



## INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

(A Govt. of India Enterprise)

8th FLOOR, HINDUSTAN TIMES BUILDING, 18&20, K.G. MARG, NEW DELHI - 110 001

### Standalone Audited Financial Results for the Half Year ended 30<sup>th</sup> September 2011

(₹ in Lacs)

	Particulars	6 months ended 30/09/2011 (Audited)	6 months ended 30/09/2010 (Audited)	As on 31/03/2011 (Audited)
1	Interest earned (a) + (b) + (c) + (d)	1,19,441.93	90,208.34	1,93,168.33
(a)	Interest / disc. On advances / bills	79,680.54	55,161.89	1,18,197.69
(b)	Income on Investments	3,105.26	10,341.01	18,453.70
(c)	Interest on FDRs with Banks	36,656.13	24,705.44	56,516.94
(d)	Others	-	-	-
2	Other Operating Income	769.99	515.06	2,027.59
3	Total Income (1+2)	1,20,211.92	90,723.40	1,95,195.92
4	Interest Expended	75,435.82	69,020.01	1,41,178.98
5	Guarantee Fee to Govt. of India	2,417.67	2,319.82	4,638.59
6	Commitment Charges, Upfront & Management fee	94.00	117.70	184.97
7	Bond Issue and Servicing Expenses	30.64	40.82	709.18
8	Operating Expenses (i) + (ii) + (iii)	1,931.02	1,539.05	2,504.48
(i)	Employees cost	424.44	165.87	381.13
(ii)	Foreign Exchange Fluctuation	959.91	762.93	610.24
(iii)	Other Operating Expenses (a) + (b) + (c) + (d)	546.67	610.25	1,513.11
(a)	Lease Rent	399.01	326.38	648.22
(b)	Establishment and other Expenses	382.22	269.22	754.49
(c)	Depreciation	15.65	13.50	25.22
(d)	Prior Period Adjustment	(250.21)	1.15	85.18
9	Total Expenditure (4+5+6+7+8) excluding provisions and contingencies	79,909.15	73,037.40	1,49,216.20
10	Operating Profit before Provisions and Contingencies (3-9)	40,302.77	17,686.00	45,979.72
11	Provisions (other than tax) and Contingencies	1,420.74	923.97	1,411.42
12	Exceptional Items	-	-	-
13	Profit (+)/Loss (-) from Ordinary Activities before Tax (10-11+12)	38,882.03	16,762.03	44,568.30
14	Tax Expense	12,648.75	5,559.56	14,988.35
15	Net Profit (+)/Loss(-) from Ordinary Activities after tax (13-14)	26,233.28	11,202.47	29,579.95
16	Extraordinary items (net of tax expense)	-	-	-
17	Net Profit (+)/ Loss (-) for the period (15-16)	26,233.28	11,202.47	29,579.95
18 (a)	Paid up equity share capital (Face Value of ₹ 10 each) (wholly owned by Govt. of India)	2,00,000.00	2,00,000.00	2,00,000.00
(b)	Share Application Money	-	-	-
19	Reserves excluding Revaluation Reserves	84,458.38	39,847.62	58,225.10
20	Analytical Ratios			
(i)	Capital Adequacy Ratio	N.A.	N.A.	N.A.
(ii)	Earning Per Share (EPS) (Not Annualised)	1.31	0.60	1.53
21	Ratios			
(a)	Return on Assets (Annualised)	2.16%	1.04%	1.31%
(b)	Debt Service Coverage Ratio	1.50	1.23	1.30
(c)	Interest Service Coverage Ratio	1.52	1.24	1.32

**Notes**

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the company in its Meeting held on 14.11.2011 and have been audited by the Statutory Auditors of the company in line with the clause 29 of the Simplified Listing Agreement for Debt Securities

2. Information on Investor's complaints pursuant to Listing Agreement for the Half Year ended 30th September 2011

	Opening Balance	Additions	Disposals	Closing Balance
No. of complaints	0	12968	9980	2988

3. Auditors observations on accounts for the half year ended 30th September 2011 which has an impact on Profit & loss account is as under -

As per the announcement issued by The Institute of Chartered Accountants of India (ICAI) regarding Accounting for Derivatives the company is required to provide for losses in respect of all outstanding derivatives contracts at the balance sheet date by marking them to market except in respect of forward contracts which are to be accounted for in accordance with the provisions of AS-11, 'The Effects of changes in Foreign Exchange Rates'.

In our opinion, the company has not provided for such mark to market losses amount not ascertained, on certain outstanding derivative contracts, i.e. Interest Rate Swaps

Management explanation to the above is as under -

The company has undertaken composite contracts i.e. Interest Rate Swap cum forward exchange contracts to hedge risks relating to floating interest rates as well as foreign exchange fluctuations on foreign currency borrowings of ₹ 3,37,351.52 lacs as on 30th September 2011. As per the Mark-to-Market (M2M) valuations furnished by the counter party banks and verified by the other valuer on the above composite contracts, the net M2M loss as on 30th September 2011 amounts to ₹ 6635.78 lacs (Gross loss ₹ 11092.15 lacs less gross gain of ₹ 4456.37 lacs) and M2M loss as on 30th September 2010 amounts to ₹ 9952.27 lacs (i.e. gross loss ₹ 10,442.19 lacs less gross gain ₹ 489.92 lacs). The M2M losses on Interest Rate Swaps (IRS) is not being accounted for in the books of accounts as the underlying liability designated with swap is also not carried at lower of cost or market value in the financial statements and the M2M loss relating only to IRS cannot be computed separately and provided for as required by the announcement of ICAI on Accounting for Derivatives as the company had entered into composite contracts for hedging and the interest payable to counter-parties also includes amount of premium, if any, which has not been mentioned/ identified separately in the composite contracts.

5. The Company's main business is to provide finance for Infrastructure Projects and the company does not have more than one reportable segment in terms of Accounting Standard No. 17 issued by the Institute of Chartered Accountants of India.

6. Return on Assets has been calculated by dividing Profit after Tax by Average Assets (Average Assets is simple average of Opening & Closing Balance of Total Assets). Formula used for computation of coverage ratios (i) DSCR = Earning before interest, depreciation and Tax / (interest + guarantee fee + commitment charges + Bond issue & servicing expenses) (ii) ISCR = Earning before interest, depreciation and Tax / interest cost.

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

Date : 14.11.2011  
Place : New Delhi

S.K. Goel  
Chairman and Managing Director