

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, 2019.

FINANCIAL HIGHLIGHTS (as per IndAS)

Amt in Rs. lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Total Income	44,064	33,378
Less: Total Expenses	33,751	25,049
Profit	10,313	8,329
Other Comprehensive Income	(20)	9
Total Comprehensive Income	10,293	8,338

AMOUNT TO BE CARRIED FORWARD TO RESERVES

The details of amount transferred to reserves are given in note no. 16B (a) of the Notes forming part of the financial statements.

CHANGE IN CONTROLLING EQUITY STAKE OF THE COMPANY

NIIF Infrastructure Finance Limited (“the **Company**”) has, pursuant to approval obtained from the Board of Directors at its meeting held on October 12, 2018, entered into Share Purchase Agreement dated October 30, 2018 (as amended from time to time) with IDFC Financial Holding Company Limited (“**IDFC FHCL**”), IDFC Limited and National Investment and Infrastructure Fund II (“**NIIF Fund II**”) for transfer of specified shares of the Company from IDFC FHCL to NIIF Fund II.

The Reserve Bank of India, pursuant to application made by the Company on October 31, 2018, approved change in control/ownership of the Company vide letter dated November 29, 2018. Thereafter the Company and NIIF Fund II issued Public Notice dated December 4, 2018 in the newspaper expressing intention to sell shares and effect change in control after expiry of 30 days from the date of issue of public notice.

SBI Life Insurance Company Limited (“**SBI Life**”) and Housing Development Finance Corporation Limited (“**HDFC**”) were given tag along rights along with IDFC FHCL to sell their equity stake to NIIF Fund II. HDFC decided to continue its equity holding in NIIF Infrastructure Finance Limited and SBI Life opted to exercise the

tag along right. The Share Purchase Agreement was entered between NIIF Fund II, IDFC FHCL and the Company and SBI Life on March 11, 2019.

The name of IDFC Infrastructure Finance Limited (originally incorporated as IDFC Infra Debt Fund Limited on March 7, 2014) under the Companies Act, 1956 is changed to “**NIIF Infrastructure Finance Limited**” with effect from July 11, 2019 to depict ownership of the Company.

Upon consummation of the transaction in March 2019, the shareholding of the Company is as follows:

Sr No.	Name of the Shareholder	No of shares	% of holding
1.	NIIF Fund II with its Nominees	318,000,000	58.89
2.	IDFC FHCL	162,000,000	30.00
3.	Housing Development Finance Corporation Limited	60,000,000	11.11
	Total	540,000,000	100.00

The registered office of the Company has been shifted from C-32, G- Block, Naman Chambers, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra to North Wing, 3rd Floor, UTI Tower, GN Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra with effect from July 16, 2019.

DIVIDEND

The Directors do not recommend any dividend for the financial year ended March 31, 2019 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.

The loan portfolio of the Company continues to be well-diversified across 58 assets with exposure 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.

In FY 2019, the Company’s loan book grew by 11% to Rs 4,685 crore. Profit after Tax (PAT) grew by 23.4% to Rs 102.9 crore from Rs 83.4 crore in FY 2018. The asset quality remains healthy with nil Non-Performing Assets (NPAs). The business delivered a healthy average Return of Equity (RoE) of 13.1%. The capitalisation of the company is comfortable with a Capital Adequacy Ratio of 20.9% as on March 31, 2019.

In FY 2019, the Company raised funds through the issue of long-term bonds aggregating Rs 503 crore. The total outstanding borrowings of the Company in the form of bonds as at the end of FY 2019 were Rs 3,874 crore and there are no Commercial Papers outstanding. These have been subscribed by a diversified base of investors including insurance companies, provident funds and mutual funds. The bond issuances are rated AAA by domestic credit rating agencies namely ICRA and CARE while the CPs are rated A1+ by ICRA.

FUTURE OUTLOOK

The Company expects to grow steadily over the next few years. The strategy going forward would be to grow 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 does not have any step-down subsidiary / Joint venture / Associate Company.

PARTICULARS OF EMPLOYEES

The Company had 18 employees as on March 31, 2019.

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.

EMPLOYEES' STOCK OPTION PLAN

During the year, all Employee Stock Options granted were settled. No Employee Stock Option was outstanding at the end of the year.

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) requires to provide the particulars of loans, guarantees or investments are not applicable and hence not given.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board has a “Whistle Blower Policy”, which is 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& Compliance 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 were no foreign exchange earnings during the year. The particulars regarding foreign exchange expenditure are furnished below:

Sr. No.	Nature of Expense	Amount (Rs Lacs)
1.	Travelling	13.58
2.	Director fees (Net of tax deducted at source)	00.34
	TOTAL	13.92

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 21, 2018, Mr. Sunil Kakar’s appointment as Nominee Director of IDFC Limited was confirmed. During the year, first term as an Independent

Director of Mr. S S Kohli and Mr. A K T Chari expired on October 26, 2018. They did not offer themselves to be re-appointed. Mr. Pavan Kaushal resigned as Nominee Director of IDFC Limited with effect from December 18, 2018. Board placed on the record appreciation for their contribution and guidance.

First term of Ms. Ritu Anand as an Independent Director of the Company expired on April 23, 2019. The Board of Directors appointed Ms. Ritu Anand for her Second term as an Independent Director of the Company with effect from May 7, 2019 for three consecutive years. Being her Second term, the said appointment shall be subject to approval of Shareholders at the ensuing General meeting by way of Special Resolution.

Mr. Gautam Kaji was appointed as an additional Director under the category of Independent Director with effect from July 17, 2018. During the year, Mr. Prakash Rao, Mr. Rajiv Dhar and Mr. A K T Chari were appointed as Additional Directors under the category of Nominee Directors of NIIF Fund II with effect from March 12, 2019, with the permission of Reserve Bank of India, on change in control/change in shareholding of the Company from IDFC Limited/IDFC FHCL to NIIF Fund II.

The Company has received notice from a member of the Company under Section 160 of the Companies Act, 2013, proposing the appointment of Mr. Prakash Rao, Mr. Rajiv Dhar and Mr. A K T Chari (who were appointed as Additional Directors with effect from March 12, 2019) and Mr. Gautam Kaji (who was appointed with effect from July 17, 2018) at the ensuing AGM. The Board of Directors recommends the appointment of Mr. Prakash Rao, Mr. Rajiv Dhar and Mr. A K T Chari as Nominee of NIIF Fund II; appointment of Mr. Gautam Kaji as an Independent Director with effect from July 17, 2018 for 2 years till July 16, 2021 and re-appointment of Ms. Ritu Anand as an Independent Director with effect from May 7, 2019 for 3 years till May 6, 2022

In accordance with the provisions of the Companies Act, 2013, Mr. Sunil Kakar and Mr. Suresh Menon would retire by rotation at the ensuing Annual General Meeting and are being eligible, offer themselves for reappointment.

As on March 31, 2019, 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

During the year, the Board met seven (7) times on April 20, 2018, July 17, 2018, October 12, 2018, October 26, 2018, February 21, 2019, March 8, 2019 and March 12, 2019. 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 FY19 is given in the table below.

Name of the Director	DIN	POSITION	NO OF MEETINGS HELD DURING THE FY 2019 WHICH DIRECTOR WAS SUPPOSED TO ATTEND	NO OF MEETINGS ATTENDED DURING THE FY 2019
Mr. S S Kohli ⁽¹⁾	00169907	Independent Director	4	4
Mr. A K T Chari ⁽¹⁾	00746153	Independent Director	4	4
Ms. Ritu Anand	05154174	Independent Director	7	7
Mr. Pavan Kaushal ⁽²⁾	07117387	Nominee of IDFC Limited	4	4
Mr. Sunil Kakar	03055561	Nominee of IDFC Limited	7	7
Mr. Suresh Menon	00737329	Nominee of HDFC Limited	7	7
Mr. Gautam Kaji ⁽³⁾	02333127	Independent Director	5	1
Mr. Prakash Rao ⁽⁴⁾	02888802	Nominee of NIIF Fund II	1	1
Mr. Rajiv Dhar ⁽⁴⁾	00073997	Nominee of NIIF Fund II	1	1
Mr. A K T Chari ⁽⁴⁾	00746153	Nominee of NIIF Fund II	1	1

- (1) Mr. S S Kohli and Mr. A K T Chari’s first term of appointment as Independent Directors expired on October 26, 2018 and they did not offer themselves for reappointment.
- (2) Mr. Pavan Kaushal resigned as a Nominee Director of IDFC Limited with effect from December 18, 2018.
- (3) Mr. Gautam Kaji was appointed as an Additional Director with effect from July 17, 2018.
- (4) Mr. Prakash Rao, Mr. Rajiv Dhar and Mr. A K T Chari were appointed as Additional Directors in the category of Nominee Directors of NIIF Fund II with effect from March 12, 2019.

AUDIT COMMITTEE

During the year, the Audit Committee met four (4) times on April 20, 2018, July 17, 2018, October 26, 2018 and February 21, 2019. 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 FY19 is given in the table below.

Name of the Director	DIN	POSITION	NO OF MEETINGS HELD DURING THE FY 2019 WHICH DIRECTOR WAS SUPPOSED TO ATTEND	NO OF MEETINGS ATTENDED DURING THE FY 2019
Mr. S S Kohli ⁽¹⁾	00169907	Independent Director	3	3
Mr. A K T Chari ⁽¹⁾	00746153	Independent Director	3	3
Ms. Ritu Anand ⁽⁴⁾	05154174	Independent Director	1	1
Mr. Pavan Kaushal ⁽²⁾	07117387	Nominee of IDFC Limited	3	3
Mr. Sunil Kakar ⁽⁴⁾	03055561	Nominee of IDFC Limited	1	1
Mr. Gautam Kaji ⁽³⁾	02333127	Independent Director	1	0

- (1) Mr. S S Kohli and Mr. A K T Chari's first term of appointment as Independent Directors expired on October 26, 2018 and they did not offer themselves for reappointment. Due to their retirement they ceased to be members of audit committee.
- (2) Mr. Pavan Kaushal resigned as a Nominee Director of IDFC Limited with effect from December 18, 2018. Due to his resignation he ceases to be audit committee member.
- (3) Mr. Gautam Kaji was appointed as an Additional Director with effect from July 17, 2018 and he was appointed as Audit Committee Chairman with effect from January 1, 2019.
- (4) Ms. Ritu Anand and Mr. Sunil Kakar were appointed as members of the Audit Committee with effect from January 1, 2019.

At the board meeting held on March 12, 2019, Audit Committee was reconstituted as follows:

Sr. No.	Name	Designation
1	Mr. Gautam Kaji	Chairman & Independent Director
2	Ms. Ritu Anand	Independent Director
3	Mr. Rajiv Dhar	Non-executive Director (Nominee of NIIF Fund II)

CREDIT COMMITTEE

During the year, The Credit Committee met four (4) times on June 14, 2018, October 12, 2018, October 26, 2018 and March 12, 2019. The attendance details of the Credit Committee meetings held during FY19 is given in the table below:

Name of the Director	DIN	POSITION	NO OF MEETINGS HELD DURING THE FY 2019 WHICH DIRECTOR WAS SUPPOSED TO ATTEND	NO OF MEETINGS ATTENDED DURING THE FY 2019
Mr. S S Kohli ⁽¹⁾	00169907	Independent Director	3	3
Mr. A K T Chari ⁽¹⁾	00746153	Independent Director	3	3
Mr. Pavan Kaushal ⁽²⁾	07117387	Nominee of IDFC Limited	3	3
Mr. Sunil Kakar	03055561	Nominee of IDFC Limited	4	4
Mr. Prakash Rao ⁽³⁾	02888802	Nominee of NIIF Fund II	1	1
Mr. A K T Chari ⁽³⁾	00746153	Nominee of NIIF Fund II	1	1
Ms. Varsha Purandare ⁽³⁾	-	Nominee of NIIF Fund II	1	1
Mr. Sadashiv S. Rao ⁽⁴⁾	-	CEO	1	1

- (1) Mr. S S Kohli and Mr. A K T Chari's first term of appointment as Independent Directors expired on October 26, 2018 and they did not offer themselves for reappointment. Due to their retirement they ceased to be members of credit committee.
- (2) Mr. Pavan Kaushal resigned as a Nominee Director of IDFC Limited with effect from December 18, 2018. Due to his resignation he ceases to be credit committee member.
- (3) Mr. Prakash Rao, Mr. A K T Chari and Ms. Varsha Purandare were appointed as credit committee members on March 12, 2019.
- (4) Mr. Sadashiv S. Rao was appointed as member of the credit committee with effect from January 1, 2019.

At the board meeting held on March 12, 2019, Credit Committee was reconstituted as follows:

Sr. No	Name	Designation
1	Mr. Surya Prakash Rao Pendyala	Chairman & Nominee of NIIF Fund II
2	Mr. AKT Chari	Nominee of NIIF Fund II
3	Ms. Varsha Purandare	Nominee of NIIF Fund II
4	Mr. Sunil Kakkar	Nominee of IDFC Financial Holding Company Limited (IDFC FHCL)
5	Mr. Sadashiv Rao	Chief Executive Officer

NOMINATION AND REMUNERATION COMMITTEE

During the year, The Nomination and Remuneration Committee met three (3) times on April 20, 2018, July 17, 2018 and March 12, 2019.

The attendance details of the Nomination and Remuneration Committee meetings held during FY19 is given in the table below:

Name of the Director	DIN	POSITION	NO OF MEETINGS HELD DURING THE FY 2019 WHICH DIRECTOR WAS SUPPOSED TO ATTEND	NO OF MEETINGS ATTENDED DURING THE FY 2019
Mr. A K T Chari ⁽¹⁾	00746153	Independent Director	2	2
Mr. S S Kohli ⁽¹⁾	00169907	Independent Director	2	2
Mr. Sunil Kakar	03055561	Nominee of IDFC Limited	3	3
Ms. Ritu Anand ⁽²⁾	05154174	Independent Director	1	1
Mr. Gautam Kaji ⁽²⁾	02333127	Independent Director	1	0

(1) Mr. S S Kohli and Mr. A K T Chari's first term of appointment as Independent Directors expired on October 26, 2018 and they did not offer themselves for reappointment. Due to their retirement they ceased to be members of the NRC committee.

(2) Ms. Ritu Anand and Mr. Gautam Kaji were appointed as members of the NRC with effect from January 1, 2019.

At the board meeting held on March 12, 2019, Nomination and Remuneration Committee was reconstituted as follows:

Sr. No	Name	Designation
1	Mr. Gautam Kaji	Chairman & Independent Director
2	Ms. Ritu Anand	Independent Director
3	Mr. Surya Prakash Rao Pendyala	Non-Executive Director [Nominee of National Investment and Infrastructure Fund II ("NIIF Fund II")]
4	Mr. Rajiv Dhar	Non-Executive Director (Nominee of NIIF Fund II)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During the year, The Corporate Social Responsibility Committee met one (1) time on April 20, 2018. The attendance details of the Corporate Social Responsibility Committee held during FY19 is given in the table below:

Name of the Director	DIN	POSITION	NO OF MEETINGS HELD DURING THE FY 2019 WHICH DIRECTOR WAS SUPPOSED TO ATTEND	NO OF MEETINGS ATTENDED DURING THE FY 2019
Mr. S S Kohli ⁽¹⁾	00169907	Independent Director	1	1
Mr. Sunil Kakar	03055561	Nominee of IDFC Limited	1	1
Ms. Ritu Anand	05154174	Independent Director	1	1

- ⁽¹⁾ Mr. S S Kohli's first term of appointment as Independent Director expired on October 26, 2018 and he did not offer himself for reappointment. Due to his retirement he ceased to be members of CSR committee.

At the board meeting held on March 12, 2019, Corporate Social Responsibility Committee was reconstituted as follows:

Sr. No	Name	Designation
1	Mr. Gautam Kaji	Chairman & Independent Director
2	Ms. Ritu Anand	Independent Director
3	Mr. Surya Prakash Rao Pendyala	Non-Executive Director (Nominee of NIIF Fund II)

The Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. The Company's CSR initiatives are on the focus areas approved by the Board benefitting the community. However, in view of the change in control, and the Board of the Company in the last quarter of FY 2019, the Company has not spent the last quarter's budgeted amount. For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under

Companies Act, 2013. The new Board would decide on the CSR activities for the FY2020 and the Company would endeavour to spend the complete amount on CSR activities in accordance with the statutory norms

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, separate meeting of Independent Directors held one (1) time on April 20, 2018. The attendance details of the said meeting held during FY19 is given in the table below:

Name of the Director	DIN	POSITION	NO OF MEETINGS HELD DURING THE FY 2019 WHICH DIRECTOR WAS SUPPOSED TO ATTEND	NO OF MEETINGS ATTENDED DURING THE FY 2019
Mr. A K T Chari	00746153	Independent Director	1	1
Mr. S S Kohli	00169907	Independent Director	1	1
Ms. Ritu Anand	05154174	Independent Director	1	1

RISK COMMITTEE

During the year, The Risk Committee met two (2) times on April 20, 2018 and October 26, 2018. The attendance details of the Risk Committee meetings held during FY19 is given in the table below:

Name of the Director	DIN	POSITION	NO OF MEETINGS HELD DURING THE FY 2019	NO OF MEETINGS ATTENDED DURING THE FY 2019
Mr. S S Kohli ⁽¹⁾	00169907	Independent Director	2	2
Mr. A K T Chari ⁽¹⁾	00746153	Independent Director	2	2
Mr. Pavan Kaushal ⁽²⁾	07117387	Nominee of IDFC Limited	2	2
Mr. Sunil Kakar	03055561	Nominee of IDFC Limited	2	2

- (1) Mr. S S Kohli and Mr. A K T Chari's first term of appointment as Independent Directors expired on October 26, 2018 and they did not offer themselves for reappointment. Due to their retirement they ceased to be members of Risk committee.

- (2) Mr. Pavan Kaushal resigned as a Nominee Director of IDFC Limited with effect from December 18, 2018. Due to his resignation he ceases to be Risk committee member.

At the board meeting held on March 12, 2019, Risk Committee was reconstituted as follows:

Sr. No	Name	Designation
1.	Mr. Prakash Rao	Chairman & Nominee of NIIF Fund II
2.	Mr. Rajiv Dhar	Nominee of NIIF Fund II
3.	Mr. AKT Chari	Nominee of NIIF Fund II

In addition to the above the Company has got various committees including but not limited to ALCO Committee, Finance Committee, IT Strategy Committee and Investment Committee.

BOARD EVALUATION

Board Evaluation for FY 18 was completed.

REMUNERATION POLICY

The Board had approved the Remuneration policy for the Directors, Key Managerial Personnel, Senior Management Personnel and other Employees (“Remuneration Policy”) which is formulated in line with the requirements of Companies Act, 2013. Salient features of the Remuneration Policy are as follows:

The primary objective of this Remuneration Policy is to provide a framework for the remuneration of the Directors, Key Managerial Personnel (“KMP”), Senior Management Personnel (“SMP”) and other employees of the Company.

Major Principles and Objectives of Remuneration Policy for Directors, KMP and SMP are as under:

- a. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c. To ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- d. Compensate Directors adequately for the efforts put in by them for the growth of the Company taking into consideration their significant professional expertise and rich experience across a wide spectrum of functional areas, time commitment, ensuring compliance with various statutory requirements and current competitive business environment.

- e. Help attract and retain employees
- f. Foster a culture of authentic service and prudent risk taking
- g. Evaluate and reward Performance over time
- h. Balance between market competitiveness and internal alignment
- i. Remuneration to Independent Directors

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).

SECRETARIAL AUDIT REPORT

Pursuant to section 204 of the Companies act, 2013 and the rules made thereunder, the company has appointed M/S. Himanshu Rathi & Associates, Company Secretaries in practice, as Secretarial Auditors of the Company to undertake Secretarial Audit of the Company for FY19.

During the Financial Year under report, they have reported that the Company has complied with all the provisions of the applicable Acts, Rules, Regulations, Guidelines, and Secretarial Standards etc. except following observations as mentioned herein below:

- 1. Non-disclosure of salient features of Remuneration Policy and changes therein, along with the web address of the policy in the Board's Report for the Financial Year ended 31st March 2018 pursuant to proviso to sub-section (4) of Section 178 of the Act;*
- 2. Non-furnishing of information as required under Clause 1.2.5 of Secretarial Standard-2 in the Notice of Annual General Meeting held on 21st June 2018, with respect to Mr. Sunil Kakar, Additional Director for whom a resolution for regularization as Director was proposed in the said Notice.*

Further they have commented that out of 7 Board Meetings held during the financial year under report, in case of 3 meetings, adequate notice for scheduling of meeting was not given to the Directors in compliance with Section 173(3) of the Act. Agenda and detailed notes thereon too were not sent at least seven days in advance in respect of the said meetings. However, they have confirmed that 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.

Management Reply

The management will ensure that such inadvertent omissions are avoided in future. The Management will adhere to sending notices of the board meetings and Agenda and Detailed Notes at least 7 days in advance and comply with the provisions of section 173(3) of the Companies Act, 2019.

The Secretarial Audit Report is enclosed herewith and forms part of the Directors Report.

RELATED PARTY TRANSACTIONS

In all related party transactions (RPTs) that were entered into during the financial year, an endeavor 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)(1) 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, 2019 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 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, 2019, 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, 2019 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.

ACKNOWLEDGEMENTS

We are grateful to the Government of India, State Governments, RBI, National Stock Exchange of India Limited, various Ministries and other domestic and overseas regulatory bodies for their continuous collaboration and support. We would like to thank all our Shareholders for their co-operation and assistance during the year under review. We would like to express our deep sense of appreciation for the hard work and efforts put in by the employees at all levels of the Group.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

Sd/-

Director

Director

Mumbai, August 30, 2019

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[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: NIIF Infrastructure Finance Limited (“Formerly Known as IDFC Infrastructure Finance 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: North Wing, 3rd Floor, UTI Tower, GN Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra Tel No. +91 22 68591300 (with effect from July 16, 2019)
- (vi) Whether listed company: 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:

Sl. 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

S. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	NIL				

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) Individual/HUF									
(b) Central Govt.									
(c) State Govt.									
(d) Body Corporate	439,999,994	6	440,000,000	81.48	NIL	NIL	NIL	NIL	(81.48)
(e) Banks/FI									
(f) Any Other:									
Sub Total (A) (1):	439,999,994	6	440,000,000	81.48	NIL	NIL	NIL	NIL	(81.48)
2. Foreign									
(a) NRIs Individual									
(b) Other Individuals									
(c) Body Corporate									
(d) Banks/FI									
(e) Any Other Fund									
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	NIL	NIL	NIL	NIL	(81.48)

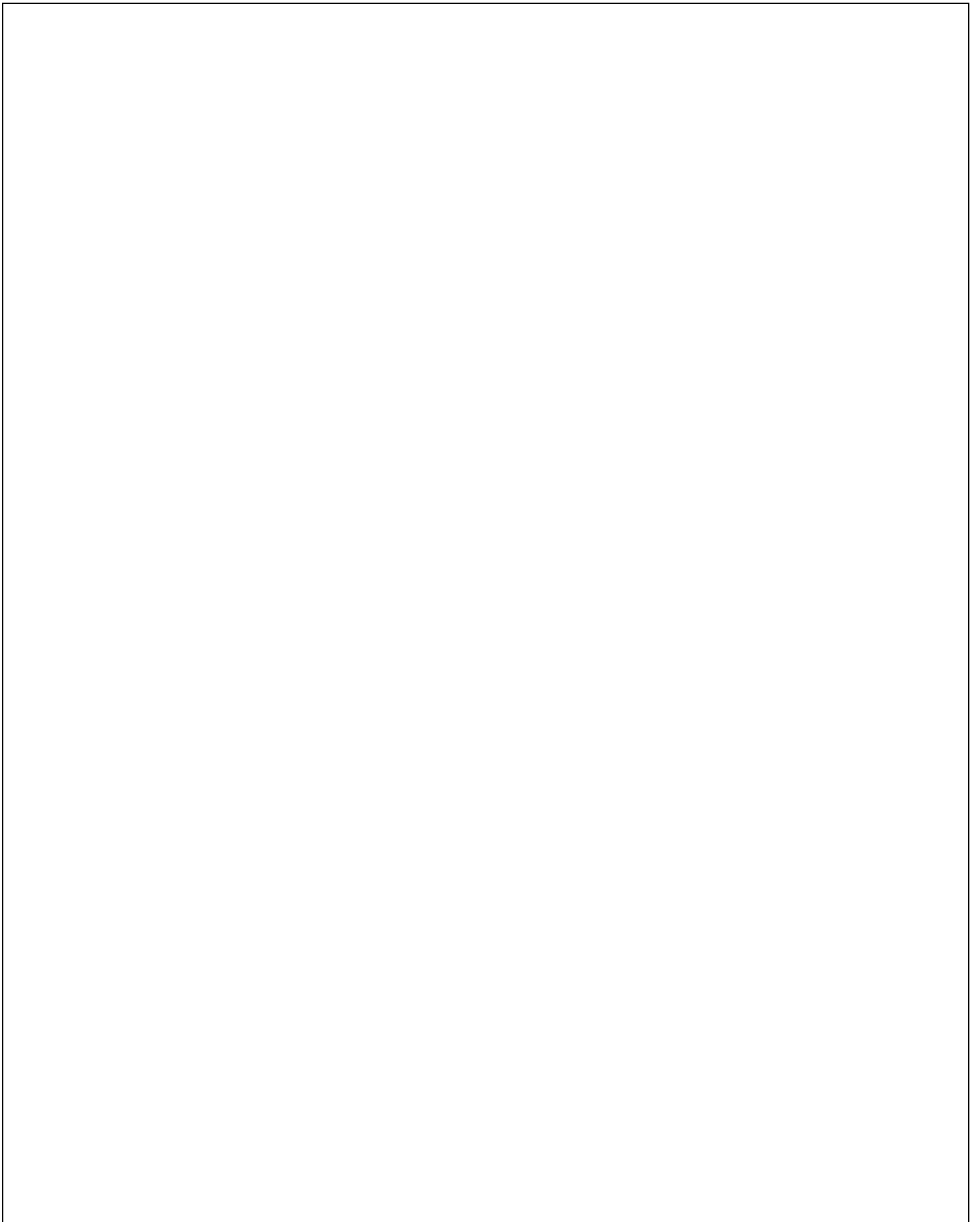
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Overseas									
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh.									
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh.									
(c) Others (specify)									
Sub Total (B) (2):	NIL	NIL	NIL	NIL	162,000,000	NIL	162,000,000	30	30
Total Public Shareholding (B) = (B)(1) + (B)(2)	100,000,000	NIL	NIL	18.52	540,000,000	NIL	540,000,000	100.00	81.48
2. 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	540,000,000	NIL	540,000,000	100	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	IDFC Financial Holding Company Limited and its nominees *	440,000,000	81.48	NIL	NIL	NIL	NIL	(81.48)
	Total	440,000,000	81.48	NIL	NIL	NIL	NIL	(81.48)

* During the year, the controlling equity stake of 51.48% (278,000,000 equity shares) in the Company have been transferred by IDFC Financial Holding Company Limited National Investment and Infrastructure Fund II (“**NIIF Fund II**”).

7.41% (40,000,000 equity shares) equity stake of the Company has been transferred by SBI Life Insurance Company Limited to NIIF Fund II. At the end of the year NIIF Fund II was equity stake holder of the Company holding 58.89% (318,000,000 equity shares) of the Company. IDFC Financial Holding Company Limited was continuing to hold 162,000,000 (30% of the equity stake) equity shares of the Company and continues to be Sponsor of the Company.



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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year IDFC Financial Holding Company Limited*	440,000,000	81.48		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	March 12, 2019 IDFC Financial Holding Company Limited	(440,000,000)	(81.48)	NIL	(81.48)
	At the End of the year			NIL	(81.48)

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year.				
	Housing Development Finance Corporation Limited.	60,000,000	11.11		
	SBI Life Insurance Company Limited	40,000,000	7.41		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):				
	March 12, 2019 National Investment and Infrastructure Fund II	278,000,000	51.48	278,000,000	51.48
	March 12, 2019 IDFC Financial Holding Company Limited	162,000,000	30.00	162,000,000	30.00

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	March 15, 2019 SBI Life Insurance Company Limited	(40,000,000)	(7.41)	NIL	NIL
	March 15, 2019 National Investment and Infrastructure Fund II	40,000,000	7.41	318,000,000	58.89
	At the End of the year (or on the date of separation, if separated during the year) National Investment and Infrastructure Fund II			318,000,000	58.89
	IDFC Financial Holding Company Limited			162,000,000	30.00
	Housing Development Finance Corporation Limited			60,000,000	11.11

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

V. INDEBTEDNESS

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

Amt in Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	337,031	22,500	-	359,531
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	12,141	-	-	12,141
Total (i+ii+iii)	349,171	22,500	-	359,531
Change in Indebtedness during the financial year				
• Addition	50,303	35,000	-	85,303
• Reduction	-	57,500	-	57,500
Net Change	50,303	92,500	-	142,803
Indebtedness at the end of the financial year				
(i) Principal Amount	387,334	-	-	387,334
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	14,802	-	-	14,802
Total (i+ii+iii)	402,136	0	0	402,136

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors:

Amt in Laacs

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	3. Independent Directors	S S Kohli	AKT Chari	Gautam Kaji	Ritu Anand	
	• Fee for attending board committee meetings	5	5	1	5	15
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	5	5	1	5	15
	4. Other Non-Executive Directors	Suresh Menon				
	• Fee for attending board committee meetings	3				3
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	3	-	-	-	3
	Total (B) = (1 + 2)	8	5	1	5	18
	Total Managerial Remuneration	8	5	1	5	18
	Overall Ceiling as per the Act*					

* Total Managerial Remuneration only includes sittings fees paid for attending board and committee meetings which is within limits set up by the Companies Act, 2013.

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

Amt in Lacs

Sl. 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	442	89	29	560
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	0
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission - as % of profit - others, specify...				
5.	Others- Contribution to provident & other Funds .	29	8	2	39
	Total (A)	471	97	32	600

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL