounts for the year ended March 31, 2016.

## FINANCIAL HIGHLIGHTS

The summary of the financial results for the year under review is as follows:

(₹ in million)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Total Income	1,432.3	626.9
Profit Before Tax	292.4	217.6
Provision for Tax <sup>1</sup>	-	-
Profit After Tax	292.4	217.6
Add: Balance brought forward from previous year	405.7	231.5
Balance available for appropriation	698.1	449.1
<b>Appropriation:</b>		
Special Reserve u/s 45-IC of Reserve Bank of India Act, 1934	58.5	43.5
Surplus carried forward to Balance Sheet	639.6	405.6

<sup>1</sup> As per Section 10(47) of the Income tax Act, 1961, income of Infradebt does not form part of total income and hence is exempt from income tax

## ANALYSIS OF THE FINANCIAL PERFORMANCE & DIVIDEND

In FY2016, Infradebt has made profit of ₹ 292.4 million as compared to profit of ₹ 217.6 million in FY2015. During FY2016, the income from operations was ₹ 1,241.6 million against ₹ 219.1 million of FY2015.

Infradebt proposes to transfer ₹ 58.5 million (Previous year: ₹ 43.5 million) to Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934 and carry forward ₹ 639.6 million (Previous year: ₹ 405.6 million) to the Balance Sheet.

With a view to conserve funds for growth of Infradebt, your Directors do not recommend payment of dividend for FY2016.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF INFRADEBT

The Board of Directors of Infradebt, at its meeting held on August 12, 2016 approved a rights issue of upto ₹ 4.00 billion to meet business growth objectives subject to the approval of the shareholders.

There have been no other material changes and commitments, if any, affecting the financial position of Infradebt which have occurred between the end of the financial year of Infradebt to which the financial statements relate and the date of the report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is enclosed as Annexure – 1.

## DIRECTORS

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of Infradebt, K. M. Jayarao would retire by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. K. M. Jayarao has offered himself for re-appointment.

The Board of Directors, at its Meeting held on April 22, 2015 appointed Lalita D. Gupte as an additional Director effective April 22, 2015 to hold office upto the date of the forthcoming Annual General Meeting. The Members of the Company at the Annual General Meeting



## DIRECTORS' REPORT

held on July 23, 2015 approved the appointment of Lalita D. Gupte as an Independent Director to hold office for a term up to April 21, 2018.

The Board of Directors, at its Meeting held on January 20, 2016 re-appointed M. D. Mallya as the Independent Director to hold office for a term up to February 25, 2021. The Members of the Company at the Extra Ordinary General Meeting held on February 25, 2016 also approved the re-appointment of M. D. Mallya as an Independent Director.

### DECLARATION BY INDEPENDENT DIRECTORS

M. D. Mallya, Uday Chitale and Lalita D. Gupte are Independent Directors on the Board of Infradebt. All Independent Directors have given declarations that they fulfill the conditions specified in section 149 of the Companies Act, 2013 and the same has been relied upon by Infradebt.

### STATEMENT ON FORMAL ANNUAL EVALUATION MADE BY BOARD ON ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The performance evaluation of the Board as a whole, its Committees and individual Directors are done on an annual basis based on the questionnaire with specific focus on devotion of enough time and attention to long term strategic issues, openness and transparency in the discussion amongst Board Members, quality, quantity and timeliness of flow of information, discharge of fiduciary duties.

### KEY MANAGERIAL PERSONNEL

The key managerial personnel of Infradebt (within the meaning of the Companies Act, 2013) include Suvek Nambiar, Managing Director & CEO, Surendra Maheshwari, Chief Financial Officer and Gaurav Tolwani, Company Secretary.

During the year, Sawankumar Jain, erstwhile Company Secretary, resigned from the services of the Company on October 21, 2015 due to personal reasons. The Board of Directors at its Meeting held on October 21, 2015, appointed Gaurav Tolwani as the Company Secretary of the Company effective October 22, 2015.

### CORPORATE GOVERNANCE

The Board of Directors supports the broad principles of Corporate Governance. The Board has a formal schedule of matters reserved for its consideration and decision.

### DETAILS OF BOARD MEETINGS

During the year, 4 (four) Board Meetings were held on April 22, 2015, July 21, 2015, October 21, 2015 and January 20, 2016. The details of attendance at Board Meetings are given below:

Name of Director	Category	Board Meetings	
		Held	Attended
Lalita D. Gupte ( <i>appointed w.e.f. April 22, 2015</i> )	Chairperson & Independent Director	4	3
M. D. Mallya	Independent Director	4	4
Uday Chitale	Independent Director	4	3
K. M. Jayarao	Nominee Director	4	1
Krishna Manvi	Nominee Director	4	3
Manish Kumar	Nominee Director	4	4
Sadhana Dhamane	Nominee Director	4	4
Suvek Nambiar	Managing Director & CEO	4	4

To enable better and more focused attention on the affairs of Infradebt, the Board delegates particular matters to Committees set up for the purpose. The five Board level Committees constituted by the Board in this connection are:

1. Audit Committee
2. Board Governance, Remuneration and Nomination Committee
3. Board Credit & Risk Committee
4. Corporate Social Responsibility Committee
5. Committee of Directors

## AUDIT COMMITTEE

The Board of Directors of Infradebt has constituted the Audit Committee on November 22, 2012. The Audit Committee was re-constituted by the Board of Directors on January 22, 2014, October 15, 2014, February 23, 2015 and April 22, 2015 and currently comprises of Uday Chitale, Lalita D. Gupte, M. D. Mallya, K. M. Jayarao and Krishna Manvi.

During the year, 4 (four) Meetings of the Audit Committee were held on April 22, 2015, July 21, 2015, October 21, 2015 and January 20, 2016. The attendance of its Members at its Meetings held during the year is, given below:

Name of the Member	Number of Meetings	
	Held	Attended
Uday Chitale ( <i>Chairman w.e.f. July 21, 2015</i> )	4	3
Lalita D. Gupte ( <i>appointed w.e.f. April 22, 2015</i> )	3	3
M. D. Mallya	4	4
K. M. Jayarao	4	1
Krishna Manvi ( <i>appointed as Member w.e.f. April 22, 2015</i> )	3	3

## WHISTLE BLOWER/VIGIL MECHANISM

As per the requirement of section 177(9) of the Companies Act, 2013, Infradebt has established whistle blower/vigil mechanism and forms part of Code of Business Conduct and Ethics. Code of Business Conduct and Ethics has been hosted on the website of Infradebt <http://infradebt.in/code-of-business-conduct-ethics-15.pdf>.

## BOARD GOVERNANCE, REMUNERATION AND NOMINATION COMMITTEE

The Board of Directors of Infradebt has constituted the Board Governance, Remuneration and Nomination Committee (Board Governance Committee) on February 26, 2013. The Board Governance Committee was re-constituted by the Board of Directors on February 23, 2015 and April 22, 2015 and currently comprises of M. D. Mallya, Lalita D. Gupte, Uday Chitale, K. M. Jayarao and Manish Kumar.

During the year, 2 (two) Meetings of the Board Governance Committee were held on April 22, 2015 and January 20, 2016. The attendance of its Members at its Meetings held during the year is, given below:

Name of the Member	Number of Meetings	
	Held	Attended
M. D. Mallya, <i>Chairman</i>	2	2
Lalita D. Gupte ( <i>appointed w.e.f. April 22, 2015</i> )	1	1
Uday Chitale	2	1
K. M. Jayarao	2	1
Manish Kumar	2	2

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of Infradebt 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, is appended as Annexure - 3 to this Report.

## BOARD CREDIT & RISK COMMITTEE

The Board of Directors of Infradebt has constituted the Board Credit & Risk Committee on February 26, 2013. The Board Credit & Risk Committee was re-constituted by the Board of Directors on October 15, 2014, February 23, 2015 and April 22, 2015 and currently comprises of M. D. Mallya, Lalita D. Gupte, Uday Chitale, K. M. Jayarao, Krishna Manvi, Sadhana Dhamane and Suvek Nambiar.

During the year, 8 (eight) Meetings of the Board Credit & Risk Committee were held on April 15, 2015, June 25, 2015, August 21, 2015, October 15, 2015, November 25, 2015, December 22, 2015, January 20, 2016 and February 18, 2016. The attendance of its Members at its Meetings held during the year is, given below:

## DIRECTORS' REPORT

Name of the Member	Number of Meetings	
	Held	Attended
M. D. Mallya, <i>Chairman</i>	8	8
Lalita D. Gupte ( <i>appointed w.e.f. April 22, 2015</i> )	7	5
Uday Chitale	8	6
K. M. Jayarao	8	2
Krishna Manvi	8	3
Sadhana Dhamane	8	3
Suvek Nambiar	8	8

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE, POLICY &amp; INITIATIVE

The Board of Directors of Infradebt has constituted the Corporate Social Responsibility (CSR) Committee on April 15, 2014. The Corporate Social Responsibility Committee was re-constituted by the Board of Directors on February 23, 2015 and April 22, 2015 and currently comprises of Lalita D. Gupte, M. D. Mallya, Uday Chitale and Manish Kumar.

During the year, 1 (one) Meeting of the CSR Committee was held on April 15, 2015. The attendance of its Members at its Meeting held during the year is, given below:

Name of the Member	Number of Meetings	
	Held	Attended
M. D. Mallya	1	1
Lalita D. Gupte ( <i>appointed w.e.f. April 22, 2015</i> )	0	0
Uday Chitale	1	1
Manish Kumar	1	1

The CSR Policy has been hosted on the website of Infradebt - <http://infradebt.in/corporate-social-responsibility-policy-15.pdf>.

The Annual Report on CSR activities is annexed herewith as Annexure 2.

## EXTRACT OF ANNUAL RETURN

As required under section 92(3) of the Companies Act, 2013, the extract of annual return is enclosed as Annexure - 4.

## ISSUE OF DEBENTURES

With an increase in the portfolio during the year, Infradebt has accessed borrowed funds to meet its funding requirement. Infradebt met its funding requirement through issue of senior secured Non-Convertible Debentures (NCDs) aggregating to ₹ 14.60 billion during FY2016. As at end of FY2016, the total borrowings have reached ₹ 21.70 billion.

## CREDIT RATINGS

The secured NCDs have been rated AAA/Stable by CRISIL and ICRA. The unsecured NCDs (in the form of subordinated debt) of Infradebt have been rated AAA/Stable by ICRA and India Ratings.

## PUBLIC DEPOSITS

Infradebt being a Non Deposit Accepting NBFC has not accepted any deposits from the public during the period under review and shall not accept any deposits from the public without obtaining prior approval of Reserve Bank of India.

## RBI GUIDELINES

Infradebt has complied with the Regulations of the Reserve Bank of India as are applicable to it as a Systemically Important Non Deposit Taking Non-Banking Financial Company.

## AUDITORS

S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai, was appointed as statutory auditors by the Members at the Second Annual General Meeting held on May 2, 2014 to hold office till conclusion of Fifth Annual General Meeting subject to ratification by the Members every year. The Members at the Third Annual General Meeting held on July 23, 2015 ratified the appointment of S.R. Batliboi & Co. LLP, Chartered Accountants as statutory auditors. Infradebt has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment. Ratification of appointment of statutory auditors is being sought from the Members at Fourth AGM and to authorise the Board of Directors to fix their remuneration.

## AUDITORS' REPORT

The Auditors' Report to the Members does not contain any qualification. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and do not call for further comments.

## SECRETARIAL AUDIT REPORT

The secretarial audit report obtained from M/s. Jaiprakash R. Singh & Associates, Company Secretaries is enclosed with this report as Annexure - 5. The secretarial audit report does not contain any qualification.

## PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT

Infradebt being an NBFC, the provisions of the Section 186 of the Companies Act, 2013 relating to the loans, guarantee or investment are not applicable.

## RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

Infradebt has in place a Progressive Risk Management system to identify, assess, monitor and mitigate various risks to key business objectives on an on-going basis. Various Risk Management Policies are reviewed on an annual basis at the Board level. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee, Board Credit & Risk Committee and the Board of Directors of the Company. Enhanced risk analysis is done for the new sectors which have been allowed to be refinanced by the Reserve Bank of India. Infradebt has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies, procedures and certification from statutory auditors. These internal control systems are also reviewed by the internal auditors annually. Significant audit observations and follow up actions thereon are reported to the Audit Committee and Board of Directors.

## RELATED PARTY TRANSACTIONS

Infradebt has formed a Board approved Policy on Related Party Transactions in line with the requirements of Companies Act, 2013. The Policy provides a framework for proper approval and reporting of transactions between Infradebt and its related parties. The Policy has been hosted on the website of Infradebt.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in form AOC 2 is not applicable.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

Since Infradebt does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable and hence not given.

During FY2016, Infradebt did not have any foreign exchange earnings and expenditures.

## ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

## DIRECTORS' REPORT

### PERSONNEL

The details of employees as required by the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in an annexure and forms part of this report. In terms of Section 136(1) of the Companies Act, 2013, the report and accounts are being sent to the Members excluding the aforesaid annexure. Any Member interested in obtaining a copy of the annexure may write to the Company Secretary at the Registered Office.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as Annexure - 6.

During FY2016, there were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 135(5) of the Companies Act, 2013, the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of Infradebt for the year ended March 31, 2016 and of the profit of Infradebt for that year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of Infradebt and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis; and
5. they have laid down internal financial controls to be followed by Infradebt and that such internal financial controls are adequate and were operating effectively.
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### ACKNOWLEDGEMENTS

Infradebt is grateful to the Government of India, the Reserve Bank of India, Ministry of Finance, Ministry of Road Transport and Highways, National Highways Authority of India, Insurance Regulatory & Development Authority of India, other regulatory authorities, concession granting authorities, clients, consultants, credit rating agencies, debenture trustee, debt arrangers, debt investors, internal auditors, statutory auditors, shareholders and other stakeholders for their valuable guidance and support and wishes to express sincere appreciation for their continued cooperation and assistance. Infradebt looks forward to their continued support in future.

Infradebt would also like to express its gratitude for the support and guidance received from ICICI Bank Limited, Bank of Baroda, Citicorp Finance (India) Limited, Life Insurance Corporation of India and ICICI Home Finance Company Limited.

**For and on behalf of the Board**

**Date :** August 12, 2016  
**Place :** Mumbai

**Lalita D. Gupte**  
*Chairperson*  
 (DIN: 00043559)

## ANNEXURE 1

### MANAGEMENT DISCUSSION AND ANALYSIS

#### (a) Industry structure and developments

India Infradebt Limited (Infradebt) is in the business of refinancing/ take-out financing of infrastructure assets under a framework announced by the Ministry of Finance and the Reserve Bank of India (RBI) to channelize long term funds into the infrastructure sector. Infradebt operates under the Infrastructure Debt Fund – Non Banking Financial Company (IDF-NBFC) structure and has been successfully operating in the space in which it has been allowed to operate. In acquiring these infrastructure assets from other lenders, Infradebt faces competition from public and private banks, non-banking finance companies, infrastructure finance companies and other IDFs. In addition to Infradebt, there are two other IDFs operational under the NBFC structure which are operational, while there are two IDFs operational under the Mutual Fund structure.

In FY2016, RBI issued revised guidelines allowing IDF-NBFCs to invest in non-PPP projects and PPP projects without a project authority also, in addition to the earlier framework of refinancing only PPP projects with a tripartite agreement. All projects however, necessarily have to complete one year of operations. The above revised regulatory guidelines offer credit/investment opportunities across the entire infrastructure space and will help Infradebt in diversification in asset book.

The roads sector accounts for a major part of the transportation sector and Infradebt has been focussing on NHAI road projects till now. Infradebt plans to invest in road projects awarded by the state governments as well in a limited manner. The Central Government, as a part of its infrastructure push has been trying to increase interest in the roads sector. After a period of slowdown, the road sector is showing signs of revival drawing on several policy measures announced by the Government over the last 18 months. Apart from EPC and normal Toll/Annuity based projects, NHAI has been awarding projects based on the new Hybrid Annuity Model as well to increase the speed of road development. In view of the same, the road sector is expected to continue to be a major part of the asset portfolio of Infradebt.

Apart from the roads sector, in order to further expand its footprint, Infradebt will target opportunities selectively in the renewable energy and transmission segments during the next few years. The same is expected to enhance diversification of its portfolio among different sectors and Borrowers/ Borrower groups.

#### (b) Opportunities and Threats

**Opportunities** - Increased focus on private investments is expected in the infrastructure sector. The Central Government's impetus on infrastructure spending, coupled with existing pipeline of completed and under-construction road projects is likely to translate into wider opportunities for refinancing in the road sector. In this regard, Infradebt endeavours to partner with large banks (including shareholders) and institutions to undertake refinancing/take out financing initiatives. Project sponsors for completed projects are replacing their existing project debt by lower cost and longer tenure financing. Infradebt plans to be a significant participant providing competitively priced financing to these projects.

At the beginning of the financial year, IDF – NBFCs were allowed to invest only in Public Private Partnership (PPP) projects which were backed by a tripartite agreement with the project authority with the participating IDF-NBFC having first priority on the termination payments. Accordingly, a large part of Infradebt's current portfolio comprises of road projects awarded by the National Highways Authority of India (NHAI) implemented on PPP basis. Subsequent to the revised IDF NBFCs guidelines (enlarging the scope) announced by the RBI in May 2015, the Central Board of Direct Taxes (CBDT) also modified Section 10(47) of the IT Act in November 2015 to incorporate the revisions. Infradebt has accordingly included renewable energy sector (wind and solar) and power transmission as its additional focus areas for investment/lending, along with the transportation sector. While the overall market of takeout financing by Infradebt has thus increased significantly, Infradebt would be prudent by focusing primarily on the above focus sectors that are relatively low-risk and keeping away from some large sectors like thermal power.

Infradebt has ensured that the aforesaid changes in the business plan have been undertaken in discussion with the credit rating agencies to safeguard and maintain the current credit rating of 'Highest Safety' AAA.

**Threats** – Aggressive pricing by banks, infrastructure finance companies and other IDFs could adversely impact the margins on Infradebt's asset portfolio. The credit risk in non-tripartite sectors is likely to be higher compared to projects with tripartite agreement. Success of IDFs is significantly dependent on the facilitative regulatory framework; with any adverse changes in the regulatory framework having an impact on the profitability of Infradebt.



## ANNEXURE 1 CONTD....

**(c) Segment-wise or product-wise performance**

Infradebt has disbursed funds to 17 road projects under PPP format (tripartite-backed projects) awarded by NHAI and one renewable energy project (without a tripartite agreement) as on March 31, 2016. Infradebt has made aggregate disbursements of ₹ 25.63 billion to road and renewable energy projects, out of which disbursements to the extent of ₹ 16.41 billion were made in FY2016 itself, while ₹ 8.72 billion and ₹ 0.50 billion disbursements were made in FY2015 and FY2014 respectively.

The asset book as at the end of FY2016 stands at ₹ 25.06 billion, after adjusting for redemption/repayment of facilities during the year.

Till March 31, 2016 Infradebt has raised a total of ₹ 21.70 billion of funds from the debt capital market. The fund-raising commenced in FY2015 with issuances of senior secured NCDs aggregating ₹ 5.50 billion and an issuance of subordinated unsecured NCDs of ₹ 1.60 billion. This was followed up by issuances of senior secured NCDs aggregating ₹ 14.60 billion in FY2016. All the above issuances were rated AAA by leading domestic credit rating agencies. These issuances were subscribed by a wide variety of investors, including insurance companies, pension funds, mutual funds among others.

**(d) Outlook**

Based on the assessment of the projects completed and projects under construction under PPP and non-PPP format, transportation remains the largest target sector for Infradebt due to the large number of projects awarded by NHAI and the state governments. New opportunities have opened up in the renewable energy sector and power transmission. The ports sector is likely to contribute to a small extent in this regard.

Infradebt proposes to continue raising long terms funds from insurance companies, pension funds, mutual funds and other market participants.

**(e) Risks and concerns**

Of the various business and financial risks faced by Infradebt, four key risks can be highlighted – credit risk, liquidity risk, interest rate risk and regulatory risk. The credit strength is mainly reflected by the highest credit rating of AAA with stable outlook accorded by three leading rating agencies – CRISIL, ICRA and India Ratings – for its debt. Infradebt maintains strong credit standards and filters to ensure that asset quality remains robust. Stringent credit appraisal framework, extensive due diligence and a strong monitoring framework ensures the minimization of credit risk. As the Reserve Bank of India has allowed additional sectors to be refinanced by IDF-NBFCs, Infradebt conducts enhanced risk analysis for such sectors to ensure risk mitigation. The liquidity risk arises out of the regulatory requirement of minimum-5 year maturity of the borrowings and credit market's practice of annual interest rate resets. This is partly offset by the relaxation provided by Reserve Bank of India to allow IDF-NBFCs to raise less than five year maturity of the borrowings to the extent of 10% of the overall outstanding borrowing. Infradebt endeavours to match its average asset profile with its liabilities profile. The interest rate risk arises out of fixed-rate borrowings undertaken to fund the semi-fixed rate investments made. There is an additional risk of the bank base rates and/or MCLR reducing more significantly than the reduction in wholesale borrowing rates which leads to the competitive advantage of IDF NBFCs. There is a regulatory risk of material changes in guidelines issued by RBI or government institutions.

Infradebt is also conscious of the environment and the social impacts of the infrastructure projects which it refinances and endeavours to mitigate the same to the extent possible. As Infradebt can only refinance projects which have completed one year of operations, the environment and social risks of such completed projects are low and of assessable level.

**(f) Internal control systems and their adequacy**

Infradebt has adopted adequate internal control and risk management systems to ensure compliance to internal policies and external regulations. These pertain to compliance with NBFC guidelines of RBI, guidelines issued by Ministry of Finance, and timeliness and accuracy of reporting to RBI. The internal control mechanism involves ensuring adequate checks and balances for all major decisions, requires adequate Board oversight for all significant decisions and warrants Board control for all critical measures. Infradebt has adopted various policies (viz. credit and recovery policy, interest rate policy) that are approved by the Board.

## ANNEXURE 1 CONTD....

### (g) Discussion on financial performance with respect to operational performance

During the year under review, Infradebt made disbursements (under takeout/re-financing from existing lenders) to 11 project companies in the infrastructure sector, aggregating to ₹ 16.41 billion. Infradebt raised funds through the issuance of NCDs aggregating to ₹ 14.60 billion. A wide range of investor class subscribed to these issuances viz. insurance companies, pension funds, mutual funds, provident funds and corporates.

In FY2016, Infradebt has made profit of ₹ 292.4 million as compared to profit of ₹ 217.6 million in FY2015. During FY2016, the income from operations was ₹ 1241.6 million against ₹ 219.1 million in FY2015.

### (h) Material developments in Human Resources / Industrial Relations front, including number of people employed

The human resources are a key component of Infradebt's business plan. Accordingly, there is a performance-based remuneration system for ensuring employee satisfaction and retention. As of March 31, 2016, there were 13 employees in the company.

**Date :** August 12, 2016

**Lalita D. Gupte**  
*Chairperson*

## ANNEXURE 2

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

**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**

The CSR Policy of Infradebt focuses on addressing critical social, environmental and economic needs of the marginalized/ underprivileged sections of the society with an approach to integrate the solutions to these problems to benefit the communities at large and create social and environmental impact.

The CSR Policy of Infradebt details the CSR projects that would be undertaken, governance structure, operating framework and monitoring mechanism.

The CSR Policy was approved by the Corporate Social Responsibility Committee in April 2015, and subsequently was put up on the Infradebt's website. Web-link to the Infradebt's CSR Policy: <http://infradebt.in/corporate-social-responsibility-policy-15.pdf>.

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

The CSR Committee of Infradebt comprises three Independent Directors and one Nominee Director. The composition of the Committee is as below:

Lalita D. Gupte  
M. D. Mallya  
Uday Chitale  
Manish Kumar

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

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act, 2013 is ₹ 169.0 million.

**4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)**

The prescribed CSR expenditure requirement for FY2016 is ₹ 3.4 million.

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

(a) Total amount spent for the financial year: NIL

(b) Amount unspent, if any: ₹ 3.4 million

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
1							
2				NIL			
3							
	Total						

## ANNEXURE 2 CONTD....

**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**

Infradebt is in its early years of existence, with its operations picking up from FY2015 onwards. In the first two years of operations of Infradebt, i.e. FY2013 and FY2014, shareholder funds were mostly parked in generating non-operational income due to the delay in the signing of the first tripartite agreement. Operational income, by way of infrastructure investments, started forming the significant part of total income in FY2015 and continued to increase in FY2016.

Accordingly, it is proposed to commence CSR spending in its third year of fully-operational financial year (i.e. from FY2017 onwards). Infradebt is aware about its responsibilities towards society and aims to benefit the communities at large and create meaningful social and environmental impact.

**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.**

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

**Lalita D. Gupte**  
*Chairperson*

**Suvek Nambiar**  
*Managing Director & CEO*

August 12, 2016

## ANNEXURE 3

**POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS & OFFICIALS IN THE SENIOR MANAGEMENT, THEIR REMUNERATION AND REMUNERATION OF OTHER EMPLOYEES****1. Criteria of selection of Non-Executive Directors**

- (a) The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of finance, taxation, law, governance and general management.
- (b) In case of appointment of Independent Directors, the Board Governance Remuneration & Nomination Committee (BGC) shall satisfy itself with regard to the independent nature of the Directors vis-à-vis Infradebt so as to enable the Board to discharge its function and duties effectively.
- (c) The BGC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- (d) The BGC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - (i) Qualification, expertise and experience of the Directors in their respective fields;
  - (ii) Personal, Professional or business standing;
  - (iii) Diversity of the Board.
- (e) In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**2. Remuneration of Non-Executive Directors**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- (i) A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- (ii) A Non-Executive Director may also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board and the Shareholders of India Infradebt and based on the recommendation of the BGC;

**3. Criteria for selection of Managing Director & CEO**

The BGC shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

**4. Remuneration for the Managing Director & CEO**

- (i) At the time of appointment or re-appointment, the Managing Director & CEO shall be paid such remuneration as may be mutually agreed between the Company (which includes the BGC and the Board of Directors) and the Managing Director & CEO within the overall limits prescribed under the Companies Act, 2013.
- (ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- (iii) The remuneration of the Managing Director & CEO is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus and long term incentives.
- (iv) In determining the remuneration (including the fixed increment and performance bonus) the BGC shall ensure / consider the following:
  - (a) the relationship of remuneration and performance benchmarks is clear;
  - (b) balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

## ANNEXURE 3 CONTD....

- (c) responsibility required to be shouldered by the Managing Director & CEO, the industry benchmarks and the current trends;
- (d) the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

### 5. Appointment of Senior Management Officials/Key Managerial Personnel (KMP)

The Companies Act, 2013 defines "senior management" under the explanation to Section 178 of the Act as personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

In line with the same, functional heads directly reporting to the MD & CEO would be classified as Senior Management at Infradebt.

A candidate in order to fulfill the criteria of being appointed in senior management or as KMP should have relevant skills, performance track record and experience in handling core functions relevant to an organisation.

### 6. Remuneration Policy for the Senior Management, Key Managerial Personnel and other Employees

- I. In determining the remuneration of the following shall be ensured / considered:
  - (i) the relationship of remuneration and performance benchmark is clear;
  - (ii) the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - (iii) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus and long term incentives;
  - (iv) the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.
- II. MD & CEO will carry out the individual performance review of the Senior Management Employees based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, within the overall framework approved by the BGC.

**Date :** August 12, 2016

**Lalita D. Gupte**  
Chairperson



## ANNEXURE 4

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[Pursuant to Section 92(1) of the *Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

CIN	: U65923MH2012PLC237365
Registration Date	: October 31, 2012
Name of the Company	: India Infradebt Limited
Category/Sub-category of the Company	: Company limited by shares/ Indian Non-Government Company
Address of the Registered Office and contact details	: ICICI Bank Towers, Bandra-Kurla Complex, Mumbai – 400 051 (T): +91 22 26536963 (F): +91 22 26531259 Email: info@infradebt.in
Whether listed company	: Yes (Debentures are listed)
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	: For Equity: 3i Infotech Limited Tower #5, 3rd Floor, International Infotech Park, Vashi Railway Station Complex, Vashi, Navi Mumbai - 400 703 (T): +91 22 67928105 (F): +91 22 67928099  For Debentures: (w.e.f. June 21, 2016) Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup-(W), Mumbai-400078 (T): +91 22 25963838 (F): +91 22 25946969

## 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:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Finance – To refinance part of the debt liabilities of the infrastructure project companies	64990	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
			Nil		

## ANNEXURE 4 CONTD....

## 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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>1. Indian</b>									
(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	18,29,99,998	8,70,00,002	27,00,00,000	90	18,29,99,998	8,70,00,002	27,00,00,000	90	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	18,29,99,998	8,70,00,002	27,00,00,000	90	18,29,99,998	8,70,00,002	27,00,00,000	90	-
<b>2. Foreign</b>									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	18,29,99,998	8,70,00,002	27,00,00,000	90	18,29,99,998	8,70,00,002	27,00,00,000	90	-
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	3,00,00,000	-	3,00,00,000	10	3,00,00,000	-	3,00,00,000	10	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	3,00,00,000	-	3,00,00,000	10	3,00,00,000	-	3,00,00,000	10	-

## ANNEXURE 4 CONTD....

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
(a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian									
(ii) Overseas									
(b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
(c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding</b>									
<b>(B)=(B)(1)+(B)(2)</b>	<b>3,00,00,000</b>	<b>-</b>	<b>3,00,00,000</b>	<b>10</b>	<b>3,00,00,000</b>	<b>-</b>	<b>3,00,00,000</b>	<b>10</b>	<b>-</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>21,29,99,998</b>	<b>8,70,00,002</b>	<b>30,00,00,000</b>	<b>100</b>	<b>21,29,99,998</b>	<b>8,70,00,002</b>	<b>30,00,00,000</b>	<b>100</b>	<b>-</b>

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1.	ICICI Bank Ltd.	8,99,99,999	30	-	8,99,99,999	30	-	-
2.	Bank of Baroda	8,99,99,999	30	-	8,99,99,999	30	-	-
3.	Citicorp Finance (India) Ltd.	8,70,00,000	29	-	8,70,00,000	29	-	-
4.	ICICI Home Finance Company Ltd.	30,00,000	1	-	30,00,000	1	-	-
5.	Jagat Reshamwala (Nominee of ICICI Bank Ltd.)	1	-	-	1	-	-	-
6.	Dipesh Jhurmarwala (Nominee of Bank of Baroda)	1	-	-	1	-	-	-
	<b>Total</b>	<b>27,00,00,000</b>	<b>90</b>	<b>-</b>	<b>27,00,00,000</b>	<b>90</b>	<b>-</b>	<b>-</b>

Note: Jagat Reshamwala and Dipesh Jhurmarwala are holding shares on behalf of ICICI Bank Limited and Bank of Baroda respectively, and have transferred the beneficial interest in such shares in favour of the respective institutions.

## ANNEXURE 4 CONTD....

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year			No change during 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.):			No change during the year	
At the end of the year			No change during the year	

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Life Insurance Corporation of India</b>				
At the beginning of the year	3,00,00,000	10	3,00,00,000	10
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)			No change during the year	
At the End of the year (or on the date of separation, if Separated during the year)	3,00,00,000	10	3,00,00,000	10

### (v) Shareholding of Directors and Key Managerial Personnel:

For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year			Nil	
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):			Nil	
At the end of the year			Nil	

## ANNEXURE 4 CONTD....

## V. INDEBTEDNESS

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

(₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	550	160	-	710
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	27.83	0.48	-	28.31
<b>Total (i+ii+iii)</b>	<b>577.83</b>	<b>160.48</b>	<b>-</b>	<b>738.31</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1,460	0	-	1,460
Reduction	0	0	-	0
<b>Net Change</b>	<b>1,460</b>	<b>0</b>	<b>-</b>	<b>1,460</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,010	160	-	2,170
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	57.53	0.44	-	57.97
<b>Total (i+ii+iii)</b>	<b>2,067.53</b>	<b>160.44</b>	<b>-</b>	<b>2,227.97</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Suvek Nambiar Managing Director & CEO
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	269.30
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29
	(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 - Long Term Incentive	45.17
	<b>Total (A)</b>	<b>314.76</b>

## ANNEXURE 4 CONTD....

## B. Remuneration to other directors:

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Lalita D. Gupte	M. D. Mallya	Uday Chitale	
	Fee for attending board/committee meetings	3.30	5.00	3.70	12.00
	Commission*	7.50	7.50	7.50	22.50
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>10.80</b>	<b>12.50</b>	<b>11.20</b>	<b>34.50</b>
2.	Other Non-Executive Directors				
	Fee for attending board/committee meetings	No remuneration paid to other Non-Executive Directors			
	Commission				
	Others, please specify				
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>10.80</b>	<b>12.50</b>	<b>11.20</b>	<b>34.50</b>

\* As on March 31, 2016, Commission for the financial year ended March 31, 2016, as approved by the Members of the Company, is payable to Independent Directors.

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

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Sawankumar Jain* Company Secretary	Gaurav Tolwani# Company Secretary	Surendra Maheshwari Chief Financial Officer	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.29	5.15	82.11	95.56
	(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-Long Term Incentive	-	-	5.44	5.44
	<b>Total (C)</b>	<b>8.29</b>	<b>5.15</b>	<b>87.56</b>	<b>101</b>

\* Ceased to be Company Secretary of the Company w.e.f. close of business hours on October 21, 2015.

# Appointed as Company Secretary of the Company w.e.f. October 22, 2015.



## ANNEXURE 4 CONTD....

## 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)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

Date : August 12, 2016

**Lalita D. Gupte**  
Chairperson

## ANNEXURE 5

### Secretarial Audit Report

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

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

To,  
The Members  
INDIA INFRADEBT LIMITED  
ICICI Bank Towers,  
Bandra-Kurla Complex  
MUMBAI-400 051.

Dear Sirs,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INDIA INFRADEBT LIMITED (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 my opinion thereon. Based on our verification of the 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 ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by INDIA INFRADEBT LIMITED ("The Company") for the period ended on 31st March, 2016, according to the provisions of:
  - I. The Companies Act, 2013 (the Act) and the Rules made hereunder; and notified sections of the Companies Act, 2013.
  - II. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended till date to the extent applicable to the Company:-  
The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Debt Listing Agreement; and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - III. Other applicable laws including RBI regulations to the Company:
    - (a) RBI Act, 1934 (Master Circulars issued by RBI to the extent to Infradebts).
    - (b) Non-Banking Finance Companies Regulations issued by the Reserve Bank of India (RBI)
    - (c) The Negotiable Instruments Act, to the extent of section 138.
    - (d) Professional Tax Act, 1975
    - (e) The Memorandum and Articles of Association
  - IV. Other applicable laws.
    - (a) The Bombay Shops and Establishments Act, 1948;
    - (b) The Payment of Gratuity Act, 1972;
    - (c) The Employees Provident Funds and Miscellaneous Provisions Act, 1952;
    - (d) The Payment of Wages Act, 1936.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Debt Listing Agreement entered into by the Company with the BSE Limited.

## ANNEXURE 5 CONTD....

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

I have relied on the representation made by the Company and its various heads for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
  - (a) maintenance of various statutory registers and documents and making necessary entries therein;
  - (b) closure of the Register of Members;
  - (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - (d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - (e) notice of Board meetings and Committee meetings of Directors;
  - (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - (g) the 3rd Annual General Meeting held on 23rd July 2015;
  - (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government;
  - (j) authorities, wherever required;
  - (k) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - (l) payment of remuneration to Directors including the Managing Director and Whole-time Directors;
  - (m) appointment and remuneration of Auditors ;
  - (n) borrowings and registration, modification and satisfaction of charges wherever applicable;
  - (o) investment of the Company's funds.

During this period under review, the Company has complied with this provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

3. I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and 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.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

4. I 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.

I further report that during the year under report, the company has undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

## ANNEXURE 5 CONTD....

- (i) Issue by way of private placement of Secured Listed Fully Redeemable Non-Convertible Debt in the nature of Debentures of the face value of ₹ 10,00,000/- (Rupees Ten Lakhs) each for cash at par aggregating upto ₹ 260,00,00,000/- (Rupees Two Hundred and Sixty Crores only) which was approved by shareholders in the Annual General Meeting held on 23rd July, 2015. The same was listed on September 4, 2015.
- (ii) Issue by way of private placement of Secured Listed Fully Redeemable Non-Convertible Debt in the nature of Debentures of the face value of ₹ 10,00,000/- (Rupees Ten Lakhs) each for cash at par aggregating upto ₹ 200,00,00,000/- (Rupees Two Hundred Crores only) which was approved by shareholders in the Annual General Meeting held on 23rd July, 2015. The same was listed on December 7, 2015.
- (iii) Issue by way of private placement of Secured Listed Fully Redeemable Non-Convertible Debt in the nature of Debentures of the face value of ₹ 10,00,000/- (Rupees Ten Lakhs) each for cash at par aggregating upto ₹ 250,00,00,000/- (Rupees Two Hundred and Fifty Crores only) consisting of Series I Debentures and Series II Debentures which was approved by shareholders in the Annual General Meeting held on 23rd July, 2015. The same was listed on January 27, 2016.
- (iv) Issue by way of private placement of Secured Listed Fully Redeemable Non-Convertible Debt in the nature of Debentures of the face value of ₹ 10,00,000/- (Rupees Ten Lakhs) each for cash at par aggregating upto ₹ 150,00,00,000/- (Rupees One Hundred and Fifty Crores only) consisting of Series I Debentures and Series II Debentures which was approved by shareholders in the Annual General Meeting held on 23rd July, 2015. The same was listed on February 17, 2016.
- (v) Issue by way of private placement of Secured Listed Fully Redeemable Non-Convertible Debt in the nature of Debentures of the face value of ₹ 10,00,000/- (Rupees Ten Lakhs) each for cash at par aggregating upto ₹ 300,00,00,000/- (Rupees Three Hundred Crores only) consisting of Series I Debentures and Series II Debentures which was approved by shareholders in the Extra-Ordinary General Meeting held on 25th February, 2016. The same was listed on March 21, 2016.
- (vi) Issue by way of private placement of Secured Listed Fully Redeemable Non-Convertible Debt in the nature of Debentures of the face value of ₹ 10,00,000/- (Rupees Ten Lakhs) each for cash at par aggregating upto ₹ 130,00,00,000/- (Rupees One Hundred and Thirty Crores only) consisting of Series I Debentures and Series II Debentures which was approved by shareholders in the Extra-Ordinary General Meeting held on 25th February, 2016. The same was listed on April 6, 2016.
- (vii) Issue by way of private placement of Secured Listed Fully Redeemable Non-Convertible Debt in the nature of Debentures of the face value of ₹ 10,00,000/- (Rupees Ten Lakhs) each for cash at par aggregating upto ₹ 170,00,00,000 (Rupees One Hundred and Seventy Crores only) consisting of Series I Debentures and Series II Debentures which was approved by shareholders in the Extra-Ordinary General Meeting held on 25th February, 2016. The same was listed on April 5, 2016.

**Place :** Mumbai  
**Date :** 18.04.2016

**Jaiprakash Singh**  
*Jaiprakash R Singh & Associates*  
FCS No.:7391  
C P No.:4412

## ANNEXURE 6

**DETAILS IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- 1. The ratio of remuneration of each director to the median remuneration of the employees for the financial year:**  
9:1
- 2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive officer, Company Secretary or Manager, if any, in the financial year:**  
The percentage increase in remuneration of the MD & CEO and Chief Financial Officer is 12%. The remuneration of the erstwhile Company Secretary decreased during the year on account of his resignation in October 2015.
- 3. The percentage increase in the median remuneration of employees in the financial year:**  
The percentage increase in the median remuneration of the employees in the financial year is around -5.6%.
- 4. The number of permanent employees on the rolls of the company:**  
The number of permanent employees was 13 during the financial year.
- 5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**  
The average percentage increase made in the salaries of total employees other than Key Managerial Personnel is around 13.26%, while the average increase in the remuneration of the Key Managerial Personnel is 12 %.
- 6. Affirmation that the remuneration is as per the remuneration policy of the Company:**  
Yes, it is confirmed.

**Date :** August 12, 2016

**Lalita D. Gupte**  
*Chairperson*

# INDEPENDENT AUDITOR'S REPORT

To the Members of India Infradebt limited

## REPORT ON THE FINANCIAL STATEMENTS

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

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 and Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control 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.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



**INDEPENDENT AUDITOR'S REPORT**

- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S.R. Batliboi & CO. LLP***Chartered Accountants*

ICAI Firm Registration Number: 301003E

**per Jayesh Gandhi***Partner*

Membership Number: 037924

Mumbai

25 April 2016

## ANNEXURE 1

### ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

#### Re: India Infradebt Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount ( Rs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Income Tax	35,366,490	FY 2012-13	CIT

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way of initial private placement in the nature of debentures were applied for the purposes for which those were raised.

## ANNEXURE 1 CONTD....

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of debentures during the year. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

**For S.R. Batliboi & CO. LLP***Chartered Accountants*

ICAI Firm Registration Number: 301003E

**per Jayesh Gandhi***Partner*

Membership Number: 037924

Mumbai

25 April 2016

## ANNEXURE 2

### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDIA INFRADEBT LIMITED

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

To the Members of India Infradebt Limited

We have audited the internal financial controls over financial reporting of India Infradebt Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified 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 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 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

## ANNEXURE 2 CONTD....

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of India Infradebt Limited, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 25, 2016 expressed an unqualified opinion thereon.

**For S.R. Batliboi & CO. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E

**per Jayesh Gandhi**

*Partner*

Membership Number: 037924

Mumbai

25 April 2016

# BALANCE SHEET

At March 31, 2016

(₹ in '000)

	Notes No.	At March 31, 2016 (Audited)	At March 31, 2015 (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2A	30,00,000	30,00,000
Reserves and surplus	2B	7,99,466	5,07,079
		37,99,466	35,07,079
<b>Non-Current Liabilities</b>			
Long-term borrowings	2C	2,17,00,000	71,00,000
Long-term provisions	2D	98,560	38,352
		2,17,98,560	71,38,352
<b>Current liabilities</b>			
Short-term provisions	2D	32,306	22,581
Other current liabilities	2E	5,94,339	2,86,095
		6,26,645	3,08,676
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,62,24,671</b>	<b>1,09,54,107</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	2F		
Tangible assets		2,259	2,886
Intangible assets		36	58
Non-current investments	2G	2,42,59,352	87,12,640
Other non-current assets	2H	1,59,080	28,747
		2,44,20,727	87,44,331
<b>Current assets</b>			
Current investments	2G	8,14,320	4,01,380
Cash and cash equivalents	2I	9,29,087	17,44,259
Other current assets	2H	60,537	64,137
		18,03,944	22,09,776
<b>TOTAL ASSETS</b>		<b>2,62,24,671</b>	<b>1,09,54,107</b>
Significant accounting policies and notes on accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

## As per our report of even date

### For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per **Jayesh Gandhi**

Partner

Membership No. 037924

**Place :** Mumbai

**Date :** April 25, 2016

## For and on behalf of the Board of Directors

**Lalita D. Gupte**

Chairperson

DIN: 00043559

**Surendra Maheshwari**

Chief Financial Officer

**Suvek Nambiar**

Managing Director & CEO

DIN: 06384380

**Gaurav Tolwani**

Company Secretary

## FINANCIAL STATEMENTS

## STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2016

(₹ in '000)

	Notes No.	Year ended March 31, 2016	Year ended March 31, 2015
<b>Income</b>			
Revenue from operations	2J	12,41,596	2,19,090
Other income	2K	1,90,658	4,07,886
<b>Total Revenue (I)</b>		<b>14,32,254</b>	<b>6,26,976</b>
<b>Expenses</b>			
Employee benefit expense	2L	98,845	82,144
Finance costs	2M	9,54,163	2,84,943
Depreciation and amortization expense	2F	757	678
Other expenses	2N	33,666	20,027
Contingent provision against standard assets	2O	52,436	21,538
<b>Total Expenses (II)</b>		<b>11,39,867</b>	<b>4,09,330</b>
<b>Profit/ (Loss) before tax (III)=(I)-(II)</b>		<b>2,92,387</b>	<b>2,17,646</b>
<b>Tax expenses</b>			
Current tax	2T	-	-
<b>Profit/ (Loss) for the period</b>		<b>2,92,387</b>	<b>2,17,646</b>
<b>Earnings per equity share :</b>			
<b>Basic and diluted earnings per share of ₹ 10/-face value</b>	2P	<b>0.97</b>	<b>0.73</b>
Significant accounting policies and notes on accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

## As per our report of even date

## For S.R. BATLIBOI &amp; CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per **Jayesh Gandhi**

Partner

Membership No. 037924

Place : Mumbai

Date : April 25, 2016

## For and on behalf of the Board of Directors

## Lalita D. Gupte

Chairperson

DIN: 00043559

## Surendra Maheshwari

Chief Financial Officer

## Suvek Nambiar

Managing Director &amp; CEO

DIN: 06384380

## Gaurav Tolwani

Company Secretary

# CASH FLOW STATEMENT

For the year ended March 31, 2016

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>Cash flow from operating activities</b>		
<b>Profit before Tax</b>	2,92,387	2,17,646
Adjustment to reconcile profit before tax to net cash flows		
Interest received on fixed deposit	(1,03,072)	(3,55,151)
Income on Redemption of Liquid Mutual Funds	(1,02,134)	-
Contingent provision against standard assets	52,436	21,538
Depreciation on fixed assets charged during the period	757	678
<b>Operating profit before working capital changes</b>	<b>1,40,373</b>	<b>(1,15,289)</b>
Movements in working capital:		
Increase in other current liabilities	3,17,969	2,90,213
Increase in non current liabilities	7,773	8,972
Decrease/ (Increase) in non current investment	(1,55,46,712)	(82,16,940)
Decrease/ (Increase) in current investment	(4,12,940)	(3,98,280)
Decrease/ (Increase) in other non current assets	(40,569)	(11,918)
Decrease/ (Increase) in other current assets	3,601	(40,042)
Cash generated from / (used in) operations	<b>(1,55,30,506)</b>	<b>(84,83,284)</b>
Direct taxes paid (net of refunds)	(89,763)	(6,997)
<b>Net Cash flow from/ (used in) operating activities (A)</b>	<b>(1,56,20,269)</b>	<b>(84,90,281)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(109)	(343)
Interest received on fixed deposit	1,03,072	3,55,151
Income on Redemption of Liquid Mutual Funds	1,02,134	-
Fixed deposits placed with the banks (Maturity greater than 3 months up to 12 months)	12,27,950	(1,80,682)
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>14,33,047</b>	<b>1,74,126</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital	-	-
Proceeds from issuance of debentures	1,46,00,000	71,00,000
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>1,46,00,000</b>	<b>71,00,000</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>4,12,778</b>	<b>(12,16,154)</b>
Cash and cash equivalents at the beginning of the year	67,057	12,83,211
<b>Cash and cash equivalents at the end of the year</b>	<b>4,79,835</b>	<b>67,057</b>
<b>Components of cash and cash equivalents</b>		
With banks- on current account	1,79,835	67,057
on deposit account	3,00,000	-
<b>Total cash and cash equivalents (note. No. 2I)</b>	<b>4,79,835</b>	<b>67,057</b>
<b>Foot notes:</b>		
<b>1. Cash and bank balances reconciliation</b>		
Cash and bank balance as at end of the year	9,29,087	17,44,259
Less: Fixed deposits for a period of greater than 3 months	4,49,252	16,77,202
<b>Cash and cash equivalents as at end of the year</b>	<b>4,79,835</b>	<b>67,057</b>
2. The above cash flow statement has been prepared under the 'Indirect Method' as set out in accounting standard-3 on "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.		
Significant accounting policies (refer note 1)		
The accompanying notes are an integral part of the financial statements		

As per our report of even date

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

Date : April 25, 2016

For and on behalf of the Board of Directors

Lalita D. Gupte

Chairperson

DIN: 00043559

Surendra Maheshwari

Chief Financial Officer

Suvek Nambiar

Managing Director & CEO

DIN: 06384380

Gaurav Tolwani

Company Secretary



# SIGNIFICANT ACCOUNTING POLICIES

## and Notes to Accounts

### I. CORPORATE INFORMATION

India Infradebt Limited (the "Company") was incorporated on October 31, 2012 in Mumbai, India to carry out the business of a specialized financial institution classified as an Infrastructure Debt Fund- Non-Banking Financial Company under the Infrastructure Debt Fund- Non-Banking Financial Companies (Reserve Bank) Directions, 2011 of Reserve Bank of India (RBI). The Company's principal activity is to re-finance/ take-out part of the debt liabilities of the infrastructure projects (subject to each such project company completing the construction/implementation of the Infrastructure Project undertaken by it and satisfactorily operating the same for at least one year from completion of construction/implementation) in order to accelerate and enhance the flow of long term debt in infrastructure projects.

### II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the Reserve Bank of India as applicable to a Non-Banking Financial Company. The financial statements have been prepared on an accrual basis and under the historical cost convention. The presentation and disclosures in these financial statements are in accordance with Schedule III of the Companies Act, 2013.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 1: Significant accounting policies :

##### A. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### B. Revenue recognition

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

- (i) Interest income on investments is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate except for non- performing assets where, it is recognized upon realization, as per the income recognition and assets classification norms of RBI.

As per revised regulatory framework from RBI an asset will be classified as non-performing asset if they become

- overdue for 5 months for the financial year ending March 31, 2016;
- overdue for 4 months for the financial year ending March 31, 2017; and
- overdue for 3 months for the financial year ending March 31, 2018 and thereafter.

Fee income including processing fees is accounted for upfront when it becomes due.

##### C. Fixed assets

Fixed assets including intangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of a fixed asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## SIGNIFICANT ACCOUNTING POLICIES CONTD....

### D. Depreciation and amortization

Depreciation on plant, property and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company has used the following useful lives to provide depreciation on its plant, property and equipment.

The management has estimated, supported by independent assessment by professionals, the useful lives of Vehicles are depreciated over the estimated useful lives of 5 years, respectively, which are lower than those indicated in schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Particular	Useful lives estimated by the management (years)
Computers	3
Vehicles	5
Software	4

### E. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

These investments are valued in accordance with the RBI guidelines and the Accounting Standard (AS) 13 on 'Accounting for Investments'. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at their acquisition cost or at amortised cost, if acquired at a premium over the face value. Any premium over the face value of investments acquired is amortised over the remaining period to maturity on straight line basis.

However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### F. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### G. Retirement and other employee benefits

- (i) Retirement benefits in the form of provident fund is a defined benefit contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund schemes as an expenditure, when an employee renders the related service.
- (ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation using the projected unit credit method, made at the end of each year. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss of the year.
- (iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

## SIGNIFICANT ACCOUNTING POLICIES CONTD....

- (iv) The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- (v) The Company recognizes long term incentive benefit as a liability and an expense when the Company has a present obligation as a result of past event. If this benefit falls due more than 12 month after the balance sheet date, they are measured at present value of the future cash flow using the discount rate determined by reference to market yields at the balance sheet date on government bond.

### **H. Income taxes**

As per Section 10(47) of the Income Tax Act, 1961 (the "Act") income of the Company do not form part of total income and hence is exempt from income tax as per aforesaid section provided conditions as prescribed in Rule 2F of the Income Tax Rules, 1962 are satisfied. Hence, no provision for tax has been made in the books of accounts (Refer note 2T)

### **I. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are not adjusted since there are no dilutive potential equity shares.

### **J. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### **K. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### **L. Borrowing cost**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

# NOTES TO ACCOUNTS

For the year ended March 31, 2016

## 2A. SHARE CAPITAL

(₹ in '000)

Particulars	At March 31, 2016	At March 31, 2015
<b>Authorized:</b>		
1,000,000,000 (31 March 2015: 300,000,000) equity shares of ₹ 10 each	1,00,00,000	30,00,000
300,000,000 (31 March 2015: 300,000,000) Preference shares of ₹ 10 each	30,00,000	30,00,000
<b>Issued, subscribed and fully paid up</b>		
300,000,000 (31 March 2015: 300,000,000) equity shares of ₹ 10 each, fully paid up	30,00,000	30,00,000
<b>Total</b>	<b>30,00,000</b>	<b>30,00,000</b>

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

#### Equity shares

Particulars	At March 31, 2016		At March 31, 2015	
	No. in '000	(₹ in '000)	No. in '000	(₹ in '000)
At the beginning of the year	3,00,000	30,00,000	3,00,000	30,00,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>3,00,000</b>	<b>30,00,000</b>	<b>3,00,000</b>	<b>30,00,000</b>

### (b) Terms/Rights attached to equity shares

The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of shareholders holding more than 5% shares in the Company

Particulars	At March 31, 2016		At March 31, 2015	
	No. in '000	% holding in the class	No. in '000	% holding in the class
Equity shares of ₹ 10 each fully paid				
ICICI Bank Limited (including its nominees)	90,000	30.0%	90,000	30.0%
Bank of Baroda (including its nominees)	90,000	30.0%	90,000	30.0%
Citicorp Finance (India) Limited	87,000	29.0%	87,000	29.0%
Life Insurance Corporation of India	30,000	10.0%	30,000	10.0%

As per records of the Company, including its register of shareholders and representation received from the management regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## 2B. RESERVES AND SURPLUS

(₹ in '000)

Particulars	At March 31, 2016	At March 31, 2015
<b>Statutory reserve u/s 45-IC of RBI Act, 1934</b>		
Balance at the beginning of the year	1,01,415	57,886
Add: amount transferred from surplus balance in the statement of profit and loss	58,478	43,529
<b>Closing balance (A)</b>	<b>1,59,893</b>	<b>1,01,415</b>
<b>Profit &amp; loss</b>		
Surplus in profit and loss account at the beginning of the year	4,05,664	2,31,547
Add: Profit for the year	2,92,387	2,17,646
Less: Transfer to statutory reserve [@ 20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934]	(58,478)	(43,529)
<b>Total appropriations</b>	<b>(58,478)</b>	<b>(43,529)</b>
<b>Net surplus in the statement of profit and loss account at the end of the year (B)</b>	<b>6,39,573</b>	<b>4,05,664</b>
<b>Total reserve and surplus (A)+(B)</b>	<b>7,99,466</b>	<b>5,07,079</b>

## FINANCIAL STATEMENTS

## NOTES TO ACCOUNTS CONTD....

## 2C. LONG-TERM BORROWINGS

(₹ in '000)

Particulars	Non-current portion		Current maturities	
	At March 31, 2016	At March 31, 2015	At March 31, 2016	At March 31, 2015
<b>Secured debentures</b>				
820 (March 31, 2015: NIL) 8.65% secured redeemable non-convertible debentures (Maturity date: March 21, 2026) (#)	8,20,000	-	-	-
700 (March 31, 2015: NIL) 8.65% secured redeemable non-convertible debentures (Maturity date: March 21, 2026) (#)	7,00,000	-	-	-
1,550 (March 31, 2015: NIL) 8.62% secured redeemable non-convertible debentures (Maturity date: March 07, 2026) (#)	15,50,000	-	-	-
100 (March 31, 2015: NIL) 8.70% secured redeemable non-convertible debentures (Maturity date: January 28, 2026) (#)	1,00,000	-	-	-
940 (March 31, 2015: NIL) 8.60% secured redeemable non-convertible debentures (Maturity date: January 08, 2026) (#)	9,40,000	-	-	-
2,000 (March 31, 2015: NIL) 8.50% secured redeemable non-convertible debentures (Maturity date: Nov 19, 2025) (#)	20,00,000	-	-	-
500 (March 31, 2015: 500) 8.45% secured redeemable non-convertible debentures (Maturity date: February 04, 2025) (#)	5,00,000	5,00,000	-	-
1,650 (March 31, 2015: 1,650) 9.70% secured redeemable non-convertible debentures (Maturity date: May 28, 2024) (##)	16,50,000	16,50,000	-	-
880 (March 31, 2015: NIL) 8.65% secured redeemable non-convertible debentures (Maturity date: March 22, 2021) (#)	8,80,000	-	-	-
600 (March 31, 2015: NIL) 8.65% secured redeemable non-convertible debentures (Maturity date: March 20, 2021) (#)	6,00,000	-	-	-
1,450 (March 31, 2015: NIL) 8.62% secured redeemable non-convertible debentures (Maturity date: March 08, 2021) (#)	14,50,000	-	-	-
1,400 (March 31, 2015: NIL) 8.70% secured redeemable non-convertible debentures (Maturity date: January 28, 2021) (#)	14,00,000	-	-	-
1,560 (March 31, 2015: NIL) 8.60% secured redeemable non-convertible debentures (Maturity date: January 08, 2021) (#)	15,60,000	-	-	-
2,600 (March 31, 2015: NIL) 8.65% secured redeemable non-convertible debentures (Maturity date: August 21, 2020) (#)	26,00,000	-	-	-
2,000 (March 31, 2015: 2,000) 8.55% secured redeemable non-convertible debentures (Maturity date: February 04, 2020) (#)	20,00,000	20,00,000	-	-
1,350 (March 31, 2015: 1,350) 9.70% secured redeemable non-convertible debentures (Maturity date: May 28, 2019) (##)	13,50,000	13,50,000	-	-
<b>Total secured (A)</b>	<b>2,01,00,000</b>	<b>55,00,000</b>	<b>-</b>	<b>-</b>

## NOTES TO ACCOUNTS CONTD....

Particulars	Non-current portion		Current maturities	
	At March 31, 2016	At March 31, 2015	At March 31, 2016	At March 31, 2015
<b>Unsecured debentures</b>				
1,600 (March 31, 2015: 1,600) 9.10% unsecured redeemable non-convertible debentures-sub-ordinates debts (included in Tier II Capital) (Maturity date: June 20, 2022)	16,00,000	16,00,000	-	-
Total unsecured (B)	16,00,000	16,00,000	-	-
<b>Total</b>	<b>2,17,00,000</b>	<b>71,00,000</b>	<b>-</b>	<b>-</b>

#Above debentures secured by charge on the immovable property & hypothecation/ charge over all receivables, cash flows and other movable assets of the Company, from time to time

##Above debentures secured by charge on the immovable property, pledge over bonds or debentures subscribed by the Company from time to time & hypothecation/ charge over all receivables, cash flows and other movable assets of the Company, from time to time

## 2D. PROVISIONS

(₹ in '000)

Particulars	Long-term		Short-term	
	At March 31, 2016	At March 31, 2015	At March 31, 2016	At March 31, 2015
<b>Provision for employee benefits</b>				
Employee benefit payable	15,752	12,132	31,633	22,451
Provisions for gratuity (refer note 2Q)	3,973	2,381	13	10
Provision for leave encashment	3,614	1,054	660	120
<b>Total (i)</b>	<b>23,339</b>	<b>15,567</b>	<b>32,306</b>	<b>22,581</b>
<b>Other provisions</b>				
Contingent provision against standard assets/ Investments	75,221	22,785	-	-
Total (ii)	75,221	22,785	-	-
<b>Total (i+ii)</b>	<b>98,560</b>	<b>38,352</b>	<b>32,306</b>	<b>22,581</b>

## 2E. OTHER CURRENT LIABILITIES

(₹ in '000)

Particulars	At March 31, 2016	At March 31, 2015
Provision for expenses	4,257	909
Sundry creditors	-	1,403
Statutory dues	2,081	722
Interest accrued and not due on borrowings	5,79,749	2,83,061
Advance interest received from clients	8,252	-
<b>Total</b>	<b>5,94,339</b>	<b>2,86,095</b>

## NOTES TO ACCOUNTS CONTD....

## 2F. FIXED ASSETS

Particulars	Gross Block (At Cost)			Depreciation and Amortization				Net Block	
	As at April 1, 2015	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2016	As at April 1, 2015	For the year	On Deductions during the year	As at March 31, 2016	As at March 31, 2015
(i) Tangible Assets									
Land	770	-	-	770	-	-	-	770	770
Computers - Hardware	517	109	-	626	122	189	-	311	395
Vehicles	2,728	-	-	2,728	1,008	546	-	1,554	1,720
Total (i)	4,015	109	-	4,124	1,130	735	-	1,865	2,885
(ii) Intangible Assets									
Computers - Software	88	-	-	88	30	22	-	52	58
Total (ii)	88	-	-	88	30	22	-	52	58
Total (i+ii)	4,103	109	-	4,212	1,160	757	-	1,917	2,943
Previous year	3,760	343	-	4,103	482	678	-	1,160	-

## NOTES TO ACCOUNTS CONTD....

## 2G. INVESTMENTS

(₹ in '000)

Particulars	Non-current		Current	
	At March 31, 2016	At March 31, 2015	At March 31, 2016	At March 31, 2015
<b>Non-trade investments (valued at cost unless stated otherwise)</b>				
Investment in quoted debentures/bonds				
800 (March 31, 2015 : Nil) Secured redeemable non-convertible debentures of ₹ 9,87,165.93 each fully paid- up in Renew Wind Energy (Jath) Limited (RWEJL) due on October 31, 2026	7,71,030	-	18,702	-
	<b>7,71,030</b>	<b>-</b>	<b>18,702</b>	<b>-</b>
<b>Investment in unquoted debentures/bonds</b>				
4,893 (March 31, 2015 : 4,957) Secured redeemable non-convertible debentures of ₹ 1,00,000.00 each fully paid- up in Himalyan Expressway Limited (HEL) due on February 21, 2026 (#)	4,78,000	4,89,300	11,300	6,400
5,000 (March 31, 2015 : 5,000) Secured redeemable non-convertible debentures of ₹ 98,660.00 each fully paid- up in Guruvayoor Infrastructure Private Limited (GIPL)-Tranche-1 due on March 31, 2025 (##)	4,92,900	4,93,300	400	6,400
50,000 (March 31, 2015 : 50,000) Secured redeemable non-convertible debentures of ₹ 9,873.20 each fully paid- up in Guruvayoor Infrastructure Private Limited (GIPL)-Tranche-2 due on March 31, 2025 (##)	4,93,560	4,93,660	100	6,260
1,20,000 (March 31, 2015 : 1,20,000) Secured redeemable non-convertible debentures of ₹ 7,274.08 each fully paid- up in Swarna Tollway Pvt. Ltd.(STPL) due on March 31, 2020	6,47,080	8,72,890	2,25,810	2,25,810
1,70,000 (March 31, 2015 : 1,70,000) Secured redeemable non-convertible debentures of ₹ 9,850.00 each fully paid- up in Ashoka Highway Bhandara Ltd.(AHBL) due on March 15, 2026	16,49,000	16,74,500	25,500	25,500
1,42,000 (March 31, 2015 : 1,42,000) Secured redeemable non-convertible debentures of ₹ 9,899.51 each fully paid- up in Second Vivekananda Bridge Tollway Company Pvt Ltd.(SVBT) due on December 15, 2028	13,91,460	14,05,730	14,270	14,270
1,70,000 (March 31, 2015 : 1,70,000) Secured redeemable non-convertible debentures of ₹ 9,950.59 each fully paid- up in Jaipur Mahua Tollway Private Ltd.(JMTPL) due on March 31, 2028 (##)	16,39,600	16,91,600	52,000	8,400
1,70,000 (March 31, 2015 : 1,70,000) Secured redeemable non-convertible debentures of ₹ 9362.71 each fully paid- up in Hazaribagh Ranchi Expressway Ltd.(HREL) due on September 30, 2025	14,65,200	15,91,660	1,26,460	1,08,340
87,740 (March 31, 2015 : Nil) Secured redeemable non-convertible debentures of ₹ 9,949.97 each fully paid- up in Rohan Rajdeep Toll Roads Ltd.(RRTRL) due on June 30, 2026 (##)	7,94,050	-	78,960	-



## FINANCIAL STATEMENTS

## NOTES TO ACCOUNTS CONTD....

Particulars	Non-current		Current	
	At March 31, 2016	At March 31, 2015	At March 31, 2016	At March 31, 2015
60,000 (March 31, 2015 : Nil) Secured redeemable non-convertible debentures of ₹ 9,871.50 each fully paid- up in MVR Infrastructure and Tollways Private Ltd.(MITPL) due on March 31, 2023	5,73,330	-	18,960	-
1,00,000 (March 31, 2015 : Nil) Secured redeemable non-convertible debentures of ₹ 9,990.00 each fully paid- up in L&T Krishnagiri Thopur Toll Road Limited (KTTRL) due on June 30, 2024 (##)	9,98,000	-	1,000	-
1,00,000 (March 31, 2015 : Nil) Secured redeemable non-convertible debentures of ₹ 9,900.00 each fully paid- up in L&T Western Andhra Tollways Limited (WATL) due on June 30, 2024 (##)	9,70,000	-	20,000	-
2,88,000 (March 31, 2015 : Nil) Secured redeemable non-convertible debentures of ₹ 10,000.00 each fully paid- up in L&T Vadodara Bharuch Tollway Limited (VBTL) due on December 31, 2019 (##)	28,80,000	-	-	-
1,60,000 (March 31, 2015 : Nil) Secured redeemable non-convertible debentures of ₹ 10,000.00 each fully paid- up in L&T Devihalli Hassan Tollway Ltd (DHTL) due on 31st March 2035 (##)	15,98,400	-	1,600	-
1,15,000 (March 31, 2015 : Nil) Secured redeemable non-convertible debentures of ₹ 9,900.00 each fully paid- up in Jadcherala Express Private Ltd (JEPL) due on 30th june, 2023 (##)	11,27,000	-	11,500	-
300000 (March 31, 2015 : Nil) Secured redeemable non-convertible debentures of ₹ 10000.00 each fully paid- up in Dhule Palesnar Tollway Private Limited (DPTPL) due on 31st March 2026 (##)	29,25,000	-	75,000	-
150000 (March 31, 2015 : Nil) Secured redeemable non-convertible debentures of ₹ 9990.00 each fully paid- up in Navayuga Devanahalli Tollway Private Limited (NDTPL) due on 31st March 2029	14,94,750	-	3,750	-
200000 (March 31, 2015 : Nil) Secured redeemable non-convertible debentures of ₹ 10000.00 each fully paid- up in Oriental Pathways(Indore) Private Limited (OPIPL) due on 31st March 2024	18,70,992	-	1,29,008	-
	2,34,88,322	87,12,640	7,95,618	4,01,380
<b>Total</b>	<b>2,42,59,352</b>	<b>87,12,640</b>	<b>8,14,320</b>	<b>4,01,380</b>

Note:- Interest rate on above investments are in the range of 9.40% p.a. to 11.60%p.a.

#The Interest rate on the NCDs is linked to the base rate. It may change in the future depending on the change in base rate.

##The Interest rate is fixed between two reset dates.

(₹ in '000)

Particulars	At March 31, 2016	At March 31, 2015
Aggregate amount of quoted investments (Market value as on March 31, 2016 ₹ 80,76,68,800.00, March 31, 2015: Nil)	7,89,733	-
Aggregate amount of unquoted investments	2,42,83,940	91,14,020
<b>Total</b>	<b>2,50,73,673</b>	<b>91,14,020</b>

## NOTES TO ACCOUNTS CONTD....

## 2H. OTHER ASSETS

(₹ in '000)

Particulars	Non-current		Current	
	At March 31, 2016	At March 31, 2015	At March 31, 2016	At March 31, 2015
Interest accrued and not due on fixed deposits	-	-	11,302	37,629
Interest accrued on Investments	-	-	21,926	7,884
Other recoverable	-	-	1,186	6,666
TDS receivable	1,06,593	16,829	-	-
Service tax input credit	-	-	3,836	212
Prepaid expenses	-	-	12,446	4,803
Staff advances	-	-	225	828
Unamortized borrowings cost	52,487	11,918	9,511	2,225
Other assets	-	-	105	3,890
<b>Total</b>	<b>1,59,080</b>	<b>28,747</b>	<b>60,537</b>	<b>64,137</b>

## 2I. CASH AND BANK BALANCES

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. Cash and cash equivalents</b>		
Bank deposits with original maturity of less than 3 months	3,00,000	-
Balance with Banks	1,79,835	67,057
<b>Total (A)</b>	<b>4,79,835</b>	<b>67,057</b>
<b>B. Other bank balances</b>		
Bank deposits with original maturity for more than 3 months but less than or equal to 12 months	4,49,252	16,77,202
<b>Total (B)</b>	<b>4,49,252</b>	<b>16,77,202</b>
<b>Total (A+B)</b>	<b>9,29,087</b>	<b>17,44,259</b>

## 2J. REVENUE FROM OPERATIONS

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest income on investment	12,29,211	1,99,530
Fees income	12,385	19,560
<b>Total</b>	<b>12,41,596</b>	<b>2,19,090</b>

## 2K. OTHER INCOME

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest on deposits with banks	88,048	4,07,886
Income on redemption of liquid mutual funds	1,02,134	-
Interest received on income tax refund	476	-
<b>Total</b>	<b>1,90,658</b>	<b>4,07,886</b>

## FINANCIAL STATEMENTS

## NOTES TO ACCOUNTS CONTD....

## 2L. EMPLOYEE BENEFITS EXPENSES

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and wages	89,984	76,691
Contribution to provident fund and other funds	2,628	2,294
Gratuity	1,594	1,528
Leave encashment	3,166	193
Staff welfare	1,472	1,438
<b>Total</b>	<b>98,845</b>	<b>82,144</b>

## 2M. FINANCE COSTS

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest expenses on borrowings	9,47,133	2,83,533
Other borrowing costs	7,030	1,410
<b>Total</b>	<b>9,54,163</b>	<b>2,84,943</b>

## 2N. OTHER EXPENSES

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Rent, rates & taxes	5,184	3,947
Travelling expenses	746	1,402
Printing and stationery	272	615
Director sitting fees & commission	3,450	640
Communication	345	245
Legal & professional fees	5,429	3,719
Auditors fees & expenses (refer details below)	2,160	1,213
Credit rating fees	5,145	2,422
Registration fees	60	30
Stamp duty expenses	2,003	3,501
Guarantee fee	6,024	874
Others	2,848	1,417
<b>Total</b>	<b>33,666</b>	<b>20,027</b>

Payment to auditor	Year ended March 31, 2016	Year ended March 31, 2015
As auditor		
Audit fees	951	784
Tax audit fees	75	50
Limited review fees	225	239
Out of pocket expense	26	35
In other capacity		
Certification and other fees	883	105
<b>Total</b>	<b>2,160</b>	<b>1,213</b>

## NOTES TO ACCOUNTS CONTD....

### 20. CONTINGENT PROVISION AGAINST STANDARD ASSETS

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Contingent provision against standard assets/ Investments	52,436	21,538
<b>Total</b>	<b>52,436</b>	<b>21,538</b>

### 2P. EARNINGS PER SHARE

In accordance with the Accounting Standard 20 on 'Earnings Per Share' issued by the Institute of Chartered Accountants of India, basic earnings per share and diluted earnings per share is computed using the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are not adjusted since there are no dilutive potential equity shares.

The following table sets forth, for the periods indicated, the computation of earnings per share.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net profit after tax (₹ in '000)	2,92,387	2,17,646
Weighted average number of Equity Shares (No.)	30,00,00,000	30,00,00,000
<b>Earnings per share</b>	<b>0.97</b>	<b>0.73</b>
(Basic and diluted earnings per share of ₹ 10/-face value)		

### 2Q. GRATUITY

The following tables set forth, for the periods indicated, movement of the present value of the defined benefit obligation, fair value of plan assets and other details for gratuity benefits.

#### Amount to be recognized in Balance Sheet

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	3,986	2,391
Unrecognized past service cost	-	-
<b>Net liability</b>	<b>3,986</b>	<b>2,391</b>
Amounts in the balance sheet		
Liabilities	3,986	2,391
Assets	-	-
<b>Net liability</b>	<b>3,986</b>	<b>2,391</b>

#### Expense to be recognized in Statement of Profit & Loss Account

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	1,240	898
Interest on defined benefit obligation	286	158
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognized in year	67	471
Past service cost	-	-
Losses / (gains) on "curtailments & settlements"	-	-
Losses / (gains) on "acquisition / divestiture"	-	-
Effect of the limit in para 59(b)	-	-
<b>Total, included in "Employee benefit expense"</b>	<b>1,594</b>	<b>1,527</b>
Actual return on plan assets	-	-

## NOTES TO ACCOUNTS CONTD....

## Reconciliation of Benefit Obligations &amp; Plan Assets for the Period

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>Change in defined benefit obligation</b>		
Opening defined benefit obligation	2,391	863
Current service cost	1,240	898
Interest cost	286	158
Actuarial losses / (gain)	67	471
Past service cost	-	-
Actuarial losses/ (gain) due to curtailment	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed on acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
<b>Closing defined benefit obligation</b>	<b>3,986</b>	<b>2,391</b>
<b>Change in the fair value of assets</b>		
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Actuarial gains / (losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired due to acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>

## Asset Information

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
	%	%
Government of India securities	0%	0%
Corporate bonds	0%	0%
Special deposit scheme	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Insurer managed funds	0%	0%
Others	0%	0%
<b>Total</b>	<b>0%</b>	<b>0%</b>

## Experience Adjustments

(₹ in '000)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Defined benefit obligation	3,986	2,391	863
Plan assets	-	-	-
Surplus / (deficit)	(3,986)	(2,391)	(863)
Exp. adj. on plan liabilities	162	163	-
Exp. adj. on plan assets	-	-	-

## NOTES TO ACCOUNTS CONTD....

**Summary of Principal Actuarial Assumptions  
Financial Assumptions at the Valuation Date:**

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Discount rate (p.a.)	8.10%	7.90%
Expected rate of return on assets (p.a.)	0.00%	0.00%
Salary escalation rate (p.a.)	7.00%	7.00%
Employee turnover [Age (years)]		
21-30	5.00%	5.00%
31-40	3.00%	3.00%
41-57	2.00%	2.00%

**2R. RELATED PARTY TRANSACTIONS**

(i) Names of related parties as identified by the management and nature of relationship are as follows:

Sr. No.	Nature of relationship	Name of party
1.	Investing Party	ICICI Bank Limited
2.	Investing Party	Bank of Baroda
3.	Investing Party	Citicorp Finance (India) Limited
4.	Key Management Personnel	Mr. Suvek Nambiar, Managing Director & CEO

(ii) The following are the details of transactions with related parties:

(₹ in '000)

Particulars	Investing Party	Key Management Personnel	Total
<b>Assets</b>			
Bank balance & fixed deposits	6,29,078	-	6,29,078
	(1,744,259)	(-)	(1,744,259)
Interest accrued on fixed deposits	11,235	-	11,235
	(37,629)	(-)	(37,629)
Other receivables	1,186	-	1,186
	(6,666)	(-)	(6,666)
<b>Liabilities</b>			
Amount payable (towards rent & shared services)	-	-	-
	(1,403)	(-)	(1,403)
<b>Income</b>			
Interest on fixed deposits	87,980	-	87,980
	(2,25,384)	(-)	(2,25,384)
<b>Expenditure</b>			
Towards rent & shared services	6,264	-	6,264
	(4,887)	(-)	(4,887)
Towards arrangers fees payment	1,105	-	1,105
	(331)	(-)	(331)
DMAT charges	55	-	55
	(108)	(-)	(108)
Staff cost	-	31,476*	31,476
	(-)	(25,844)*	(25,844)

# Figures in bracket pertains to March 31, 2015

\* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the Key Management Personnel (KMP) is not included above.

## NOTES TO ACCOUNTS CONTD....

**2S. SEGMENT INFORMATION**

The Company has a single reportable segment i.e. financing which has similar risk & return for the purpose of AS-17 on 'Segment Reporting' notified under the Companies (Accounting Standard) Rules, 2006 (as amended). The Company operates in a single geographical segment i.e. domestic.

**2T. INCOME TAXES**

As per Section 10(47) of the Income Tax Act, 1961 (the "Act") income of the Company do not form part of total income and hence is exempt from income tax as per aforesaid section provided conditions as prescribed in Rule 2F of the Income Tax Rules, 1962 are satisfied. The Company has made the application for getting itself notified as an Infrastructure Debt Fund-NBFC (IDF-NBFC) by the Central Government in the Official Gazette. However, the notification is still pending to be received as at date. The Company has written to the income tax authorities providing compliance of Rule 2F. Consequently no provision for tax has been made in the books of accounts for the profit earned during the year ended March 31, 2016 and for previous years assuming that the notification will be received in due course.

**2U. DUE TO MICRO AND SMALL ENTERPRISES**

There are no amounts that need to be disclosed pertaining to Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED').

**2V.** The Company has not accepted deposits, within the meaning of 'Public Deposits' as defined in the prudential norms issued by the Reserve Bank of India.

**2W.** In accordance with RBI notification No. DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 2, 2012, no fraud was detected and reported during the year and previous year.

**2X.** In accordance with RBI notification No. DNBS.CC.PD.No.253/03.10.01/2011-12 dated December 26, 2011, the Company did not enter into any credit default swaps during the year and previous year.

**2Y.** In accordance with RBI notification No.DNBS.CC.PD.No.265/03.10.01/2011-12 dated March 21, 2012, the Company has not lent against gold jewellery during the year and previous year.

**2Z. PREVIOUS YEAR FIGURES**

Previous period end figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

## NOTES TO ACCOUNTS CONTD....

**2AA.** The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of RBI circular (Ref. No. DNBR(PD) CC No. 002/03.10.001/2014-15 dated November 10, 2014.)

### (i) Capital

(₹ in '000)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) CRAR (%)	41.68	110.68
(ii) CRAR - Tier I Capital (%)	28.78	75.57
(iii) CRAR - Tier II Capital (%)	12.90	35.11
(iv) Amount of subordinated debt raised as Tier-II capital	16,00,000	16,00,000
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

### (ii) Investment

(₹ in '000)

Particulars	As at March 31, 2016	As at March 31, 2015
1. Value of Investments		
(i) Gross Value of Investments	2,50,73,673	91,14,020
(a) In India	2,50,73,673	91,14,020
(b) Outside India,	-	-
(ii) Provisions for Depreciation	-	-
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments	2,50,73,673	91,14,020
(a) In India	2,50,73,673	91,14,020
(b) Outside India,	-	-
2. Movement of provisions held towards depreciation on investments.		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

### (iii) Derivatives

#### (iii)(a) Forward rate agreement / Interest rate swap

There are no forward rate agreement/interest rate swaps entered during the current financial year and the previous financial year.

(₹ in '000)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

#### (iii)(b) Exchange traded interest rate (IR) derivatives

(₹ in '000)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2016 (instrument-wise)	-	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-



## NOTES TO ACCOUNTS CONTD....

## (iii)(c) Quantitative disclosures

(₹ in '000)

Sr. No.	Particulars	Currency Derivatives/ Interest Rate Derivatives	
		As at March 31, 2016	As at March 31, 2015
(i)	Derivatives (Notional Principal Amount)	-	-
	For hedging	-	-
(ii)	Marked to Market Positions [1]	-	-
	(a) Asset (+)	-	-
	(b) Liability (-)	-	-
(iii)	Credit Exposure [2]	-	-
(iv)	Unhedged Exposures	-	-

## (iv)(a) Disclosures relating to securitisation

(₹ in '000)

Sr. No.	Particulars	No./ Amount	
		As at March 31, 2016	As at March 31, 2015
1.	No of SPVs sponsored by the NBFC for securitisation transactions	-	-
2.	Total amount of securitised assets as per books of the SPVs sponsored	-	-
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
	(a) Off-balance sheet exposures	-	-
	First loss	-	-
	Others	-	-
	(b) On-balance sheet exposures	-	-
	First loss	-	-
	Others	-	-
4.	Amount of exposures to securitisation transactions other than MRR	-	-
	(a) Off-balance sheet exposures	-	-
	(i) Exposure to own securitizations	-	-
	First loss	-	-
	Loss	-	-
	(ii) Exposure to third party securitisations	-	-
	First loss	-	-
	Loss	-	-
	(b) On-balance sheet exposures	-	-
	(i) Exposure to own securitizations	-	-
	First loss	-	-
	Loss	-	-
	(ii) Exposure to third party securitisations	-	-
	First loss	-	-
	Loss	-	-

## NOTES TO ACCOUNTS CONTD....

## (iv)(b) Details of financial assets sold to securitisation /reconstruction company for asset reconstruction

(₹ in '000)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(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	-	-

## (iv)(c) Details of assignment transactions undertaken by NBFCs

(₹ in '000)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

## (iv)(d) Details of non-performing financial assets purchased/sold

## A. Details of non-performing financial assets purchased :

(₹ in '000)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1.	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
2.	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

## B. Details of non-performing financial assets sold:

(₹ in '000)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1.	No. of accounts sold	-	-
2.	Aggregate outstanding	-	-
3.	Aggregate consideration received	-	-



## NOTES TO ACCOUNTS CONTD....

## (vi) Exposures

## (vi)(a) Exposure to real estate sector

(₹ in '000)

Category		As at March 31, 2016	As at March 31, 2015
(a)	<b>Direct exposure</b>		
	(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
	(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-
	(a) Residential	-	-
	(b) Commercial Real Estate	-	-
<b>Total exposure to real estate sector</b>			

## (vi)(b) Exposure to capital market

(₹ in '000)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1.	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;	-	-
2.	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;	-	-
3.	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;	-	-
4.	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;	-	-
5.	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
6.	loans sanctioned to corporates 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;	-	-

## NOTES TO ACCOUNTS CONTD....

(₹ in '000)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
7.	bridge loans to companies against expected equity flows / issues;	-	-
8.	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total exposure to capital market</b>		-	-

**(vi)(c) Details of financing of parent company products**

Not applicable, since no parent company in current year and previous year.

**(vi)(d) Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the NBFC**

The Company has not exceeded the Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the financial year ended March 31, 2016, (March 31, 2015: Nil)

**(vi)(e) Unsecured advances**

There are no unsecured advances as at March 31, 2016, (March 31, 2015: Nil)

**(vii)(a) Registration obtained from other financial sector regulators**

The Company has not obtained registration from other financial sector regulators except Reserve Bank of India.

**(vii)(b) Disclosure of penalties imposed by RBI and other regulators**

No penalties were imposed by the regulator during the year during the financial year ended March 31, 2016, (March 31, 2015: Nil)

**(vii)(c) Related party transactions**

Details of all material transactions with related parties shall be disclosed in the notes to accounts.

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

The Company has been assigned highest credit rating from all rating agencies during the financial year ended March 31, 2016

Sr. No.	Particulars	Rating of product	Rating assigned
1.	Crisil Ltd	Debentures	AAA
2.	ICRA Ltd	Debentures	AAA
3.	ICRA Ltd	Sub-ordinated Debt	AAA
4.	India Ratings & Research Pvt.Ltd.	Sub-ordinated Debt	IND AAA

**(vii)(e) Remuneration of directors**

(₹ in '000)

Sr. No.	Name of directors	As at March 31, 2016	As at March 31, 2015
1.	Mr. Suvek Nambiar (MD & CEO)	31,476	25,844
2.	Mr. Mahendra Kumar Sharma	-	280
3.	Mr. M D Mallya*	1,250	360
4.	Mrs Lalita Gupte*	1,080	-
5.	Mr. Uday Chitale*	1,120	-
<b>Total</b>		<b>34,926</b>	<b>26,484</b>

\*Remuneration of Independent Directors includes commission payable for the financial year ended 31st March, 2016

## NOTES TO ACCOUNTS CONTD....

## (viii) Additional disclosures

## (viii)(a) Provisions and Contingencies

(₹ in '000)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31, 2016	As at March 31, 2015
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	-	-
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets/ Investments	52,436	21,538

## (ix) Concentration of Deposits, Advances, Exposures and NPAs

## (ix)(a) Concentration of Deposits (for deposit taking NBFCs)

(₹ in '000)

Particulars	As at March 31, 2016	As at March 31, 2015
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-

## (ix)(b) Concentration of advances

(₹ in '000)

Particulars	As at March 31, 2016	As at March 31, 2015
Total Advances to twenty largest borrowers	-	-
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	-	-

## (ix)(c) Concentration of exposures

(₹ in '000)

Particulars	As at March 31, 2016	As at March 31, 2015
Total Exposure to twenty largest borrowers / customers (Investment)	2,50,73,673	91,14,020
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	100%	100%

## (ix)(d) Concentration of NPAs

(₹ in '000)

Particulars	As at March 31, 2016	As at March 31, 2015
Total Exposure to top four NPA accounts	-	-

## (ix)(e) Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		As at March 31, 2016	As at March 31, 2015
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

## NOTES TO ACCOUNTS CONTD....

## (x) Movement of NPAs

(₹ in '000)

Sr. No.	Name of directors	As at March 31, 2016	As at March 31, 2015
(i)	Net NPAs to Net Advances (%)	-	-
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	-	-
	(b) Additions during the year	-	-
	(c) Reductions during the year	-	-
	(d) Closing balance	-	-
(iii)	Movement of Net NPAs		
	(a) Opening balance	-	-
	(b) Additions during the year	-	-
	(c) Reductions during the year	-	-
	(d) Closing balance	-	-
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	-	-
	(b) Provisions made during the year	-	-
	(c) Write-off / write-back of excess provisions	-	-
	(d) Closing balance	-	-

## (xi) Overseas assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
Not Applicable, as the company does not have any Joint venture and Subsidiaries abroad			

## (xii) Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	Domestic	Overseas
	As at March 31, 2016	As at March 31, 2015
	-	-

## (xiii) Disclosure of complaints

## (xiii)(a) Customer complaints

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	-	-
(c)	No. of complaints redressed during the year	-	-
(d)	No. of complaints pending at the end of the year	-	-

## As per our report of even date

## For S.R. BATLIBOI &amp; CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per **Jayesh Gandhi**

Partner

Membership No. 037924

## For and on behalf of the Board of Directors

**Lalita D. Gupte**

Chairperson

DIN: 00043559

**Surendra Maheshwari**

Chief Financial Officer

**Suvek Nambiar**

Managing Director &amp; CEO

DIN: 06384380

**Gaurav Tolwani**

Company Secretary

Place : Mumbai

Date : April 25, 2016

## ANNEXURE 1

**Schedule to the**  
**Balance Sheet of a non-deposit taking non-banking financial company**  
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Particulars		As at March 31, 2016		As at March 31, 2015	
Liabilities side :		Amount out-standing	Amount overdue	Amount out-standing	Amount overdue
1.	<b>Loans and advances availed by the non-banking finance company inclusive of interest accrued thereon but not paid:</b>				
	(a) Debentures : Secured	2,06,75,361	-	57,78,274	-
	: Unsecured	16,04,388	-	16,04,787	-
	(other than falling within the meaning of public deposits*)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans (specify nature) – Banks Loans	-	-	-	-
	(g) Other Loans (specify nature) – Cash Credit	-	-	-	-
	(g) Other Loans (specify nature) – Finance Lease Obligation	-	-	-	-
	* Please see Note 1 below				
<b>Assets side :</b>		<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
		<b>Amount outstanding</b>		<b>Amount outstanding</b>	
2.	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>				
	(a) Secured	-		-	
	(b) Unsecured	-		-	
3.	<b>Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities</b>				
	(i) Lease assets including lease rentals under sundry debtors :				
	(a) Finance 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 (refer note 4)				
	(a) Loans where assets have been repossessed	-		-	
	(b) Loans other than (a) above	-		-	



## ANNEXURE 1 CONTD....

	Assets side :	As at March 31, 2016	As at March 31, 2015				
		Amount outstanding	Amount outstanding				
4.	<b>Break-up of Investments :</b>						
	<i>Current Investments :</i>						
	1. Quoted :						
	(i) Shares : (a) Equity	-	-				
	(b) Preference	-	-				
	(ii) Debentures and Bonds	18,702	-				
	(iii) Units of mutual funds	-	-				
	(iv) Government Securities	-	-				
	(v) Others (please specify)	-	-				
	2. Unquoted :						
	(i) Shares : (a) Equity	-	-				
	(b) Preference	-	-				
	(ii) Debentures and Bonds	7,95,618	4,01,380				
	(iii) Units of mutual funds	-	-				
	(iv) Government Securities	-	-				
	(v) Others (Please specify)	-	-				
	<i>Long Term investments :</i>						
	1. Quoted :						
	(i) Shares : (a) Equity	-	-				
	(b) Preference	-	-				
	(ii) Debentures and Bonds	7,71,030	-				
	(iii) Units of mutual funds	-	-				
	(iv) Government Securities	-	-				
	(v) Others (please specify)						
	2. Unquoted :						
	(i) Shares : (a) Equity	-	-				
	(b) Preference	-	-				
	(ii) Debentures and Bonds	2,34,88,322	87,12,640				
	(iii) Units of mutual funds	-	-				
	(iv) Government Securities	-	-				
	(v) Others (Please specify)	-	-				
5.	<b>Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 and 4 below</b>						
	Category	<b>As at March 31,2016</b>	<b>As at March 31,2015</b>				
		Amount net of provisions			Amount net of provisions		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	1. Related Parties **						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
	2. Other than related parties	-	-	-	-	-	-
	Total	-	-	-	-	-	-

## ANNEXURE 1 CONTD....

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

Please see note 3 below

Category	As at March 31, 2016		As at March 31, 2015	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	2,50,91,609	2,50,73,673	91,14,020	91,14,020
Total	2,50,91,609	2,50,73,673	91,14,020	91,14,020

\*\* As per Accounting Standard of ICAI (Please see Note 3)

7. **Other information**

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	Nil	Nil

## Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.





**INDIA INFRADEBT LIMITED**

**REGISTERED OFFICE:  
ICICI BANK TOWERS,  
BANDRA-KURLA COMPLEX,  
MUMBAI – 400 051  
TEL: +91 22 26536963  
FAX: +91 22 26531259  
INFO@INFRADEBT.IN**

**WWW.INFRADEBT.IN**