



IIFCL MUTUAL FUND (IDF)

Annual Report



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TRUSTEE REPORT

REPORT OF THE BOARD OF TRUSTEES OF IIFCL MUTUAL FUND (IDF), THE TRUSTEE TO THE UNITHOLDERS OF THE SCHEMES OF IIFCL MUTUAL FUND (IDF) FOR THE YEAR ENDED 31st MARCH 2015.

The Board of Trustees of IIFCL Mutual Fund, the Trustee to IIFCL Mutual Fund (IDF) (“the Fund”) has pleasure in presenting the second annual report and the audited accounts of the scheme of IIFCL Mutual Fund for the year ended March 31, 2015.

1. BRIEF BACKGROUND OF THE TRUST, SPONSOR, TRUSTEES AND THE ASSET MANAGEMENT COMPANY (AMC)

IIFCL MUTUAL FUND (IDF)

As per the estimated infrastructure investment out lay of USD 1 Trillion during the 12th Five Year Plan the infrastructure projects require cost effective and long-term financing for the growth of Infrastructure sector and capital formation. To address the issue, the Government of India has allowed for setting-up of Infrastructure Debt Funds (IDFs) through the NBFC route regulated by RBI and the other through the Mutual Fund (MF) route regulated by SEBI.

Contribution of IDFs to Indian infrastructure

The contribution of IDFs to Indian infrastructure could be summed up as following:

- IDFs are expected to provide additional funding for infrastructure projects and help bridge the gap in debt financing.
- The costs and tariffs of infrastructure services would go down as a result of the lower-cost, long-term debt provided by IDFs.
- Additionally, banks might increasingly getting constrained by their exposure norms relating to sectors, borrowers and projects. IDFs are expected to take over a fair volume of the existing bank debt that will release an equivalent volume for fresh lending to infrastructure projects.
- IDFs would help accelerate the evolution of a secondary market for bonds.
- Besides supporting infrastructure development, IDFs may also provide long term investment opportunities to the insurance and pension funds, domestic as well as foreign.

India Infrastructure Finance Company Ltd (IIFCL) had chosen the SEBI regulated MF route and constituted IIFCL Mutual Fund (IDF) (the “Mutual Fund”) as a Trust in terms of the Trust Deed dated 17 August, 2012 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). The Trust Deed has been duly registered under the Indian Registration Act, 1908. SEBI as on 24 January, 2013 registered IIFCL Mutual Fund (IDF) under Registration No. 071/13/01.

SPONSOR

India Infrastructure Finance Company Ltd (IIFCL) is the sponsor of IIFCL Mutual Fund (IDF). IIFCL was incorporated under the Companies Act, 1956 as a wholly-owned Government of India company on 5th January, 2006 as a Special Purpose Vehicle and commenced operations from April, 2006 to provide long term financial support to infrastructure projects in India through Direct Lending, Subordinate Debt, Takeout Finance and Credit Enhancement. IIFCL has been registered as a NBFC-ND-IFC with RBI since September 2013.

IIFCL is a strategic investor in the maiden scheme “IIFCL Infrastructure Debt Fund Series-I” with investment of ₹ 130 crore.

BOARD OF TRUSTEES OF IIFCL MUTUAL FUND (IDF)

The Sponsor has appointed a Board of Trustees (the “Trustees”) for managing IIFCL Mutual Fund (IDF). The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed.

The Trustee ensures that the Mutual Fund and the Schemes floated are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the Security and Exchange Board of India (SEBI), the Stock Exchanges, the Association of Mutual Funds in India (AMFI) and other regulatory agencies.

The Board of Trustees of IIFCL Mutual Fund (IDF) are fit and proper persons as duly approved by the SEBI and comprises of:

S.No.	Name of Members	Designation
1	Shri. Sanjeev Ghai	Chairman
2	Shri. A.K Jain	Independent Trustee
3	Shri. B. Mondal	Independent Trustee (ceased to be the Trustee w.e.f. 26 June, 2014)
4	Shri K. K. Taneja	Independent Trustee (appointed as Trustee w.e.f. 26 June, 2014)
5	Shri. H.K. Parekh	Independent Trustee

THE ASSET MANAGEMENT COMPANY

IIFCL formed a 100% subsidiary company viz. IIFCL Asset Management Company Limited(IAMCL) to manage IIFCL Mutual Fund (IDF). IAMCL has been appointed as the Asset Management Company (AMC) of the IIFCL Mutual Fund (IDF) by the Trustee vide Investment Management Agreement (IMA) dated 17th August 2012, and executed between the Board of Trustees of IIFCL Mutual Fund (IDF) and IIFCL Asset Management Company Limited. It is a public limited company incorporated under the Companies Act, 1956 on 28th March 2012,

having its Registered Office at 9th Floor, Hindustan Times Building, 18 & 20, Kasturba Gandhi Marg, New Delhi – 110001 & Corporate Office at 301-312, 3rd Floor, Ambadeep Building, K G Marg, New Delhi-110001. The composition of Board of Directors as on date is as under:

S.No.	Name of Members	Designation
1	Shri. S.B Nayar	Chairman& Director
2	Dr. E.S Rao	Director & CEO
3	Shri Rajeev Mukhija	Director (ceased to be the Director w.e.f. 26 June, 2014)
4	Shri Deepak Kumar Chatterjee	Director (appointed as Director w.e.f. 26 June, 2014)
5	Shri M N Sarma	Independent Director
6	Shri A. C. Chaturvedi	Independent Director (ceased to be the Director w.e.f. 28 February, 2015)
7	Dr. Pawan Singh	Independent Director

2. INVESTMENT OBJECTIVES OF THE SCHEME

IIFCL Mutual Fund Infrastructure Debt Fund Series-I

The maiden scheme “IIFCL Mutual Fund Infrastructure Debt Fund Series-I” with maturity of 10 years was closed in February 2014 with a total corpus of ₹ 300 Crore.

The investment objective of the Scheme is to generate appreciation/wealth in capital by investing primarily in infrastructure debt instruments as permitted by Securities and Exchange Board of India (SEBI) from time to time. There is no assurance or guarantee that the objective of the scheme will be realized.

3. INVESTMENT PROCESS

The Asset Management Company has set up an Investment Committee comprising of Board of Directors of IAMCL. The investment proposals are first reviewed by the Internal Recommendation Committee with Chairman & Director, Chief Executive Officer (CEO) & Director and Chief Investment Officer (CIO) before the final approval by the Board of Directors of IAMCL.

4. SCHEME PERFORMANCE, OPERATIONS OF THE SCHEME, FUTURE OUTLOOK & INVESTOR SERVICES

SCHEME PERFORMANCE

The performance of the scheme since inception to March 31, 2015, vis-a-vis the respective benchmark indices is given in the table below:-

Name of scheme	Inception date / Allotment date	AUM (₹ in crores) (as on March 31, 2015)	NAV (₹ per Unit) (as on March 31, 2015)	Benchmark	Returns since Inception of the scheme (%) (annualised)	Benchmark returns since Inception (%) (annualised)
IIFCL Infrastructure Debt Fund Series- I	February 10, 2014	333.80	11,12,687.50	CRISIL Composite Bond Fund Index	9.94%	14.15%

Note: Past performance may or may not be sustained in the future.

OPERATIONS OF THE SCHEME

IIFCL Mutual Fund Infrastructure Debt Fund – Series I a close-ended scheme under growth option, rated “AAA idf mfs” by Brickwork and “AAA(mf-idf)” by CARE, has a tenor of 10 years and raised ₹ 300 crores (~USD 50 Million). This is the First IDF Scheme in country to be listed on Bombay Stock Exchange.

Portfolio of IIFCL Mutual Fund Infrastructure Debt Fund Series I as on 31st March, 2015:

Name of Instrument	Amount Invested (₹ in Cr)	% to Net Assets
Debt Instruments		
GVR Infra Projects Limited 13-Aug-2022 NCD	60	17.97%
Green Infra Wind Farm Assets Limited 30-Dec-2023 NCD	50	14.98%
D P Jain & Co. Infrastructure Private Limited 12-Aug-2022 NCD	40	11.98%
Emco Energy Limited 25-Sep-2022 Series I NCD	25	7.49%
Emco Energy Limited 25-Sep-2023 Series II NCD	25	7.49%
Emco Energy Limited 25-Nov-2023 Series III NCD	25	7.49%
DPJ-DRA Tollways Private Limited 06-Sep-2020 NCD	20	5.99%
Sub-Total	245	73.40%
Government Securities / Treasury Bills		
91 Days T-Bill (14-May-2015)	34.69	10.39%
91 Days T-Bill (08-May-2015)	4.96	1.49%
Sub Total	39.65	11.88%
Term Deposits		
IDBI Bank Deposits	31.79	9.52%
Andhra Bank Deposits	10.96	3.28%
Allahabad Bank Deposits	1.98	0.59%
Sub Total	44.73	13.40%
Total	329.38	98.68%
Net Receivable/Payable	4.43	
NET ASSETS	333.81	

FUTURE OUTLOOK

Based on the success of the first scheme of IIFCL Mutual Fund (IDF), activities for further fund raising has been started from various international and domestic investors.

IIFCL, the sponsor of IIFCL Mutual Fund (IDF) has already committed Rs. 200 Cr during the financial year ended 31st March, 2015.

As stipulated under SEBI Circular no. Cir/IMD/DF/2/2010 dated May 13, 2010, there were no investor complaints received during the financial year 2014-15 in respect of the Fund. The report as stipulated by SEBI is provided in **Annexure 1**.

5. SIGNIFICANT ACCOUNTING POLICIES

The Significant Accounting Policies form part of the notes to the Accounts annexed to the Balance Sheet of the scheme. The Accounting policies are in accordance with the Securities and Exchange Board of India (Mutual Funds), Regulations, 1996.

6. UNCLAIMED DIVIDEND AND REDEMPTIONS

The Fund currently runs only one scheme – IIFCL Mutual Fund Infrastructure Debt Fund Series I. The scheme is 10 years close ended Infrastructure Debt Fund which was closed on 6th February, 2014 and is offering only Growth Option.

7. STATUTORY INFORMATION

- a) The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 0.1 Lakh for setting up the Fund, and such other accretions / additions to the same.
- b) The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- c) Full Annual Report shall be disclosed on the website (www.iifclmf.com) and shall be available for inspection at the Head Office of the Mutual Fund. Present and prospective unit holder can obtain copy of the trust deed, the full Annual Report of the Fund /AMC at a price.

ACKNOWLEDGEMENT

The Trustees are grateful to its investors/unit holders for reposing faith and confidence in the Fund and express their sincere thanks to the Securities and Exchange Board of India (SEBI), Association of Mutual Funds in India (AMFI) and other Government and Regulatory authorities, Custodian, Registrars, and Bankers for their continued support, cooperation and guidance.

The Trustee also wishes to thank the Directors and employees of IAMCL for their services rendered in managing the affairs of the Fund.

For and on behalf of the Board of Trustees of IIFCL Mutual Fund (IDF)

Sd/-

Sanjeev Ghai
Chairman

Place: New Delhi

Date: 28th July, 2015

Annexure I

Redressal of Complaints received against IIFCL MUTUAL FUND INFRASTRUCTURE DEBT FUND - SERIES I during 2014-15

Name of Mutual Fund: IIFCL MUTUAL FUND INFRASTRUCTURE DEBT FUND - SERIES I
Total number of folios as on March 31, 2015 : 5

Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the year	Action on (a) and (b)										
				Resolved			Non Actionable	Pending						
				Within 30 days	30-60 days	60-180 days		Beyond 180 days	0-3 months	3-6 months	6-9 months	9-12 months		
I A	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	0	0	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0	0	0
II C	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0



CHATURVEDI & CO.

Chartered Accountants

Suit No. 523, DLF Tower B, Plot No. 11 Jasola
New Delhi-110025

Tel : 011-45595200, Telefax : 011-26942441

email : delhichaturvedico@gmail.com; baid.dr@gmail.com

Website : www.chaturvedico.com

Contact : CA D.R. BAID, FCA, FCS Partner, Mob : 9811028541

INDEPENDENT AUDITOR'S REPORT

**TO THE BOARD OF DIRECTORS OF
IIFCL Asset Management Company Limited**

Board of Trustees of IIFCL Mutual Fund (IDF) – Infrastructure Debt Fund Scheme

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **IIFCL MUTUAL FUND - INFRASTRUCTURE DEBT FUND SERIES-I (the "Scheme")** which comprise the Balance Sheet as at March 31, 2015, Revenue Account and 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

The Management of Board of Trustees of **IIFCL MUTUAL FUND (IDF) and IIFCL ASSET MANAGEMENT COMPANY LIMITED (the "Investment Manager")** are responsible for the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with accounting policies and standards as specified in the Ninth and Eleventh Schedules of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ('the SEBI Regulations') and in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the said Regulations for safeguarding the assets of the Scheme 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the SEBI Regulations, the accounting and auditing standards and matters which are required to be included in the audit report under the SEBI Regulations.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial

control relevant to the Scheme'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, but not for the purpose of expressing an opinion on whether the Scheme has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Scheme's Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the SEBI Regulations 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 Scheme as at March 31, 2015 and its surplus and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. B 1.1 in Schedule 7 of the standalone financial statements wherein the Management of the AMC has explained its rationale regarding accounting standards issued by the Institute of Chartered Accountants of India as not being applicable to mutual funds.

Our opinion is not qualified in respect of this matter.

Report on Regulatory Requirements

As required by Regulation 55 read with Clause 5 of the Eleventh Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme.
- c) The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this Report have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

For CHATURVEDI & CO.

Chartered Accountants
Firm Registration No. 302137E

Sd/-

CA Dhanraj Baid

Partner
Membership No.010517

New Delhi
Date : 28/07/2015

BALANCE SHEET AS AT MARCH 31, 2015

	Schedule	IIFCL MUTUAL FUND INFRASTRUCTURE DEBT FUND SERIES I	
		As at 31.03.2015 ₹	As at 31.03.2014 ₹
LIABILITIES			
Unit Capital	1	3,000,000,000	3,000,000,000
Reserves & Surplus	2	338,065,929	31,058,746
Current Liabilities and Provisions	3	11,367,950	5,365,895
		3,349,433,879	3,036,424,641
ASSETS			
Investments	4	2,875,665,450	2,666,468,700
Deposits	5	447,310,679	367,089,131
Other Current Assets	6	26,457,750	2,866,810
		3,349,433,879	3,036,424,641
Notes to Accounts	7		

As per our attached report of even date

FOR CHATURVEDI & CO.
Chartered Accountants
ICAI Firm's Registration
No. 302137E

Sd/-
CA Dhanraj Baid
Partner
Membership No.: 010517

New Delhi
Date : July 28, 2015

For and on behalf of
Board of Trustees of
IIFCL Mutual Fund (IDF)

Sd/-
Sanjeev Ghai
Chairman

Sd/
K. K. Taneja
Trustee

For and on behalf of
IIFCL Asset Management
Company Limited

Sd/-
S. B. Nayar
Chairman & Director

-Sd/-
E.S. Rao
Director and CEO

Sd/-
P. P. Panda
Chief Investment Officer

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

	Schedule	IIFCL MUTUAL FUND INFRASTRUCTURE DEBT FUND SERIES I	
		As at 31.03.2015 ₹.	As at 31.03.2014 ₹
INCOME & GAINS			
Discount on T Bill		134,209,681	26,045,793
Interest on fixed deposit and securities		185,357,693	10,073,918
Change in net unrealised gain in the value of investments		29,758,416	-
		349,325,790	36,119,711
EXPENSES & LOSSES			
Management fees		35,869,038	3,748,279
Service tax on management fees		4,433,419	463,287
Transfer agents fees and expenses		112,356	18,597
Custodian fees and Transaction charges		37,398	4,697
Statutory Audit Fees		171,000	168,540
Internal Audit Fees		151,686	151,686
Other operating expenses		77,425	19,326
Insurance Expenses		689,967	80,807
Investor Education Expenses		636,770	82,854
Loss on sale/redemption of investments (net)		139,547	-
Provision/(Reversal) for diminution in value of investment		-	322,893
		42,318,606	5,060,965
Net income as per revenue account		307,007,184	31,058,746
Retained surplus brought forward		31,058,746	-
- Balance unrealised appreciation reserve, end of year/period		29,435,523	-
- Balance unrealised appreciation reserve, beginning of year/period		-	-
Net change in unrealised appreciation in value of investments transferred (to)/ from unrealised appreciation reserve on Investments		(29,435,523)	-
Add/(Less): Income Equalisation Account		-	-
Retained Surplus / (Deficit) carried forward to Balance sheet		308,630,407	31,058,746
Notes to Accounts	7		

The schedules referred to the above and the notes to accounts form an integral part of the accounts.

As per our attached report of even date

FOR CHATURVEDI & CO.
Chartered Accountants
Firm's Registration
No. 302137E

Sd/-
CA Dhanraj Baid
Partner
Membership No.: 010517

New Delhi
Date : July 28, 2015

For and on behalf of
Board of Trustees of
IIFCL Mutual Fund (IDF)

Sd/-
Sanjeev Ghai
Chairman

Sd/-
K. K. Taneja
Trustee

For and on behalf of
IIFCL Asset Management ICAI
Company Limited

Sd/-
S. B. Nayar
Chairman & Director

Sd/-
E.S. Rao
Director and CEO

Sd/-
P. P. Panda
Chief Investment Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

IIFCL MUTUAL FUND INFRASTRUCTURE DEBT FUND SERIES I		
	Year ended 31.03.2015 ₹	Period ended 31.03.2014 ₹
A. Cash flow from Operating Activity		
Excess of income and gains over expenses and losses	307,007,184	31,058,746
Add / (Less): Unrealised Gain / loss provided / written back	(29,758,416)	322,893
Operating Profit Before Working Capital Changes	277,248,767	31,381,638
Adjustments for:-		
(Increase)/Decrease in Other Current Assets	(23,590,939)	(2,866,810)
(Increase)/Decrease in Investments	(259,659,883)	(3,033,880,724)
Increase/(Decrease) in Current Liabilities and Provisions	6,002,054	5,365,896
Net Cash Generated From / (used in) Operating Activities(A)	0.00	(3,000,000,000)
B. Cashflow from Financing Activities		
Increase/(Decrease) in Unit Corpus	-	3,000,000,000
Net Cash Used in Financing Activities(B)	-	3,000,000,000
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B)	0.00	0.00

Note: The above cashflow statement has been prepared under the indirect method set out in Accounting Standard 3 - Cash Flow Statement, issued by The Institute of Chartered Accountants of India (ICAI).

As per our attached report of even date

FOR CHATURVEDI & CO.
Chartered Accountants
ICAI Firm's Registration
No. 302137E

Sd/-
CA Dhanraj Baid
Partner
Membership No.: 010517

For and on behalf of
Board of Trustees of
IIFCL Mutual Fund (IDF)

Sd/-
Sanjeev Ghai
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Sd/
K. K. Taneja
Trustee

For and on behalf of
IIFCL Asset Management
Company Limited

Sd/-
S. B. Nayar
Chairman & Director

-Sd/-
E.S. Rao
Director and CEO

New Delhi
Date : July 28, 2015

Sd/-
P. P. Panda
Chief Investment Officer

PERSPECTIVE HISTORICAL PER UNIT STATISTICS

		IIFCL MUTUAL FUND INFRASTRUCTURE DEBT FUND SERIES I	
		As at 31.03.2015 ₹	As at 31.03.2014 ₹
a.	Net assets value, at the end of the period	1,112,687.4953	1,010,352.9152
b.	Gross Income		
(i)	Income other than profit on sale of investments	106522.4581	12039.9037
(ii)	Income from profit / (loss) on inter scheme sales/ transfer of investment	-	-
(iii)	Income from profit / (loss) on sale of investment to third party	(46.5155)	-
(iv)	Transfer to revenue account from past years' reserve	-	-
c.	Aggregate of expenses, write off, amortisation and charges (excluding change in unrealised depreciation in investments)	14059.6866	1579.3575
d.	Net Income (excluding change in unrealised depreciation in investments)	92466.8180	10511.1081
e.	Unrealised appreciation / (depreciation) in value of investments	9811.8408	(107.6310)
f.	Redemption Price:		
	Highest Price Growth Option	1,112,687.4953	1,010,352.9152
	Lowest Price Growth Option	1,016,770.4545	1,000,743.8034
	Purchase Price (no purchase of units was made during the year or in the preceeding year)		
	Highest Price Growth Option	1,112,687.4953	1,010,352.9152
	Lowest Price Growth Option	1,016,770.4545	1,000,743.8034
g.	Price Earning Ratio @	NA	NA
h.	Ratio of expenses to average daily net assets by percentage	1.33%	1.14%
i.	Ratio of gross income to average daily net assets by percentage (excluding transfer to revenue account from past years' reserve but including unrealised appreciation / depreciation on investments).	10.98%	1.18%

The per unit calculations are based on the number of units outstanding at the end of the financial year/period.

@ Price Earning Ratio is not applicable since the units of the scheme being closed are not traded.

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2015

IIFCL MUTUAL FUND INFRASTRUCTURE DEBT FUND SERIES I

Schedules	As at 31.03.2015		As at 31.03.2014	
	Units	₹	Units	₹
1				
UNIT CAPITAL				
Initial capital issued and subscribed: Units of ₹10 lakh each fully paid up	3,000	3,000,000,000	3,000.000	3,000,000,000
Outstanding: Opening Balance	3,000	3,000,000,000	3,000	3,000,000,000
Unit Capital at the end of the year / period Growth Option	3,000	3,000,000,000	3,000	3,000,000,000
Unit Capital at the end of the year / period	3,000	3,000,000,000	3,000	3,000,000,000
2				
RESERVES AND SURPLUS				
Retained Surplus Brought forward from Revenue Account		308,630,407		31,058,746
Closing balance		308,630,407		31,058,746
Unrealised Appreciation Reserve on Investments Opening balance		-		-
Less: Reversed during the year / period		-		-
Add: Unrealised appreciation as at year / period end		29,435,523		-
Closing balance		29,435,523		-
		338,065,929		31,058,746

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2015

Schedules	IIFCL MUTUAL FUND INFRASTRUCTURE DEBT FUND SERIES I	
	As at 31.03.2015	As at 31.03.2014
	₹	₹
	As at	As at
	31.03.2015	31.03.2014
3		
CURRENT LIABILITIES & PROVISIONS	₹	₹
Management Fees Payable	8,202,399	3,373,452
Statutory Audit Fees Payable	171,000	168,540
Internal Audit Fees Payable	151,686	-
Custodian fees and Expenses payable	13,242	4,697
Registrar's Fees and Expenses payable	37,204	18,597
Service Tax payable on Management fees	1,126,457	463,287
Statutory Dues Payable (TDS Payable)	911,379	374,828
Other Payable	68,524	879,641
Current Liabilities Sub-Total (A)	10,681,892	5,283,041
Provisions		
Provision for Investor Education and Awareness Initiatives	686,058	82,854
Provisions Sub-Total (B)	686,058	82,854
Total (A+B)	11,367,950	5,365,895

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2015

IIFCL MUTUAL FUND INFRASTRUCTURE DEBT FUND SERIES I						
Schedules	As at 31.03.2015		As at 31.03.2014			
	₹	₹	₹	₹	Cost	Market/Fair value
4	INVESTMENTS					
	(Refer Note 4 to Notes to Accounts)					
	Bonds & Debentures					
		1,873,237,200	-	-		
		605,939,200	-	-		
		396,489,050	2,666,791,593	2,666,468,700		
		2,846,229,928	2,875,665,450	2,666,791,593	2,666,468,700	
5	DEPOSITS					
	Fixed Deposits with Scheduled Banks					
		447,310,679				367,089,131
		447,310,679				367,089,131
6	OTHER CURRENT ASSETS					
	Balances with banks in current account					
		5,949				-
	Outstanding and accrued income (Interest accrued but not due on fixed deposit and securities)					
		26,383,430				2,238,987
	Advance, Deposits, etc. (TDS receivable)					
		68,371				627,823
		26,457,750				2,866,810

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2015 AND THE REVENUE ACCOUNT FOR THE YEAR APRIL 1, 2014 TO MARCH 31, 2015

Schedule 7: Statement of Significant Accounting Policies and Notes forming part of the financial statement of IIFCL Mutual Fund (IDF) for the year ended 31st March 2015.

A Background

In conformity with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the Regulations), IIFCL Asset Management Limited has been set up to act as the Asset Management Company (AMC) to IIFCL MUTUAL FUND (Fund). In terms of the Investment Management Agreement (IMA) dated 17th August 2012, entered into between IIFCL Mutual Fund's Board of Trustees and the AMC, the AMC has been appointed as the Investment Manager to the Schemes of the Fund. This Mutual Fund has got only one closed ended Infrastructure debt scheme series-I which was issued in the financial year 2013-14,

India Infrastructure Finance Company Ltd is the sponsor of IIFCL Mutual Fund (IDF).

Scheme Name	Date of Launch	NFO period NFO period	Date of Allotment	Investment Objective
IIFCL Mutual Fund Infrastructure Debt Fund Series I	31-Dec-13	31-Dec.-13 - 10-Feb.-14	10-Feb-14	The investment objective of the Scheme is to generate appreciation in capital by investing in various permissible instruments/ securities belonging to the Infrastructure Sector.

B Significant Accounting Policies

1.1 Preparation of Financial Statements of the Scheme

The financial statements of the Scheme have been prepared in accordance with the requirements of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the "SEBI Regulations"), the Ninth and Eleventh Schedules which lay down the accounting policies and standards to be adopted and the disclosures to be made.

The Expert Advisory Committee (the "EAC") of the Institute of the Chartered Accountants of India ("ICAI") have opined that the Accounting Standards on Cash Flow Statement ("AS-3"), Segment Reporting ("AS-17") and Related Party Disclosures ("AS-18") issued by the ICAI are applicable to the financial statements of schemes of mutual funds. The management of the Investment Manager and the Trustee Company are of the opinion that mutual funds are governed by a self-contained regulatory framework, i.e. the SEBI Regulations, based on which the financial statements have been prepared.

The preparation of financial statements in conformity with the SEBI Regulations requires the use of certain critical accounting estimates. It also requires the Board of Directors of the Investment Manager to exercise its judgment in the process of applying the Fund's accounting policies.

1.2 Unit Capital

Unit Capital represents the net outstanding units as at the Balance Sheet date.

Upon issue and redemption of units, the net premium or discount to the face value of units is credited or debited respectively to the Unit Premium Reserve account, after adjusting an appropriate portion of the sale / repurchase price to the Income Equalisation account.

1.3 Investments

a) Accounting for investment transactions

Transactions for purchase of investment are accounted on the date of the transaction at cost including transaction costs as applicable but excluding custodian transaction charges. The front end fee receivable, if any, is reduced from the cost of such investment. Bonus entitlements are recognized as investments on the 'ex-bonus date'. Rights entitlements are recognized as investments on the 'ex-rights date'.

Transactions for sale of investments are recorded at sale price.

b) Valuation of investments

During the year/period, the Fund has valued its investments in accordance with the Regulations, as amended from time to time in valuing the Scheme's investments:

Fixed Income and related securities

Category	Policy
Traded Assets	<p><u>For securities with residual maturity >60 days:</u></p> <ul style="list-style-type: none"> At valuation prices provided by CRISIL or any other agency for individual securities (without any discretionary spread) In case prices not available as mentioned above: At weighted average YTM <p><u>For securities with residual maturity <= 60 days:</u></p> <ul style="list-style-type: none"> At weighted average YTM <p>A security will qualify as traded security if:</p> <ul style="list-style-type: none"> <u>For securities with residual maturity >1 Year:</u> At least two trades and aggregate volume of INR 25 crores face value or more on a public platform <u>For securities with residual maturity <= 1 Year :</u> At least five trades and aggregate volume of INR 250 crores face value or more on a public platform <p><u>Note:</u></p> <ul style="list-style-type: none"> Outlier trades, if any, will be ignored after suitable justification by Fund Managers.
Non-traded Assets	<p><u>For securities with residual maturity <= 60 days:</u></p> <ul style="list-style-type: none"> Assets to be amortized on straight line amortization as long as their valuation remains within $\pm 0.10\%$ band of the price derived from the reference rate for each bucket (reference rate for every 15-day bucket will be provided by CRISIL or other agencies) In case of amortised value falling outside the above band, the YTM of the asset will have to be adjusted in order to bring the price within the $\pm 0.10\%$ band with suitable justification <p><u>For securities with residual maturity >60 days:</u></p> <ul style="list-style-type: none"> Valuation prices provided by CRISIL or any other agency for individual securities (without any discretionary spread) In case prices not available as mentioned above:

Category	Policy
Inter-scheme Transfers Self-Trades	<ul style="list-style-type: none"> • CRISIL Bond Valuer. No cap on illiquidity premium / discounts. • Illiquidity changes: <ul style="list-style-type: none"> o Fund Manager will freeze the credit spread of each security at the time of purchase. This credit spread can be changed based on primary market supply, significant trading activity in the secondary market in same or similar assets, prospects of a credit event, etc. o Any security specific change in credit spread (>20 bp) will be documented with suitable justification <p>Any portfolio wide change to credit spreads having regard to prevalent matrix yields will also be documented.</p> <p>Inter-Schemes transfers would not be done</p> <p>A self-traded security having a single trade with face value of at least INR 5 crore, will be recognized at weighted average YTM for valuation across all schemes.</p>

Equity and related securities

Asset Class	Traded / Non Traded	Basis of Valuation
Equity Shares, Preference Shares, Equity Warrants	Traded	On the valuation day, at the last quoted closing price on the National Stock Exchange (NSE)/ Bombay Stock Exchange (BSE) or other stock exchange, where such security is listed. If not traded on the primary stock exchange, the closing price on the other stock exchange will be considered. NSE will be the primary stock exchange.
	Non Traded	<ol style="list-style-type: none"> 1. When a security is not traded on any stock exchange on the date of valuation, then the previous closing price on NSE / any other SE will be used, provided such closing price is not exceeding a period of 30 calendar days. 2. In all other cases <ol style="list-style-type: none"> a. Equity Shares: Valuation price will be in accordance with the norms prescribed, i.e. valuation will be computed on the basis of average of book value and the price computed on the basis of the PE ratio (after appropriate discount to industry PE), further discounted for illiquidity. b. Preference Shares: Intrinsic value will be considered c. Equity Warrants / Rights entitlement / partly paid up rights shares: Valuation price will be arrived, after applying appropriate discount (valuation committee delegated the power to decide the discount factor), after reducing the exercise price / issuance price from the closing price of the underlying cash equity security. d. Demerger: Where at least one resultant company is not immediately listed, valuation price will be worked out by using cum-price, before demerger reduced for quoted price of the listed resultant company(s). OR In case of a demerger pending listing, the resultant company (s) shall be valued at the intrinsic value arrived at on the date of corporate action
	Thinly Traded	Valuation will be computed on the basis of average of book value and the price computed on the basis of the PE ratio (after appropriate discount to industry PE), further discounted for illiquidity.

Asset Class	Traded /	Basis of Valuation
Futures & Options	Traded	Definition of thinly traded equity/ equity related security: When trading in an equity/equity related security in a calendar month is both less than INR 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security On the valuation day, at the closing price provided by the respective stock exchanges.
	Non Traded	When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange.

Notes:

1. Public Platform refers to:
 - a) F-Trac: For corporate bonds / debentures, commercial papers, certificate of deposits and securitized debts
2. Following assets will be valued at cost plus accruals / amortization:
 - a) Bank Fixed Deposits
 - b) CBLO / Reverse Repo
3. Units / shares of mutual funds will be valued at the last published NAV.
4. Government Securities and Treasury Bills will be valued at prices/yield provided by CRISIL.
5. Weighted average YTM shall be rounded up to two digits after decimal point.
6. Securities with Put/Call Options
 - a) Securities with Put option/(s): At higher of the prices obtained by valuing the security to final maturity date and valuing the security to put option date/(s).
 - b) Securities with Call option/(s): At lower of the prices obtained by valuing the security to final maturity date and valuing the security to call option date/(s).
 - c) Securities with both Put/Call option: Securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly.

1.4 Revenue recognition

- a) Income on investments is recognized on accrual basis except where there is uncertainty about ultimate recovery / realisation. Such income is recognised when the uncertainty is resolved.
- b) For quoted shares, the dividend income earned by a scheme is recognized on the date the share is quoted on an ex-dividend basis. For investments in shares which are not quoted on the stock exchanges, the dividend income is recognised on the date of declaration.
- c) Interest on fixed income securities is recognised as income on a daily basis over the period of holding. Interest paid for the period from the last interest due date upto the date of purchase, is not treated as a cost of purchase, but debited to "Interest accrued but not due account". Similarly, interest received at the time of sale for the period from the last interest due date upto the date of sale is not treated as an addition to sale value but credited to "interest accrued but not due account". In respect of discounted securities, the discount to redemption value is amortised and recognised as interest income equally over the period to redemption.
- d) Profit or loss on sale of investments is recognized on the trade dates and is determined on the basis of the weighted average cost method.
- e) Discounts and premium on Debt Securities, Government Securities and T-Bills are amortized on a Straight-Line Basis over the period upto redemption.

1.5 Expenses

- All expenses are accounted for on accrual basis.

1.6 Entry Load / Exit Load

No Entry / Exit load is charged

C Notes attached to and forming part of the Financial Statements for the year ended 31st March, 2015.

1 Investments

- a) The trustees shall be accountable for, and be the custodian of the funds and property of the respective schemes and shall hold the same in trust for the benefit of the unit holders in accordance with SEBI Regulations and the provisions of trust deed. All the investments of the schemes are registered in the name of the respective scheme as per Clause 7 of the Seventh Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
- b) Investments made in companies which have invested more than five percent of the net asset value of the Scheme of IIFCL Mutual Fund (IDF) in terms of Regulation 25 (11) :
NIL
- c) Unrealized Gain / (Loss) :

IIFCL Mutual Fund Infrastructure Debt Fund - Series I	2014-2015	2013-2014
Bonds & Debentures (in ₹)	29,176,400	-
Treasury Bills (T-Bills)(in₹)	259,123	(322,893)

2 Management Fees

- a) In accordance with the terms of arrangement with Investment Manager and as per SEBI Regulations, the scheme has provided for Management Fees (Exclusive of Service Tax) and the Annualized rate as a % of the Average Daily Net Assets Value Attributable to the Unit Holders and the same is worked out as under:-

Current Year : 2014-2015	
Scheme	Growth Option
IIFCL Mutual Fund Infrastructure Debt Fund - Series I	1.27%

Note - No Trustee Ship Fees were paid during 2014-15

Previous Year : 2013-2014	
Scheme	Growth Option
IIFCL Mutual Fund Infrastructure Debt Fund - Series I	1.02%

Note - No Trustee Ship Fees were paid during 2013-14

3 Transactions with Trustees, Investment Manager, their associates and with entities controlled by Sponsors (in relation to services received by Mutual Fund).

As explained above, India Infrastructure Finance Company Ltd (IIFCL) is the sponsor of Mutual Fund. The nature of transactions with Trustees, Investment Manager, their associates and with entities controlled by Sponsors has been provided herein after.

For the purpose of making these disclosures, the meanings as described to the terms "associates" and "control" by Regulation 2(c) and 2(g) of the SEBI Regulations have been used which have been summarized below:

- 1) Associates and entities that exercise control over or are controlled by the Board of Trustee and the Investment Manager or whose director, officer or employee is a director, officer or employee of the Investment Manager;
- 2) Control means the ability to exercise not less than 10% of the voting power of an entity or the ability of the board of director of an entity to exercise control over the Investment Manager.

Investment Manager

The Board of Trustees of IIFCL Mutual Fund (IDF) has appointed IIFCL Asset Management Limited (IAMCL) as the Investment Manager for the Mutual Fund pursuant to an agreement dated 17.08.2012

The Investment Manager also provides certain secretarial and administrative services to the Mutual Fund. Under the terms of the arrangement, the Scheme pays the Investment Manager a fee not greater than as defined in the Offer Document as a % of the daily average net assets value attributable to the unit holders on each day. The Investment Manager is IAMCL (a subsidiary of IIFCL).

Broker

The Investment Manager has not appointed any broker for carrying out investment trades on behalf of the Scheme.

Transactions during the year in relation to services received by the Scheme from the Sponsor or from entities over which they exercise control and other disclosures required under Regulation 25(8) of the SEBI Regulations areas given below.

Name of the Company	Nature of Payment	2014 - 2015	% Equity Capital held by the sponsors* and its subsidiary / associates as at 31 st March, 2015.
IIFCL Asset Management Limited	Management Fees (Including Service Tax)	₹40,302,457	100%

Name of the Company	Nature of Payment	2013-2014	% Equity Capital held by the sponsors* and its subsidiary /associates as at 31 st March, 2014.
IIFCL Asset Management Limited	Management Fees (Including Service Tax)	₹4,211,567	100%

*INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

4 The aggregate value of investments purchased and sold (including redeemed) during the year/period and these amounts as a percentage of average daily net assets are as follows:

Scheme Name	Purchases 2014-2015	Sales 2014-2015	Purchase as % to average daily net assets	Sale as average daily net average daily net assets
IIFCL Mutual Fund Infrastructure Debt Fund - Series I	₹8,434,440,950	₹8,389,072,750	265.20%	263.80%

Scheme Name	Purchases 2013-2014	Sales 2013-2014	Purchase as % to average daily net assets	Sale as average daily net average daily net assets
IIFCL Mutual Fund Infrastructure Debt Fund - Series I	₹ 2,640,745,800	-	87.34%	0.00%

Note: Investment in FDs not considered in above figures.

5 Large Holding in the scheme (i.e. in excess of 25% of the Net Assets Value)

Current Year: 2014-2015

Name	Amount Invested	% Of the Net Assets Value
India Infrastructure Finance Company Limited	₹130 Cr.	43.33
Canara Bank	₹100 Cr.	33.33

Previous Year: 2013-2014

Name	Amount Invested	% Of the Net Assets Value
India Infrastructure Finance Company Limited	₹130 Cr.	43.33
Canara Bank	₹100 Cr.	33.33

6 Summary of NAV per unit.**Current Year: 2014-2015**

Scheme	Plan/Option	Net Asset Value Per Unit 31st March 2015
IIFCL Mutual Fund Infrastructure Debt Fund - Series I	Growth	₹1,112,687.4953

Previous Year: 2013-2014

Scheme	Plan/Option	Net Asset Value Per Unit 31st March 2014
IIFCL Mutual Fund Infrastructure Debt Fund - Series I	Growth	₹1,010,352.9152

7 Income and Expense ratio**Current Year : 2014-2015**

Scheme	Gross Income Ratio	Net income Ratio	Expense Ratio
IIFCL Mutual Fund Infrastructure Debt Fund - Series I	10.98%	9.65%	1.33%

Previous Year : 2013-2014

Scheme	Gross Income Ratio	Net income Ratio	Expense Ratio
IIFCL Mutual Fund Infrastructure Debt Fund - Series I	1.18%	1.03%	1.14%

- 8** There was no investment in Credit Default swaps in any of the Schemes of the Mutual Fund during the Financial Year.
- 9** Underwriting obligations undertaken by the Scheme with respect to issue of securities by associate companies during the year/period under review: Nil (Previous Year- NIL)
- 10** Devolvement during the year/period: Nil (Previous Year- NIL)
- 11** Subscription by the scheme in the issues lead managed by sponsors or its associate companies: Nil (PY- NIL)
- 12** Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager: Nil (Previous Year- NIL)
- 13** Contingent Liabilities as at 31st March 2015 are Nil (Previous Year- NIL)

- 14** No Provision for Income Tax has been made since the income of the scheme is exempt u/s 10 (23D) of the Income Tax Act, 1961.
- 15** Figures of the previous year have been regrouped or re-arranged wherever necessary to make them comparable with current year's figures.

As per Our Report of even date attached.

FOR CHATURVEDI & CO.
Chartered Accountants
ICAI Firm's Registration
No. 302137E

Sd/-
CA Dhanraj Baid
Partner
Membership No.: 010517

New Delhi
Date : July 28, 2015

For and on behalf of
Board of Trustees of
IIFCL Mutual Fund (IDF)

Sd/-
Sanjeev Ghai
Chairman

Sd/-
K. K. Taneja
Trustee

For and on behalf of
IIFCL Asset Management
Company Limited

Sd/-
S. B. Nayar
Chairman & Director

Sd/-
E.S. Rao
Director and CEO

Sd/-
P. P. Panda
Chief Investment Officer

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If undelivered, please return to:

IIFCL Asset Management Company Limited
Corporate Office: 301-312, 3rd Floor, Amba Deep Building,
14, Kasturba Gandhi Marg, New Delhi-110001.
CIN: U65991DL2012GOI233601
Ph. 011-43717125/26 Fax: 011-23737565,23730251
www.iifclmf.com, Email: complianceofficer@iifclmf.com

Mutual Fund Investments are subject to market risks, read all the scheme related documents carefully.