

IDFC INFRASTRUCTURE FINANCE LIMITED

(Formerly known as IDFC Infra Debt Fund Limited)

CIN U67190MH2014PLC253944

DIRECTORS Mr. S. S. Kohli (Chairperson)
Mr. A K T Chari
Mr. Suresh Menon
Ms. Ritu Anand
Mr. Pavan Kaushal
Mr. Sunil Kakar
(w.e.f. July 19, 2017)
Mr. Vikram Limaye
(Till July 15, 2017)

AUDITORS Price Waterhouse & Co
Chartered Accountant LLP

**PRINCIPAL
BANKER** IDFC Bank Limited

**DEBENTURE
TRUSTEE** IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai 400 001.

**REGISTERED
OFFICE** Naman Chambers
C-32, G-Block, Bandra-Kurla
Complex, Bandra (East)
Mumbai 400 051
Tel +91 22 4222 2000
Fax + 91 22 2654 0354
Website www.idfcifl.com
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BOARD'S REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Fifth Annual Report together with the audited financial statements for the year ended March 31, 2018

FINANCIAL HIGHLIGHTS

PARTICULARS	(AMOUNT IN ₹)	
	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
Total Income	3,365,175,974.00	2,069,320,213.00
Less: Total Expenses	2,500,229,326.00	1,360,905,156.00
Profit / (Loss) before Tax	864,946,648.00	708,415,057.00
Less: Provision for Tax	-	-
Profit / (Loss) after Tax	864,946,648.00	708,415,057.00

AMOUNT TO BE CARRIED FORWARD TO RESERVES

The details of amount transferred to reserves are given in note no. 4 of the Notes forming part of the financial statements.

DIVIDEND

The Directors do not recommend any dividend for the financial year ended March 31, 2018 as the Company has decided to reinvest its earnings.

PERFORMANCE OF THE COMPANY

IDFC Infrastructure Finance Limited ("IDFC IFL") is engaged in the business of refinancing operating infrastructure projects that have completed at least one year of satisfactory commercial operations.

In FY 2018, the second full year of its operations, the Company's business has grown steadily. The Company ended the fiscal year with a loan book of ₹ 4,220 cr – registering a robust growth of 57% over that in FY 2017.

Profit after Tax (PAT) grew by 22.2% to ₹ 86.5 cr from ₹ 70.8 cr in FY 2017. The business delivered a healthy average Return of Equity (RoE) of 12.4%.

The loan portfolio of the Company continues to be well-diversified across 49 assets with exposures across PPP (Public Private Partnership) projects including roads, power transmission as well as non-PPP projects including renewable power, hospitals, education, captive power, airport cargo terminal and IT SEZs. The asset quality remains healthy with nil Non-Performing Assets (NPAs).

The capitalisation of the Company is comfortable with a Capital Adequacy Ratio of 22.09% as on March 31, 2018.

In FY 2018, the Company raised funds through the issue of long term bonds and Commercial Papers (CPs) aggregating ₹ 1,491 cr. The bond issuances were rated AAA by domestic credit rating agencies namely ICRA and CARE while the CPs were rated A1+ by ICRA. The total outstanding borrowings of the Company in the form of bonds and CPs as at the end of FY 2018 was ₹ 3,596 cr. These have been subscribed by a diversified base of investors including insurance companies, provident funds and mutual funds.

FUTURE OUTLOOK

The Company is well positioned to continue its growth momentum over the next few years. The strategy going forward would be to steadily increase the loan book with focus on asset quality, maintain a balanced and diversified portfolio across multiple sectors in the infrastructure domain and optimise borrowing cost.

SUBSIDIARIES / JOINT VENTURE / ASSOCIATE COMPANIES

The Company is a subsidiary of IDFC Financial Holding Company Limited. It does not have any step down subsidiary / Joint venture / Associate Company.

PARTICULARS OF EMPLOYEES

Your Company had 18 employees as on March 31, 2018.

Disclosures pertaining to the provisions of Section 197 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (to the extent applicable) a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in this Annual Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

BOARD'S REPORT

EMPLOYEES' STOCK OPTION PLAN

Pursuant to the resolution passed by the Members at the EGM held on February 01, 2016, IDFC Infrastructure Finance Limited had introduced Employee Stock Option Scheme ("the ESOS- 2016") to enable the employees of IDFC Infrastructure Finance Limited to participate in the future growth and financial success of the Company.

All options vest in graded manner and are required to be exercised within specified period.

Details required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (Rules) regarding options granted under ESOS 2017 forms integral part of this Annual Report. The Annual Report excluding the aforesaid information is being sent to the Shareholders of the Company and is available for inspection of the Shareholders of the Company at its Registered Office.

PUBLIC DEPOSITS

The Company has neither invited nor accepted any Public Deposits.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Since the Company is engaged in business of financing of companies in the ordinary course of business, provisions of Section 186 of the Companies Act, 2013 relating to loan made, guarantees given or securities provided are not applicable to the Company. Thus, provision section 134(3)(g) requiring to provide the particulars of loans, guarantees or investments are not applicable and hence not given.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board has put in place a "Whistle Blower Policy", so as to establish a Vigil Mechanism to enable Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of company's code of conduct. Head- Legal of the Company is the Whistle Officer for the purpose of this policy. The Whistle Committee established thereunder oversees the Vigil Mechanism. The details of Whistle Blower Policy / Vigil Mechanism are posted on the website of the Company.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There was no income or expenditure in foreign currency during the period under review.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 134(3)(m) are not applicable and hence not given.

DIRECTORS / KEY MANAGERIAL PERSONNEL

At the last Annual General Meeting ("AGM") of the Company held on June 9, 2017, Ms. Ritu Anand was appointed as Independent Directors. As per provisions of the section 149(6)(e) of the Companies Act, 2013 a person cannot be appointed as an Independent Director of the Company who holds the position of employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year ("Cooling Period") in which he/she is proposed to be appointed. Since Cooling Period was over, Ms. Ritu Anand was appointed as an Independent Director ("**ID**") of the Company w.e.f. April 24, 2017.

During the year, Mr. Vikram Limaye (DIN: 00488534) resigned on July 15, 2017 as a Director under the category of Nominee Director of IDFC Limited and replaced by Mr. Sunil Kakar (DIN: 03055561) who was appointed as an Additional Director under the category of Nominee Director of IDFC Limited on July 19, 2017. The Company has received notice from a member of the Company under Section 160 of the Companies Act, 2013, proposing the appointment of Mr. Sunil Kakar at the ensuing AGM. The Board of Directors recommends the appointment of Mr. Sunil Kakar.

In accordance with the provisions of the Companies Act, 2013, Mr. Pavan Kaushal would retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

As on March 31, 2018, Key Managerial Personnel were as follows:

1. Mr. Sadashiv S. Rao - Chief Executive Officer
2. Mr. Sanjay Ajgaonkar - Chief Financial Officer
3. Mr. Amol A. Ranade - Company Secretary

DECLARATION OF INDEPENDENCE

As per the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation and the terms of appointment of Independent Directors will be governed by the provisions of Companies Act, 2013. The Company has received a declaration from independent Directors, at the time of their respective appointments and also at the first meeting of the Board of Directors held in the financial year, that they meet the criteria of independence specified under sub-section (6) and (7) of Section 149 of the Act, read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that they shall abide by the "Code for Independent Directors" as per Schedule IV of the Act.

BOARD'S REPORT

BOARD

During the year, the Board met five (5) times on April 24, 2017, July 24, 2017, October 26, 2017, January 24, 2018 and March 26, 2018. The gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013. The attendance details of the Board Meetings held during FY18 is given in the table below.

NAME OF THE DIRECTOR	DIN	POSITION	NO. OF MEETINGS HELD IN FY18	NO. OF MEETINGS ATTENDED IN FY18
Mr. S. S. Kohli	00169907	Chairperson & Independent Director	5	5
Mr. AKT Chari	00746153	Independent Director	5	5
Ms. Ritu Anand*	05154174	Independent Director	5	5
Mr. Vikram Limaye**	00488534	Nominee Director of IDFC Limited	1	1
Mr. Pavan Kaushal	07117387	Nominee Director of IDFC Limited	5	5
Mr. Suresh Menon	00737329	Nominee Director of Investor	5	5
Mr. Sunil Kakar***	03055561	Nominee Director of IDFC Limited	4	4

* Appointed as an Independent Director w.e.f. April 24, 2017 (Previously Non-Executive Director)
 ** Resigned as a Director w.e.f. July 15, 2017
 *** Appointed as a Director w.e.f. July 19, 2017

AUDIT COMMITTEE

During the year, the Audit Committee met four (4) times on April 24, 2017, July 24, 2017, October 26, 2017 and January 24, 2018. The gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013. The composition of the Audit Committee is in compliance with the Companies Act, 2013. The attendance details of the Audit Committee Meetings held during FY18 is given in the table below.

NAME OF THE DIRECTOR	DIN	POSITION	NO OF MEETINGS HELD IN FY18	NO OF MEETING ATTENDED IN FY18
Mr. S. S. Kohli	00169907	Chairperson & Independent Director	4	4
Mr. AKT Chari	00746153	Independent Director	4	4
Mr. Pavan Kaushal	07117387	Nominee Director of IDFC Limited	4	4

CREDIT COMMITTEE

During the year, The Credit Committee met nine (9) times on April 24, 2017, May 10, 2017, June 14, 2017, July 24, 2017, September 7, 2017, October 26, 2017, November 28, 2017, January 15, 2018 and March 26, 2018. The attendance details of the Credit Committee meetings held during FY18 is given in the table below:

NAME OF THE DIRECTOR	DIN	POSITION	NO OF MEETINGS HELD IN FY18	NO OF MEETING ATTENDED IN FY18
Mr. S. S. Kohli	00169907	Chairperson & Independent Director	9	9
Mr. AKT Chari	00746153	Independent Director	9	9
Mr. Vikram Limaye*	00488534	Nominee Director of IDFC Limited	3	3
Mr. Sunil Kakar**	03055561	Nominee Director of IDFC Limited	6	6
Mr. Pavan Kaushal	07117387	Nominee Director of IDFC Limited	9	9

* Resigned as a Director w.e.f. July 15, 2017
 ** Appointed as a Director w.e.f. July 19, 2017

NOMINATION AND REMUNERATION COMMITTEE

During the year, The Nomination and Remuneration Committee met three (3) times on April 24, 2017, January 24, 2018 and March 26, 2018.

The attendance details of the Nomination and Remuneration Committee meetings held during FY18 is given in the table below:

NAME OF THE DIRECTOR	DIN	POSITION	NO OF MEETINGS HELD IN FY18	NO OF MEETING ATTENDED IN FY18
Mr. AKT Chari	00746153	Chairperson & Independent Director	3	3
Mr. S. S. Kohli	00169907	Independent Director	3	3
Mr. Vikram Limaye*	00488534	Nominee Director of IDFC Limited	1	1
Mr. Sunil Kakar**	03055561	Nominee Director of IDFC Limited	2	2

*Resigned as a Director w.e.f. July 15, 2017
 **Appointed as a Director w.e.f. July 19, 2017

BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During the year, The Corporate Social Responsibility Committee met one (1) time on April 24, 2017. The attendance details of the Corporate Social Responsibility Committee held during FY18 is given in the table below:

NAME OF THE DIRECTOR	DIN	POSITION	NO OF MEETINGS HELD IN FY18	NO OF MEETING ATTENDED IN FY18
Mr. S. S. Kohli	00169907	Chairperson & Independent Director	1	1
Ms. Ritu Anand*	05154174	Independent Director	1	1
Mr. Vikram Limaye**	00488534	Nominee Director of IDFC Limited	1	1
Mr. Sunil Kakar***	03055561	Nominee Director of IDFC Limited	0	0

* Appointed as an Independent Director w.e.f. April 24, 2017

** Resigned as a Director w.e.f. July 15, 2017

*** Appointed as a Director w.e.f. July 19, 2017

The disclosure of contents of CSR Policy as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure III**.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, separate meeting of Independent Directors held two (2) times on April 24, 2017 and January 24, 2018. The attendance details of the said meeting held during FY18 is given in the table below:

NAME OF THE DIRECTOR	DIN	POSITION	NO OF MEETINGS HELD IN FY18	NO OF MEETING ATTENDED IN FY18
Mr. S. S. Kohli	00169907	Independent Director	2	2
Ms. Ritu Anand*	05154174	Independent Director	1	1
Mr. AKT Chari	00746153	Independent Director	2	2

* Appointed as an Independent Director w.e.f. April 24, 2017

RISK COMMITTEE

During the year, The Risk Committee met two (2) times on April 24, 2017 and October 26, 2017. The attendance details of the Risk Committee meetings held during FY18 is given in the table below:

NAME OF THE DIRECTOR	DIN	POSITION	NO OF MEETINGS HELD IN FY18	NO OF MEETING ATTENDED IN FY18
Mr. S. S. Kohli	00169907	Chairperson & Independent Director	2	2
Mr. AKT Chari	00746153	Independent Director	2	2
Mr. Vikram Limaye*	00488534	Nominee Director of IDFC Limited	1	1
Mr. Sunil Kakar**	03055561	Nominee Director of IDFC Limited	1	1
Mr. Pavan Kaushal	07117387	Nominee Director of IDFC Limited	2	2

* Resigned as a Director w.e.f. July 15, 2017

** Appointed as a Director w.e.f. July 19, 2017

IT STRATEGY COMMITTEE

As per the provisions of RBI master direction RBI/DNBS/2016-17/53 DNBS.PPD.No.04/66.15.001/2016-17 dated June 8, 2017 pertaining to "Information Technology Framework for NBFC sector, during the year, IT Strategy Committee was constituted having Ms. Ritu Anand as Independent Director & Chairperson of the Committee and Mr. Sadashiv S. Rao (CEO), Mr. Sanjay Ajgaonkar, Mr. Dhananjay Yellulkar & Mr. Madhusudan Warrior as Members. The Committee met once on November 28, 2017 and all the Members attended the meeting. The Board approved the Information Technology (IT) Strategy Document, Information Security Management System (ISMS) Policy, IT Policy, Cyber Security Policy and Cyber Crisis Management Plan on the recommendation of IT Strategy Committee.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, a detailed questionnaire was prepared and circulated to the Board for Annual evaluation for FY17. The Directors evaluated the Board as a whole, its committee and Individual Directors including Chairman. The exercise of Board evaluation was carried out and completed effectively.

BOARD'S REPORT

REMUNERATION POLICY

The Board had approved the Remuneration policy for the Directors, Key Managerial Personnel, Senior Management Personnel and other Employees which is formulated in line with the requirements of Companies Act, 2013.

AUDITORS

At the 4th Annual General Meeting of the Company held on June 9, 2017, Shareholders appointed Price Waterhouse & Co, Chartered Accountants LLP (FRN 304026E/E300009) ("PWC") as the Statutory Auditors of the Company, for a period of five years from the conclusion of the 4th Annual General Meeting (AGM) of the Company to be held for FY17, subject to approval of the Shareholders of the Company at the ensuing AGM and subsequent ratification on annual basis. The Audit Committee and Board of Directors of the Company at their respective meetings held on April 20, 2018 have recommended the appointment of PWC.

PWC have confirmed that their appointment, if ratified, would be in conformity with the provisions of Section 141 of the Companies Act, 2013 and have also indicated their willingness to be appointed.

The Resolution seeking ratification of appointment of PWC is included in the Notice of the ensuing Annual General Meeting. The Board recommends the ratification of appointment of PWC, as the Statutory Auditors of the Company.

SECRETARIAL AUDIT REPORT

Pursuant to section 204 of the Companies act, 2013 and the rules made thereunder, the Company has appointed M/S. BNP & Associates, Company Secretaries in practice, as Secretarial Auditors of the Company to undertake Secretarial Audit of the Company for FY18. The Secretarial Audit Report forms part of this Board's Report as **Annexure I**.

There are no qualifications or observations or other remarks made by the Secretarial Auditors for FY18.

COMPLIANCE WITH SECRETARIAL STANDARDS

Pursuant to the Secretarial Standard-I issued by the Institute of Company Secretaries of India pertaining to Board of Directors, the Company confirms that all applicable Secretarial Standards have been duly complied with during the period under review.

RELATED PARTY TRANSACTIONS

In all related party transactions (RPTs) that were entered into during the financial year, an endeavour was made consistently that they were on an arm's length basis and were in the ordinary course of business. The Company has always been committed to good corporate governance practices, including matters relating to RPTs.

Pursuant to the provisions of Companies Act, 2013 and Rules made there under and in the back-drop of the Company's philosophy on such matters, on the recommendation of Audit Committee, the Board approved revised "Policy on Related Party Transactions" at its meeting held on October 24, 2016. The said policy is also uploaded on the website of the Company.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

The Company has in place, adequate systems of Internal Control to ensure compliance with policies and procedures. It is being constantly assessed and strengthened with new / revised standard operating procedures and tighter Information Technology controls. Internal audits of all the business units of the Company are regularly carried out to review the Internal Control Systems. The Audit Reports of Internal Auditors along with their recommendations and implementation contained therein are regularly reviewed by the Audit Committee of the Board. The Internal Auditors verified the key Internal Financial Control by reviewing key controls impacting financial reporting and overall risk management procedures of the Company and found the same satisfactory. It was placed before the Audit Committee of the Company.

The Risk Committee monitors and review Risk Management of the Company.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

MATERIAL CHANGES / COMMITMENTS

As per Section 134(3)(l) of Companies Act, 2013, there have been no reportable changes and commitments, affecting the financial position of the Company that has occurred during the period from March 31, 2018 till the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL

There are no significant and material orders passed by the Regulators/Courts/Tribunal which would impact the going concern status of the Company and its future operations.

ANTI-SEXUAL HARASSMENT POLICY

The company has in place a policy on Sexual Harassment (Prevention & Redressal). The Company undertakes ongoing trainings to create awareness on this policy. No instances of Sexual Harassment were reported during the period under review.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- (a) in the preparation of financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the directors had 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 the Company at March 31, 2018 and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual financial statements on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 are annexed herewith as **Annexure II**.

ACKNOWLEDGEMENTS

The Directors express their gratitude for the unstinted support and guidance received from IDFC Financial Holding Company Limited and other group companies.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

S. S. KOHLI

Chairman

Mumbai | May 30, 2018

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018**

[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
IDFC Infrastructure Finance Limited
Naman Chambers C-32, G-Block,
Bandra - Kurla Complex, Bandra (East)
Mumbai 400 051.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IDFC Infrastructure Finance Limited having CIN No. U67190MH2014PLC253944** (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March 2018 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client,
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- iv. Other laws as applicable specifically to the Company:
 1. Infrastructure Debt Fund-Non-Banking Financial Companies (Reserve Bank) Directions, 2011;
 2. Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015;
 3. Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

During the period under review, provisions of the following Act / Regulations were not applicable to the Company:

- i) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We 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 in compliance with the provisions of Section 173(3) of the Companies Act, 2013. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that -

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

SECRETARIAL AUDIT REPORT**We further report that-**

During the audit period, the Company has -

1. Allotted 850 units of 8.04% of Secured Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each, aggregating to ₹ 85,00,00,000/- (Rupees Eighty-Five Crore Only) on Private Placement basis on 19.04.2017.
2. Allotted 1,010 units of 8.01% of Secured Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each aggregating to ₹ 101,00,00,000/- (Rupees One hundred and One Crores Rupees Only) on Private Placement basis on 26.04.2017.
3. Allotted 1,010 units of 7.965% of Secured Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each aggregating to ₹ 101,00,00,000/- (Rupees One hundred and One Crores Only) on Private Placement basis on 31.05.2017.
4. Allotted 1,000 units of 7.935% of Secured Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each aggregating to ₹ 1,00,00,00,000/- (Rupees One hundred Crores Only) on private placement basis on 12.07.2017.
5. Allotted 820 units of 7.73% of Secured Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each aggregating to RS. 82,00,00,000/- (Rupees Eighty Two Crores Only) on private placement basis on 31.08.2017.
6. Allotted 3,400 units of 7.73% of Secured Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each aggregating to ₹ 3,40,00,00,000/- (Rupees Three Forty Crores Only) on private placement basis on 19.09.2017.
7. Allotted 1,150 units of 7.99% Secured Non-Convertible Debenture in the nature of Bonds of Face Value of ₹ 10,00,000/- each aggregating to ₹ 115,00,00,000/- (Rupees One-Hundred Fifteen Crores Only) through Private placement basis on 28th November 2017.
8. Allotted 2,650 units of 8.08% Secured Non-Convertible Debenture in the nature of Bonds of Face Value of ₹ 10,00,000/- each aggregating to ₹ 2,65,00,00,000/- (Rupees Two-Hundred Sixty-Five Crore Only) through Private placement basis on 18th December 2017.
9. Allotted 500 units of 8.48% Secured Redeemable Non-Convertible Debenture in nature of Bonds of Face Value of ₹ 10,00,000/- each aggregating to ₹ 50,00,00,000/- (Rupees Fifty Crore Only) through Private placement basis on 6th February 2018.
10. Allotted 2,170 units of 8.49% Secured Redeemable Non-Convertible Debenture in nature of Bonds of Face Value of ₹ 10,00,000/- each aggregating to ₹ 2,17,00,00,000/- (Rupees Two Hundred and Seventeen Crores Only) through private placement basis on 22nd March 2018.

For BNP & Associates

Company Secretaries

[Firm Regn. No. P2014MH037400]

Avinash Bagul

Partner

FCS No. 5578 /COP No. 19862

Date: April 17, 2018

Place: Mumbai

ANNEXURE I TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

To,

The Members,

IDFC Infrastructure Finance Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **IDFC Infrastructure Finance Limited** (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates

Company Secretaries

[Firm Regn. No. P2014MH037400]

Avinash Bagul

Partner

FCS No. 5578 /COP No. 19862

Date: April 17, 2018

Place: Mumbai

ANNEXURE II

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U67190MH2014PLC253944
ii)	Registration Date	07/03/2014
iii)	Name of the Company	IDFC INFRASTRUCTURE FINANCE LIMITED (Formerly known as IDFC Infra Debt Fund Limited)
iv)	Category / Sub-Category of the Company	Company Limited by shares Indian Non-Government Company
v)	Address of the Registered office and contact details	Naman Chambers, C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051. Tel.: +91 22 4222 2000, Fax: +91 22 2654 0354
vi)	Whether listed company Yes / No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd.* C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Contact No. +91 22 4918 6000.

*Link Intime India Pvt Ltd. provides electronic connectivity services with depositories for the equity shares of the Company

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 Infrastructure projects	66309	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
1.	IDFC Limited	L65191TN1997PLC037415	Ultimate Holding	Indirectly 81.48	Section 2(46)
2.	IDFC Financial Holding Company Limited	U65900TN2014PLC097942	Holding	81.48	Section 2(46)

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	
A. Promoters									
(1) Indian									
a) Bodies Corp.	439,999,994	6	440,000,000	81.48	439,999,994	6	440,000,000	81.48	NIL
Sub-total (A) (1):-	439,999,994	6	440,000,000	81.48	439,999,994	6	440,000,000	81.48	NIL
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	439,999,994	6	440,000,000	81.48	439,999,994	6	440,000,000	81.48	NIL

ANNEXURE II

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

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. Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
1. Institutions									
a) Banks/FI	60,000,000	NIL	60,000,000	11.11	60,000,000	NIL	60,000,000	11.11	NIL
b) Insurance Companies	40,000,000	NIL	40,000,000	7.41	40,000,000	NIL	40,000,000	7.41	NIL
Sub-total (B)(1):-	100,000,000	NIL	100,000,000	18.52	100,000,000	NIL	100,000,000	18.52	NIL
2. Non-Institutions									
Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B) = (B)(1) + (B)(2)	100,000,000	NIL	100,000,000	18.52	100,000,000	NIL	100,000,000	18.52	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	539,999,994	6	540,000,000	100	539,999,994	6	540,000,000	100	

(ii) Shareholding of Promoters

SR. NO.	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHARE HOLDING 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.	IDFC Financial Holding Company Limited & its nominees	440,000,000	81.48	NIL	440,000,000	81.48	NIL	NIL
TOTAL		440,000,000	81.48	NIL	440,000,000	81.48	NIL	NIL

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

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

SR NO.	NAME OF SHAREHOLDERS*	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CHANGES IN THE SHAREHOLDING DURING THE YEAR		CUMULATIVE SHAREHOLDING AT THE END OF THE YEAR	
		NO OF SHARES	% OF TOTAL SHARES OF THE CO	INCREASE	DECREASE	NO OF SHARES	% OF TOTAL SHARES OF THE CO
1.	Housing Development Finance Corporation Limited	60,000,000	11.11	-	-	60,000,000	11.11
2.	SBI Life Insurance Company Limited	40,000,000	7.41	-	-	40,000,000	7.41

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

V. INDEBTEDNESS

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

IN ₹

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year	19,818,969,560	1,900,000,000	-	21,718,969,560
i) Principal Amount	19,150,000,000	1,900,000,000	-	21,050,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	668,969,560	-	-	668,969,560
TOTAL (I+II+III)	19,818,969,560	1,900,000,000	-	21,718,969,560
Change in Indebtedness during the financial year				
• Addition	15,105,076,236	6,000,000,000	-	21,105,076,236
• Reduction	-	5,650,000,000	-	5,650,000,000
Net Change	15,105,076,236	350,000,000	-	15,455,076,236
Indebtedness at the end of the financial year				
i) Principal Amount	33,710,000,000	2,250,000,000	-	35,960,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,214,045,796	-	-	1,214,045,796
TOTAL (I+II+III)	34,924,045,796	2,250,000,000	-	37,174,045,796

ANNEXURE II

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NOT APPLICABLE

B. Remuneration to other directors:

IN ₹

SR. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS					TOTAL AMOUNT
		S S KOHLI	AKT CHARI	RITU ANAND	SURESH MENON	SUNIL KAKAR	
1.	Independent Directors						
	Fee for attending board committee meetings	650,000	625,000	200,000	-	-	1,475,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	TOTAL (1)	650,000	625,000	200,000	-	-	1,475,000
2.	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	125,000	-	125,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	TOTAL (2)	-	-	-	125,000	-	125,000
	TOTAL (B) = (1 + 2)	650,000	625,000	200,000	125,000	-	1,600,000
	Overall Ceiling as per the Act						Refer Note

Note: Aforesaid payment of sitting fees is within overall limits prescribed by the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD.

IN ₹

SR. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL			TOTAL AMOUNT
		CEO	CFO	CS	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,517,748	5,997,641	1,503,587	23,018,976
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	60,893	-	29,700	90,593
	(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.	Contribution to Provident & Other Funds	2,686,716	693,480	170,131	3,550,327
	TOTAL (A)	18,959,659	6,691,121	1,703,418	27,354,198

During FY18 CEO, CFO & CS were paid bonus of ₹ 1.17 crore, ₹ 16.50 lacs & ₹ 8 lacs, respectively for FY17.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

The CSR policy is to ensure that CSR activities are not performed in silos and that it be skillfully and inextricably woven into the fabric of the Company's business strategy for overall value creation for all stakeholders. IDFC believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the people, preferably in the immediate vicinity in which the Company operates but at the same time ensure widespread spatial distribution of its CSR activities Pan-India befitting its status as a conscientious corporate citizen.

Section 135 of Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules 2014 requires IDFC Infrastructure Finance Ltd. to mandatorily spend on CSR.

During the year, IDFC Infrastructure Finance Ltd. carried out CSR activities through its associate company, namely, IDFC Foundation, a not-for-profit Company within the meaning of Section 8 of the Act, 2013 (erstwhile Section 25 of the Companies Act, 1956).

The object of the CSR activities would seek to -

- (a) serve the poor, marginalised and underprivileged
- (b) promote inclusion
- (c) be sustainable
- (d) meet needs of the larger community and society

IDFC Foundation, as implementing agency on behalf of IDFC Limited and its group companies, undertook the following CSR activities which fall within the ambit of the activities listed in Schedule VII of the Act for promoting the development of -

- (a) livelihoods
- (b) rural development projects
- (c) promoting healthcare including preventive health care
- (d) education
- (e) community engagement/development
- (f) environmental sustainability
- (g) disaster relief
- (h) research and studies in all or any of the activities mentioned in Schedule VII and
 - (i) Others

2. The Composition of the CSR Committee:

Mr. S. S. Kohli

Mr. Sunil Kakar

Ms. Ritu Anand

3. Average net profit of the company for last three financial years - ₹ 4147.19 Lac

4. Prescribed CSR Expenditure (2% of the amount as in item 3. above) - ₹ 82.94 Lac

5. Details of CSR spent during the financial year.

- a) Total amount to be spent for the financial year: ₹ 82.94 Lac
- b) Amount spent during the year: ₹ 82.94 Lac
- c) Amount unspent, if any; NIL
- d) Manner in which the amount spent during the financial year is detailed below: **Annexure - A**

6. In case the Company has failed to spend 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not Applicable

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

For IDFC Infrastructure Finance Ltd.

Place : Mumbai
Date : April 20, 2018

S. S. Kohli
Chairman - CSR Committee

Sunil Kakar
Director

ANNEXURE A

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

(1) SR. NO	(2) CSR PROJECT OR ACTIVITY IDENTIFIED	(3) SECTOR IN WHICH THE PROJECT IS COVERED (CLAUSE NO. OF SCHEDULE VII TO THE COMPANIES ACT, 2013, AMENDED)
1.	Promoting learning outcomes of under privileged students in night schools in Maharashtra	Cl.(ii) promoting education
2.	Promoting learning outcomes in 60 government primary schools in the backward blocks of Ramgarh and Kishangarh	Cl.(ii) promoting education
3.	Promoting Digital Literacy through Digishalas in government schools of Hoshangabad, Madhya Pradesh	Cl.(ii) promoting education
4.	Program on strengthening and improving quality of life in Indian cities and towns	Cl.(ii) promoting education Cl.(ii) livelihood enhancement projects,
Total		
5.	Program on improving access to water and sanitation in Odisha	Cl.(i) Sanitation & Safe Drinking water
Total		
6.	Shwethdharma-Cattle Care Program to improve the productivity of milch animals and increase the income of small and marginal dairy farmers	Cl.(ii) livelihood enhancement projects,
7.	Promoting Financial Inclusion by deploying interoperable Financial Inclusion Devices and organising Financial Literacy Programs	Cl.(ii) livelihood enhancement projects; Cl. (x) rural development projects.
Total		
8.	Research & studies on various social and economic issues directly impacting welfare of people	Various clauses of Schedule VII
Total		
Total Direct Expense of Project & Programmes (A)		
Overhead Expense (B)		
Total (A) + (B)		

*IDFC Foundation, a wholly owned subsidiary of the IDFC Limited, is an implementing agency of IDFC Limited and its group Companies and engaging Corporate Social Responsibility (CSR) activities as per the CSR policy adopted by IDFC & its group companies in line with the Schedule VII of the act. The Company is primarily focussing on CSR activities as well defined projects or programmes that would include promoting and development of (a) livelihoods, (b) rural development projects, (c) promoting healthcare including preventive health care, (d) education, (e) community engagement/development, (f) environmental sustainability, (g) disaster relief, (h) research and studies in all or any of the activities mentioned in Schedule VII and (i) Others, with the help of various partners.

(4) PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) SPECIFY THE STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	(5) AMOUNT OUTLAY (BUDGET)	(6) AMOUNT SPENT ON THE PROJECTS OR PROGRAMS SUB HEADS: (1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS (2) OVER HEADS	(7) CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD	(8) AMOUNT SPENT : DIRECT OR THROUGH IMPLEMENTING AGENCY
Maharashtra-Mumbai		0.93	1.39	IMPLEMENTING AGENCY - IDFC FOUNDATION*
Rajasthan - Alwar		0.70	1.33	
Madhya Pradesh - Hoshangabad		0.74	1.08	
Gujarat - Ahmedabad & Surat, Karnataka - Bangalore, Madhya Pradesh - Bhopal, Odisha - Bhubaneswar, Chandigarh, Tamilnadu - Chennai, Kerala - Thiruvananthapuram, Uttarakhand - Dehradun, Delhi, Andhra Pradesh - Hyderabad, Rajasthan - Jaipur, Uttar Pradesh - Kanpur & Lucknow, West Bengal - Kolkata, Punjab - Ludhiana, Maharashtra - Mumbai, Bihar - Patna, Chhattisgarh - Raipur, Jharkhand - Ranchi	9.80	0.83	1.21	
	9.80	3.19	5.00	
Odisha	1.36	0.36	0.52	
	1.36	0.36	0.52	
Madhya Pradesh - Hoshangabad, Harda, Khandwa, Khargone, Dhar, Bhopal, Raisen, Dewas and Indore, Karnataka - Hubballi (Dharwad), Haveri, Koppal, Bagalkot, Belagavi	44.31	4.35	5.60	
PAN India		37.92	38.79	
	44.31	42.27	44.39	
PAN India	27.48	9.49	13.64	
	27.48	9.49	13.64	
		55.31	63.56	
		0.62	1.01	
	82.94	55.94	64.57	

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IDFC INFRASTRUCTURE FINANCIAL LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **IDFC Infrastructure Financial Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7(1) of the Companies (Accounts) Rules, 2014. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 the 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.
7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

INDEPENDENT AUDITOR'S REPORT

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7(1) of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018, on its financial position in its financial statements - Refer Note 26;
 - ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended [date]

For **Price Waterhouse & Co Chartered Accountant LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Sharad Vasant

Partner

Membership Number 101119

Mumbai | April 20, 2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of IDFC Infrastructure Finance Limited on the financial statements for the year ended

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

1. We have audited the internal financial controls over financial reporting of **IDFC Infrastructure Finance Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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

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

Opinion

8. 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse & Co Chartered Accountant LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Sharad Vasant

Partner

Membership Number 101119

Mumbai, April 20, 2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of IDFC Infrastructure Finance Limited on the financial statements for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) The title deeds of immovable properties, as disclosed in Note 10 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company is a Non-Banking Financial Company registered with the Reserve Bank of India and engaged in the business of financing. Also, the Company has not made any investments, or provided any guarantees or security to the parties covered under section 185 and section 186. Accordingly, the provisions of section 185 and section 186 are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees state insurance, income tax, service tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. In our opinion and according to information and explanation given to us, the company does not have an Executive or a Whole-time Director hence reporting under clause (xi) of the CARO 2016 is not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review³⁹. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Company.

For **Price Waterhouse & Co Chartered Accountant LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Sharad Vasant

Partner

Membership Number 101119

Mumbai, April 20, 2018

BALANCE SHEET

AS AT MARCH 31, 2018

	NOTES	AS AT MARCH 31, 2018 ₹	AS AT MARCH 31, 2017 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	5,400,000,000	5,400,000,000
(b) Reserves and surplus	4	1,988,650,636	1,123,703,988
		7,388,650,636	6,523,703,988
Non Current liabilities			
(a) Long-term borrowings	5	33,710,000,000	19,150,000,000
(b) Long-term provisions	6	168,810,997	107,313,061
		33,878,810,997	19,257,313,061
Current liabilities			
(a) Short-term borrowings	7	2,227,806,803	1,886,852,790
(b) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	8	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8	2,480,747	2,030,063
(c) Other current liabilities	9	1,252,998,203	700,465,308
		3,483,285,753	2,589,348,161
TOTAL		44,750,747,386	28,370,365,210
ASSETS			
Non-current assets			
(a) Fixed assets			
Property, plant and equipment	10	6,809,176	5,174,229
Capital work-in-progress		4,289,706	-
(b) Long term loans and advances			
(i) Loans	11	39,945,404,124	25,675,430,418
(ii) Others	12	464,870,688	173,647,462
		40,421,373,694	25,854,252,109
Current assets			
(a) Current investments	13	1,580,000,000	1,252,772,423
(b) Cash and bank balance	14	320,093,903	32,193,364
(c) Short-term loans and advances			
(i) Loans	11	2,257,345,304	1,152,834,987
(ii) Others	15	8,889,195	6,152,084
(d) Other current assets	16	163,045,290	72,160,243
		4,329,373,692	2,516,113,101
TOTAL		44,750,747,386	28,370,365,210

The accompanying notes are an integral part of these financial statements (See notes 1 to 38)

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors of
IDFC Infrastructure Finance Limited

Sharad Vasant
Partner
Membership Number:101119

Sunil Kakar
Director

S. S. Kohli
Director

Sadashiv S Rao
Chief Executive Officer

Mumbai | April 20, 2018

Sanjay Ajgaonkar
Chief Financial Officer

Amol Ranade
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

	NOTES	FOR THE YEAR ENDED MARCH 31, 2018 ₹	FOR THE YEAR ENDED MARCH 31, 2017 ₹
I INCOME			
Revenue from operations	17	3,365,175,974	2,069,320,213
TOTAL INCOME (I)		3,365,175,974	2,069,320,213
II EXPENSES			
Employee benefits expense	18	111,068,635	76,261,455
Finance Costs	19	2,280,770,790	1,194,204,987
Provisions and contingencies	20	61,497,936	59,242,710
Other expenses	21	43,681,460	29,025,614
Depreciation	10	3,210,505	2,170,390
TOTAL EXPENSES (II)		2,500,229,326	1,360,905,156
III PROFIT BEFORE TAX (I - II)		864,946,648	708,415,057
IV TAX EXPENSE	34	-	-
V PROFIT FOR THE YEAR (III - IV)		864,946,648	708,415,057
Earnings per equity share (nominal value of share ₹ 10 each)	25		
Basic (₹)		1.60	1.31
Diluted (₹)		1.59	1.30

The accompanying notes are an integral part of these financial statements (See notes 1 to 38)

This is the Statement of Profit and Loss account referred to in our report of even date

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors of
IDFC Infrastructure Finance Limited

Sharad Vasant
Partner
Membership Number:101119

Sunil Kakar
Director

S. S. Kohli
Director

Sadashiv S Rao
Chief Executive Officer

Mumbai | April 20, 2018

Sanjay Ajgaonkar
Chief Financial Officer

Amol Ranade
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

		FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
	NOTES	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		864,946,648	708,415,057
Adjustments for			
Depreciation	10	3,210,505	2,170,390
Provision for contingencies	20	61,497,936	59,242,710
Interest expense accrued on borrowings	19 (i)	2,261,793,524	1,180,469,281
Interest paid on Borrowings		(1,725,763,275)	(747,817,600)
Interest income	17 (a)	(3,203,206,842)	(1,863,425,300)
Profit on sale of current investments	17	(105,820,147)	(143,426,862)
Interest received		3,112,321,796	1,834,373,022
Operating profit before working capital changes		1,268,980,145	1,030,000,698
Changes in working capital:			
(Increase) in Short term loans & advances		(2,737,111)	(3,690,762)
Increase / (Decrease) in Trade payables		450,684	(41,425,548)
Increase in other current liabilities		7,456,659	25,343,018
CASH GENERATED FROM OPERATIONS		1,274,150,377	1,010,227,406
Purchase of current investments		(48,508,682,500)	(36,611,537,866)
Sale proceeds of current investments		48,287,275,069	36,567,192,305
Infrastructure Loans disbursed (net of repayments)		(15,374,484,023)	(14,810,677,363)
Direct taxes paid (net of refund)		(291,223,226)	(113,273,484)
NET CASH USED IN OPERATING ACTIVITIES (A)		(14,612,964,303)	(13,958,069,002)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	10	(4,845,452)	(2,396,637)
Capital work-in-progress		(4,289,706)	-
NET CASH USED IN INVESTING ACTIVITIES (B)		(9,135,158)	(2,396,637)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term Borrowings		14,560,000,000	11,070,000,000
Proceeds from short term Borrowings		6,000,000,000	3,100,000,000
Repayment of short term Borrowings		(5,650,000,000)	(1,200,000,000)
NET CASH FROM FINANCING ACTIVITIES (C)		14,910,000,000	12,970,000,000
NET (DECREASE) / INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)		287,900,539	(990,465,639)
Cash and cash equivalents as at the beginning of the year	14	32,193,364	1,022,659,003
Cash and cash equivalents as at the end of the year	14	320,093,903	32,193,364
		287,900,539	(990,465,639)

This is the Cash flow statement referred to in our report of even date

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors of
IDFC Infrastructure Finance Limited

Sharad Vasant
Partner
Membership Number:101119

Sunil Kakar
Director

S. S. Kohli
Director

Sadashiv S Rao
Chief Executive Officer

Mumbai | April 20, 2018

Sanjay Ajgaonkar
Chief Financial Officer

Amol Ranade
Company Secretary

01 BACKGROUND

IDFC Infrastructure Finance Limited ('the Company') is a public limited company, incorporated in India on March 7, 2014. The Company has received a Non-Banking Financial Company (NBFC) license from Reserve Bank of India (RBI) on September 22, 2014. The object of the Company is to undertake infrastructure debt fund activities i.e. re-financing existing debt of infrastructure companies, thereby creating fresh headroom for banks to lend to new infrastructure projects.

02 SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions of the 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The company complies with the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve bank of India (RBI) for non-deposit taking Non-banking Finance Companies (NBFC-ND) and other directives issued by RBI from time to time. The accounting policies adopted in preparation of financial statements are consistent with those followed in the previous year.

Operating cycle is the normal time between acquisition of assets and their realisation in cash or cash equivalents. Since normal operating cycle cannot be identified, it is assumed to have a duration of twelve months for the purpose of classification of its assets and liabilities as current and non-current.

B. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. These assumptions and estimates are based upon management's evaluation of the relevant facts and circumstances upto and as on the date of financial statements. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and any revisions or the differences between the actual results and the estimates are recognised in the current and future periods.

C. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

D. CASH FLOW STATEMENT

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

E. LOANS

In accordance with the RBI guidelines, all loans are classified under any of four categories i.e. (i) standard assets (ii) sub-standard assets (iii) doubtful assets and (iv) loss assets.

F. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation. Gains or losses arising from de-recognition of fixed assets are measured as difference between the net disposal proceeds and the fair value/cost of the assets less accumulated depreciation up to the date of disposal and are recognised in the Statement of Profit and Loss when asset is derecognised. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

G. DEPRECIATION

Depreciation is provided from the date of capitalisation, on a straight line method, over the estimated useful life of each asset as prescribed in Schedule II of the Companies Act, 2013 as follows:-

Vehicles	4 years
Computers	3 years
Office equipment (mobiles)	2 years

H. IMPAIRMENT OF ASSETS

The carrying amount of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment based on internal / external factors exists, the recoverable amount of such assets is estimated and impairment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and its value in use, which is arrived at by discounting the future cash flows to their present value, based on an appropriate discounting factor. If at the Balance Sheet date, there is indication that previously recognised impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of the depreciable historical cost and reversal of such impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

I. EXPENSE UNDER EMPLOYEE STOCK OPTION SCHEMES (“ESOS”)

The ESOS provides for grant of stock options to employees to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the Guidelines and the Guidance Note on ‘Accounting for Employees Share-based Payments’ issued by the Institute of Chartered Accountants of India, the excess, if any, of the fair value/closing market price on the day prior to the date of grant of the stock options under the ESOS over the exercise price is amortised on a straight-line method over the vesting period and is charged to the Statement of Profit and Loss as employee benefits expense. In case the vested stock options expires unexercised, the balance in stock options outstanding is transferred to the general reserve. In case the unvested stock options get lapsed / cancelled, the balance in stock option outstanding account is transferred to the Statement of Profit & Loss.

J. INVESTMENTS

Investments that are readily realisable and are 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. Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

K. EMPLOYEE BENEFITS**Defined contribution plan**

The contribution to provident fund, superannuation fund and pension fund are considered as defined contribution plans and are charged to the Statement of Profit and Loss as they fall due, based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

The net present value of obligation towards gratuity to employees is funded and actuarially determined as at the Balance Sheet date based on the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the year.

Compensated absences

Employees are not permitted to accumulate leave. Based on the leave rules, unavailed privilege leave to the extent encashable is paid to the employees and charged to the Statement of Profit and Loss for the year.

L. BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

M. 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. In addition, the following criteria must also be met before revenue is recognised:

- Interest Income is accounted on accrual basis except in the case of non-performing loans where it is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.
- Front end fees, being in the nature of recovery of costs, on processing of loans are recognised upfront (net of Goods and Services tax) as income.
- Dividend is accounted on accrual basis when the right to receive is established.
- Profit / loss earned on sale of investments is recognised on trade date basis. Profit / loss on sale of investments is determined based on the weighted average cost for current investments and long term investments.

N. POLICY ON SEGMENT

The Company is a Non-Banking Financial Company and undertakes infrastructure debt fund activities i.e. re-financing existing debt of infrastructure companies. As such, there are no separate reportable segments (including geographical segments)

O. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year.

P. TAXES ON INCOME

Income tax expense comprises of current income tax and deferred tax. Current tax is the amount payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. The accounting treatment for income-tax in respect of the Company's income is based on Accounting Standard

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

22 on "Accounting for Taxes on Income" as notified under the Companies (Accounting Standards) Rules, 2006. The provision made for income-tax in the accounts comprises both, the current tax and the deferred tax. The deferred tax assets and liabilities for the year arising on account of timing differences are recognised in the Statement of Profit and Loss and the cumulative effect thereof is reflected in the Balance Sheet.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

As the income of the Company is exempt under section 10(47) of the Income Tax Act, 1961, no deferred tax asset/liability has been recognised from October, 2014, post obtaining registration with RBI as Infrastructure Debt Fund Non - Banking Financial Company (IDF-NBFC).

Q. PROVISIONS AND CONTINGENCIES

Contingent provision against standard assets is made at 0.40% of the outstanding standard assets, in accordance with the RBI guidelines.

The policy of provisioning against non performing loans and advances has been decided by the Management considering norms prescribed by the RBI under Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007. As per the policy adopted, the provision against non performing loans and advances are created on a conservative basis, taking into account Management's perception of the higher risk associated with the business of the Company.

R. DERIVATIVE CONTRACTS

Interest rate swaps

Interest rate swaps are booked with the objective of managing the interest rate risk on liabilities. Interest rate swaps in the nature of hedge are recorded on accrual basis and these transactions are not marked-to-market. Any resultant profit or loss on termination of the hedge swaps is amortised over the life of the swap or underlying liability, whichever is shorter.

S. OTHER PROVISIONS

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities if any, are disclosed in the notes. Contingent assets are not recognised in the financial statements.

T. GOODS AND SERVICES TAX (GST) INPUT CREDIT

GST input credit is accounted for in the books in the period in which the underlying goods/services are received and when there is no uncertainty in availing / utilising the credit.

03 SHARE CAPITAL

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NUMBER	₹	NUMBER	₹
Authorised shares				
Equity shares of ₹ 10 each	800,000,000	8,000,000,000	800,000,000	8,000,000,000
Issued, subscribed & fully paid-up shares				
Equity shares of ₹ 10 each	540,000,000	5,400,000,000	540,000,000	5,400,000,000
(Of the above, 440,000,000 equity shares are held by IDFC Financial Holding Company Limited & its nominees; IDFC Limited is the Ultimate Holding Company)				
TOTAL		5,400,000,000		5,400,000,000

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NUMBER	₹	NUMBER	₹
Outstanding at the beginning of the year	540,000,000	5,400,000,000	540,000,000	5,400,000,000
Issued during the year	-	-	-	-
OUTSTANDING AT THE END OF THE YEAR	540,000,000	5,400,000,000	540,000,000	5,400,000,000

(b) Terms / rights attached to equity shares

The Company has only one class of 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 any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The dividend proposed by the Board of Directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend. Such dividend is not recognised as a liability at the Balance Sheet date as per the provisions of revised Accounting Standards 4.

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

EQUITY SHARES	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NUMBER	% OF HOLDING	NUMBER	% OF HOLDING
IDFC Financial Holding Company Limited and its nominees	440,000,000	81.48%	440,000,000	81.48%
Housing Development Finance Corporation Limited	60,000,000	11.11%	60,000,000	11.11%
SBI Life Insurance Company Limited	40,000,000	7.41%	40,000,000	7.41%

(d) Movement in stock options granted under the ESOS is as under:

	AS AT	AS AT
	MARCH 31, 2018	MARCH 31, 2017
	NUMBER	NUMBER
Outstanding as at beginning of the year	6,443,000	3,901,000
Add: Granted during the year	-	2,542,000
Less: Exercised during the year	-	-
Less: Lapsed / forfeited during the year	2,400,000	-
OUTSTANDING AS AT THE END OF THE YEAR	4,043,000	6,443,000
Exercisable at the end of the year	1,010,750	975,250
Range of exercise prices (₹)	10	10
Weighted average exercise price (₹)	10	10
Weighted average remaining contractual life of the option (years)	4.47	3.54
Weighted average fair value of an option (₹)	4.72	4.79

The fair value for the above impact analysis is estimated on the date of grant using the Black-Scholes model with the following assumptions:

Variables	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
1. Risk Free Interest Rate		7.50%
2. Expected Life	No Options granted During the year	4.69
3. Expected Volatility		44.83%
4. Dividend Yield		-
5. Price of the underlying share in market at the time of the option grant		10.00

Had the Company followed fair value method of accounting of employee stock option, the impact of fair value method on net profit and earnings per share is as follows:

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Net Profit (as reported)	864,946,648	708,415,057
Less: Impact of incremental cost under fair value approach	610,660	14,576,081
Net Profit: (pro-forma)	864,335,988	693,838,977
Basic earnings per share (as reported) (in ₹)	1.602	1.312
Basic earnings per share (pro-forma) (in ₹)	1.601	1.285
Diluted earnings per share (as reported) (in ₹)	1.587	1.297
Diluted earnings per share (pro-forma) (in ₹)	1.586	1.271

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

04 RESERVES AND SURPLUS (REFER NOTE 32)

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
(a) Special Reserve u/s. 45-IC of RBI Act, 1934		
Opening balance	226,040,000	84,040,000
Add : Transferred from surplus in Statement of Profit and Loss	173,000,000	142,000,000
CLOSING BALANCE	399,040,000	226,040,000
(b) Surplus in the Statement of Profit and Loss		
Opening balance	897,663,988	331,248,931
Profit for the year	864,946,648	708,415,057
Less: Transfer to Special Reserve u/s. 45-IC of RBI Act, 1934	173,000,000	142,000,000
CLOSING BALANCE	1,589,610,636	897,663,988
TOTAL RESERVES AND SURPLUS	1,988,650,636	1,123,703,988

05 LONG-TERM BORROWINGS

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Debentures (non convertible) (secured) [see note (a), (b) below and note 35]	33,710,000,000	-	19,150,000,000	-
TOTAL LONG-TERM BORROWINGS	33,710,000,000	-	19,150,000,000	-

- (a) The above borrowings are secured by way of mortgage of freehold land and a first floating pari passu charge by way of hypothecation of receivables of the Company arising out of its investments, loans, current assets, loans and advances, both present and future, excluding investments in and other receivables from subsidiaries and affiliates of the IDFC group and lien marked assets.
- (b) In terms of the RBI circular (Ref No. DNBR.PD. 008 / 03.10.119 / 2016-17 dated September 01, 2016) no borrowings remained overdue as on March 31, 2018. (Previous Year ₹ Nil).

06 LONG-TERM PROVISIONS

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Contingent provision against standard assets [see note (a) & (b) below]	168,810,997	107,313,061
	168,810,997	107,313,061

- (a) A contingent provision against standard assets has been created at 0.40% of the outstanding standard assets (Ref. No. DNBR.PD. 008 / 03.10.119 / 2016-17 dated September 01, 2016).

- (b) Movement in contingent provision against standard assets during the year is as under:

Opening balance	107,313,061	48,070,351
Additions during the year	61,497,936	59,242,710
CLOSING BALANCE	168,810,997	107,313,061

07 SHORT-TERM BORROWINGS

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Commercial papers (unsecured)		
Face value	2,250,000,000	1,900,000,000
Less: Unexpired discount [see note (a) below]	22,193,197	13,147,210
	2,227,806,803	1,886,852,790

- (a) Unexpired discount on commercial papers is net of ₹ 22,880,053 (Previous Year ₹ 14,247,190) which is charged to profit and loss account during the year
- (b) Maximum balance outstanding during the year ₹ 3,250,000,000 (Previous Year ₹ 1,900,000,000)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

08 TRADE PAYABLES

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Total outstanding dues of micro enterprises and small enterprises (see note 28)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,386,480	990,818
Others	1,094,267	1,039,245
TOTAL	2,480,747	2,030,063

09 OTHER CURRENT LIABILITIES

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Interest accrued but not due on borrowings	1,214,045,796	668,969,560
Statutory dues	3,092,263	2,604,190
Other liabilities	542,593	378,443
Payable for employee benefits	35,317,551	28,513,115
TOTAL	1,252,998,203	700,465,308

10 TANGIBLE ASSETS

	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	BALANCE AS AT APRIL 1, 2017	ADDITIONS	DISPOSALS	BALANCE AS AT MARCH 31, 2018	BALANCE AS AT APRIL 1, 2017	DEPRECIATION CHARGE FOR THE YEAR	ON DISPOSALS	BALANCE AS AT MARCH 31, 2018	BALANCE AS AT MARCH 31, 2018	BALANCE AS AT MARCH 31, 2017
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Freehold Land	382,500	-	-	382,500	-	-	-	-	382,500	382,500
(Refer note below)										
(Previous year)	(382,500)	-	-	(382,500)	-	-	-	-	(382,500)	-
Vehicles (owned)	7,911,136	4,505,619	-	12,416,755	3,702,675	2,834,236	-	6,536,911	5,879,844	4,208,461
(Previous year)	(6,182,910)	(1,728,226)	-	(7,911,136)	(1,796,596)	(1,906,079)	-	(3,702,675)	(4,208,461)	-
Computers	513,747	249,467	-	763,214	174,126	220,285	-	394,411	368,803	339,621
(Previous year)	(179,213)	(334,534)	-	(513,747)	(15,630)	(158,496)	-	(174,126)	(339,621)	-
Office Equipments	352,752	90,366	-	443,118	109,105	155,984	-	265,089	178,029	243,647
(Previous year)	(18,875)	(333,877)	-	(352,752)	(3,290)	(105,815)	-	(109,105)	(243,647)	-
TOTAL TANGIBLE ASSETS	9,160,135	4,845,452	-	14,005,587	3,985,906	3,210,505	-	7,196,411	6,809,176	5,174,229
(previous year)	(6,763,498)	(2,396,637)	-	(9,160,135)	(1,815,516)	(2,170,390)	-	(3,985,906)	(5,174,229)	-

Note: The free hold land has been mortgaged in favour of Debenture Trustees against the secured debentures issued by the Company.

11 LOANS (CONSIDERED GOOD, UNLESS STATED OTHERWISE) (SEE NOTE 24)

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
	₹	₹	₹	₹
Rupee loans [see note (a), (b) and (c) below]	27,180,259,998	1,839,088,072	19,282,177,996	971,997,744
Debentures [see note (a), (b), (c) and (d) below]	12,765,144,126	418,257,232	6,393,252,422	180,837,243
TOTAL	39,945,404,124	2,257,345,304	25,675,430,418	1,152,834,987
(a) The above amount includes:				
Secured [see note 11(b)]	39,945,404,124	2,257,345,304	25,675,430,418	1,152,834,987
Unsecured	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

- (b) The above loans are secured by:
- (i) Hypothecation of assets and / or
 - (ii) Mortgage of property and / or
 - (iii) Trust and retention account and / or
 - (iv) Assignment of receivables or rights and / or
 - (v) Pledge of shares
- Of the above, the creation/perfection of security is under process for loans amounting to ₹ 193 crores

- (c) The classification of loans under the RBI guidelines is as under:

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
(i) Standard assets	42,202,749,428	26,828,265,405
(ii) Sub-standard assets	-	-
(iii) Doubtful assets	-	-
(iv) Loss assets	-	-
TOTAL	42,202,749,428	26,828,265,405

- (d) Debentures (Redeemable)
(Other than group companies)

	AS AT MARCH 31, 2018				AS AT MARCH 31, 2017			
	FACE VALUE (₹)	QUANTITY	VALUE (₹)	COUPON (%)	FACE VALUE (₹)	QUANTITY	VALUE (₹)	COUPON (%)
Ashoka Highways (Durg) Limited	100,000	20,000	1,889,763,780	9.40	100,000	20,000	1,973,753,280	9.40
Bangalore Elevated Tollway Limited	97,075	11,949	1,135,200,000	9.05	-	-	-	-
East-North Interconnection Company Limited	1,000,000	600	619,430,090	9.25	1,000,000	600	621,936,975	9.25
GP Wind Jangi Private Limited	1,000,000	500	486,666,667	9.25	-	-	-	-
Hyderabad Yadgiri Tollway Private Limited	100,000	19,797	1,979,700,000	9.50	100,000	11,937	1,193,700,000	9.50
Jodhpur Pali Expressway Limited	10,000	144,565	1,441,300,000	9.35	-	-	-	-
Kudgi Transmission Limited	1,000,000	895	941,305,892	9.14	-	-	-	-
NK Toll Road Limited	100,000	5,000	427,087,574	10.20	100,000	5,000	470,875,762	10.20
NRSS Xxxi (B) Transmission Limited	1,000,000	1,041	1,062,755,751	8.52	-	-	-	-
Renew Akshay Urja Private Limited	1,000,000	500	497,195,122	8.70	-	-	-	-
Renew Wind Energy Jath Limited	937,916	1,090	1,010,679,449	9.75	966,741	1,090	1,050,644,635	9.75
Shreenathji - Udaipur Tollway Private Limited	100,000	10,000	997,500,000	8.60	-	-	-	-
Ulundurpet Expressways Private Limited	97,500	7,087	694,817,033	9.90	98,000	7,087	699,404,518	9.90
MVR Infrastructure Tollways Limited	-	-	-	-	9,582	59,000	563,774,495	10.05
TOTAL			13,183,401,358				6,574,089,665	

12 LONG TERM LOANS AND ADVANCES-OTHERS (UNSECURED, CONSIDERED GOOD, UNLESS STATED OTHERWISE)

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Advance payment of income tax (net of provision for tax of ₹ 12,180,500, Previous year ₹ 12,180,500)	464,870,688	173,647,462
TOTAL	464,870,688	173,647,462

13 CURRENT INVESTMENTS

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Investment in mutual funds (unquoted; at lower of cost and fair value, unless stated otherwise)		
749,822.273 units of IDFC Cash Fund-Direct Plan-Growth (previous year 634,348.210 units) (Face value per unit ₹ 1,000)	1,580,000,000	1,252,772,423
TOTAL	1,580,000,000	1,252,772,423
Aggregate amount of investments in unquoted investments		
Cost	1,580,000,000	1,252,772,423
Market value	1,582,282,084	1,253,297,744

Market value of investments in unquoted mutual funds represents the repurchase price of the units issued by the mutual funds

14 CASH AND CASH EQUIVALENTS (SEE NOTE 24)

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Balance with bank:		
In current account	320,093,903	32,193,364
TOTAL	320,093,903	32,193,364

15 SHORT-TERM LOANS AND ADVANCES (CONSIDERED GOOD, UNLESS STATED OTHERWISE)

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Prepaid expenses	6,280,060	5,184,643
Supplier Advance	87,367	84,857
Employee Advance	-	17,350
Less: Provision for doubtful advance	-	(17,350)
Other Advance (see note 22 and 24)	850,512	321,272
Balances with government authorities - cenvat credit receivable	1,671,256	561,312
TOTAL	8,889,195	6,152,084

16 OTHER CURRENT ASSETS (CONSIDERED GOOD, UNLESS STATED OTHERWISE)

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Interest accrued on loans	110,964,983	54,794,319
Interest receivable on debentures	52,080,307	17,365,924
TOTAL	163,045,290	72,160,243

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

17 REVENUE FROM OPERATIONS

	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
	₹	₹
Interest [see note (a) below]	3,203,206,842	1,863,425,300
Other financial services -Fees	56,148,985	62,468,051
Profit on sale of current investments	105,820,147	143,426,862
TOTAL	3,365,175,974	2,069,320,213
(a) Details of interest income		
Interest on loans [see note (i) below]	3,203,206,842	1,862,319,265
Interest on deposits (see note 24)	-	1,106,035
TOTAL	3,203,206,842	1,863,425,300

(i) Interest on loans includes interest on debentures & bonds of ₹ 875,227,282 (Previous Year ₹ 429,439,967).

18 EMPLOYEE BENEFITS EXPENSE

	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
	₹	₹
Salaries	101,073,492	67,486,113
Contribution to gratuity funds (see note 22 (ii))	1,838,698	1,935,198
Contribution to provident and other funds (see note 22 (i))	6,454,904	5,971,101
Staff welfare expenses	1,701,541	869,043
TOTAL	111,068,635	76,261,455

19 FINANCE COSTS

	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
	₹	₹
Interest expense		
(i) Borrowings (see note 24)	2,261,793,524	1,180,469,281
(ii) Others-Interest on delayed payment of taxes	-	29,381
Other borrowing cost (see note 24)	18,977,266	13,706,325
TOTAL	2,280,770,790	1,194,204,987

20 PROVISIONS AND CONTINGENCIES

	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
	₹	₹
Contingent provision against standard assets (see note 6)	61,497,936	59,242,710
TOTAL	61,497,936	59,242,710

21 OTHER EXPENSES

	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
	₹	₹
Professional fees	3,261,875	2,097,163
Rates and taxes	3,776,269	2,024,180
Repairs & maintenance	3,178,732	2,315,599
Insurance charges	(9,268)	1,914
Travelling and conveyance	1,961,491	1,578,063
Printing and stationery	34,730	53,886
Communication costs	552,567	480,545
Stamp duty and registration fees	9,900	7,550
Directors' sitting fees	1,600,000	1,050,000
ESOP compensation to Non executive Director	2,011,200	-
Shared service cost [see note (a) below & note 24]]	13,750,388	14,720,514
Contribution towards corporate social responsibility (CSR) (see note 24 & note 33)	8,294,400	3,170,870
Auditor's remuneration (b)	1,937,192	1,313,285
Advertising & publicity	329,216	121,440
Miscellaneous expenses	2,992,768	90,605
TOTAL	43,681,460	29,025,614

(a) Shared service costs includes amount paid to fellow subsidiaries ₹ 13,810,713, (previous year ₹ 14,720,514) and amount recovered (net of payments made) from ultimate holding company ₹ 60,325, (previous year ₹ Nil) towards a Service Level Agreement.

(b) Breakup of Auditors' remuneration

Audit fees	500,000	400,000
Tax audit fees	100,000	50,000
Other Services	1,306,500	860,000
Out-of-pocket expenses	30,692	3,285
	1,937,192	1,313,285

22 In accordance with Accounting Standard 15 on 'Employee Benefits' specified under Section 133 of the Companies Act, 2013, the following disclosures have been made:

i. The Company has recognised the following amounts in the Statement of Profit and Loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
	₹	₹
Provident fund	3,814,749	3,373,958
Superannuation fund	428,742	347,933
Pension fund	2,211,413	2,249,211

ii. The details of the Company's post - retirement benefit plans for gratuity for its employees are given below which are certified by the actuary and relied upon by the auditors:

	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
	₹	₹
Change in the defined benefit obligations:		
Liability at the beginning of the year	24,191,126	19,857,027
Current service cost	2,514,443	1,972,460
Interest cost	1,824,966	1,666,024
Liabilities assumed on acquisition	930,823	-
Benefits paid	(46,277)	-
Actuarial loss/(gain)	(1,493,757)	695,615
Liability at the end of the year	27,921,324	24,191,126

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
	₹	₹
Fair value of plan assets:		
Fair value of plan assets at the beginning of the year	24,512,398	16,343,078
Expected return on plan assets	1,824,812	1,295,529
Assets acquired on Acquisition/(Distributed on Divestiture)	697,299	-
Contributions	1,951,701	5,770,418
Benefits paid	(46,277)	-
Actuarial gain on plan assets	(584,334)	1,103,373
Fair value of plan assets at the end of the year	28,355,599	24,512,398
Amount recognised in the Balance sheet under 'Other current liabilities'-payable to Gratuity Fund	-	-
Amount recognised in the Balance Sheet under 'Loans and advances'	434,275	321,272
Actual return on plan assets :		
Expected return on plan assets	1,824,812	1,295,529
Actuarial gain on plan assets	-	-
Actual return on plan assets	1,240,478	2,398,902
Amount recognised in the Balance Sheet:		
Liability at the end of the year	27,921,324	24,191,126
Fair value of plan assets at the end of the year	28,355,599	24,512,398
Amount recognised in the Balance sheet under 'Other current liabilities'-payable to Gratuity Fund	-	-
Amount recognised in the Balance Sheet under 'Loans and advances'	434,275	321,272
Expense recognised in the Statement of Profit and Loss :		
Current service cost	2,514,443	1,972,460
Interest cost	1,824,966	1,666,024
Expected return on plan assets	(1,824,812)	(1,295,529)
Net actuarial (gain)/loss recognised during the year	(909,423)	(407,758)
Losses/(gains) on acquisition/divestiture	233,524	-
Expense recognised in the Statement of Profit and Loss under 'Employee benefits expense'	1,838,698	1,935,197
Reconciliation of the Asset/(liability) recognised in the Balance Sheet:		
Opening net asset / (liability)	321,272	(3,513,949)
Expense recognised	1,838,698	1,935,197
Contribution by the Company	1,951,701	5,770,418
Expected employer's contribution next year	2,000,000	2,000,000
Experience adjustments:		
Defined benefit obligation	27,921,324	24,191,126
Plan assets	28,355,599	24,512,398
Recoverable on short settled Liability on divestiture	-	-
Surplus/(Deficit) before contribution	434,275	321,272
Contribution made by Company	-	-
Surplus/(Deficit)	434,275	321,272
Experience adjustments on plan liabilities	(528,325)	(212,912)
Experience adjustments on plan assets	(583,334)	1,103,373
Investment pattern:		
Insurer managed funds	28,355,599	24,512,398
Principal assumptions:		
Discount rate (p.a.)	7.95%	7.15%
Expected rate of return on assets (p.a.)	7.50%	7.50%
Salary escalation rate (p.a.)	8.00%	8.00%

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

23 The Company is engaged in business of non banking financial services. As such, there are no separate reportable segments (including geographical segments) as per Accounting Standard 17 on 'Segment Reporting' specified u/s 133 of Companies Act, 2013.

24 As per Accounting Standard 18 on 'Related Party Disclosures' as specified u/s 133 of Companies Act, 2013, the related parties of the Company are as follows:

- I. **Ultimate Holding Company:** IDFC Limited
- II. **Holding company:** IDFC Financial Holding Company Limited
- III. **Fellow Subsidiaries**
 - i) IDFC Bank Limited
 - ii) IDFC Foundation
 - iii) IDFC Asset Management Company Limited
- IV. **Key Management personnel:**
 - i) Sadashiv S. Rao - Chief Executive Officer
 - ii) Sanjay Ajgaonkar - Chief Financial Officer
 - iii) Amol Ranade - Company Secretary

The nature and volume of transactions carried out with the above related parties in the ordinary course of business is as follows:

NAME OF RELATED PARTY, NATURE OF RELATIONSHIP & PARTICULARS	AS AT	AS AT
	MARCH 31, 2018	MARCH 31, 2017
	₹	₹
A ULTIMATE HOLDING COMPANY		
1 IDFC Limited		
I Expense		
Shared services cost expense (*)	111,732	-
Shared services cost recovery (*)	(172,057)	-
Interest expenses on Non Convertible Debentures issued	11,396,121	-
Charges paid for use of hardware (*)	181,198	92,343
II Assets / Transactions		
Shared service cost recoverable (*)	172,057	-
III Liabilities / Transactions		
Non Convertible Debentures issued and outstanding	495,000,000	-
Interest on Non Convertible Debentures issued	11,396,121	-
B HOLDING COMPANY		
1 IDFC Financial Holding Company Limited		
I Liabilities / Transactions		
Outstanding equity share capital	4,400,000,000	4,400,000,000
C FELLOW SUBSIDIARIES		
1 IDFC Bank Limited		
I Income		
Interest on Fixed deposits	-	1,106,035
Processing fees on loan reimbursed	8,126,150	4,785,908
Gain on unwinding of Interest Rate Swap	400,000	-
II Expense		
Shared services cost expense (*)	13,810,713	14,412,154
Arranger fees paid (*)	1,734,863	583,878
III Assets/Transactions		
Fixed deposits placed	-	177,000,000
Fixed deposits matured	-	1,198,000,000
Assignment of third party loans	1,005,083,562	736,206,821
Receivable on fair value of swap book	-	122,810
Balance in current account	320,092,274	31,680,248
Iv Off balance-sheet exposure		
Interest Rate swap (Notional principal)	-	850,000,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

NAME OF RELATED PARTY, NATURE OF RELATIONSHIP & PARTICULARS	AS AT	AS AT	
	MARCH 31, 2018	MARCH 31, 2017	
	₹	₹	
2 IDFC Foundation			
I Expense			
Contribution towards corporate social responsibility (CSR)	8,294,400	3,170,870	
3 IDFC Asset Management Company Limited			
I Expense			
Charges paid for use of hardware / server (*)	153,043	16,685	
(*) The amounts exclude Goods and Services tax /service tax expensed out in the statement of profit and Loss			
D REMUNERATION TO KEY MANAGEMENT PERSONNEL:			
(i) Sadashiv S Rao - Chief Executive Officer	Remuneration paid	30,659,659	25,844,532
(ii) Sanjay Ajgaonkar -Chief Financial Officer	Remuneration paid	8,341,121	7,887,641
(iii) Amol Ranade - Company Secretary	Remuneration paid	2,503,418	3,001,194

25 In accordance with Accounting Standard 20 on 'Earnings Per Share' specified u/s 133 of Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014:

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
Profit after tax (₹)	864,946,648	708,415,057
Weighted average number of shares for computation of basic earnings per share	540,000,000	540,000,000
Weighted average number of shares for computation of diluted earnings per share	544,957,098	546,019,488
Basic earnings per share (₹)	1.60	1.31
Diluted earnings per share (₹)	1.59	1.30
Nominal value per share (₹)	10	10

The reconciliation between the basic and the diluted earnings per share is as follows

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
Basic earnings per share (₹)	1.60	1.31
Effect of outstanding stock options	(0.0146)	(0.0145)
Diluted earnings per share (₹)	1.59	1.30

The basic earning per share has been computed by dividing the net profit after tax for the year available for equity shareholders by the weighted average number of equity shares for the respective years, whereas the diluted earning per share has been computed by dividing the net profit after tax for the year available for equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding stock options for the respective years. The relevant details as described above are as follows:

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
Weighted average number of shares for computation of basic earnings per share	540,000,000	540,000,000
Dilutive effect of outstanding stock options	4,957,098	6,019,488
Weighted average number of shares for computation of diluted earnings per share	544,957,098	546,019,488

26 Contingent liabilities and commitments (to the extent not provided for):

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
A Contingent liabilities		
(i) Claims not acknowledged as debts in respect of :		
Income-tax demands under appeal (net of amounts provided)	14,898,246	-
B Capital commitments		
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	2,063,249	-

27 The Company has unwound interest rate swaps in the nature of 'fixed / floating' or 'floating / fixed' for notional principal during current year. The amount of ₹ Nil outstanding as on March 31, 2018 (Previous Year ₹ 850,000,000) for varying maturities linked to various benchmarks for asset liability management and hedging. (Refer note 24)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

28 DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	Nil	Nil
b) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

The above information takes into account only those suppliers whose response to inquiries made by the Company for this purpose has been received.

29 The following additional information is disclosed in terms of the RBI circular (Ref No. DNBR.PD. 008 / 03.10.119 / 2016-17 dated September 01, 2016) and RBI circular DNBR(PD) CC No. 053 / 03.10.119 / 2015-16 :

(a) Capital to risk assets ratio (CRAR):

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
i) CRAR (%)	22.09%	28.96%
ii) CRAR - Tier I Capital (%)	21.60%	28.49%
iii) CRAR - Tier II Capital (%)	0.49%	0.47%
iv) Amount of Subordinated Debt considered as Tier-II Capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

(b) Details of Investments are set out below:

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
1 VALUE OF INVESTMENTS		
(i) Gross Value of Investments		
(a) In India	1,580,000,000	1,252,772,423
(b) Outside India	-	-
	(A) 1,580,000,000	1,252,772,423
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
	(B) -	-
(iii) Net Value of Investments		
(a) In India	1,580,000,000	1,252,772,423
(b) Outside India	-	-
	(A-B) 1,580,000,000	1,252,772,423
2 MOVEMENT OF PROVISIONS HELD TOWARDS DEPRECIATION ON INVESTMENTS.		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-offs / write-back of excess provisions during the year	-	-
(iv) CLOSING BALANCE	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(c) Investor group wise classification of all investments (Current and Long Term) in shares and securities (both Quoted and Unquoted):

		AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
		MARKET VALUE / BREAKUP VALUE / FAIR VALUE / NAV	BOOK VALUE NET OF PROVISION	MARKET VALUE / BREAKUP VALUE / FAIR VALUE / NAV	BOOK VALUE NET OF PROVISION
1	Related parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	1,582,282,084	1,580,000,000	1,253,297,744	1,252,772,423
	TOTAL	1,582,282,084	1,580,000,000	1,253,297,744	1,252,772,423

(d) Disclosure on Risk exposure on derivatives

(A) Qualitative disclosures:

- (a) Structure and organisation for management of risk in derivatives trading, the scope and nature of risk measurement, risk reporting and risk monitoring systems, policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

The Company undertakes transactions in interest rate swaps for hedging the interest rate risks on the balance sheet. These include the hedging of interest rate on fixed rate rupee denominated liabilities.

The Company's derivative transactions are governed by the foreign exchange and interest rate risk management policy, as approved by the Board. The risk limits are set up and reviewed periodically and the actual exposures are monitored against the limits allocated to the various counterparties. These limits are set up taking into account counterparty assessment and market factors.

The derivative transactions are originated by Resources Group in compliance with the limits as per the Company's policy and the RBI guidelines. The Risk team independently monitors the risk limits associated with the derivative transactions and appraises the Asset Liability Management Committee (ALCO) and the Risk Management Committee of the Board (RMC) for the compliance with the policy on derivatives. The Finance team undertakes the activities of trade confirmation, settlement and accounting.

- (b) Accounting policy for recording hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts:

Interest rate swaps are booked with the objective of managing the interest rate risk on liabilities. Interest rate swaps in the nature of hedge are recorded on accrual basis and these transactions are not marked-to-market. Any resultant profit or loss on termination of the hedge swaps is amortised over the life of the swap or underlying liability, whichever is shorter.

(B) Quantitative disclosures:

- (a) Disclosure in respect of Interest Rate Swaps (IRS) is set out below:**

		AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
(i)	Notional principal of swap agreement	-	850,000,000
(ii)	Losses which could be incurred if counterparty failed to fulfil their obligations under the agreement	-	122,810
(iii)	Collateral required by the Company upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	Fair value of the swap book	-	122,810

(b) Disclosure on risk exposure in Derivatives

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
(i) Quantitative disclosure on risk exposure in derivatives		
1 Derivatives (Notional Principal Amount)		
(a) For Hedging	-	850,000,000
2 Marked to Market positions		
(a) Asset (+)	-	122,810
(b) Liability (-)	-	-
3 Credit exposure	-	8,622,810
4 Unhedged exposure	-	-

(e) Securitisation / Assignment

The Company has not under taken any transactions of Securitisation/Assignment in the current and in the previous year and hence the related disclosures are not applicable to the Company.

(f) Details of non-performing financial assets purchased / sold and accounts subjected to restructuring:

The Company has not undertaken any transactions for purchase/sale of NPA's in the current and in the previous year and hence the related disclosure are not applicable to the Company.

(g) Asset Liability Management Maturity pattern of certain items of assets and liabilities

Current year										₹
PARTICULARS	1 DAY TO 30/31 DAYS (ONE MONTH)	OVER ONE MONTH TO TWO MONTHS	OVER TWO MONTHS TO THREE MONTHS	OVER THREE MONTHS TO SIX MONTHS	OVER SIX MONTHS TO ONE YEAR	OVER ONE YEAR TO THREE YEARS	OVER THREE YEARS TO FIVE YEARS	OVER FIVE YEARS	TOTAL	
Deposits	-	-	-	-	-	-	-	-	-	
Advances (net)	90,067,316	44,860,194	402,811,066	588,695,058	1,130,911,671	6,206,523,331	7,063,230,578	26,675,650,214	42,202,749,428	
Investments	1,580,000,000	-	-	-	-	-	-	-	1,580,000,000	
Borrowings	496,824,665	1,238,796,863	492,185,275	-	-	7,050,000,000	23,340,000,000	3,320,000,000	35,937,806,803	
Foreign Currency assets	-	-	-	-	-	-	-	-	-	
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	
Previous year										₹
PARTICULARS	1 DAY TO 30 / 31 DAYS (ONE MONTH)	OVER ONE MONTH TO TWO MONTHS	OVER TWO MONTHS TO THREE MONTHS	OVER THREE MONTHS TO SIX MONTHS	OVER SIX MONTHS TO ONE YEAR	OVER ONE YEAR TO THREE YEARS	OVER THREE YEARS TO FIVE YEARS	OVER FIVE YEARS	TOTAL	
Deposits	-	-	-	-	-	-	-	-	-	
Advances (net)	69,797,687	36,524,573	164,903,602	331,315,937	550,293,189	3,654,276,639	4,672,509,477	17,348,644,301	26,828,265,405	
Investments	1,252,772,423	-	-	-	-	-	-	-	1,252,772,423	
Borrowings	996,094,942	644,574,862	246,182,986	-	-	-	16,840,000,000	2,310,000,000	21,036,852,790	
Foreign Currency assets	-	-	-	-	-	-	-	-	-	
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by auditors.

(h) Exposures to real estate sector (Based on amounts sanctioned):

This disclosure is not applicable to the Company as there are no exposures, direct or indirect to real estate sector as at March 31, 2018 and as at March 31, 2017.

(i) Exposures to Capital Market

This disclosure is not applicable to the Company as there are no exposures to capital market as at March 31, 2018 and as at March 31, 2017.

(j) Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company

During the years ended March 31, 2018 and March 31, 2017, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(k) Borrower group-wise classification of assets financed:

	₹	
	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	NET OF PROVISION (*)	NET OF PROVISION (*)
1 Related parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	42,033,938,431	26,720,952,344
TOTAL	42,033,938,431	26,720,952,344

(*) Net of provision for standard assets

(l) Unsecured advances

The Company has not given any unsecured advances in the current year and in the previous year.

(m) Registration obtained from other financial regulators

The Company has not obtained registrations from other financial sector regulators.

(n) Penalties / fines imposed by the RBI

During the year ended March 31, 2018 there was no penalty imposed by the RBI and other regulators (Previous Year ₹ Nil).

(o) Provisions and Contingencies

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Break up of 'Provisions and Contingencies' shown under the head 'Expenses' in the Statement of Profit and Loss	-	-
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	-	-
Other Provision and Contingencies	-	-
Provision for Standard Assets	168,810,997	107,313,061
	168,810,997	107,313,061

(p) Drawdowns from Reserves

The Company has not undertaken any drawdown from reserves during the current year and previous year and hence the related disclosures are not applicable to the Company.

(q) Concentration of Advances

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Total Advances to twenty largest borrowers	27,710,475,046	21,644,289,796
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	65.7%	80.7%

(r) Concentration of Exposures

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	₹	₹
Total Exposure to twenty largest borrowers / customers	27,710,475,046	21,644,289,796
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	65.7%	80.7%

(s) Concentration of Non Performing Assets (NPAs) / Sectorwise NPAs / Movement in NPAs

The Company did not have any NPAs in the current year and in the previous year and hence the related disclosures are not applicable to the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(t) The information on Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) is given below:

NAME OF THE JOINT VENTURE/ SUBSIDIARY	FOR THE YEAR ENDED MARCH 31, 2018		
	OTHER PARTNER IN THE JV	COUNTRY	TOTAL ASSETS
	Nil	Nil	Nil
NAME OF THE JOINT VENTURE/ SUBSIDIARY	FOR THE YEAR ENDED MARCH 31, 2017		
	OTHER PARTNER IN THE JV	COUNTRY	TOTAL ASSETS
	Nil	Nil	Nil

(u) The information on off balance sheet SPV sponsored (which are required to be consolidated as per accounting norms):

	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
	Nil	Nil

(v) Debentureholder' complaints :

(a) No. of complaints pending at the beginning of the year	Nil
(b) No. of complaints received during the year	Nil
(c) No. of complaints redressed during the year	Nil
(d) No. of complaints pending at the end of the year	Nil

The above information is certified by management and relied upon by the auditors.

30 The additional information required to be disclosed in terms of RBI circular (Ref. No. RBI/2009-2010/356/IDMD/4135/11.08.43/2009-10) dated March 23, 2010 is not applicable for the Company.

31 Ratings assigned by credit rating agencies and migration of ratings during the year

(i) Name of the Rating Agency	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	Credit Analysis & Research Limited	ICRA Limited	Credit Analysis & Research Limited	ICRA Limited
(ii) Rating Assigned	AAA	AAA	AAA	AAA
(iii) Date of Rating	July 05, 2017	July 03, 2017	August 23, 2016	June 20, 2016
(iv) Rating Valid upto	July 04, 2018	July 02, 2018	August 22, 2017	June 19, 2017

The validity of the rating is subject to periodical revalidation by rating agencies.

32 There is no Debenture Redemption Reserve (DRR) created as the Non Banking Financial Companies registered with Reserve Bank of India are not required to create DRR for the privately placed debentures.

33 Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year ₹ 8,294,400 (previous year ₹ 3,170,870). Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is ₹ 8,294,400 (previous year ₹ 3,170,870), which comprise of following:

PARTICULARS	AS AT MARCH 31, 2018			AS AT MARCH 31, 2017		
	IN CASH	YET TO BE PAID IN CASH (I.E. PROVISION)	TOTAL	IN CASH	YET TO BE PAID IN CASH (I.E. PROVISION)	TOTAL
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	8,294,400	-	8,294,400	3,170,870	-	3,170,870

34 The Company is an Infra Debt Fund - Non Banking Finance Company (IDF - NBFC) registered with the Reserve Bank of India on September 22, 2014. The income of the Company, being IDF-NBFC, is exempt under section 10(47) of the Income Tax Act, 1961, with effect from October, 2014.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

35 The terms of Non convertible debentures (NCDs) issued and outstanding as of March 31, 2018 are as below

SERIES NAME	ISSUANCE DATE	MATURITY DATE	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017	NO. OF NCD (UNITS)	COUPON RATE	PAYMENT FREQUENCY- INTEREST	PAYMENT FREQUENCY- PRINCIPAL
IDFC IDF PP 1/2016	29/Sep/2015	29/Oct/2020	1,500,000,000	1,500,000,000	1,500	8.85%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 2/2016	21/Oct/2015	20/Nov/2020	1,550,000,000	1,550,000,000	1,550	8.65%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 3/2016	16/Nov/2015	1/Dec/2020	750,000,000	750,000,000	750	8.64%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 4/2016	9/Dec/2015	8/Jan/2021	750,000,000	750,000,000	750	8.55%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 5/2016	8/Jan/2016	28/Jan/2021	2,500,000,000	2,500,000,000	2,500	8.65%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 6/2016	22/Mar/2016	22/Apr/2021	1,030,000,000	1,030,000,000	1,030	8.88%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 1/2017	14/Jul/2016	27/Jul/2021	2,090,000,000	2,090,000,000	2,090	8.75%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 2/2017	9/Aug/2016	25/Aug/2021	1,410,000,000	1,410,000,000	1,410	8.60%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 3/2017	29/Aug/2016	31/Aug/2021	1,360,000,000	1,360,000,000	1,360	8.51%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 4/2017	1/Sep/2016	7/Sep/2021	250,000,000	250,000,000	250	8.51%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 5/2017	27/Sep/2016	12/Oct/2021	2,550,000,000	2,550,000,000	2,550	8.39%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 6/2017	17/Nov/2016	30/Nov/2021	250,000,000	250,000,000	250	8.10%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 7/2017	30/Nov/2016	12/Jan/2022	600,000,000	600,000,000	600	7.35%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 8/2017	6/Dec/2016	18/Jan/2022	250,000,000	250,000,000	250	7.35%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 9/2017	1/Feb/2017	13/Apr/2022	1,500,000,000	1,500,000,000	1,500	8.00%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 10/2017	22/Mar/2017	24/May/2022	810,000,000	810,000,000	810	8.25%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 2/2018	26/Apr/2017	26/May/2022	1,010,000,000	-	1,010	8.01%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 1/2018	19/Apr/2017	19/Jul/2022	850,000,000	-	850	8.04%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 4/2018	12/Jul/2017	11/Aug/2022	1,000,000,000	-	1,000	7.94%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 3/2018	31/May/2017	18/Aug/2022	1,010,000,000	-	1,010	7.97%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 6/2018	19/Sep/2017	10/Nov/2022	3,400,000,000	-	3,400	7.73%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 5/2018	31/Aug/2017	24/Nov/2022	820,000,000	-	820	7.73%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 8/2018	18/Dec/2017	14/Feb/2023	2,650,000,000	-	2,650	8.08%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 9/2018	6/Feb/2018	21/Feb/2023	500,000,000	-	500	8.48%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 10/2018	22/Mar/2018	22/Aug/2023	2,170,000,000	-	2,170	8.49%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 7/2018	28/Nov/2017	28/Nov/2024	1,150,000,000	-	1,150	7.99%	Annually and on maturity	Bullet repayment at maturity
TOTAL NCDS ISSUED			33,710,000,000	19,150,000,000				

36 Details of SBN held and transacted during the period November 8, 2016 to December 30, 2016

The below disclosure was introduced under special circumstances and for a special period which are not relevant for the current year, hence disclosures pertain to the specified period are relevant to the comparative period only.

PARTICULARS	SBNS	OTHER DENOMINATION NOTES	TOTAL
Closing cash in hand as on November 8, 2016	Nil	Nil	Nil
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	Nil	Nil	Nil

37 Frauds reported during the year- Nil

38 The figures of the previous year have been regrouped wherever necessary, to correspond with those of the current year.

For and on behalf of the Board of Directors of
IDFC Infrastructure Finance Limited

Sunil Kakar
Director

S. S. Kohli
Director

Sadashiv S Rao
Chief Executive Officer

Sanjay Ajgaonkar
Chief Financial Officer

Amol Ranade
Company Secretary

Mumbai | April 20, 2018