NIIF Infrastructure Finance Limited

Annual Report FY 2025

NIIF IFL INFRASTRUCTURE FINANCING

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NIIF IFL INFRASTRUCTURE FINANCING

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. A K T Chari
Non-Executive Director (Nominee of NIIF Fund II)

Mr. Ashwani Kumar
Independent Director

Ms. Rosemary Sebastian
Independent Director

Mr. Prashant Kumar Ghose
Independent Director

Mr. Nilesh Shrivastava
Non-Executive Director (Nominee of NIIF Fund II)

MANAGEMENT TEAM / KEY MANAGERIAL PERSONNEL

Mr. Shiva Rajaraman
Chief Executive Officer

Mr. Debabrata Mukherjee
Chief Business Officer

Mr. Ajay Singh
Chief Risk Officer

Mr. Srinivas Upadhyayula
Chief Compliance Officer & General Counsel

Mr. Sudeep Bhatia
Chief Financial Officer
(appointed w.e.f. June 25, 2024)

Mr. Ankit Sheth
Company Secretary and Compliance Officer

JOINT STATUTORY AUDITORS

MP Chitale & Co
Chartered Accountants
(end of term at 12th AGM)

GM Kapadia & Co
Chartered Accountants
(appointed w.e.f. 11th AGM)

Manohar Chowdhry & Associates
Chartered Accountants
(to be appointed w.e.f. 12th AGM)

SECRETARIAL AUDITORS

Rathi & Associates
Practicing Company Secretaries

INTERNAL AUDITOR

Ms. Archana Moghe
Head of Internal Audit

REGISTRAR & SHARE TRANSFER AGENT

For Equity Shares
MUFG Intime India Private Limited (formerly Link Intime India Private Limited)
Address: C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083
Tel: +91 22 4918 6000
E-mail: benpos@in.mpms.mufg.com

For Debentures and Commercial Paper
MCS Share Transfer Agent Limited
Address: 3B3, 3rd Floor, B-Wing, Gundecha Onclave Premises Co-op. Society Ltd., Kherani Road, Saki Naka, Andheri (E), Mumbai – 400 072
Tel: +91 9833472293
E-mail: cprabhu@mcsregistrars.com

Debenture Trustees
IDBI Trusteeship Services Limited
Address: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001
Contact: 022-40807007
Email: itsl@idbitrustee.com

CREDIT RATING AGENCIES

CARE Ratings Limited
Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E),
Mumbai - 400 022.
Email: Shweta.Agrawal@careedge.in Website: https://www.careratings.com

ICRA Limited
Address: 4th Floor, Electric Mansion, Prabhadevi, Mumbai - 400 025
Email: shivakumar@icraindia.com
Website: www.icra.in

CRISIL Ratings Limited
Address: Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai, Mumbai, Mumbai, Maharashtra, India, 400072.
Email: crisilratingdesk@crisil.com
Website: www.crisilratings.com

REGISTERED & CORPORATE OFFICE

NIIF Infrastructure Finance Limited (NIIF IFL)
Registered address: 3rd Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
CIN: U67190MH2014PLC253944
Tel: 022- 68591300
E-mail: info@niififl.in
Website: www.niififl.in

NIIF IFL INFRASTRUCTURE FINANCING

NOTICE OF 12TH ANNUAL GENERAL MEETING

Registered Office: 3rd Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra.

NOTICE IS HEREBY GIVEN THAT THE TWELFTH (12TH) ANNUAL GENERAL MEETING OF MEMBERS OF NIIF INFRASTRUCTURE FINANCE LIMITED ('NIIF IFL' OR 'THE COMPANY') WILL BE HELD ON TUESDAY, JULY 29, 2025, AT 11 A.M. ON MS TEAMS (THROUGH AUDIO-VISUAL MEANS) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. **ADOPTION OF AUDITED FINANCIAL STATEMENT**
   To receive, consider and adopt the Annual Audited Financial Statements of the Company for the financial year ended March 31, 2025, and the Report of the Board of Directors along with annexures and Auditors Reports thereon.

2. **RE-APPOINTMENT OF DIRECTOR LIABLE TO RETIRE BY ROTATION**
   To appoint a director in place of Mr. Nilesh Shrivastava (DIN: 09632942), who retires by rotation and being eligible, offers himself for re-appointment.

3. **DECLARATION OF DIVIDEND**
   To declare a dividend on equity shares @ Rs. 0.15/- per equity share of face value Rs. 10/- each, for the financial year ended March 31, 2025.

4. **APPOINTMENT OF JOINT STATUTORY AUDITORS**
   To consider and approve the appointment of M/s. Manohar Chowdhry & Associates (Firm Registration No. 001997S) as a Joint Statutory Auditor of the Company for a period of three years and remuneration to be paid to the Joint Statutory Auditors.

   To consider, and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION** with or without modification(s):

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Guidelines for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including Housing Finance Companies) dated April 27, 2021 issued by the Reserve Bank of India ("RBI"), including any amendment, modification, variation or reenactment thereof, and based on the recommendation of the Audit Committee and the Board of Directors of the Company, approval of shareholders is hereby accorded to appoint M/s. Manohar Chowdhry & Associates (Firm Registration No. 001997S) as the Joint Statutory Auditor of the Company, who being eligible for appointment as the Statutory Auditors, in terms of the applicable provisions the Act and applicable rules and the RBI Guidelines, from the conclusion of 12th Annual General Meeting till conclusion of the 15th Annual General Meeting of the Company to conduct audit of accounts of the Company for the financial year ending March 31, 2026, March 31, 2027 and March 31, 2028 respectively, at such remuneration and out of pocket expenses, as may be mutually agreed with the Company or any officer authorized by the Board."

SPECIAL BUSINESS:

5. RAISING FUNDS THROUGH NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("NCRPS") ON PRIVATE PLACEMENT BASIS.

To consider and approve the issuance of 1,50,000 Non-Convertible Redeemable Preference Shares of face value Rs. 1,00,000/- each aggregating to Rs. 1,500 crores outstanding at any point in time, in one or more tranches.

To consider, and if thought fit, to pass, the following resolution as **SPECIAL RESOLUTION** with or without modification:

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 55 and 62 and other applicable provisions of the Companies Act, 2013 ("the Act"), and the rules made thereunder and in accordance with the provisions of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read circulars issued thereunder, and RBI Master Directions, the Memorandum and Articles of Association of the Company, any other applicable laws for the time being in force, consent of the members is hereby accorded to create, offer, issue and allot, in one or more tranches 1,50,000 Non-Convertible Redeemable Preference Shares ("NCRPS") of the face value of INR 1,00,000/- (Rupees One Lakh only) each for cash at par or at a premium aggregating to a nominal value of INR 1,500 Crores (Rupees One Thousand Five Hundred Crores only) outstanding at any point in time, on a private placement basis for a period of one year, in one or more tranches.

RESOLVED FURTHER THAT the above-mentioned issuance may be made to various institutions/ entities viz. one or more companies, body corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds, trusts, society, foreign portfolio investors, qualified institutional buyers and individuals, as the case may be or such other person as may be decided by the Board and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT in accordance with the provisions of Section 55 of the Act and the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, the particulars in respect of issuance are, as under:

i. NCRPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend or repayment of capital;
ii. NCRPS shall be non-participating in the surplus funds;
iii. NCRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company;
iv. Holders of NCRPS shall be paid dividend as per the terms of each issuance;
v. NCRPS shall not be convertible into equity shares;
vi. NCRPS shall carry voting rights as per the provisions of Section 47(2) of the Act; and
vii. NCRPS shall be redeemable."

RESOLVED FURTHER THAT the Board of Directors, the Chief Executive Officer or Chief Financial Officer or Chief Compliance Officer & General Counsel or the Company Secretary of the Company are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company including filing of necessary E-Forms with the applicable regulatory authorities in this regard."

6. COMPENSATION IN THE FORM OF PROFIT-RELATED COMMISSION TO MR. AKT CHARI, NON-EXECUTIVE DIRECTOR OF THE COMPANY.

To consider and approve Compensation in the form of profit-related commission to Mr. AKT Chari, Non-Executive Director of the Company.

To consider, and if thought fit, to pass the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to sections 149(9), 197 and 198 & other applicable provisions of the Companies Act, 2013, read with rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars and guidelines issued by the Reserve Bank of India, the shareholders of the Company hereby approve profit-related commission up to Rs. 10,00,000 (Rupees Ten Lakhs only) per annum to Mr. AKT Chari, Non-Executive Director of the Company in proportion to the time served in a financial year and such commission in aggregate shall not exceed three percent of the net profits of the Company for the financial year calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, and such payments shall be made in respect of the profits of the Company for each financial year, effective from April 1, 2025.

RESOLVED FURTHER THAT the above remuneration is subject to availability of net profits at the end of each financial year and the same shall be in addition to fee payable for attending the meetings of the Board or Committee(s) thereof and reimbursement of expenses for participation in the Board and other meetings."

By Order of the Board of Directors

Ankit Sheth
Company Secretary
Membership Number: A27521

Date: July 7, 2025
Place: Mumbai

Registered office: 3rd Floor, UTI Tower, North Wing,
GN Block, Bandra Kurla Complex, Bandra (East),
Mumbai 400 051

CIN: U67190MH2014PLC253944
Tel no: +91 22 6859 1300
Email Id: Info@niifl.in
Website: www.niififl.in

Notes:

1. Pursuant to Circular issued by the Ministry of Corporate Affairs ("MCA") from time to time, physical attendance of the members at the Annual General Meeting ("AGM") is not required and AGM may be held through video conferencing ("VC") or other audio visual means ("OAVM"). Hence, members can attend and participate in the ensuing AGM through VC/OAVM.

2. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by members will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this Notice. Accordingly, route map is also not annexed in this notice.

3. The members can join the AGM in the VC mode 15 minutes before and after the scheduled time of commencement of the meeting by following the procedure mentioned in the Notice.

4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Where Body Corporates are members of the Company, they are entitled to appoint their authorized representatives to attend the AGM through VC/OAVM. Accordingly, corporate members are requested to e-mail a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting, to Info@niififl.in from their e-mail Id registered with the Company.

6. Queries proposed to be raised at the AGM may be sent to the Company on Info@niififl.in will enable the management to compile the relevant information to reply to the same in the meeting.

7. All the relevant documents referred to in this AGM Notice., Explanatory Statement and Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170, and other documents, shall be made available to the members from whom request is received on Info@niififl.in through their e-mail address registered with the Company.

8. In case a poll is ordered to be taken by the Chairperson or demanded in accordance with section 109 of the Act, members can cast their vote during the Meeting by sending an email to Info@niififl.in from their email address registered with the Company.

9. In case a poll is demanded, Chairperson shall follow the procedure provided in Section 109 of the Act and the rules made thereunder.

Instructions for members for attending the AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the AGM through OAVM via Microsoft Teams Meeting. The link for VC will be shared by the Company via email.

2. Members are requested to click on the MS Teams link and join meeting to participate in the meeting details of which will be provided separately.

3. Members are requested to join the meeting through laptop or tablet for better experience.

4. To ensure a smooth virtual AGM experience, members/ participants should enable their cameras and utilize a high-speed internet connection. This is to avoid any disruptions during the meeting.

5. Please note that participants connecting from mobile devices or tablets or through laptop or tablet connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

6. Members who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, mobile number at Info@niififl.in. The same will be replied to, by the Company suitably.

By Order of the Board of Directors

Ankit Sheth
Company Secretary
Membership Number: A27521

Date: July 7, 2025
Place: Mumbai

Registered office: 3rd Floor, UTI Tower, North Wing,
GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Tel no: +91 22 6859 1300
Email Id: Info@niififl.in
Website: www.niififl.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5

The Board of Directors of the Company at its meeting held on July 7, 2025, had approved pursuant to the applicable provisions of Sections 23, 42, and 55 of the act and the Rules framed thereunder, and in accordance with the provisions of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to offer, issue and allot, in one or more tranches 1,50,000 Non-Convertible Redeemable Preference Shares (“NCRPS”) of the face value of ₹ 1,00,000 each for cash at par or at a premium aggregating to a nominal value of ₹ 1,500 Crores (Rupees One Thousand Five Hundred Crores only), outstanding at any point in time, on a private placement basis, up to one year, from the date of the shareholders approvals, on such terms and conditions as may be determined by the Board (including any Committee constituted by the Board) (“Board”).

Furthermore, as per Section 42 of the Act read with Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, a company offering or making an invitation to subscribe to securities, including NCRPS on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution, for each such offer and invitation.

The approval of members is accordingly being sought by way of Special Resolution under Section 23, 42, and 55 of the Act read with rules framed thereunder, as amended from time to time, for the issue and offer of NCRPS as set out in the Resolution at Item No. 5 and to allot the NCRPS, on a private placement basis.

As required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the material facts in connection with the aforesaid issue are as follows:

a)	**Particulars of the offer including date of passing of Board resolution**	Non-Convertible Redeemable Preference Shares for an amount not exceeding in aggregate Rs. 1,500 Crore (Rupees One Thousand Five Hundred Crore only), outstanding at any point in time, in one or more tranches by way of a private placement basis at such rates and on such terms and conditions as may be determined by the Board (including any Committee constituted by the Board in this regard) (“Board”).
b)	**Kind of security offered and price at which it is offered**	Non-Convertible Redeemable Preference Shares and price will be at par or premium as may be determined at the time of issuance of securities.
c)	**Basis or justification of the price including premium if any, at which the offer or invitation is being made**	While the issuances would generally be made at par, in case the issuance is made at premium, the same would be at a price determined on the basis of valuation by a registered valuer in accordance with applicable rules.
d)	**Name and address of the valuer who performed the valuation**	Since the issuance would be in one or more tranches, the valuer will be determined by the Board, if applicable, in accordance with the applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and other applicable laws for the time being in force.

e)	**Amount NIIF IFL intends to raise by way of the securities**	Rs. 1,500 Crore as per the resolution to be passed in this meeting.
f)	**Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects**	Since the issuance would be in one or more tranches, material terms will be determined by the Board, in accordance with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder and other applicable laws for the time being in force. In view of business strategy and business expansion and to further strengthen the financial position of the Company, the Company has proposed the issue of redeemable preference shares on private placement basis. The issuance will be in one or more tranches and the contribution, if any, will be in accordance with the applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and other applicable laws for the time being in force.
g)	**Size of the issue and number of preference shares to be issued and nominal value of each share**	The Company proposes to create, offer, issue and allot 1,50,000 Preference Shares of the face value of Rs 1,00,000 each for cash at par or at a premium by way of a private placement basis or to various entities / persons including Promoters / Promoter Group and Associates, whether or not they are Member(s) of the Company.
h)	**Objectives of the issue**	The proceeds will be used for (i) refinancing Infrastructure Projects which have completed at least 1 (One) year of satisfactory commercial operation, (ii) financing toll operate transfer (TOT) projects under applicable RBI regulations from time to time, (iii) deployment of funds in permitted instruments including for the purpose of Liquidity Coverage Ratio (LCR)/ High Quality Liquid Assets (HQLA) as required by extant regulations.
i)	**Manner of issue of shares**	Private Placement as decided by the Board.
j)	**Price at which such shares are proposed to be issued**	At par or at premium as decided by the Board.
k)	**Basis on which the price has been arrived at**	While the issuances would generally be made at par, in case the issuance the same would be at a price determined on the basis of valuation by a registered valuer in accordance with applicable rules.
l)	**Terms of issue, including terms and rate of dividend on each share, etc.**	The tenure shall be determined at the time of issuance of shares. The issuances would be subject to conditions of market, appetite of the investors, credit rating of the instrument etc, and the rate of dividend would be mutually decided by the Company and investor.

<table>
<tr><td>m)</td><td>Terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion</td><td>Tenure of redemption would be mutually decided by the Company and investor(s).</td></tr>
<tr><td>n)</td><td>Manner and modes of redemption</td><td>The redemption of Non- Convertible Redeemable Preference Shares will be done in accordance with the provisions of the Companies Act, 2013 and out of profit and / or out of fresh issue of capital.</td></tr>
<tr><td>o)</td><td>Current shareholding pattern of the Company</td><td>
<table>
<tr><th>Name of the shareholder</th><th>No. of Equity Shares</th><th>Shareholding (%)</th></tr>
<tr><td>National Investment and Infrastructure Fund II and its nominees.</td><td>54,63,50,979</td><td>39.73</td></tr>
<tr><td>Aseem Infrastructure Finance Limited</td><td>42,39,32,487</td><td>30.83</td></tr>
<tr><td>HDFC Bank Limited</td><td>6,00,00,000</td><td>4.36</td></tr>
<tr><td>The President of India (GOI)</td><td>34,49,97,165</td><td>25.09</td></tr>
<tr><td>Total</td><td>1375,28,06,310</td><td>100</td></tr>
</table>
</td></tr>
<tr><td>p)</td><td>Expected dilution in equity share capital upon conversion of preference shares</td><td>Not applicable as the shares proposed to be issued would be Non-Convertible Redeemable Preference Shares.</td></tr>
<tr><td>q)</td><td>Intention of promoters, directors or key managerial personnel to subscribe to the offer</td><td>Since the issuance would be in one or more tranches, the proposed subscriber(s) will be determined by the Board, in accordance with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder and other applicable laws for the time being in force.</td></tr>
<tr><td>r)</td><td>The change in the control, if any, in the Company that would occur consequent to the offer</td><td>Not applicable as the shares proposed to be issued would be Non-Convertible Redeemable Preference Shares.</td></tr>
<tr><td>s)</td><td>The justification for the allotment proposed to be made for consideration other than cash together
with the valuation report of the registered valuer:</td><td>The proposed private placement issue is for cash.</td></tr>
</table>

Your Board of Directors recommends passing of the resolution contained in Item No. 5 of the accompanying Notice as a Special Resolution.

Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 5 of the Notice.

Item No. 6

The roles and responsibilities of Directors have evolved over time in accordance with the Companies Act of 2013 (‘the Act’), the SEBI (Listing Obligations and Disclosure Requirements) Regulations of 2015 (the 'SEBI Listing Regulations'), and the Reserve Bank of India's circulars and guidelines. The Board's function and obligations, have grown in complexity, necessitating increased time commitments, attention, and a higher degree of monitoring.

Mr. AKT Chari is one of the most experienced project finance professionals in India with ~45 years of experience in leading infrastructure financing institutions. Given the tasks and responsibilities being handled by him and in order to match their remuneration with industry standards, it is suggested that Mr. AKT Chari, Non-Executive Director be paid a profit-related commission.

In view of the above, it is proposed that a profit-related commission of up to Rs. 10,00,000 (Rupees Ten Lakhs only) per annum be paid to Mr. AKT Chari, Non-Executive Director of the Company, in proportion to the time served as Director of the Company in a financial year, in addition to the sitting fees, in recognition of his increased role, responsibilities, and duties. Such commission, in aggregate, should not exceed three percent of the Company's net profits for the fiscal year computed in line with Section 198 of the Act.

Further, such payment of a profit related commission to Mr. AKT Chari shall be made in respect of the profits of the Company for each financial year, effective from April 1, 2025. Board members are further informed that pursuant to Section 197 of the Act, the commission, if approved, shall be subject to approval of the Shareholders by way of resolution.

Mr. AKT Chari, being interested shall not participate for item no 6 of this Notice.

The approval of members is accordingly being sought by way of ordinary resolution under Section 149, 197 and 198 & other applicable provisions of the Companies Act, 2013 read with rules framed thereunder, as amended from time to time, for payment of a profit related commission to Mr. AKT Chari, Non-Executive Director as set out in the Resolution at Item No. 6.

Your Board of Directors recommends passing of the resolutions contained in Item No. 6 of the accompanying Notice as an Ordinary Resolution.

Except Mr. AKT Chari and his respective relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above resolutions.

ANNEXURE-A

DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Mr. Nilesh Shrivastava
Date of Birth (Age)	October 1, 1973 (52 years)
Qualifications	- MBA (IIM Kolkata), - B. Tech (Computer Science & Engineering – Lucknow University), - Chartered Associate IIB (CAIIB).
Date of first appointment on the Board	March 28, 2024
Remuneration a) Sought to be paid b) Last drawn	-
Experience/ Brief Profile	Nilesh Shrivastava is Partner at National Investment and Infrastructure Fund (NIIF) and has over 25 years of experience across private equity, debt investments, banking, and portfolio management. At NIIF, he has worked on the investment and buildout of NIIF's infrastructure lending platform as well as equity investments in EV mobility and other areas. He was previously with International Finance Corporation (IFC) where he headed the financial services investments portfolio in South Asia. He was earlier with HSBC in banking roles. Nilesh has an MBA from IIM, Kolkata, and engineering degree from Lucknow University. He is also a Certificated Associate with Indian Institute of Bankers (CAIIB).
Terms and conditions of appointment / re-appointment	Liable to retire by rotation
Directorships held in other companies (excluding foreign companies) as on date	1. Ather Energy Private Limited 2. Aseem Infrastructure Finance Limited
Memberships of committees across companies (only statutory committees as required to be constituted under the Act considered)	**Aseem Infrastructure Finance Limited** - Nomination and Remuneration Committee – Member - Stakeholders Relationship Committee – Member - Corporate Social Responsibility Committee – Member
List of entities from which the Director has resigned in the past three years.	NA
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA
Shareholding in the Company (Equity) as on date	NA
Relationship with other Director/ Manager/ Key Managerial Personnel	Not related to any Director/ Key Managerial Personnel

Particulars	Mr. Nilesh Shrivastava
Number of meetings of the Board attended during the financial year 2025-26	3/3

By order of the Board of Directors

Ankit Sheth
Company Secretary
Membership No.: A27521

Date: July 7, 2025
Place: Mumbai

Registered office: 3rd Floor, UTI Tower, North Wing,
GN Block, Bandra Kurla Complex, Bandra (East),
Mumbai 400 051

CIN: U67190MH2014PLC253944
Tel no: +91 22 6859 1300
Email Id: Info@niifìfl.in
Website: www.niififl.in

NIIF IFL INFRASTRUCTURE FINANCING

DIRECTORS' REPORT

To,
The Members,
NIIF Infrastructure Finance Limited

Your Directors have pleasure in presenting the Twelfth (12th) Annual Report of NIIF Infrastructure Finance Limited or "NIIF IFL" or "the Company" along with the audited financial statements of the Company for the financial year ("FY") ended March 31, 2025. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as required under the Companies Act, 2013 ("the Act"). The pdf version of the report is available on the Company's website https://www.niififl.in/.

1. FINANCIAL STATEMENTS & RESULTS:

Financial Results

The Company's performance during the financial year ended March 31, 2025, as compared to the previous financial year ended March 31, 2024, is summarised below:

Financial Performance:

(Amount in ₹ crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total Income	2,183.03	1,847.02
Total Expenditure	1,685.51	1,431.6
Profit before tax	497.52	415.4
Tax Expenses	10.31	(5.0)
Profit for the year	487.21	420.47
Other comprehensive income	(0.26)	(0.5)
Total comprehensive income for the year	486.95	419.9
Earnings per share (Face Value ₹ 10)		
Basic	3.54	3.06
Diluted	3.54	3.06

Key Performance Highlights

Capital Adequacy:

The Company's capital adequacy ratio was at 21.71% as on March 31, 2025. The ratio is significantly above the threshold limit of 15% required by regulatory guidelines.

Debt Equity Ratio:

The Company's debt-equity ratio as on March 31, 2025, stood at 5.42 times. This was significantly below the debt-equity ratio of 9x stipulated by rating agencies (ICRA Limited, CARE Rating Limited, CRISIL Ratings Limited).

Transfer to reserves:

During the financial year under review, ₹ 97.39 crores was transferred to statutory reserve under Section 45-IC of RBI Act, 1934. These details are given in the notes to the financial statements.

Operations:
The Company's performance during the year ended March 31, 2025, in comparison with the year ended March 31, 2024, is summarised as follows:

- Total Revenue: ₹ 2,183.03 crores as of March 31, 2025, compared to ₹ 1,847.02 crores as of March 31, 2024 (18.20 % increase over the previous year).

- Loan book: ₹ 25,390 crores as of March 31, 2025, compared to ₹ 22,118 crores as of March 31, 2024 (14.80 % increase over the previous year).

- Net Interest Income (NII): ₹ 494.72 crores as of March 31, 2025, compared to ₹ 429.27 crores as of March 31, 2024 (15.25 % increase over the previous year).

- Healthy asset quality with nil Non-Performing Assets (NPAs) in both the Financial Years.

Material events during the year:
a) The Company has put in place all the policies applicable to Non-Banking Financial Company – Middle Layer ("NBFC- ML") and Non-Banking Financial Company – Infrastructure Debt Fund ("NBFC-IDF") as required by extant RBI Regulations.

b) There have been no material changes and commitments affecting the financial position of the Company which have occurred from the closure of the financial year till the date of this Report.

2. DIVIDEND:

The Company has formulated a Dividend Distribution Policy in compliance with the applicable provisions of the Companies Act, 2013.

Considering the Company's performance during FY 2025, the Board of Directors at its meeting held on April 30, 2025, recommended a final dividend at the rate of ₹ 0.15/- per equity share for the financial year ended March 31, 2025, to the equity shareholders. This recommendation will be placed before the shareholders for approval at the ensuing Annual General Meeting (AGM) of the Company.

In terms of the provisions of the Income Tax Act, 1961, dividend income is taxable in the hands of the members and the dividend will be paid to the members by the Company after deduction of tax at source ('TDS') at the applicable rates.

3. RESOURCE MOBILISATION:

The Company is permitted to borrow principally (at least 90%) through the issue of Non-Convertible Debentures ("NCDs") and the balance through Commercial Paper (CP). NCDs issued by the Company during the financial year under review aggregating ₹ 5049 crores were subscribed to, by Insurance Companies (~68%), Banks (~19%), Retirement Benefit Funds and others (~13%). As on March 31, 2025, the outstanding amount of NCDs was ₹ 22,762 crores. During the financial year under review, ~32% of the funds were raised principally from first time long tenor patient investors like Insurance Companies and Retirement Benefit Funds. As on March 31, 2025, the outstanding amount of Commercial Paper ("CP") was Nil.

The above-mentioned debt securities are listed on the debt segment of National Stock Exchange (NSE) of India Limited.

4. CREDIT RATING:

CARE Ratings Limited ("CARE"), ICRA Limited ("ICRA") and CRISIL Ratings Limited ("CRISIL") have reaffirmed/assigned highest rating for the various facilities availed / to be availed by the Company, details of which are given below:

Facility	Name of Rating Agency – CARE Rating Limited	Amount (₹ crores)	Name of Rating Agency – ICRA Limited	Amount (₹ crores)	Name of Rating Agency – CRISIL Ratings Limited	Amount (₹ crores)
Non-Convertible Debentures (including Zero Coupon Bonds)	AAA/ Stable	44,000	AAA/ Stable	44,000	AAA/ Stable	3,500
Commercial Paper	A1+	2,500	A1+	2,500	-	-
Non-convertible redeemable preference shares	-	-	-	-	AAA/ Stable	1,500
Total		**46,500**		**46,500**		**5,000**

With the above rating affirmations, the Company continues to enjoy the highest rating for its Non-Convertible Debentures ("NCDs"), Non-Convertible Redeemable Preference Shares ("NCRPS") and Commercial Papers ("CP").

Note: AAA signifies the highest degree of safety for timely payment of interest and principal on debt obligations. Issuers with a AAA rating are considered to have the lowest credit risk.

5. STATE OF AFFAIRS OF THE COMPANY AND MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis forms part of this Report and is attached as **Annexure I.**

During the financial year under review, there has been no change in the nature of business of the Company. The Company continues to engage in the business of an IDF-NBFC. IDF-NBFC is a non-deposit taking NBFC registered with RBI, that is permitted to refinance infrastructure projects post commencement operations date (COD) that have completed at least one year of satisfactory commercial operations. Vide *inter alia* changes in RBI Master Directions (Oct 2023) and CBDT Circular (Feb 2025), IDF-NBFCs can henceforth finance toll operate transfer (TOT) projects as direct lenders.

6. SHARE CAPITAL:

The authorized, issued, subscribed and paid-up share capital of the Company as on March 31, 2025, is as under:

Share Capital	FY 2025
Authorised Share Capital:	**41,99,99,99,991**
1,81,50,00,000 Equity Shares of ₹ 10/- each	18,15,00,00,000
8,80,95,238 Preference Shares (including Compulsory Convertible Preference Shares) of ₹ 21/- each	184,99,99,998
25,92,59,259 Preference Shares (including Compulsory Convertible Preference Shares) of ₹ 27/- each	6,99,99,99,993
1,50,000 Preference Shares of ₹ 1,00,000/- each	15,00,00,00,000
Issued, Subscribed and Paid-up Share capital:	**13,75,28,06,310**
1,37,52,80,631 Equity Shares of ₹ 10/- each	13,75,28,06,310

7. **DEPOSITORY:**

As on March 31, 2025, 100% of the Company's Equity Shares and Non-Convertible Debentures were held in dematerialised form.

8. **DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP"):**

Appointment/Resignation of Directors
The composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 62D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations" or "Listing Regulations") with an appropriate combination of Independent Directors and Non-Executive Directors.

As on March 31, 2025, the Board comprised of 6 (six) Directors out of which 3 (three) were Independent Directors (including 1 Woman Independent Director). Mr. Padmanabh Sinha, resigned as Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company with effect from the closure of business hours on March 31, 2025.

The Board of Directors through circular resolution passed on May 21, 2025, and the Shareholders of the Company at their Extra-Ordinary General Meeting (EGM) held on June 4, 2025, approved the re-appointment of Ms. Rosemary Sebastian as Non-Executive Independent Director of the Company for a period of 3 years with effect from June 6, 2025.

The Board of Directors at its meeting held on April 30, 2025. and the Shareholders of the Company at their Extra-Ordinary General Meeting (EGM) held on June 4, 2025, approved the continuation of Directorship of Mr. Prashant Kumar Ghose, who attains the age of 75 years in September 2025.

The Board is of the opinion that the Company's Independent Directors possess the necessary qualifications, experience, and expertise, as well as the highest levels of integrity. The terms and conditions of appointment of Independent Directors are available on the website of the Company at https://www.niififl.in/.

During the financial year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

Directors Retiring by Rotation
In accordance with the applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Nilesh Shrivastava, Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company, is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and, being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment. Profile of Mr. Nilesh Shrivastava forms part of the Notice to the AGM.

Director(s) Disclosure/Boards' Independence
Based on the declarations and confirmations received in terms of the applicable provisions of the Act, circulars, notifications and directions issued by the RBI and other applicable laws, none of the Directors of the Company are disqualified from being appointed as Directors of the Company.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Act, confirming that they meet the criteria of independence as laid down in Section

149(6) of the Act and Regulations 62B(1)(b) read with 16(1)(b) read with and Regulation 62N (9) of SEBI Listing Regulations as amended from time to time.

The Independent Directors met on April 29, 2025, and July 7, 2025, for the financial year ended March 31, 2025, as required under the Act and the matters considered and discussed there, *inter-alia*, included those prescribed under Schedule IV to the Act. All the Independent Directors attended the meeting held on April 29, 2025, and July 7, 2025.

The Independent Directors have confirmed compliance with the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of Independent Directors.

Pursuant to Regulation 62N (8) of SEBI Listing Regulations, the Company has familiarised the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details relating to the familiarisation programme are available on the website of the Company at https://www.niififl.in/.

Appointment/Resignation of Key Managerial Personnel ("KMP"):
Details on appointment/resignation of Key Managerial Personnel ("KMP") are covered in the Corporate Governance Report forming part of this report.

List of Directors and Key Managerial Personnel as on March 31, 2025:

Name of the Director / KMP	DIN / PAN	Type / Category
Mr. A K T Chari	00746153	Non-Executive Director
Mr. Ashwani Kumar	02870681	Independent Director
Ms. Rosemary Sebastian	07938489	Independent Director
Mr. Prashant Kumar Ghose	00034945	Independent Director
Mr. Nilesh Shrivastava	09632942	Non-Executive Director
Mr. Padmanabh Sinha*	00101379	Non-Executive Director
Mr. Shiva Rajaraman	AMOPS4303E	Chief Executive Officer
Mr. Sudeep Bhatia**	ADQPB9745G	Chief Financial Officer
Mr. Ankit Sheth	BFPPS8108Q	Company Secretary

**Mr. Padmanabh Sinha resigned as Non-Executive Nominee Director (Nominee of NIIF Fund II) with effect from the closure of business hours on March 31, 2025.*
***Mr. Sudeep Bhatia was appointed as the Chief Financial Officer ("CFO") and Key Managerial Personnel ("KMP") of the Company with effect from June 25, 2024.*
Note: *Mr. Pankil Mehta resigned as Chief Financial Officer ("CFO") and Key Managerial Personnel ("KMP") with effect from the closure of business hours on June 25, 2024.*

9. ORDERLY SUCCESSION FOR BOARD AND SENIOR MANAGEMENT:

The Company recognises the importance of implementing an effective succession plan for the Board of Directors and Senior Management in order to secure a successful future for the organisation. The Company has formulated a succession plan in terms of the provisions of the Act and SEBI Listing Regulations, which *inter-alia*, deals with the criteria for identifying persons who are qualified to be appointed in senior management as successors and periodical review of succession planning for the Board and senior management.

10. DIRECTORS AND OFFICERS INSURANCE:

The Company has taken Directors and Officers (D & O) Insurance for all the Directors (including Independent Directors) and Senior Management of the Company. The Board is of the opinion that the sum assured, and the risks presently covered under the D & O Insurance are adequate and commensurate with the size of operations of the Company.

11. ANNUAL BOARD EVALUATION:

The Independent Directors at their meeting evaluated the performance of the entire Board. Each Board member's attendance, participation, contribution, and expertise was evaluated. All the Independent Directors were present for the meeting.

Pursuant to the provisions of the Act, as amended from time to time, the Nomination and Remuneration Committee (NRC) also carried out an annual evaluation of the Board as well as of the Board's Committees. The conclusions were discussed in the meeting of the Nomination and Remuneration Committee (NRC) where the performance of the Board and its Committees was reviewed.

Based on the above, the Nomination and Remuneration Committee summarised the performance evaluation reports to the Board of Directors and provided feedback to individual Directors.

The board evaluation process is completely conducted internally in secured digital mode and the responses received from the Directors are kept anonymous. The Board expressed satisfaction with the performance of all Directors, the Board, and Committees.

12. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

Holding Company:

Your Company does not have any Holding Company.

National Investment and Infrastructure Fund II (NIIF's Strategic Opportunities Fund) ("NIIF Fund II") holds 39.7% equity stake in the Company. National Investment and Infrastructure Fund Limited ("NIIF") is an investor-owned fund manager, anchored by the Government of India ("GoI") in collaboration with leading global and domestic institutional investors. It currently manages four funds and has the majority stake in the Company through its Strategic Opportunities Fund ("SOF").

Subsidiary Company, Joint Ventures, Associates Company

During the financial year under review, your Company did not have any Subsidiary / Associate / Joint Venture Company. The Company did not become a part of any Joint Venture during the year.

Accordingly, a statement containing salient features of the financial statements of Subsidiary /Joint Ventures/ Associates is not applicable to the Company for the financial year under review.

13. PUBLIC DEPOSITS:

The Company being a non-deposit accepting Non-Banking Financial Company, provisions of Section 73 and Section 74 of the Act read with Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

During the financial year under review, the Company has not accepted any deposits including from the public and shall not accept any deposits from the public without obtaining prior approval from the Reserve Bank of India.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

During the financial year under review, all transactions entered into by the Company with related parties, were in the ordinary course of business and on arm's length basis and were not considered material as per the provisions of Section 188 of the Act, read together with the Companies (Meetings of Board and its Powers) Rules, 2014 and Policy for Related Party Transactions of the Company. Hence, disclosure in form AOC-2 under Section 134(3)(h) of the Act, read with Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is not applicable.

Omnibus approval of the Audit Committee is obtained for Related Party Transactions ("RPTs") which are of a repetitive nature and entered into in the ordinary course of business and at arm's length. A statement on RPTs specifying the details of the transactions, pursuant to each omnibus approval granted, was placed on a quarterly basis for review by the Audit Committee during the financial year.

The details of contracts and arrangements with related parties of your Company for the financial year under review are provided in notes to the standalone financial statements, which forms part of this Annual Report. The Company has in place a policy for Related Party Transactions ("RPT Policy") as required under the applicable laws. Details of the RPT Policy are available on the website of the Company at https://www.niifIfl.in

15. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

The Company by virtue of being a Non-Banking Financial Company registered under Chapter III B of the Reserve Bank of India Act, 1934 is exempt from the provisions of Section 186 of the Act.

However, details of loans given, investments made, guarantees given and security provided, if any, covered under the provisions of Section 186 of the Act, are provided in the notes to the standalone financial statements, which forms part of this Annual Report.

16. POLICY FOR FIT AND PROPER SELECTION OF DIRECTORS:

In terms of Section 178 of the Act read with rules framed thereunder, RBI Master Directions and other applicable laws, the Board has adopted a Policy on Fit and Proper Criteria for Directors for their appointment in the Company.

Fit and Proper criteria & Code of Conduct:

All the Directors meet the fit and proper criteria stipulated under the applicable regulations. All the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company.

17. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES:

Directors

Details on remuneration paid/payable to Directors, are covered in the Corporate Governance Report forming part of this report.

Particulars of remuneration to Employees

In accordance with the provisions of Section 197(12) of the Act and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of every employee covered under the said rule are available at the registered office of the Company during working hours before the Annual General Meeting and will be made available to any shareholder on request. In terms of Section 178 of the Act, the Board of Directors adopted a Remuneration Policy which *inter alia* sets out the criteria for deciding remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company. Details of the Remuneration Policy are available on the website of the Company at https://www.niififl.in/

18. WHISTLE-BLOWER POLICY/ VIGIL MECHANISM:

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 62J of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Whistle-Blower Policy/ Vigil Mechanism for Directors and employees to report concerns. The Whistle-Blower Policy/ Vigil Mechanism is available on the Company's website at https://www.niififl.in/

This Vigil Mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimisation of employees and Directors and also provides direct access to the Chairman of the Audit Committee in exceptional circumstances. The whistleblower complaints are reviewed by the Audit Committee on an annual basis.

During the financial year under review, there were no complaints received by the Company under the Whistle-Blower Policy/ Vigil Mechanism.

19. RISK MANAGEMENT FRAMEWORK:

The Company has constituted a Risk Management Committee ("RMC") in terms of the requirements of Regulation 62I of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Direction and adopted a Risk Management Policy. The details of the same are disclosed in the Corporate Governance Report.

The overall risk management objective of the Company is to balance the trade-off between risk and return. An independent risk management function ensures that the risk is managed through a well-formulated risk management framework as well as through policies approved by the Board of Directors encompassing independent identification, measurement, and management of risks across the Company.

The risk management processes are guided by a well-defined policy appropriate for the various risk categories including credit risk, market risk, interest rate risk, concentration risk, operational risk, liquidity risk, E&S (environmental & social) and climate risk, IT (Information Technology) & Cyber risk supplemented by periodic monitoring by the Committees constituted by the Board and Management level Committees such as RMC, Credit Committee (“CC”), Asset-Liability Committee (“ALCO”), IT Strategy Committee (ITSC), Information Security Committee (“ISC”), etc.

The Company has developed an Internal Capital Adequacy Assessment Policy (“ICAAP”) to identify, assess and manage all risks that may have a material adverse impact on business/financial position/capital adequacy of the Company.

The ICAAP encompasses capital planning, assessment of material risks and the relationship between risk and capital. The capital management framework is complemented by the risk management framework, which covers the policies, processes, methodologies and frameworks established for the management of material risks. It requires a comprehensive internal capital adequacy assessment process scheduled to be conducted annually, which can determine the adequate level of capitalisation necessary for meeting current and future business needs.

Stress testing, which is a key aspect of the risk management framework, provides an insight into the impact of extreme but plausible scenarios on NIIF IFL’s risk profile and capital position.

The RMC approves policies related to risk and oversees risk management in the Company as per the defined risk framework.

The Audit Committee of the Board (“ACB”) supervises functions and operations of the Company, which ultimately enhances the risk and control governance framework within the Company.

The Chief Risk Officer (“CRO”), appointed by the Board of Directors, is responsible for developing and implementing the risk management strategy of the Company. The CRO’s role is to promote a very strong risk culture throughout the organisation and set up a strong risk governance framework. The CRO ensures that risk processes are aligned with the Company’s overall objective of long-term viability and stakeholders’ returns. Key responsibilities of the CRO include risk identification, assessment, developing risk management framework, risk monitoring, mitigating and reporting. The CRO oversees all financial and non-financial risks of the Company and ensures that risk considerations are fully factored into the Company’s strategic decisions. Though the CRO reports to the CEO, his independence is safeguarded by ensuring that the RMC meets the CRO without the presence of the CEO at least on a quarterly basis.

Credit Risk

Apart from the prudential exposure limits set by the RBI for IDF-NBFCs, the Company has set its own lower internal limits for exposure to promoter groups, exposure to various infrastructure sectors/sub-sectors, minimum credit rating for borrowers, etc. The Credit Policy along with the Risk Management Policy of the Company, ensures that the risk appetite of the Company is prudent and in line with the Company’s strategy. As part of the sanctioning process, each borrower is rated internally, and disbursement is done as per well-laid out norms. Covenant testing, monitoring, and re-rating of each borrower, are conducted annually, and findings are presented to the Risk Management Committee. Portfolio concentration risk is managed by analysing counterparty, industry, sector, geographical region, single and group borrower limits. Periodic review of the credit portfolio is also done, and necessary corrective measures are implemented as may be required.

E&S and Climate Risks

NIIF IFL is a responsible financial institution and recognises E&S (environmental and social) and climate risks are associated with infrastructure projects financed by it. The Company takes action to avoid, prevent or mitigate such risks. The Company has adopted an E&S Risk Policy, benchmarked to IFC Performance Standards, in order to ensure integration of E&S and climate risk aspects in the credit appraisal and loan disbursal processes, as well as post-disbursement monitoring phases. This ensures that NIIF IFL finances infrastructure projects that are not only economically viable, but also environmentally sound and socially acceptable.

Climate change caused by global warming due to greenhouse gas emissions poses a serious threat to our economy. The increased frequency of climate change impact viz. extreme weather events (floods, cyclones, landslides etc.) are causing massive damage to the global economy and ecosystems. Infrastructure projects are suffering severe physical damage and business interruption due to natural disasters. NIIF IFL recognizes that climate-related risks can jeopardize the profitability and stability of its financed infrastructure projects. For NIIF IFL, climate risks represent traditional risks due to probability of borrowers' inability to repay loans (credit risk), reduced access to finance due to changing market conditions (liquidity risk) and risk arising from changing market and consumer sentiments (reputation risk).

NIIF IFL is consciously acting on two dimensions of climate change-related risks – the first is financing of green and sustainable transition (~63% of loan portfolio is green power assets) and the second is related to risk management. Before refinancing a project, NIIF IFL thoroughly examines the physical climate risks associated with a project and availability of adaptation & resilience measures. All loan assets are mapped to check whether they fall in seismological zones, cyclonic zones, flood zones, landslide zones, drought & heatwave zones. Availability & adequacy of insurance for climate perils, availability of adaptation measures for example, adoption of water neutrality (robotic dry cleaning, rainwater harvesting etc.) measures, lightning arrestors, storm water management system etc. are assessed for every loan asset.

Market & Liquidity Risk

The ALM policy of the Company provides the framework to monitor and manage market and liquidity risks. The policy also defines structural liquidity limits beyond the buckets prescribed by RBI. The ALCO (Asset Liability Committee) of the Company reviews the liquidity risk and the interest rate sensitivity profile of the organisation on a regular basis. Monitoring and management of Liquidity, Asset-Liability and Interest Rate and Market Risk are carried out using quantitative techniques, such as sensitivity analysis, duration analysis and by quantifying earnings at risk.

Operational Risk

The Company has a Board approved Operational Risk Management framework. Ongoing monitoring of Key Risk Indicators ("KRI") is conducted, and corrective actions are implemented on KRI exceptions. Operational Risk Management framework includes timely reporting and assessments of incidents and implementing controls through Risk & Control Self-Assessment (RCSA). An oversight committee of Senior Management representatives viz. the Operational Risk Management Committee, meets periodically to review the operational risk profile of the organisation. Technology Risk and Cyber Risk are managed comprehensively as per Board approved Information Security and Cyber Security Policy with oversight of RMC, IT Strategy Committee and Information Security Committee. Business Continuity Plans (BCP) and Disaster Recovery plans are put in place to enable continuity of operations and minimal disruption to critical businesses. These plans are regularly reviewed and tested by the Company. Further, to enhance cyber awareness, the Company conducts learning programs on cyber security and its importance to enable employees to comply with the regulatory/statutory guidelines as well as ensure protection of IT systems. A robust governance mechanism has been established to manage the cyber risk inherent in business processes and information assets through monitoring mechanisms and regular reviews.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company supports the projects which create long-term and sustainable impact within the causes enlisted in Schedule VII of the Act, with a special focus on Healthcare, Education, Rural development and Environment. Details of the CSR policy are available on the website of the Company at https://www.niififl.in/

The report on Corporate Social Responsibility forms part of this report and is attached as **Annexure II**.

21. INTERNAL FINANCIAL CONTROLS:

The Company has laid down a set of standards, processes and procedures which enable implementation of Internal Financial Controls ("IFC") across the organisation with reference to financial statements and checks that such controls are adequate and are operating effectively.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, self-assessment of controls, monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors/ Head of Internal Audit ("HIA"). During the financial year under review, there have been no material observations by the auditors of the Company in the context of inadequacy of such controls.

Internal control systems are regularly assessed and strengthened in terms of standard operating procedures. The Company periodically engages outside experts to carry out independent reviews of the effectiveness of various processes. The observations and best practices suggested are reviewed by the management and Audit Committee and appropriately implemented to strengthen internal controls.

22. COMPLIANCE FUNCTION:

Pursuant to RBI guidelines on Scale Based Regulation ("SBR") - A Revised Regulatory Framework for NBFCs on the Compliance Function and Role of Chief Compliance Officer ("CCO"), and Master Direction – Reserve Bank of India (Non-Banking Financial Companies - Scale Based Regulation) Directions, 2023, the Company has put in place a Policy on the compliance framework with the objective of promoting better compliance culture in the Company. The Board appointed Chief Compliance Officer ("CCO") functions independently with specific roles and responsibilities to propagate the compliance function as an integral part of corporate governance, internal control, and risk management process of the Company.

The objective of the Compliance Policy is to clearly spell out the Company's compliance philosophy, expectations on compliance culture, structure and role of the compliance function, the role of CCO and requirements for identifying, assessing, and monitoring, managing, and reporting on compliance risk. The compliance function in coordination with risk and internal audit maintains a close vigil on evolving RBI regulations, thereby ensuring timely implementation and adherence to all regulatory guidelines.

23. INTERNAL AUDIT FUNCTION:

The Company has put in place risk based internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, internal control, and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of the Company's operations.

The risk based internal audit plan is developed based on the risk profile of business activities of the organisation. The audit plan covers process audits, compliance with policies, standard operating procedures and regulations & follows a risk-based approach.

The Board has put in place a process to safeguard the independence of the Head - Internal Audit. The Head - Internal Audit ("HIA") meets the Audit Committee on a quarterly basis without the presence of CEO and Senior Management. The Company ensures that there is no dual hatting in the role of the HIA.

The risk based internal audit plan is approved by the Audit Committee, which regularly reviews compliance with the plan.

24. INFORMATION TECHNOLOGY AND IT SECURITY:

The Company has been at the forefront of implementing the latest information technology tools towards enhancing internal operations and customer experience.

The Company continued its focus on digital transformation initiatives during the year targeted at improved business efficiency, ease of operations, and effective risk management. One of the critical digital initiatives being undertaken by the Company includes the Risk Assessment Management tool for evaluating and monitoring risk across multiple clients of the Company.
Company is implementing a new Loan Management System solution which enables integrated and real time availability of financial information on key parameters for Management's review and decision making.

The Company is in the process of implementing digital initiatives including implementation of a smart Asset Liability Management and Treasury Management system to get end-to-end visibility into liability maturity patterns and manage the complete lifecycle of a loan. The said implementation can track and manage multiple investment instruments under one platform.

The Company has a unique and robust real-time monitoring system for both physical and financial parameters of projects to which the Company has provided debt, as well as an effective compliance and document management system.

25. CODE OF CONDUCT AS PRESCRIBED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015:

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives. Details of the Policy are available on the website of the Company at https://www.niififl.in/

26. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, ("Act") in relation to the audited financial statements of the Company for the year ended March 31, 2025, the Board of Directors hereby confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards were followed and there were no material departures from the same;

b) such accounting policies have been selected and applied consistently and the Directors 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 as on March 31, 2025, and of the profit of the Company for financial year ended on that date;

c) proper and sufficient care was taken 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 annual accounts of the Company have been prepared on a going concern basis;

e) the Directors have laid down Internal Financial Controls to be followed and such Internal Financial Controls were adequate and were operating effectively;

f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. MATERIAL ADVERSE ORDERS, IF ANY:

There are no significant and material orders passed / penalties levied by the Reserve Bank of India or the Ministry of Corporate Affairs or Courts or Tribunals or other Regulatory/ Statutory authorities which will have an impact on the going-concern status of the Company and Company's operations in future.

28. AUDITORS AND REPORTS:

The matters related to Auditors and their Reports are as under:

Statutory Auditors and their report:
There are no adverse observations or qualifications in the auditors' reports for the financial year ended March 31, 2025. Hence, the same do not call for any further comments under Section 134(3)(f) of the Act.

Further, pursuant to Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including Housing Finance Companies) dated April 27, 2021, issued by the Reserve Bank of India ("RBI"), the statutory audit of the entities with asset size of ₹ 15,000 crores and above as at the end of previous year should be conducted under joint audit of a minimum of two audit firms.

On March 31, 2022, the Company reached the asset size of ₹ 15,000 crores. Hence, as prescribed in the abovementioned circular, the Company was required to appoint Joint Statutory Auditors to conduct the statutory audit of the Company. Accordingly, Shareholders of the Company on the recommendation of the Audit Committee and the Board of Directors, at their EGM held on June 8, 2022, appointed M/s M P Chitale & Co, (Firm Registration No. 101851W), as Joint Statutory Auditors of the Company to hold office for a period of 3 (Three) years.

The Shareholders of the Company on the recommendation of the Audit Committee and the Board of Directors, at their Annual General Meeting held on September 27, 2024 approved the appointment of G.M Kapadia & Co., (Firm Registration No. 104767W), as joint statutory auditors of the Company for a period of 3 (Three) years.

The Board of Directors based on the recommendation of the Audit Committee, subject to approval of shareholders of the Company, proposed the appointment of M/s Manohar Chowdhry & Associates (Firm Registration Number: 001997S), in place of M/s. M.P. Chitale & Co., on completion of their term, for a period of 3 years, from the conclusion of 12th Annual General Meeting till the conclusion of 15th Annual General Meeting to conduct audit for the financial year ended March 31, 2026, March 31, 2027 and March 31, 2028.

The Company has received a letter from M/s G.M. Kapadia & Co. and M/s Manohar Chowdhry & Associates, confirming that they are willing, eligible and not disqualified to act as Joint Statutory Auditors of the Company.

Secretarial Auditors and their report:
As required under provisions of Section 204 of the Companies Act, 2013 and pursuant to Regulation 24A and Regulation 62M of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, the reports in respect of the Secretarial Audit for FY 2025 carried out by M/s. Rathi & Associates, Practicing Company Secretaries, in Form MR-3, is attached as **Annexure III** and forms part to this report.

The Secretarial Audit Report for the financial year ended March 31, 2025, does not contain any qualification, adverse remark, or reservation. Accordingly, the Board is not required to provide any further explanation or comments under Section 134(3) of the Companies Act 2013.

Internal Audit Function and their report:
Pursuant to RBI risk based internal audit ("RBIA'') framework, Ms. Archana Moghe is the Head – Internal Audit ("HIA") of the Company. To ensure independence of HIA, the Audit Committee meets with the HIA, without the presence of senior management on a quarterly basis. The Internal Audit reports are reviewed quarterly by the Audit Committee.

Cost Auditors and their report:
The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

Reporting of frauds by auditors:
During the financial year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made thereunder, by officers or employees reported by the Statutory Auditors or Secretarial Auditors of the Company during the course of the audit conducted.

29. PROTECTION OF WOMEN AT THE WORKPLACE:

Your Directors state that, the Company has complied with the provisions relating to constitution of Internal Complaints Committee ("ICC") as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, ("Sexual Harassment Act"). The objective of the ICC is to prevent, prohibit and redress sexual harassment of women at the workplace. The Board confirms that during the financial year under review, the Company did not receive any sexual harassment complaints.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	No. of complaints filed during the financial year	No. of complaints disposed of during the financial year	No. of complaints pending as on the end of the financial year
	0	0	0

30. MATERNITY BENEFIT:

The Company has complied with the provisions relating to the Maternity Benefit Act, 1961.

31. CORPORATE GOVERNANCE:

As a professionally managed Company with National Investment and Infrastructure Fund II as the controlling shareholder and effective board oversight, the Company's pursuit of delivering long-term value to all its stakeholders is predicated on sound Corporate Governance practices. Corporate Governance at NIIF IFL is an ongoing process. It involves a commitment to moral values and business ethics. Regular upgrades are made to systems, policies, and frameworks to meet the challenges of rapid expansion in a dynamic external business environment.

The Company believes that good & transparent Corporate Governance practices enable the Board and the Management to direct and control the affairs of the Company in an efficient manner thereby helping the Company to achieve its goal and benefit the interest of all its stakeholders.

A report on Corporate Governance pursuant to SEBI Listing Regulations is attached as **Annexure IV**. The report contains the details as required to be provided on the composition and category of directors, number of meetings of the board, composition of the various committees, annual board evaluation, remuneration policy, criteria for board nomination and senior management appointment, whistle blower policy / vigil mechanism, disclosure of relationships between directors inter-se, state of company's affairs, etc.

Board of Directors:
The Board meets at regular intervals to discuss and decide on the Company's performance and strategies. During the financial year under review, the Board met eight (8) times. Further details on the Board of Directors are provided in the Corporate Governance Report.

Committees of the Board
The Company recognises the significance of Committees constituted by the Board, in fostering strong Corporate Governance practices. Accordingly, the Company has constituted various Committees to enhance the effectiveness & efficiency of the Board and assist in decision-making processes. These Committees have been formed in compliance of provisions of the Act and relevant rules made thereunder, Listing Regulations, RBI Master Directions, Circulars & Guidelines issued from time to time. Further details on Committees constituted by the Board, are provided in the Corporate Governance Report.

32. ANNUAL RETURN:

The Annual Return in form MGT-7 for the Company is available on the website of the Company at https://www.niififl.in/

33. RBI GUIDELINES:

The Company has constituted various Committees in compliance with applicable regulations/ directions issued by the Reserve Bank of India ("RBI") (as amended from time to time). These Committees primarily measure, monitor, report and control risks of the Company. The Company has complied with all applicable regulations and guidelines issued by the applicable authorities including RBI and SEBI. As required under Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulations) Directions, 2023.

34. BOARD POLICIES:

The details of the key policies approved and adopted by the Board of Directors as required under the Companies Act, 2013, Securities and Exchange Board of India (SEBI) regulations and RBI regulations, updated on the website, are provided in **Annexure V** to this report.

35. OTHER DISCLOSURES:

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014, are furnished as under:

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
Considering the nature of operations of the Company whereby the Company is not engaged in any manufacturing activity, the particulars regarding conservation of energy and technology absorption as

required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable and have not been included.

There were no foreign exchange earnings/ outgo during the financial year under review as well as during the previous financial year.

Secretarial Standards
The Company is in compliance with the applicable Secretarial Standards with respect to meetings of the Board of Directors & General Meetings.

36. GENERAL:

The Directors of the Company state that no disclosures or reporting is required in respect of the following items as there were no transactions on these items during the period under the review:

a) Issue of equity shares with differential rights as to dividend, voting or otherwise and under Employees Stock Option Scheme as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
c) Instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013.
d) Receipt of any remuneration or commission from any of its holding or subsidiary company by the managerial personnel of the Company.
e) Revision of the financial statements for the year under review.
f) Material changes and commitments that occurred between the end of the financial year of the Company and the date of the Report which could affect the Company's financial position.
g) Significant or material orders passed by the Regulators or Courts or Tribunals which impact/ could impact the going concern status and Company's operations in future.
h) Proceeding for Corporate Insolvency Resolution Process initiated Under the Insolvency and Bankruptcy Code, 2016.
i) Instance of one-time settlement entered with any Banks and/or Financial Institutions.
j) Scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
k) Failure to implement any Corporate Action in regard to securities issued by the Company.
l) Transfer of un-paid or unclaimed amount to Investor Education and Protection Fund ("IEPF").
m) Obtained any registration / license / authorisation, by whatever name called from any other financial sector regulators.

37. ACKNOWLEDGEMENTS AND APPRECIATION:

The Board would like to acknowledge the dedication and hard work of the Company's employees at all levels, as well as the support of the Company's diverse stakeholders. During the period under review, the relationship with regulatory authorities, shareholders, customers, bondholders, rating agencies and other stakeholders remained positive.

The Board appreciates the support and cooperation of all stakeholders.

By Order of the Board of Directors

AKT Chari	**Nilesh Shrivastava**
Non-Executive Director	**Non-Executive Director**
DIN: 00746153	**DIN: 09632942**

Place: Mumbai
Date: July 7, 2025

Registered Office:
3rd Floor, North Wing, UTI Tower, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 **CIN:** U67190MH2014PLC253944
Website: https://www.niififl.in/

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments:

The financial year 2025 began on a positive note for India, with strong economic growth. The domestic economic outlook remains resilient supported by improved consumption demand and strong macroeconomic fundamentals. Heightened international trade tensions, volatile financial markets, geopolitical strife, and climate risks weighed heavily on the economic outlook. As the year progressed, some additional challenges emerged, including tighter credit in certain customer segments.

The current geopolitical landscape is characterized by rising tensions between global powers and shifting alliances. The conflict in Ukraine, Israel-Palestine conflict, India-Pakistan conflict and Iran-Israel conflict have significant implications for global trade, energy security, and economic stability. Furthermore, the growing divide between the US and China on trade policy, coupled with the rise of emerging economies, is redefining global economic and political dynamics. These developments pose significant challenges for businesses, governments, and investors, requiring them to navigate complex and rapidly evolving geopolitical risks.

Due to this uncertainty, developed economies began lowering interest rates. This caused movements in currency markets, led to rising deficits, reduced foreign exchange reserves and increased economic uncertainty in many countries.

In India, growth began to slow down during the 1st half of the year. Tougher credit conditions led to challenges in the lending market, resulting in loan defaults in micro, small and medium industry segments. Despite these short-term hurdles, India remains one of the more stable and fast-growing economies globally. The country's infrastructure sector continues to play a central role in its economic growth strategy. Large-scale investments are being made through key initiatives such as the National Infrastructure Pipeline, PM Gati Shakti, and other programmes focused on transportation, energy and digital infrastructure.

To support these long-term infrastructure projects, the regulatory framework is actively encouraging, the growth of Infrastructure Debt Fund – Non-Banking Financial Companies (IDF-NBFCs), which play a vital role in refinancing operational infrastructure assets, helping to free up capital for new projects, providing an alternative solution to solve the asset liability mismatch of banks, channelise pension/ provident/ insurance funds to infrastructure, credit enhancing projects through longer tenors, lower rates and innovative solutions as well as enabling deepening of bond markets through issuance of listed long tenor bonds.

During FY 2025, the infrastructure financing sector experienced a steady momentum, supported by a stable interest rate environment and growing institutional investor appetite for infrastructure backed debt securities. Regulatory developments including flexibility in refinancing structures, permission to raise external commercial borrowings (ECBs) under certain conditions, continue to provide operational headroom. With enhanced access to long-term capital from domestic and foreign investors, IDF-NBFCs are being increasingly recognized as an essential channel for mitigating risk in infrastructure and enabling sustainable infrastructure financing.

Opportunities and Threats

Opportunities:

The business model of IDF-NBFCs – focused on refinancing post commencement operations date ("COD") infrastructure projects that have completed at least one year of satisfactory commercial operations, and finance toll operate transfer ("TOT") projects as the direct lender, aligns well with the government's policy emphasis on efficient capital recycling and infrastructure monetisation. The following developments present compelling growth opportunities:

- **Greater structuring flexibility**: better alignment of repayment with project cash flows, and refinancing options that allow pooling of assets.

- **Robust pipeline of eligible projects:** with a significant number of infrastructure projects across sectors such as roads, renewable energy, transport, logistics and data centres entering the post-COD phase, there is a growing pool of assets suitable for long-term refinancing.

- **Policy support:** Regulators and policy makers continue to support IDF-NBFCs through tailored regulations that offer capital efficiency, extended funding tenors, and relaxed exposure norms under the Master Directions.

- **Access to Debt Markets:** regulatory reforms under SEBI and RBI have enhanced the transparency, credibility and liquidity of the corporate debt market, enabling IDF-NBFCs to tap diversified funding sources, including insurance companies, pension funds and high net-worth individuals.

- **Emphasis on Infrastructure:** the increased budgetary allocation for infrastructure spending, along with the implementation of programmes such as the National Infrastructure Pipeline and the emphasis on public private partnerships create a favorable ecosystem for infrastructure re-financing entities.

- **Green and Sustainable Finance:** the global and domestic push towards ESG-compliant infrastructure creates a new frontier for IDF-NBFCs to expand into green refinancing and climate-aligned financing instruments. More than 60% of NIIF IFLs portfolio consists of projects in green energy sector.

- **New instruments to lower cost of borrowings:** Potential for issuance of Zero-Coupon Bonds (ZCBs), notified by Central Board of Direct Taxes ("CBDT") and Non-Convertible Redeemable Preference Shares ("NCRPS") present an opportunity to reduce cost of borrowings thereby enhancing competitiveness and support growth initiatives.

- **Product differentiation – offerings:** the financial service sector presents several opportunities for growth including
  - Flexi-coupon and fixed-rate long tenor loans which can cater to diverse customer needs and provide a competitive edge.
  - Resource insurance, which can mitigate risks relating to resource availability (for example, wind availability) and provide value added services to clients.
  - Customized lending based on project cash flows and fixed rate offerings to improve credit ratings, which can enhance the creditworthiness of borrowers and reduce lending risks.
  - Advisory services for logistics, small hydro, and wind power sectors, which can provide expert guidance and support to clients operating in these industries.

Threats:

Continued availability of liquidity in the banking system may lead infrastructure project companies/borrowers to avail financing from banks which could impact the opportunities available for refinancing by IDF-NBFCs. Also, the slow-down in the private capital expenditure and in view of limited credit growth for new projects in industrial sectors, commercial banks and new development finance institutions are likely to aggressively lend to operational infrastructure projects thereby posing competition and pricing pressure to IDF-NBFCs.

Investment platforms like lnVITs in matured sectors such as roads, renewables and transmission could impact the pipeline of operating assets available for refinancing by NIIF IFL, as there is a requirement for clarity on whether IDF-NBFCs are permitted to provide financing to InVITs.

While new financing institutions such as National Bank of Financing Infrastructure and Development (NaBFID), Indian Renewable Energy Development Agency (IREDA) are set up to focus more on financing under-construction projects, they are active in financing operational projects also as they are in the initial phase of building asset book.

Success of any financing business is dependent on a facilitative regulatory framework; any adverse change in the regulatory framework can have an impact on the profitability of NIIF IFL.

While projects re-financed by NIIF IFL are insured against various risks, the severity of climatic events could impact project performance.

Segment wise and operational performance of the Company:

NIIF IFL expanded its loan book, growing from ₹ 22,118 crores in FY 2024 to ₹ 25,390 crores in FY 2025, reflecting a 14.8% increase. The total gross disbursements in FY 2025 amounted to ₹ 7,055 crores. The Company increased its exposure in key areas such as renewable power generation, telecommunication infrastructure, logistics and other commercial infrastructure projects.

On the liabilities front, NIIF IFL continues to sustain robust relationships with a broad range of investors, including insurers, retirement benefit funds, banks, corporates and mutual funds. As of March 31, 2025, the outstanding borrowings through non-convertible debentures (“NCDs”) was ₹ 22,762 crores. Existing and potential issuances are rated ‘AAA’ rating from ICRA Limited, CRISIL Ratings Limited and CARE Rating Limited.

NIIF IFL’s Financial Performance Highlights:

A summary of NIIF IFL’s financial performance for FY 2025, along with a comparison to its performance in FY 2024, is as under:

Total Revenue: ₹ 2,183.03 crores as on March 31, 2025, compared to ₹ 1,847.02 crores as of March 31, 2024, reflecting a growth of 18.2 % year-on-year (Y-o-Y). This increase is attributed to higher loan disbursements and fee based income.

Loan book: ₹ 25,390 crores as on March 31, 2025, compared to ₹ 22,118 crores as on March 31, 2024, reflecting a growth of 14.8 % Y-o-Y.

Net Interest Income (NII): ₹ 494.72 crores as of March 31, 2025, compared to ₹ 429.27 crores as of March 31, 2024, reflecting a growth of 15.25 % Y-o-Y.

Net Profit: ₹ 486.9 crores as of March 31, 2025, compared to ₹ 419.9 crores as of March 31, 2024, reflecting a growth of 16% Y-o-Y.

Net Worth: ₹ 4,326 crores as of March 31, 2025, compared to ₹ 3,860 crores as of March 31, 2024.

The Company maintains strong asset quality with nil non-performing assets ("NPAs") and a strong capital position, with a Capital Adequacy Ratio of 21.7 % as of March 31, 2025.

The Company's debt-equity ratio was 5.42 times as of March 31, 2025, resulting from increased borrowings to support increased lending activities.

Outlook:

India's infrastructure sector is poised for sustained growth, underpinned by strong policy momentum, public investment and increasing private sector participation. The emphasis on projects that generate stable and predictable cash flows, particularly, in sectors such as renewable energy, roads, airports, logistics and digital infrastructure – creates a robust pipeline for refinancing opportunities aligned with the IDF-NBFC model.

With a pristine loan book and a well-diversified portfolio in all sectors such as renewable power generation and power transmission, airports, roads, telecommunication infrastructure, and logistics, the Company is poised to increase its loan book, ensuring conservative leverage and deepening market access. The Company's focus would be to expand to new sectors like data centres, etc. which will support holistic infrastructure growth in the country.

The strategic focus on infrastructure, supported by substantial investments by the Government of India and with adequate capital base, NIIF IFL is in a good position to capture the refinancing segment of the market. Going forward, focus of the Company is to increase the loan book with continued focus on maintaining a pristine asset quality with a balanced and diversified portfolio across multiple sectors.

The growth would continue to be underpinned by strong credit appraisal, risk guardrails and structuring skills, disciplined risk and asset management practices and continuous real-time monitoring of the portfolio. On the liabilities side, the Company will continue its endeavour to raise long term debt from a diversified base of investors and optimize borrowing cost, by exploring various new instruments including Non-Convertible Redeemable Preference Shares (NCRPS), Zero Coupon Bonds (ZCBs) and External Commercial Borrowings.

NIIF IFL remains well-positioned to consolidate its role as a key enabler in India's infrastructure financing sector. A strong balance sheet, agile risk management and conservative credit appraisal process will underpin NIIF IFL's strategy to scale responsibly, deliver stable returns to stakeholders, and contribute meaningfully to the national infrastructure goals.

Risks and Concerns:

NIIF IFL employs a comprehensive risk management framework to effectively handle its risk exposure. NIIF IFL's senior management under the guidance of the Risk Management Committee plays a crucial role in identifying various risks that could impact the Company's operations, including credit risk, interest rate risk, regulatory risk, forex risk, asset liability management risk, liquidity risk, capital adequacy & leverage, concentration risk – assets and liabilities, ESG and climate risks, IT & Cyber risk. Once these risks are identified, the management undertakes a thorough assessment and formulates strategies to mitigate these risks and ensure robust risk management framework and resilience in its operations.

For a comprehensive overview of the risks and concerns associated with the Company's business model and current economic conditions, please refer to the Risk Management Framework section in the Board's Report.

People:

Our workforce remains a key differentiator in business. We continue to invest strategically in building and strengthening high-performing teams across all functions, recognizing that our people are central to achieving operational excellence and sustained growth.

A strong emphasis has been placed on fostering a diverse, inclusive, and equitable workplace. Women comprise 36.5% of our overall workforce, including representation in managerial roles. We remain committed to improving gender diversity through focused initiatives and inclusive people practices.

To foster a truly inclusive environment, we have introduced various awareness-building initiatives. These include sensitization workshops on unconscious bias, and sessions aimed at building cultural alignment. These efforts are designed to promote mutual respect, drive inclusive behaviours, and ensure that all employees feel heard, valued, and empowered to contribute.

The Company is dedicated to nurturing a workplace culture where every employee is respected, supported, and empowered to contribute meaningfully. To this end, we offer a comprehensive suite of employee well-being initiatives, including accident and health insurance, parental leave, annual health check-ups, wellness allowances, and expert-led health and wellness sessions.

Learning and development remain a critical focus area. The Company has implemented a range of structured programmes aimed at enhancing both technical, behavioural, functional competencies. These initiatives support individual growth, ensure regulatory and operational compliance, and prepare employees for future leadership roles.

Through these ongoing efforts, The Company remains committed to cultivating a high-trust, high-performance culture that supports employee engagement, drives innovation, and builds organizational strength.

Number of Employees:

Men	Women	Total (As of March 31, 2025)
43	22	65

Internal Control Systems and Their Adequacy:

The Company has established comprehensive standards, processes and procedures to ensure the effective implementation of Internal Financial Controls related to Financial Statements. These controls are deemed adequate and have been operating effectively throughout the year. No significant issues regarding their efficiency or adequacy were noted during the review period. For further details, please refer to the Internal Control and Internal Audit section of the Directors' Report.

Annexure II

Annual Report on Corporate Social Responsibility Activities for the Financial Year 2025

1. Brief outline on CSR Policy of the Company:

NIIF Infrastructure Finance Limited ("NIIF IFL" or "the Company") believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the society, preferably in the immediate vicinity in which the Company operates or does business, but at the same time ensure widespread spatial distribution of its CSR activities all over India befitting its status as a conscientious corporate citizen. For NIIF IFL, CSR is an extension of its overall ethos of responsible business.

The CSR activities shall be undertaken by NIIF IFL as per the Companies CSR policy as formulated by the CSR Committee and approved by the Board of Directors and in line with Companies (CSR Policy) Rules 2014, Companies (CSR Policy) Amendment Rules, 2021, and the circulars related to CSR issued by the Ministry of Corporate Affairs from time to time.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ashwani Kumar	Independent Director – Chairman	4	4
2.	Ms. Rosemary Sebastian	Independent Director – Member	4	4
3.	Mr. Nilesh Shrivastava	Nominee Director of NIIF Fund II – Member	4	4

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

a. CSR Policy – Corporate Social Responsibility Policy.pdf
b. CSR Projects & Committee – https://www.niififl.in/corporate-social-responsibility

4. Provide the executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 if applicable (attach the report) – Not Applicable[1]

[1] *Pursuant to Rule 8 (3), the requirement to undertake an impact assessment for the Company's CSR projects is not applicable, since the Company's CSR obligation does not exceed ₹ 10 crores or more*

NIIF IFL INFRASTRUCTURE FINANCING

5. **Calculation of Net Profit and CSR Expenditure under Section 135 of the Companies Act, 2013.**

Sr. No.	Particulars	Amount (in ₹)
(a)	Average net profit of the Company as per sub-section (5) of section 135.	3,58,66,14,979
(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135.	7,17,32,300
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	-
(d)	Amount required to be set off for the financial year, if any.	-
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	**7,17,32,300**

6. **Amount Spent on CSR Projects:**

Sr. No.	Particulars	Amount (in ₹)
a)	Amount spent on CSR Projects (both ongoing project and other than ongoing project).	6,91,20,000
b)	Amount spent in administrative overheads.	28,80,000
c)	Amount spent on impact assessment, if applicable[2]	NA
d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	**7,20,00,000**
e)	**CSR amount spent or unspent for** the **Financial Year:**	

Total amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7,20,00,000	-	-	-	-	-

f) **Excess amount for set-off, if any: NA**

Sr. No.	Particulars	Amount (in ₹)
(1)	**(2)**	**(3)**
i.	Two percent of average net profit of the Company as per sub-section (5) of section 135.	7,17,32,300
ii.	Total amount spent for the Financial Year	7,20,00,000
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	2,67,700
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NA
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NA

[2] *Pursuant to Rule 8 (3), the requirement to undertake an impact assessment for the Company's CSR projects is not applicable, since the Company's CSR obligation does not exceed ₹ 10 crores or more*

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2024	-						
2	FY 2023	-						
3	FY 2022	-						

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

If Yes, enter the number of Capital assets created/ acquired –

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
1.	NIL						

(All fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per subsection (5) of section 135** – Not Applicable.

Sd/-
Shiva Rajaraman
Chief Executive Officer

Sd/-
Ashwani Kumar
Chairman, CSR Committee
DIN: 02870681

NIIF IFL INFRASTRUCTURE FINANCING

Annexure III

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

To
The Members,
NIIF Infrastructure Finance Limited
Mumbai

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate governance practices by NIIF Infrastructure Finance Limited (hereinafter called **"the Company"**). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025, according to the provisions of:

    (i) the Companies Act, 2013 ("the Act") and the rules made there under;

    (ii) the Depositories Act, 1996 and the Regulations and Byelaws framed there under;

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

    (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

    (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

    (iii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (to the extent applicable);

3. The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report: -

    a. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

    b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

    c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and

    e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

4. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as mentioned hereunder:

    (i) Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023;

    (ii) Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;

    (iii) Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015;

    (iv) Master Direction – Know Your Customer (KYC) Direction, 2016.

    (v) Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, 2023

    (vi) Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024

    (vii) Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025.

    (viii) Master Direction on Outsourcing of Information Technology Services

    (ix) Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies)

    (x) Master Direction on Treatment of Wilful Defaulters and Large Defaulters.

    (xi) Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021.

5. The provisions and guidelines prescribed under the Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder were not applicable to the Company during the Financial Year under report.

6. The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were not applicable to the Company during the Financial Year under report.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India; and

(ii) The Listing Agreement entered into by the Company with the National Stock Exchange of India Limited ("NSE"), the Stock Exchange on which the Company's Non-Convertible Debentures are listed.

During the financial year under report, the Company has generally complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, and Secretarial Standards etc.

We further report that:

The Board of Directors of the Company is duly constituted, and the Company only has Non-Executive Directors and Independent Directors including one Woman Independent Director in compliance with the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board meetings and the agenda and detailed notes on agenda was sent at least seven days in advance. 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.

As per the minutes of the meetings, the decisions of the Board were taken with requisite majority.

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

We further report that during the year under report, the following event had a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above:

Issue of Secured Redeemable Non-Convertible Debentures ("NCDs") of the face value of Rs. 1,00,000/- (Rupees One Lakh each) each through Private placement basis as under:

Sr. No.	Date of Allotment	No. of NCDs allotted	Amount raised from issue of NCDs (Rs. in Crores) (face value)
1	April 29, 2024	6,400	64
2	June 21, 2024	44,000	440
3.	September 19, 2024	90,000	900
4	September 19, 2024	53,500	535
5	October 24, 2024	80,000	800
5	October 24, 2024	12,500	125
6	December 2, 2024	50,200	502
7	February 28, 2025	1,00,000	1000
8	March 19, 2025	68,300	683
	Total	**5,04,900**	**5049**

For RATHI & ASSOCIATES
COMPANY SECRETARIES

NEHA R LAHOTY
PARTNER
MEM. NO.: FCS 8568
COP. NO.: 10286
UDIN:
P. R. CERT. NO.: 6391/2025
FIRM REGISTRATION NO.: P1988MH011900

PLACE: MUMBAI
DATE: JULY 7, 2025

Note: This report should be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure

To
The Members
NIIF Infrastructure Finance Limited
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of NIIF Infrastructure Finance Limited ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

NEHA R LAHOTY
PARTNER
MEM. NO.: FCS 8568
COP. NO.: 10286
UDIN:
P. R. CERT. NO.: 6391/2025
FIRM REGISTRATION NO.: P1988MH011900

PLACE: MUMBAI
DATE: JULY 7, 2025

Annexure IV

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY OF CORPORATE GOVERNANCE:

Corporate Governance is the management of an organisation's activities in accordance with policies that increase value for all stakeholders. Corporate Governance is an ongoing process at NIIF IFL. It involves a commitment to values and ethical business practices. Regular updates are made to systems, policies, and frameworks to meet the challenges of rapid growth in a dynamic external business environment.

Corporate Governance practices are essential to NIIF IFL's pursuit of delivering long-term value to all of its stakeholders, as it is a professionally managed business with:

i) effective board oversight,
ii) clearly defined overall objectives of the Company & area of business,
iii) decision making by Board & Committees with clear terms / delegation of powers & jurisdiction,
iv) Induction of Independent Directors with experience,
v) track record and impeccable credentials,
vi) clearly outlined Policies (including in respect of risk management, investment & credit, asset liability management, resource planning, fair practices etc),
vii) Compliance with laws/ regulations (RBI norms, Companies Act, SEBI norms, all other laws),
viii) Code of conduct (including in respect of ethical conduct, integrity, reliability and fair practices)
ix) Risk Management Framework, checks and balances & controls (including structures adhering to maker-checker principles, internal & statutory audits); resolution of issues raised by auditors
x) Keeping to commitments (both internal & external), Transparency & Disclosures to all stakeholders

The Company places great emphasis on values such as employee empowerment and integrity, employee and community safety, transparency in the decision-making process, fair and ethical dealings with all, and stakeholder accountability. The Internal Guidelines on Corporate Governance are available on the Company's website at https://www.niififl.in/.

In accordance with the provisions of the Act and the SEBI Listing Regulations, the Directors' Report must contain numerous disclosures. The following disclosures pertain to the Board of Directors, its Committees, and their meetings:

2. BOARD OF DIRECTORS ("BOARD"):

The Board is central to the Company's Corporate Governance system. The Directors have the responsibility of establishing strategic goals for the management and ensuring that the long-term interests of all stakeholders are served by adhering to and enforcing the principles of good corporate governance.

Board members' diverse areas of knowledge and expertise are necessary for providing an independent and objective perspective on business issues and evaluating them from the perspective of the Company's stakeholders. The Company is professionally managed, and the Board of Directors is independent of the management.

Committees of the Board include Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, IT Strategy Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, empower the Boards' functioning by exchanging information and delivering a focused approach and expedient resolution of diverse matters.

In accordance with the provisions of the Companies Act 2013, and the SEBI Listing Regulations, your Company's Board of Directors has an optimal mix of Non-Executive, and Independent Directors. As of March 31, 2025, the Board of Directors consists of 6 (six) Directors, 3 (three) of whom are Independent Directors, including 1 (one) Woman Director. The Company has appointed a Chief Executive Officer, Chief Financial Officer, and Company Secretary as Key Managerial Personnel, who are not members of the Board of Directors. The Company has also appointed a Chief Compliance Officer, a Chief Risk Officer, and a Head of Internal Audit. The above are in compliance with the Act and applicable regulations.

The composition of the Board of Directors as on March 31, 2025, is provided below:

Name of Director	Category	No. of Directorships in other Public Company*	No. of Committee Memberships of other Public Company$	Chairpersonship in Committees of other Public Company	Details of the Directorships in other listed entities#
Mr. A K T Chari (DIN 00746153)	Non-Executive Nominee Director	-	-	-	-
Ms. Rosemary Sebastian (DIN 07938489)	Independent Director	2	2	1	-
Mr. Ashwani Kumar (DIN 02870681)	Independent Director	2	3	1	Saurashtra Cement Limited Macrotech Developers Limited
Mr. Prashant Kumar Ghose (DIN 00034945)	Independent Director	1	2	2	-
Mr. Nilesh Shrivastava (DIN: 09632942)	Non-Executive Nominee Director	2	1	-	-

Mr. Padmanabh Sinha resigned as Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company with effect from the closure of business hours on March 31, 2025.

Note:

***The above list of other directorships includes Public Companies (listed and unlisted) but does not include Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 and does not include Directorship and Committee membership held in NIIF IFL.*

$Includes Chairmanship or membership of the Audit Committee and Stakeholders' Relationship Committee of Public Companies (listed and unlisted) only.

#Includes entities whose equity shares are listed on a stock exchange.

NIIF IFL INFRASTRUCTURE FINANCING

The Board of Directors is of the opinion that all Independent Directors of the Company fulfil the conditions of independence as prescribed under Section 149(6) of the Act.

a. Board

Agenda and Minutes

The Company Secretary receives details on the matters which require the approval of the Board / Board Committees, from various departments of the Company in advance, so that they can be included in the Board/Board Committee agenda. All relevant information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meetings.

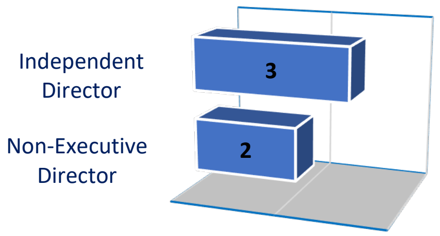
The following minimum information is included in the agenda of each quarterly/annual Board meetings, thereby ensuring statutory compliance:

a. Minutes of the meeting of previous Board and Committee meetings.
b. Recording circular resolution(s)
c. Financial results
d. Compliance certificate
e. Status of action on previous Board meeting items
f. Business requirements
g. Borrowings and investments
h. Review of policies of the Company
i. Payment of Auditors' Fees

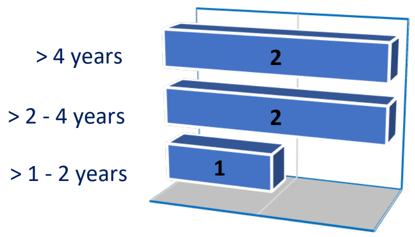
The Board is kept informed on all issues, including the following, in accordance with various regulatory requirements and business needs:

a. Strategic initiatives and business plans
b. Capital outlay and updates
c. Internal financial controls
d. Organisational structure and succession planning
e. Details of fraud incidents (if applicable) and corrective action taken
f. Supervisory and observation letters issued by the RBI
g. Compliance with the Companies Act, SEBI regulations, RBI regulations, and shareholder-related issues.
h. Risk Management System, Risk Management Policy, and Risk Management Strategy
i. Adherence to corporate governance standards
j. Adherence to the fair practices code
k. The operation of the customer grievance redressal mechanism
l. Changes in the regulatory environment

Composition of the Board of Directors



Duration for which Directors are on the Board of the Company



Attendance of Directors

As a best practice, the Company endeavours to ensures that the Directors are present at all meetings. 8 (eight) Board meetings were held during FY 2025 on May 3, 2024, June 25, 2024, August 1, 2024, October 3, 2024, October 24, 2024, November 7, 2024, February 6, 2025, and March 4, 2025.

The following table shows the attendance of the Directors at the Board meetings, and the Annual General Meeting:

Name of Directors	No. of Board meetings		Attendance in the last AGM dated September 27, 2024
	Held	Attended	Yes/ No/ NA
Mr. A K T Chari	8	8	No
Mr. Ashwani Kumar	8	8	Yes
Ms. Rosemary Sebastian	8	8	Yes
Mr. Prashant Kumar Ghose	8	8	Yes
Mr. Padmanabh Sinha*	8	8	No
Mr. Nilesh Shrivastava	8	6	Yes

**Mr. Padmanabh Sinha resigned as Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company with effect from the closure of business hours on March 31, 2025.*

In terms of Regulation 62O of the SEBI Listing Regulations, none of the Directors of the Company were members of more than 10 Committees or acted as the Chairperson of more than 5 Committees across all listed companies in India, in which they are a Director.

Pursuant to the provisions of Section 165(1) the Act and Regulation 62O and 62E of the SEBI Listing Regulations, and RBI Master Directions none of the Directors:

a. hold directorships in more than 20 companies (Public or Private),
b. hold directorships in more than 10 public companies,
c. hold membership of board committees (Audit & Stakeholders Relationship Committees) in more than 10 and Chairpersonship of Board Committees in excess of 5,
d. serve as Director in more than 7 listed companies (including High Value Debt Listed Entities),
e. serve as Managing Director/Whole Time Director in any listed company or serve as Independent Director in more than 3 listed companies (including High Value Debt Listed Entities).
f. are on the Board of more than three NBFCs (NBFC-Middle Layer or NBFC-Upper Layer) at the same time.

The Directors have no relationship with one another. Furthermore, no Directors own the Company's equity shares or non-convertible debentures.

Code of Conduct

The Company has designed and implemented a Code of Conduct for the employees and Directors of the Company. The employees, including the senior management of the Company, are governed by this Code of Conduct. The salient features of the said Code of Conduct are as under:

a. Maintain practices that conform to the highest degree of Corporate Governance.
b. Ensure confidentiality of information.
c. Ensure accuracy of records and reporting.
d. Ensure protection of Company's assets.

e. Ensure fulfilment of corporate responsibilities.
f. Ensure fairness in the workplace.
g. Ensure compliance with laws & regulations.

Board Diversity

The Board comprises of adequate number of Directors with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Directors are persons of eminence in areas such as banking, finance, auditing, lending, strategy, administration, regulation etc. and bring with them experience/skills which add value to the performance of the Board and the Company.

Familiarisation Programme

At the time of appointment, Independent Directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. The Company also conducts a formal familiarisation programme. At Board and Committee meetings, the Independent Directors are familiarised on the business model, strategies, operations, functions, policies and procedures of the Company.

Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Act and rules made thereunder and SEBI Listing Regulations as amended from time to time, one meeting of Independent Directors was held during the year on May 2, 2024.

The meeting was conducted to enable Independent Directors, discuss matters relating to the Company's affairs and put forth their views without the presence of Non-Independent Directors and members of the management. In this meeting, the Independent Directors reviewed the performance of the Board as a whole and Committees of the Board.

Chart setting out the competencies of the Board

The Board of the Company comprises qualified members with the required skills, competence and expertise for effective contribution to the meetings of the Board and its Committee.

The table below summarises the list of core skills/ expertise/ competencies identified by the Board of Directors for effectively conducting the business of the Company and the availability of such skills with the Directors.

Skill Areas	Mr. A K T Chari	Mr. Ashwani Kumar	Ms. Rosemary Sebastian	Mr. Prashant Kumar Ghose	Mr. Nilesh Shrivastava
Leadership qualities	✓	✓	✓	✓	✓
Business and Strategic planning	✓	✓	✓	✓	✓
Industry knowledge and experience	✓	✓	✓	✓	✓
Engagement	✓	✓	✓	✓	✓
Governance, Compliance and Audit purview	✓	✓	✓	✓	✓
Information Technology	✓	-	✓	✓	✓
Risk Management	✓	✓	-	✓	✓

b. Committees of the Board/constituted by the Board

To ensure smooth business activities and as per the requirements of the Act, SEBI Listing Regulations and RBI Directions, the Board of Directors has constituted certain Committees and Executive / Management Committees. The core Committees constituted by the Board of Directors of the Company are as under:

1. Audit Committee
2. Risk Management Committee
3. Nomination and Remuneration Committee
4. Stakeholders Relationship Committee
5. Corporate Social Responsibility Committee
6. IT Strategy Committee
7. IT Steering Committee
8. Information Security Committee
9. Identification Committee (Wilful and Large Defaulter)
10. Review Committee (Wilful and Large Defaulter)
11. Committee of Executives (Fraud related)
12. Asset and Liability Management Committee
13. Cyber Crisis Management Committee
14. Credit Committee
15. Investment Committee
16. Finance Committee
17. Internal Complaints Committee

Audit Committee

The Audit Committee is constituted in accordance with the provisions of the Act, SEBI Listing Regulations and RBI Guidelines as amended from time to time.

All the members of the Audit Committee are financially literate and all members have accounting or financial management expertise. The Chief Financial Officer and the representatives of the Statutory Auditors and Head-Internal Audit are permanent invitees to the Audit Committee meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

Composition of Audit Committee

The Audit Committee comprises of 4 (four) members viz. Mr. Prashant Kumar Ghose, Mr. Ashwani Kumar, Ms. Rosemary Sebastian and Mr. Nilesh Shrivastava. Mr. Prashant Kumar Ghose is the Chairman of the Audit Committee.

Terms of Reference of the Audit Committee are as follows:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of Auditors of the listed entity;
3. approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. reviewing, with the management, the Annual financial statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   b. changes, if any, in accounting policies and practices and reasons for the same;
   c. major accounting entries involving estimates based on the exercise of judgment by management;
   d. significant adjustments made in the financial statements arising out of audit findings;
   e. compliance with listing and other legal requirements relating to financial statements;
   f. disclosure of any related party transactions;
   g. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. reviewing the utilisation of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.

Meetings of Audit Committee and attendance of Audit Committee members

During FY 2025, the Audit Committee met 7 (seven) times on May 3, 2024, June 25, 2024, July 10, 2024, July 31, 2024, October 24, 2024, February 5, 2025, and March 4, 2025. The attendance of members at the Audit Committee meetings held during FY 2025 is given in the table below:

Name of the Committee member	No. of Audit Committee meetings	
	Held	Attended
Mr. Prashant Kumar Ghose	7	7
Mr. Ashwani Kumar	7	7
Ms. Rosemary Sebastian	7	7
Mr. Nilesh Shrivastava	7	6

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") is formed as per the provisions of the Act, Listing Regulations and the RBI Guidelines. NRC recommends to the Board of Directors, the appointment of Directors, Senior Management and Key Managerial Personnel. The Committee further ensures fit and proper status of existing / proposed directors.

Composition of Nomination and Remuneration Committee

NRC comprises of 3 (Three) members viz. Mr. Ashwani Kumar, Ms. Rosemary Sebastian and Mr. Nilesh Shrivastava. Mr. Ashwani Kumar is the Chairman of NRC.

The terms of reference of the Nomination and Remuneration Committee are as follows:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, appointment, the remuneration of the Directors, key Managerial Personnel and other employees keeping in consideration various factors viz. qualification, expertise, diversity etc;
2. for every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    a. use the services of an external agencies, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
4. devising a policy on diversity of Board of Directors;
5. identifying persons who are qualified to become Directors and who may be appointed in Senior management / KMP in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
6. whether to extend or continue the term of appointment of the Independent Director, based on the report of performance evaluation of Independent Directors.
7. recommend to the Board, all remuneration, in whatever form, payable to Senior management.

Meetings of NRC and attendance of NRC members

During FY 2025, the Nomination and Remuneration Committee met 3 (three) times on May 2, 2024, June 25, 2024, and October 23, 2024. The attendance of the members at the NRC meetings held during FY 2025 is given in the table below:

Name of the Committee member	No. of Nomination and Remuneration Committee meetings	
	Held	Attended
Mr. Ashwani Kumar	3	3
Ms. Rosemary Sebastian	3	3
Mr. Padmanabh Sinha*	3	3

Mr. Nilesh Shrivastava was inducted to the NRC with effect from April 17, 2025.

**Mr. Padmanabh Sinha resigned as Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company with effect from the closure of business hours on March 31, 2025.*

Performance Evaluation:

Annual Performance Evaluation

The evaluation framework for assessing the performance of Directors includes, among other things, contributions at the meeting(s) and strategic inputs or perspectives regarding the growth and performance of the Company.

A mechanism for evaluating the performance of the Directors, the Board, its Committees has been adopted. Evaluation criteria include, among others, strategic perspective, attendance, time devoted and preparedness for the meetings, quality, quantity and timeliness of the flow of information between the Board and management, contribution at the meetings, effective decision-making ability, role and effectiveness of the Committees. The Directors provide feedback on the performance of the Board, its Committees, and Chairman of the Committees.

Outcome of the Evaluation

The Directors of the Company are satisfied with the operation of the Board and its Committees. The Committees operate effectively, and in addition to the mandated terms of reference for each Committee, significant issues are brought up and discussed at Committee meetings. The Board was also satisfied with the contributions made by individual Directors in their respective roles, which reflects the overall commitment of each Director.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ("SRC") is formed as per the provisions of the Act and the SEBI Listing Regulations. The SRC specifically looks into aspects of interest of Shareholders, Debenture holders and other security holders.

Composition of Stakeholders Relationship Committee

The SRC comprises of 3 (three) members viz. Mr. Ashwani Kumar, Mr. AKT Chari and Mr. Nilesh Shrivastava. Mr. Ashwani Kumar is the Chairman of SRC.

The Company Secretary shall be a permanent invitee to the meetings of the Committee.

The terms of reference of the role of Stakeholders Relationship Committee (SRC) are as follows:

1. resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non- receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2. review of measures taken for effective exercise of voting rights by shareholders.
3. review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

Meetings of SRC and attendance of SRC members

During FY 2025, the Stakeholders Relationship Committee met 2 (two) times August 1, 2024, and February 6, 2025. The attendance of members at SRC meetings held during FY 2025 is given in the table below:

Name of the Committee member	No. of Stakeholders Relationship Committee meetings	
	Held	Attended
Mr. Ashwani Kumar	2	2
Mr. AKT Chari	2	2
Mr. Nilesh Shrivastava	2	1

<u>Investor complaints in FY 2025:</u>

No. of complaints received	No. of complaints not solved to the satisfaction of the shareholders	No. of pending complaints at the end of the year
Nil		

Risk Management Committee

The Risk Management Committee ("RMC") is formed as per the provisions of the Act and the SEBI Listing Regulations and RBI Guidelines. RMC reviews and monitors risks across the organisation, including credit risk, market risk, operational risk, ALM risk, interest rate risk, ESG risk and portfolio level concentration & other risks. The primary function of the RMC, *inter-alia* is to ensure that risk is within clearly defined risk limits and boundary parameters as defined in the Board approved Credit Policy, Asset Liability Management ("ALM") Policy, and Operational Risk Management ("ORM") Policy of the Company and adequate processes are implemented to identify, measure, monitor and mitigate the risks.

Composition of Risk Management Committee

The Risk Management Committee comprises of 6 (Six) members viz. Mr. Ashwani Kumar, Mr. Prashant Kumar Ghose, Mr. AKT Chari, Mr. Nilesh Shrivastava, Chief Executive Officer and Chief Risk Officer. Mr. Ashwani Kumar is the Chairman of the RMC.

The following are the terms of reference of the RMC:

1. To formulate a detailed Risk Management policy which shall include:
    a. a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (including ESG

related risks), information technology including business continuity plan, cyber security risks, market risk or any other risk as may be determined by the Committee.

b. measures for risk mitigation including systems and processes for internal control of identified risks.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the Risk Management policy, including evaluating the adequacy of Risk Management systems;
4. To periodically/annually review the Risk Management policy, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (CRO) shall be subject to review by the Risk Management Committee;
7. The Risk Management Committee shall coordinate its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the board of directors.

Meetings of RMC and attendance of RMC members

During FY 2025, the Risk Management Committee met 4 (four) times on May 2, 2024, July 31, 2024, October 23, 2024 and February 5, 2025. The attendance of members at the Risk Management Committee meetings held during FY 2025 is given in the table below:

Name of the Committee Member	No. of Risk Management Committee Meetings	
	Held	Attended
Mr. Ashwani Kumar	4	4
Mr. A K T Chari	4	4
Mr. Prashant Kumar Ghose	4	4
Mr. Nilesh Shrivastava	4	3
Chief Executive Officer	4	4
Chief Risk Officer	4	4

Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility ("CSR") Committee was constituted pursuant to the provisions of Section 135 of the Act. The Company believes that profitability must be complemented by a sense of responsibility towards all stakeholders. CSR Committee, as mandated under Section 135 (3) of the Act has formulated and recommended to the Board, a CSR Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommends the amount of expenditure to be incurred on the said activities.

Composition of CSR Committee

CSR Committee comprises of 3 (three) members viz. Mr. Ashwani Kumar, Ms. Rosemary Sebastian and Mr. Nilesh Shrivastava. Mr. Ashwani Kumar is the Chairman of the CSR Committee.

Mr. Rajiv Dhar, Chief Investment Officer, National Investment and Infrastructure Fund Limited, shall be a permanent invitee to the meetings of the Committee.

Meetings of CSR Committee and attendance of CSR Committee members

During FY 2025, the CSR Committee met 4 (four) times on May 2, 2024, August 29, 2024, January 7, 2025, and February 6, 2025. The attendance of members at CSR meetings held during the FY 2025 is given in the table below:

Name of the Committee member	No. of Corporate Social Responsibility Committee meetings	
	Held	Attended
Mr. Ashwani Kumar	4	4
Ms. Rosemary Sebastian	4	4
Mr. Nilesh Shrivastava	4	4

IT Strategy Committee

The IT Strategy Committee has been constituted as per the requirements of RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices.

Composition of IT Strategy Committee

The Committee comprises of 7 (seven) members viz. Ms. Rosemary Sebastian, Mr. Prashant Kumar Ghose, Mr. AKT Chari, Chief Executive Officer, Chief Risk Officer, Chief Financial Officer, and Head – IT. Ms. Rosemary Sebastian is the Chairperson of the IT Strategy Committee.

The Chief Security Information Officer shall be a permanent invitee to the meetings of the Committee.

Meetings of the Committee and attendance of the Committee members

During FY 2025, the IT Strategy Committee met 4 (four) times on May 10, 2024, August 8, 2024, November 21, 2024, and January 23, 2025. The attendance of members at the IT Strategy Committee meetings held during FY 2025 is given in the table below:

Name of the Committee member	No. of IT Strategy Committee meetings	
	Held	Attended
Ms. Rosemary Sebastian	4	4
Mr. Prashant Kumar Ghose	4	4
Mr. AKT Chari	4	4
Chief Executive Officer	4	4
Chief Risk Officer	4	3
Chief Financial Officer	4	4
Head – IT	4	4

Asset Liability Management Committee (ALCO)

The Asset Liability Management Committee ("ALCO") has been constituted as per the requirements of RBI Master Directions. ALCO is a decision-making body responsible for integrated balance sheet management from a risk-return perspective and includes the strategic management of interest rate and liquidity risks. The primary function of ALCO *inter-alia* includes balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks, review of results and progress in implementation of the decisions made in the previous meetings, articulation of the current interest rate view and decision-making for future business strategy based on this view. ALCO is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy.

Composition of ALCO
The Asset Liability Management Committee comprises of 5 (five) members viz. Chief Executive Officer, Chief Business Officer, Chief Risk Officer, Chief Financial Officer and Director – Resources.

Meetings of ALCO and attendance of ALCO Members
During FY 2025, the ALCO met 6 (six) times on April 30, 2024, June 28, 2024, August 21, 2024, October 22, 2024, December 30, 2024 and February 4, 2025. The attendance of the members at the ALCO meetings held during FY 2025 is given in the table below:

Name of the Committee member	No. of ALCO meetings	
	Held	**Attended**
Chief Executive Officer	6	6
Chief Business Officer	6	6
Chief Risk Officer	6	5
Chief Financial Officer	6	5
Director - Resources	6	6

3. REMUNERATION OF DIRECTORS

The Independent Directors and Mr. AKT Chari are paid sitting fees, travelling, lodging and other incidental expenses for attending meetings of Board of Directors / Committees. The Directors have not been granted any stock options by the Company.

The Board's function and obligations, notably those of Independent Directors, have grown in complexity, necessitating increased time commitments, attention, and a higher degree of monitoring. Given the tasks and responsibilities of Independent Directors, and in order to match their remuneration with industry standards, the Board of Directors at its meeting held on April 30, 2025, and the Shareholders at their meeting held on June 4, 2025, approved compensation in the form of profit-related commission to Mr. Ashwani Kumar, Ms. Rosemary Sebastian and Mr. Prashant Kumar Ghose, Independent Directors of the Company up to Rs. 10,00,000/- each per annum, subject to limits under the Companies Act, 2013, with effect from FY 2026.

Apart from the above, the Company does not have any pecuniary relationship with the Non-Executive / Independent Directors. During the year under review, the Company did not enter into any other transactions with the Non-Executive Directors.

Your Company paid the Independent Directors sitting fees for attending meetings as detailed below:

Attending Meeting of	Amount in ₹
Board	80,000 per meeting
Credit Committee	75,000 per meeting
Other Committees	60,000 per meeting

Details of sitting fees paid to the Independent Directors and Non-Executive Directors during FY 2025 are given in the table below:

(in ₹)

Name of the Director	Board Meeting	Independent Director Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	CSR Meeting	IT Strategy Committee Meeting	Stakeholders Relationship Committee Meeting	Risk Management Committee	Credit Committee
Ms. Rosemary Sebastian – Independent Director	6,40,000	60,000	4,20,000	1,80,000	2,40,000	2,40,000	-	-	-
Mr. Ashwani Kumar – Independent Director	6,40,000	60,000	4,20,000	1,80,000	2,40,000	-	1,20,000	2,40,000	-
Mr. Prashant Kumar Ghose – Independent Director	6,40,000	60,000	4,20,000	-	-	2,40,000	-	2,40,000	-
Mr. AKT Chari – Non-Executive Director	6,40,000	-	-	-	-	2,40,000	1,20,000	2,40,000	8,25,000

4. PARTICULARS OF SENIOR MANAGEMENT INCLUDING CHANGES THEREIN SINCE THE CLOSE OF PREVIOUS FINANCIAL YEAR

The details of Senior Management as on March 31, 2025, pursuant to SEBI Regulations:

Sr. No.	Name	Designation
1.	Mr. Shiva Rajaraman	Chief Executive Officer
2.	Mr. Debabrata Mukherjee	Chief Business Officer
3.	Mr. Ajay Singh	Chief Risk Officer
4.	Mr. Srinivas Upadhyayula	Chief Compliance Officer & General Counsel
5.	Mr. Sudeep Bhatia	Chief Financial Officer
6.	Mr. Ankit Sheth	Company Secretary

Changes in Senior Management since the close of the previous financial year:

During the financial year under review, Mr. Pankil Mehta resigned as Chief Financial Officer and Key Managerial Personnel with effect from the closure of business hours on June 25, 2024. Accordingly, the Board of Directors of the Company at its meeting held on June 25, 2024, based on the recommendation of the Nomination and Remuneration Committee and the Audit Committee, approved the appointment of Mr. Sudeep Bhatia as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from June 25, 2024.

Mr. Sudeep Bhatia is an experienced Chartered Accountant, Cost Accountant and Certified Public Accountant with over 25 years of rich, well-rounded experience in full spectrum of business finance areas across Corporate Finance, Investor Relations, Fund raising, Private equity, Mergers & acquisitions, Business planning & Strategy, Financial Control, Taxation and Regulatory compliance.

5. SHAREHOLDERS & GENERAL INFORMATION

The particulars of the last three Annual General Meetings ("AGM") of the Company are provided in the below table:

Details of AGM	Date and Time	Venue	Special resolution passed
9th AGM	September 28, 2022, at 11:00 am	Through Video Conferencing on MS Teams	-
10th AGM	September 27, 2023, at 11:30 am	Through Video Conferencing on MS Teams	-
11th AGM	September 27, 2024, at 11:00 am	Through Video Conferencing on MS Teams	-

The particulars of Extraordinary General Meetings ("EGM") convened during the year are provided in the below Table:

Date and Time	Venue	Special resolution passed
June 5, 2024, at 4:00 pm	Through Video Conferencing on MS Teams	Issuance of Non-Convertible Debentures on private placement basis.

General Shareholder Information

Date, Time and Venue of the 12th Annual General Meeting	July 29, 2025, at 11:00 A.M. by way of video conferencing/ other audio-visual means
Financial Year	FY 2025
Dividend Payment Date	The final dividend, if approved, shall be paid/credited on or before August 28, 2025.
Name and address of Stock Exchanges where Company's securities are listed	The Non-Convertible Securities of the Company are listed on the National Stock Exchange of India Limited. National Stock Exchange Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 **Note:** As on March 31, 2025, the outstanding amount of CPs was Nil.
Listing fees	Annual listing fees, as prescribed, have been paid to the said stock exchanges up to March 31, 2025.
Stock code	Not applicable, as the Equity Shares of the Company are not listed.

<table>
<tr><td>Market price data- high, low during each month in last financial year;</td><td>Not applicable, as the Equity Shares of the Company are not listed.</td></tr>
<tr><td>Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc</td><td>Not applicable, as the Equity Shares of the Company are not listed.</td></tr>
<tr><td>In case the securities are suspended from trading, the directors report shall explain the reason thereof</td><td>During FY 2025, none of the securities of the Company were suspended from trading.</td></tr>
<tr><td>Share Registrar and Transfer Agents</td><td>In terms of Regulation 7 of the SEBI Listing Regulations, MCS Share Transfer Agent Limited is the Registrar and Share Transfer Agent and handles all relevant share registry services for Non-Convertible Debentures and Commercial Papers.

MCS Share Transfer Agent Limited
201, D Wing, 2nd Floor, Gokul Industrial Estate Building, Sagbaug, Marol Co-op Industrial Area B/H Times Square, Andheri East, Mumbai – 400 059.
Contact: 022-28516020
Website: https://www.mcsregistrars.com

All the securities of the Company are in dematerialised form, hence there are no physical transfer of securities.</td></tr>
<tr><td>Shareholding pattern and distribution of shareholding as on March 31, 2025</td><td>
<table>
<tr><th>Sr. No.</th><th>Name of Shareholders</th><th>No. of Equity Shares held</th><th>% of paid up equity share capital</th></tr>
<tr><td>1</td><td>National Investment and Infrastructure Fund II and its nominees</td><td>54,63,50,979</td><td>39.7</td></tr>
<tr><td>2</td><td>Aseem Infrastructure Finance Limited</td><td>42,39,32,487</td><td>30.8</td></tr>
<tr><td>3</td><td>HDFC Bank Limited</td><td>6,00,00,000</td><td>4.4</td></tr>
<tr><td>4</td><td>The President of India (GOI)</td><td>34,49,97,165</td><td>25.1</td></tr>
<tr><td></td><td>Total</td><td>1,37,52,80,631</td><td>100.00</td></tr>
</table>
</td></tr>
<tr><td>Dematerialisation of shares and liquidity</td><td>As on March 31, 2025, Equity Shares and Non-Convertible Debentures (“NCDs”) were held in dematerialised mode.</td></tr>
<tr><td>Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;</td><td>As on March 31, 2025, the Company did not have any outstanding global depository receipts or American depository receipts or warrants or any Convertible Instruments.</td></tr>
<tr><td>Commodity price risk or foreign exchange risk and hedging activities;</td><td>The Company does not deal in any commodity and there were no foreign exchange earnings/ outgo. Hence, the Company is not directly exposed to any commodity price and foreign exchange risk. The Company does not have any hedging activities.</td></tr>
</table>

Plant locations	Not applicable
List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.	The details of credit ratings obtained by the Company are furnished in the Directors' Report.
Corporate Identification Number (CIN) / Registration no. of the Company as per Companies Act with the Registrar of Companies	U67190MH2014PLC253944
Permanent Account Number (PAN)	AADCI5030Q
Address for correspondence	Investors and shareholders can correspond with the share transfer agent of the Company or the Company at the following addresses: **REGISTRAR AND SHARE TRANSFER AGENT (EQUITY AND PREFERENCE SHARES)** **MUFG Intime India Pvt. Ltd. (Formerly Link Intime India Pvt. Ltd.) (Equity Shares)** Address: C-101, Embassy 247, LBS Marg, Vikhroli (West), MUMBAI – 400083 E-mail: benposreports@in.mpms.mufg.com Website: https://in.mpms.mufg.com/ **Registrar and Share Transfer Agent (Non-Convertible Debentures and Commercial Paper)** **MCS Share Transfer Agent Limited** 201, D Wing, 2nd Floor, Gokul Industrial Estate Building, Sagbaug, Marol Co-op Industrial Area, B/H Times Square, Andheri East, Mumbai – 400 059 Email:cprabhu@mcsregistrars.com Website: https://www.mcsregistrars.com **DEBENTURE TRUSTEES** **IDBI Trusteeship Services Limited** Registered Office: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001 Contact: 022-40807007 Email: gaurav.mody@idbitrustee.com **COMPANY'S CORRESPONDENCE DETAILS:** 3rd Floor, North Wing, UTI Tower, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Phone No.: +91 2268591300 Email: Info@niififl.in

Transfer of Unclaimed / Unpaid Amounts to the Investor Education and Protection Fund	During the year under review, no amount was due for transfer to Investor Education and Protection Fund.
Registration/ license/ authorisation, obtained from other financial sector regulators	The Reserve Bank of India ("RBI") - Certificate of Registration no. N.13.02078
Area and country of operation	India

OTHER DISCLOSURES

No.	Particulars	Details
a.	Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of the Company	The details of Related Party Transactions are furnished in the Directors' Report. None of the transactions with any of the related parties were in conflict with the Company's interest. The Company has in place a RPT Policy as required under the applicable laws. Details of the RPT Policy are available on the website of the Company at https://www.niififl.in/ Details of all related party transactions form a part of the financial statements as required under Ind AS-24 and the same forms part of the Annual Report.
b.	Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the **last three years**;	During FY 2023, there was one incidence where the Company has failed to intimate to Stock Exchange about the Record date within the stipulated time period as per Regulation 60 (2) of SEBI Listing Regulations. Pursuant to SEBI Circular No. SEBI/ HO/ DDHS_Div2/ P/ CIR/ 2021/ 699 dated December 29, 2021, the National Stock Exchange of India Limited, has imposed fine amounting to ₹ 10,000 (Rupees Ten Thousand Only) (Plus GST) on the Company for the said non-compliance. The Company has paid the requisite amount of fine to the National Stock Exchange of India Limited. During the financial year under review, no penalties or strictures were imposed on the Company by any stock exchange, SEBI or other statutory authority on matters relating to the capital markets.
c.	Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the audit committee	The details of establishment of whistle blower policy/vigil mechanism are furnished in the Directors' Report.
d.	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	The details of compliance with mandatory requirements and adoption of the non-mandatory

<table>
<tr><td></td><td></td><td>requirements are mentioned below in point no. 'o' of this report.</td></tr>
<tr><td>e.</td><td>Web link where policy for determining 'material' subsidiaries is disclosed.</td><td>The Company does not have any Subsidiary Company, hence formulation of Policy for determining Material Subsidiaries as per Regulation 62L of the Listing Regulations is not applicable for the Company.</td></tr>
<tr><td>f.</td><td>Web link where policy on dealing with related party transactions.</td><td>The Company's policy on dealing with the Related Party Transactions is in place and the same is displayed on the website of the Company at https://www.niififl.in/</td></tr>
<tr><td>g.</td><td>Disclosure of commodity price risks or foreign risks and commodity hedging activities.</td><td>The Company does not deal in any commodity and there were no foreign exchange earnings/ outgo. Hence, the Company is not directly exposed to any commodity price and foreign exchange risk. The Company does not have any hedging activities.</td></tr>
<tr><td>h.</td><td>Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).</td><td>Not Applicable</td></tr>
<tr><td>i.</td><td>Certificate from a Company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any
such statutory authority.</td><td>The Company has received a certificate from M/s. Rathi & Associates, Practicing Company Secretary, to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI/Ministry of Corporate Affairs or such other statutory authority. The said certificate has been enclosed as Annexure A.</td></tr>
<tr><td>j.</td><td>Where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof</td><td>During the financial year under review, all the recommendation of the various Committees were accepted by the Board.</td></tr>
<tr><td>k.</td><td>Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part</td><td>Total fees paid by the Company during FY 2025 to the Joint Statutory Auditors including all entities in their network firm/entity of which they are a part, is given below (excluding out-of-pocket expenses and reimbursements):
<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>M/s. GM Kapadia & Co. (Q2 onwards)</th><th>M/s. M. P. Chitale & Co</th><th>Lodha & Co LLP (Q1 FY 2025)</th></tr>
<tr><td>1</td><td>Statutory Audit Fee</td><td>0.22</td><td>0.24</td><td>0.02</td></tr>
<tr><td>2</td><td>Tax Audit Fees</td><td>0.02</td><td>0.00</td><td>0.00</td></tr>
<tr><td>3</td><td>Other Certifications</td><td>0.02</td><td>0.03</td><td>0.02</td></tr>
</table></td></tr>
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<table>
<tr>
<td>l.</td>
<td>Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013</td>
<td>
<table>
<tr><th>No. of complaints filed during the financial year</th><th>No. of complaints disposed of during the financial year</th><th>No. of complaints pending as on the end of the financial year</th></tr>
<tr><td>Nil</td><td>Nil</td><td>Nil</td></tr>
</table>
</td>
</tr>
<tr>
<td>m.</td>
<td>Compliance certificate from either the auditors or practicing Company secretaries regarding compliance of conditions of corporate governance shall be annexed with the Directors' report.</td>
<td>The Company is a High Value Debt Listed Entity ('HVDLE') pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 dated September 07, 2021. Accordingly, the Regulation 16 to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Corporate Governance became applicable to the Company with effect from September 07, 2021. The Company has been submitting the quarterly corporate governance compliance report to the stock exchange as required under regulation 27(2) of the SEBI Listing Regulations from the applicable period.

SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2025 introduced Chapter VA i.e., 'corporate governance norms for a listed entity which has listed its non-convertible debt securities' which became applicable to the Company with effect from March 27, 2025. The Company has submitted the quarterly corporate governance report for the quarter ended March 31, 2025, under Regulation 62Q of the SEBI Listing Regulations.

The Company has obtained a certificate from M/s. Rathi & Associates, Practicing Company Secretaries regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations. The said Certificate is attached as Annexure B.</td>
</tr>
<tr>
<td>n.</td>
<td>Compliance certificate from Chief Executive Officer and the Chief Financial Officer under SEBI Listing Regulations</td>
<td>The Chief Executive Officer and Chief Financial Officer have provided the requisite compliance certificate to the Board with regard to the financial statements and internal controls relating to financial reporting for the year ended March 31, 2025, as required under the SEBI Listing Regulations. The said Certificate is attached as Annexure C.</td>
</tr>
</table>

o.	The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.	The Company has complied with all the mandatory requirements of the SEBI Listing Regulations applicable to the Company being a High Value Debt Listed Entity. The Company has complied with the discretionary requirements as specified below: **a. Modified opinion(s) in audit report:** The Company confirms that its financial statements have unmodified audit opinion. **b. Reporting of internal auditor:** The Head Internal Audit (HIA) of the Company directly reports to the Chief Executive Officer (CEO). The HIA has a one-on-one meeting with the Audit Committee without presence of the CEO. **c. Separate posts of Chairperson and the Chief Executive Officer:** The Company has appointed a Chief Executive Officer; The Board elects a Chairperson amongst themselves at each Board Meeting, such that the Chairperson shall not be related to the Chief Executive Officer as per the definition of the term “relative” defined under the Companies Act, 2013.
p.	Declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of board of directors and senior management.	The Listing Regulations requires listed Companies to lay down a code of conduct for its Directors and Senior Management, incorporating duties of Directors prescribed in the Act. Accordingly, the Company has a Board approved code of conduct for Board members and Senior Management of the Company. This code has been placed on the Company’s website and can be accessed at https://www.niififl.in/ All the Directors on the Board and Senior Management Personnel of the Company have affirmed compliance with the code of conduct as adopted by the Company. A declaration signed by the Chief Executive Officer to this effect is reproduced at the end of this report and marked as **Annexure D**.
q.	Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure.	None of the Independent Directors of the Company has resigned before the expiry of his/her respective tenure(s) during FY 2025.
r.	Disclosures with respect to demat suspense account/ unclaimed suspense account.	Not Applicable.

NIIF IFL INFRASTRUCTURE FINANCING

Annexure A

CERTIFICATE ON NON–DISQUALIFICATION OF DIRECTORS

(*Pursuant to Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*)

To,
The Members
NIIF INFRASTRUCTURE FINANCE LIMITED
North Wing, 3rd Floor, UTI Tower, GN Block,
Bandra Kurla Complex, Mumbai 400 051.

We have examined the relevant register, records, forms, returns and disclosures received from the Directors of NIIF Infrastructure Finance Limited having CIN: U67190MH2014PLC253944 and having Registered Office at North Wing, 3rd Floor, UTI Tower, GN Block, Bandra Kurla Complex, Mumbai - 400 051 (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this certificate, in accordance with Circular No. NSE/CML/2022/01 dated January 7, 2022 issued by the National Stock Exchange of India Limited read with Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status of the portal www.mca.gov.in) as considered necessary and explanation furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the company as stated below for the financial year ending 31st March 2025, have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of the Director	DIN	Nature of Directorship	Date of Appointment in the Company
1.	Mr. Alwarthirunagari Kuppuswamy Thiruvenkata Chari	00746153	Nominee Director	12-03-2019
2.	Mr. Ashwani Kumar	02870681	Independent Director	30-09-2020
3.	Ms. Rosemary Sebastian	07938489	Independent Director	07-06-2022
4.	Mr. Prashant Kumar Ghose	00034945	Independent Director	01-02-2023
5.	Mr. Padmanabh Sinha*	00101379	Nominee Director	28-03-2024
6.	Mr. Nilesh Shrivastava	09632942	Nominee Director	28-03-2024

**Mr. Padmanabh Sinha resigned as Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company with effect from the closure of business hours on March 31, 2025.*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

NEHA R LAHOTY
PARTNER
MEM. NO.: FCS 8568
COP. NO.: 10286
UDIN:
P. R. CERT. NO.: 6391/2025
FIRM REGISTRATION NO.: P1988MH011900

PLACE: MUMBAI
DATE: JULY 7, 2025

Annexure B

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
NIIF Infrastructure Finance Limited
North Wing, 3rd Floor, UTI Tower,
GN Block, Bandra Kurla Complex,
Mumbai – 400 051

We have examined the compliance of conditions of Corporate Governance by NIIF Infrastructure Finance Limited (CIN: U67190MH2014PLC253944) having its Registered Office situated at North Wing, 3rd Floor, UTI Tower, GN Block, Bandra Kurla Complex, Mumbai – 400 051 ('hereinafter referred to as 'the Company'), for the financial year ended March 31, 2025, as stipulated in Chapter IV and Chapter VA of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations have been limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the Listing Regulations. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our knowledge, information and according to the explanations given to us and the representations made by the Directors and the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

NEHA R LAHOTY
PARTNER
MEM. NO.: FCS 8568
COP. NO.: 10286
UDIN:
P. R. CERT. NO.: 6391/2025
FIRM REGISTRATION NO.: P1988MH011900

PLACE: MUMBAI
DATE: JULY 7, 2025

NIIF IFL INFRASTRUCTURE FINANCING

Annexure C

COMPLIANCE CERTIFICATE
(Pursuant to Regulation 62D (14) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Board of Directors
NIIF Infrastructure Finance Limited

We, Shiva Rajaraman, Chief Executive Officer and Sudeep Bhatia, Chief Financial Officer of NIIF Infrastructure Finance Limited ("NIIF IFL" or "the Company"), to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2025, and that to the best of our knowledge and belief:

   a) these statements do not contain any materially untrue statement or omit any material fact, nor do they contain statements that might be misleading;

   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the Auditors and the Audit Committee that:

   a) there have been no significant changes in internal control over financial reporting during this year;
   b) there have been no significant changes in accounting policies during this year; and
   c) there have been no instances of significant fraud of which we have become aware and the
   d) involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Shiva Rajaraman
Chief Executive Officer

Sudeep Bhatia
Chief Financial Officer

Place: Mumbai
Date: July 7, 2025

Annexure D

DECLARATION BY CHIEF EXECUTIVE OFFICER
[Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Shareholders,
NIIF Infrastructure Finance Limited

I, Shiva Rajaraman, Chief Executive Officer of NIIF Infrastructure Finance Limited hereby declare that all Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct of the Company laid down for them for the year ended March 31, 2025.

Shiva Rajaraman
Chief Executive Officer

Place: Mumbai
Date: July 7, 2025

Annexure V

LIST OF KEY POLICIES OF NIIF INFRASTRUCTURE FINANCE LIMITED UPDATED ON THE WEBSITE

Sr. No.	Name of Policy	Website Link
1.	Interest Rate Policy	https://www.niififl.in/pdf/corporate-governance/2024-25/Interest%20Rate%20Policy.pdf
2.	Fair Disclosure Code	https://www.niififl.in/pdf/corporate-governance/Fair%20Practice%20Code.pdf
3.	Related Party Transactions	https://www.niififl.in/pdf/corporate-governance/2024-25/Related%20Party%20Transactions.pdf
4.	Internal guidelines on Corporate Governance	https://www.niififl.in/pdf/corporate-governance/2025-26/Internal%20Guidelines%20on%20Corporate%20Governance.pdf
5.	Whistle Blower Policy	https://www.niififl.in/pdf/corporate-governance/2024-25/Whistleblower%20Policy.pdf
6.	Corporate Social Responsibility Policy	https://www.niififl.in/pdf/corporate-governance/2024-25/Corporate%20Social%20Responsibility%20Policy.pdf
7.	Insider Trading Policy	https://www.niififl.in/pdf/corporate-governance/2024-25/Insider%20Trading%20Policy.pdf
8.	Remuneration Policy	https://www.niififl.in/pdf/corporate-governance/2025-26/Remuneration%20Policy.pdf
9.	Code of conduct and Ethics	https://www.niififl.in/pdf/corporate-governance/2024-25/Code%20of%20Conduct%20and%20Ethics.pdf
10.	Familiarization Programme for Independent Directors	https://www.niififl.in/pdf/Policies/2025-26/NIIF%20IFL%20-%20Familiarization%20Programme%20FY%202025%20-%202026.pdf
11.	Policy on appointment of statutory auditors	https://www.niififl.in/pdf/corporate-governance/2024-25/SA%20appointment%20Policy.pdf
12.	Prevention of Sexual Harassment Policy	https://www.niififl.in/pdf/corporate-governance/2024-25/Prevention%20of%20Sexual%20Harassment%20Policy.pdf
13.	Policy for Claim of Unclaimed Amounts Lying with the Issuer Of Non-Convertible Securities	https://www.niififl.in/pdf/corporate-governance/2024-25/Policy%20for%20Claim%20of%20Unclaimed%20amounts%20lying%20with%20the%20issuer%20of%20NCS.pdf

M. P. Chitale & Co.
Chartered Accountants
1st Floor, Hamam House
Ambalal Doshi Marg, Fort
Mumbai – 400 001
Email: office@mpchitale.com

G. M. Kapadia & Co.
Chartered Accountants
1007, Raheja Chambers,
213, Nariman Point,
Mumbai – 400 021
Email: pointmumbai@gmkco.com

Independent Auditors' Report

To the Members of
NIIF Infrastructure Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of NIIF Infrastructure Finance Limited ("the Company"), which comprises of Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matters</th><th>Auditors’ response</th></tr>
<tr><td>1.</td><td>Impairment of financial assets –
Provision for expected credit losses as on March 31, 2025 for loans carried at amortised cost amounts to Rs.177.73 Crores [As at March 31, 2024 – 154.83 Crores]
[Refer Note no. 2 & 31.3 to the Financial Statements]
Ind AS 109 - “Financial instruments” (Ind AS 109) requires the Company to provide for impairment of its financial assets (designated as amortised cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach.

The recognition and measurement of ECL on financial assets involves significant judgement and estimates, which inter alia includes;

(i) Data Input – The application of ECL model requires several data inputs to calculate Probability of Default (''PDs’) and Loss Given Default (“LGD”). The increased risk relating to the completeness and accuracy of the data considered to create assumptions in the model.

(ii) Model estimations – Judgmental model used to estimate ECL which involves determination of Probability of Default (PD), Loss given default (LGD),Exposure at default (EAD) and management overlay.

(iii) Completeness and accuracy of the data from internal and external sources used in the Models.

Considering the significance of ECL to the overall Financial Statements and the degree of Management’s estimates and judgements involved in this matter that requires significant auditors’ attention, we have considered the expected credit loss allowance on financial assets to be a key audit matter.</td><td>Audit procedures performed:
We performed the following audit procedures:
✓ Performed process walkthroughs to identify the key systems, applications and controls used in the impairment allowance processes

✓ Tested the design and operating effectiveness of the key controls over the completeness and accuracy of data, inputs, assumptions into the Ind AS 109 Impairment model

✓ Reviewed the Board approved Provisioning policy and verified the alignment of methodology adopted for computation of ECL including management overlay that addresses the policies approved by the Board of Directors

✓ We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status.

✓ Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards, Reserve Bank of India’s (“RBI”) master directions relating to Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and based on management representation with respect to RBI inspection report and confirmed that the calculations are performed in accordance with the approved methodology.</td></tr>
</table>

Sr. No.	Key Audit Matters	Auditors' response
		✓ We tested the arithmetical accuracy of the computation of ECL provision performed by the Company. ✓ Assessing whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in Financial Statements are appropriate and sufficient. ✓ We have also obtained management representations wherever considered necessary

Information Other than the Financial Statements and Auditors' report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Report of the Board of Directors including its annexures but does not include the Financial Statement and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Ind AS specified under section 133 of the Act, RBI Guidelines and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards of Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the Financial Statements of the Company to express an opinion on the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the financial year ended March 31, 2025 and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of accompanying Financial Statements.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records

   (b) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (c) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   (d) On the basis of the written representation received from the directors as on April 01, 2025 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a Directors in terms of section 164(2) of the Act.

   (e) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company as on March 31, 2025 and the operating effectiveness of such controls, refer to our separate Report in Annexure "B" wherein we have expressed unmodified opinion.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given by the management, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company.

(g) With respect to the other matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which will impact the financial position hence no such disclosure has been made in the Financial Statements.

ii. The Company did not have any long-term contracts including derivative contracts for which provision for any material foreseeable losses was required to be made.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.

iv. (a) The management has represented, that to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement. [Refer note 34(g) and (h) to the Financial Statements.]

v. During the year, the Company has paid dividend for the financial year 2023-2024 which is in accordance with the provision of section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording an audit trail (edit log), and the same has been operated throughout the year under audit for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with. The Company has preserved the audit trail in accordance with statutory record retention requirements, except for the previous as well as current financial year where the audit trail feature was not enabled for certain software for direct changes at the database level. Refer note no.33 to the Financial Statements.

For M. P. Chitale & Co.,
Chartered Accountants
Firm Registration No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWOB9622

Date: April 30, 2025
Place: Mumbai

For G.M. Kapadia & Co.,
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No.: 039569
UDIN: 25039569BMLNCB7871

Date: April 30, 2025
Place: Mumbai

Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of NIIF Infrastructure Finance Limited of even date:

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. a) In respect of Company's Property, Plant and Equipment ("PPE") and Intangible Assets:

   A. The Company has maintained proper records, showing full particulars, including quantitative details and situation of PPE and relevant details of right-of-use assets.

   B. The Company has maintained proper records showing full particulars of intangible assets.

   b) During the year, the management has carried out physical verification of all the PPE. In our opinion, the frequency of verification is reasonable considering the size of the Company and nature of its PPE. No material discrepancies were noticed on such verification

   c) The title deed of the immovable property disclosed in the Financial Statements included under PPE are held in the erstwhile name of the Company.

   d) The Company has not revalued any of its PPE (including right of use assets) and intangible assets during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.

   e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable to the Company.

2. a) The Company is a non-banking financial company (NBFC). Accordingly, it does not hold any inventories and hence reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

   b) The Company has not availed working capital limits from banks and financial institutions during the year and hence reporting under of clause 3(ii)(b) of the Order is not applicable to the Company.

3. In respect of Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, we report that:

   a) The Company's principal business is to give loans and hence reporting under clause 3(iii)(a) and 3(iii)(e) of the Order are not applicable to the Company.

   b) In respect of the investments made and loans granted during the year, having regard to the nature of business carried on by the Company, the terms and conditions thereof are not prejudicial to the interest of the Company.

   c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as stipulated.

d) No amounts are overdue for more than ninety days from companies or any other parties to whom loan has been granted.

e) The Company has not granted any loans or advances in the nature of loans during the year either payable on demand or without specifying any terms or period of repayment and hence reporting under clause 3(iii)(f) of the Order is not applicable to the Company.

4. There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence reporting under clause 3(iv) of the Order is not applicable to the Company.

5. The Company has not accepted deposits or amounts which are deemed to be deposits within the meaning of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 and hence reporting under clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under section 148(1) of the Act for the services of the Company and hence reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. a) The Company is regular in depositing undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, sales tax, custom duty, duty of excise, value added tax, cess and other material statutory dues to the extent applicable during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

   b) There are no statutory dues mentioned in clause vii (a) above, which have been not deposited on account of any dispute.

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the Order is not applicable to the Company.

9. a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders and hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

   b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.

   c) The term loans (by way of issuance of non-convertible debentures) have been applied for the purposes they have been raised including temporarily parking the funds received in fixed deposits with Banks / mutual funds until its deployment for the stated purposes

   d) The Company has not raised any short them funds during the year and hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

   e) The Company does not have any subsidiaries, associates or joint ventures and hence reporting under clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. a) The Company has utilized the monies raised by way of debt instruments (by way of issuance of non-convertible debentures) for the purposes for which they were raised. The Company has not raised any money by way of Initial Public Offer or Further Public Offer during the year.

    b) There were no preferential allotment and private placement of shares and debentures during the year.

11. a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.

    b) During the year, no report under sub section 12 of section 143 of the Act has been filed in Form ADT-4 as prescribed in rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government and hence reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

    c) No whistle blower complaints were received during the year by the Company and hence provisions of clause 3(xi)(d) of the Order is not applicable to the Company.

12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

13. All the transactions with related parties are in compliance with section 177 and 188 of the Act and all the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards

14. a) The Company has an adequate internal audit system commensurate with the size and nature of its business.

    b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedure.

15. During the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company.

16. a) The Company being an Infrastructure Debt Fund - Non- Banking Financial Company (IDF-NBFC) is registered under section 45-IA of the Reserve Bank of India Act, 1934.

    b) Since, the Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi)(b) and (c) of the Order is not applicable to the Company.

    c) The Company is not a Core Investment Company and there is no core investment company within the "Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

17. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

18. There has not been a resignation of the statutory auditors of the Company during the year and hence reporting under clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and it should not be construed as a guarantee or assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. There are no amounts unspent in respect of corporate social responsibility towards ongoing or other than ongoing projects and hence reporting under clause 3(xx) (a) and (b) of the Order is not applicable to the Company.

21. Since the Company did not have any subsidiary, joint venture or an associate, it is not required to prepare consolidated Financial Statements and hence reporting under clause 3(xxi) of the Order is not applicable to the Company.

For M. P. Chitale & Co.,
Chartered Accountants
Firm Registration No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWOB9622

Date: April 30, 2025
Place: Mumbai

For G.M. Kapadia & Co.,
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No.: 039569
UDIN: 25039569BMLNCB7871

Date: April 30, 2025
Place: Mumbai

Annexure "B" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of NIIF Infrastructure Finance Limited of even date:

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

Opinion

We have audited the internal financial controls with reference to Financial Statements of the NIIF Infrastructure Finance Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2025, based on the internal control with reference to Financial Statements established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company’s internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the Financial Statements and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

For M. P. Chitale & Co.,
Chartered Accountants
Firm Registration No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWOB9622

Date: April 30, 2025
Place: Mumbai

For G.M. Kapadia & Co.,
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No.: 039569
UDIN: 25039569BMLNCB7871

Date: April 30, 2025
Place: Mumbai

NIIF INFRASTRUCTURE FINANCE LIMITED
CIN No: U67190MH2014PLC253944

Statement of Assets and Liabilities as at March 31, 2025

(₹ in Crs)

	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
I Financial assets			
(a) Cash and cash equivalents	1a	1,631.98	911.50
(b) Bank Balance other than (a) above	1b	305.97	0.02
(c) Investment	1c	249.53	582.84
(d) Loans	2	25,233.06	21,989.77
(e) Other financial assets	3	3.22	0.26
		27,423.76	**23,484.39**
II Non Financial assets			
(a) Current tax assets (net)	4	375.74	250.92
(b) Property, plant and equipment	5a	3.04	0.90
(c) Capital work in progress	5b	-	0.98
(d) Right of use Assets	5c	3.92	7.86
(e) Intangible assets	5d	1.26	1.37
(f) Intangible Asset under Development	5e	2.07	0.55
(g) Other non-financial assets	6	2.18	1.01
		388.21	**263.59**
Total assets		**27,811.97**	**23,747.98**
LIABILITIES AND EQUITY			
LIABILITIES			
I Financial liabilities			
(a) Payables			
(I) Trade payables	7		
(i) total outstanding dues of micro enterprises and small		0.27	β
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.59	1.63
(II) Other payables	8		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	0.02
(b) Debt Securities	9	23,426.13	19,782.14
(c) Finance Lease liabilities	10 (a)	4.24	8.17
(d) Other financial liabilities	10 (b)	22.35	74.03
		23,454.58	**19,865.99**
II Non-Financial liabilities			
(a) Provisions	11	17.59	10.87
(b) Other non-financial liabilities	12	13.82	11.47
		31.41	**22.34**
EQUITY			
(a) Equity share capital	13A	1,375.28	1,375.28
(b) Instruments Entirely Equity in Nature	13A	-	-
(c) Other equity	13B	2,950.70	2,484.37
		4,325.98	**3,859.65**
Total liabilities and equity		**27,811.97**	**23,747.98**

The accompanying notes are an integral part of these financial statements (See notes 1 to 45)

As per our attached report of even date

For G.M. Kapadia & Co.
Chartered Accountants
ICAI Firm Registration No. 104767W

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

Atul Shah
Partner
Membership No. 039569

Nilesh Shrivastava
Director
DIN no. 09632942

AKT Chari
Director
DIN no. 00746153

For M.P.Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 101851W

Shiva Rajaraman
Chief Executive Officer

Sudeep Bhatia
Chief Financial Officer

Ashutosh Pednekar
Partner
Membership No. 041037

Place: Mumbai
Date: April 30 ,2025

Ankit Sheth
Company Secretary

NIIF INFRASTRUCTURE FINANCE LIMITED
CIN No: U67190MH2014PLC253944

Statement of Profit and Loss for the year ended Mar 31, 2025

(₹ in Crs)

		Notes	For year ended March 31, 2025	For year ended March 31, 2024
	Revenue from operations			
	Interest income	14	2,083.58	1,778.26
	Fees and commission income	15 (a)	52.24	30.18
	Net gain on fair value changes	15 (b)	34.42	28.18
I	**Total revenue from operations**		**2,170.24**	**1,836.62**
II	Other income	16	12.79	10.40
III	**Total income (I+II)**		**2,183.03**	**1,847.02**
	Expenses			
	Finance costs	17	1,592.36	1,351.83
	Fees and commission expense	18	0.54	0.33
	Impairment on financial instruments	19	22.90	29.95
	Employee benefits expenses	20	42.02	30.76
	Depreciation, amortisation and impairment	5 & 21	6.02	3.07
	Other expenses	22	21.67	15.66
IV	**Total expenses**		**1,685.51**	**1,431.60**
V	**Profit before tax (III - IV)**		**497.52**	**415.42**
VI	**Tax expense**		**-**	**-**
	Current tax			-
	Deferred tax		-	-
	Earlier year tax adjustment		10.31	(5.05)
	Total tax expenses		10.31	**(5.05)**
VII	**Profit for the year (V - VI)**		**487.21**	**420.47**
VIII	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of post-employment benefit obligations		(0.26)	(0.52)
	- Income tax relating to items that will not be reclassified to profit or loss		-	-
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Other comprehensive income (A+B)		**(0.26)**	**(0.52)**
IX	**Total comprehensive income for the year (VII + VIII) (Comprising profit and other comprehensive income for the year)**		**486.95**	**419.95**
X	**Earnings per equity share (nominal value of share- ₹10 each)**			
	Basic (₹)		**3.54**	**3.06**
	Diluted (₹)		**3.54**	**3.06**

As per our attached report of even date
The accompanying notes are an integral part of these financial statements (See notes 1 to 45)

For G.M. Kapadia & Co.
Chartered Accountants
ICAI Firm Registration No. 104767W

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

Atul Shah
Partner
Membership No. 039569

Nilesh Shrivastava
Director
DIN no. 09632942

AKT Chari
Director
DIN no. 00746153

For M.P.Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 101851W

Shiva Rajaraman
Chief Executive Officer

Sudeep Bhatia
Chief Financial Officer

Ashutosh Pednekar
Partner
Membership No. 041037

Place: Mumbai
Date: April 30 ,2025

Ankit Sheth
Company Secretary

NIIF INFRASTRUCTURE FINANCE LIMITED

CIN No: U67190MH2014PLC253944

Cash Flow Statement for the year ended March 31, 2025

(₹ in Crs)

	For year ended March 31, 2025	For year ended March 31, 2024
A. Cash flow from operating activities		
Profit before tax	497.52	415.42
Adjustments for:		
Depreciation, amortisation & Impairment	6.02	3.07
Interest on Debt Securities - EIR Adjustments	18.55	17.77
Interest on Loan - EIR adjustment	(40.53)	(19.11)
Net (gain) / loss on sale of property, plant and equipments	-	(0.03)
Gain on Mutual fund investment	(34.42)	(28.18)
Discount accreted on T-Bills	(24.47)	(21.85)
Write back of excess fund received	-	-
Interest on Borrowings other than debt securities (Ind AS 116 impact)	0.49	0.45
Impairment on financial instruments	22.90	29.95
Operating profit before working capital changes	**446.06**	**397.49**
Changes in working capital:		
(Decrease)/Increase in trade payables	0.24	0.96
(Decrease)/Increase in Other payables	(0.02)	1.10
(Increase)/Decrease in other financial assets	(308.95)	0.01
(Decrease)/Increase in other financial liabilities	(51.68)	71.65
Increase/(Decrease) in Provision	6.46	3.07
Increase/(Decrease) in other non financial liabilities	2.35	9.79
Increase/(Decrease) Interest accrual on debt securities	71.66	222.04
(Increase)/Decrease in non-financial assets	(1.17)	(0.51)
(Increase)/Decrease in loans	(3,225.66)	(4,283.60)
Cash flow generated from/(used in) operations	**(3,060.71)**	**(3,578.00)**
(Payment) of tax (net)	(135.13)	(98.22)
Net Cash flow generated from/(used in) operations (A)	**(3,195.84)**	**(3,676.22)**
B. Cash flows from investing activities		
Purchase of property, plant and equipment/intangible assets	(4.64)	(2.84)
Sale of property, plant and equipments	-	0.03
Purchase of Mutual Fund	(10,369.75)	(9,288.59)
Sale of Mutual fund	10,404.17	9,316.77
Purchase of T-bills	(3,777.22)	(5,965.98)
Redemption of T-bills	4,135.00	5,405.00
Net cash flow generated from/(used in) investing activities (B)	**387.57**	**(535.61)**
C. Cash flows from financing activities		
Proceeds from debt securities & CPs issued (Net)	3,553.78	4,592.52
Payment for the lease liability	(4.40)	(2.77)
Dividend transfer to equity shareholders	(20.63)	-
Net cash generated from/(used in) financing activities (C)	**3,528.75**	**4,589.75**
Net Increase / (Decrease) in cash and cash equivalents (D) = (A + B + C)	**720.48**	**377.92**
Cash and cash equivalents at the beginning of the Year (E)	911.50	533.58
Cash and cash equivalents at the end of the Year (F) = (D) + (E)	**1,631.98**	**911.50**
Cash and cash equivalents include the following		
Balances with banks in current account	0.61	214.98
Fixed deposits with maturity less than 3 months	1,631.37	696.52
Total cash and cash equivalents	**1,631.98**	**911.50**

The accompanying notes are an integral part of these financial statements (See notes 1 to 45)

As per our attached report of even date

This is the Cash Flow Statement referred to in our report of even date

For G.M. Kapadia & Co.
Chartered Accountants
ICAI Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 039569

Nilesh Shrivastava
Director
DIN no. 09632942

AKT Chari
Director
DIN no. 00746153

For M.P.Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 101851W

Shiva Rajaraman
Chief Executive Officer

Sudeep Bhatia
Chief Financial Officer

Ashutosh Pednekar
Partner
Membership No. 041037

Ankit Sheth
Company Secretary

Place: Mumbai
Date: April 30, 2025

NOTES FORMING PART OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1 Corporate information

NIIF Infrastructure Finance Limited (Formerly IDFC Infrastructure Finance Limited) ('the Company') is a public limited company, incorporated in India on March 7, 2014, under the provisions of Companies Act, applicable in India and is a Non-Banking Finance Company (NBFC - IDF) regulated by the Reserve Bank of India ('RBI'). The registered office of the Company is located at 3rd Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051.

The Company has received a Non-Banking Financial Company (NBFC - IDF) license from Reserve Bank of India (RBI) on September 22, 2014. The object of the Company is to undertake infrastructure debt fund activities i.e. mainly re-financing existing debt of infrastructure companies.

The Audited financial statement for the year ended March 31, 2025 were authorised for issue in accordance with a resolution of the board of directors on April 30, 2025.

The majority shareholder of the Company is M/s National Investment and Infrastructure Fund II which is an Alternative Investment Fund registered with the Securities and Exchange Board of India (SEBI).

2 Material accounting policy information

The principal accounting policies applied in the preparation of these Audited Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A Basis of preparation

(i) Compliance with Ind AS

The Audited financial Statements have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard notified under Companies {Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules thereunder and the other accounting principles generally accepted in India and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

(ii) Historical cost convention

The Audited Financial Statement have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value;

The Financial statement are presented in Indian Currency (INR) and all values are rounded to nearest rupee Crore except when otherwise indicated.

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act as amended from time to time. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows' as amended from time to time.

(iv) Use of Estimates

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgement, estimates and assumptions are required in particular for:

Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether the above financial assets are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company's ECL calculations are outputs of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and estimated recovery from collateral.

Recognition and measurement of provisions and contingencies:
The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

Determination of lease term:
Ind AS 116 – Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Expected Life of Financial Asset:
The expected life of Loans & advances is considered till the reset date, subject to minimum 5 years.

B Policy on segment
The Company operates in a single reportable segment i.e. lend to Infrastructure projects. The Company also operates in a single geographical segment i.e. domestic. The chief operating decision maker (CODM) in the Company to make decisions for performance assessment and resource allocation, is the Chief Executive Officer (CEO) and in the internal reporting provided to the CEO for corporate planning, there are no separate reportable segments (including geographical segments).

C (I) Property plant and equipment
Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

<u>Depreciation methods, estimated useful lives and residual value</u>

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives of fixed assets.

Vehicles	4 years
Computers	3 years
Office Equipments (mobiles & Camera)	2 years
Office Equipments (Others)	5 years
Leasehold Improvements	Tenure of lease
Buildings (Right of use assets)	Tenure of lease
Server/networking equipment	6 years
Furniture and fixtuers	10 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss within other gains/(losses).

(II) Intangible Assets
Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.
Intangible assets not ready for use on the date of Balance sheet is shown as Intangible assets under development.

D Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
• fixed payments (including in-substance fixed payments), less any lease incentives receivable
• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
• amounts expected to be payable by the Company under residual value guarantees
• the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
• payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.
The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
To determine the incremental borrowing rate, the Company uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period

Right-of-use assets are measured at cost comprising the following:
• the amount of the initial measurement of lease liability
• any lease payments made at or before the commencement date less any lease incentives received
• any initial direct costs, and
• restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Short term leases are leases with a lease term of 12 months or less and leases of low value assets. The company recognises the lease payments associated with short term leases as an expense in profit or loss.

E Impairment of non-financial asset

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

F Taxes on Income

The Company is an Infra Debt Fund - Non Banking Finance Company (IDF - NBFC) registered with the Reserve Bank of India on September 22, 2014. Any income of the Company, being IDF-NBFC, is exempt under section 10(47) of the Income Tax Act, 1961, from with effect from financial year 2019-20.

G Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs are added to, or subtracted from, that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in statement of profit and loss.

Financial assets

Classification and subsequent measurement of financial assets:

Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- those measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income.

Debt Instruments

For investments in debt instruments, this will depend on the classification of debt instruments depending on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset (SPPI).

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- how the asset's performance and the business model is evaluated and reported to key management personnel
- the risks that affect the performance of the business model and how these risks are assessed and managed
- how managers are compensated.

Solely Payment of Principal and Interest ("SPPI") Assessment

As a second step of its classification process, the Company assesses the contractual terms of financials to identify whether they meet the SPPI test, where the business model is to hold assets to collect contractual cash flows, the Company assesses whether the financial instruments cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit and loss.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company measures all equity investments at fair value through profit and loss, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit and loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, continue to be recognised in profit and loss as other income when the Company's right to receive payments is established Gains and losses on equity investments at FVTPL are included in the statement of profit and loss.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. Debentures, Bonds etc. The assets held under amoritsed costs are not traded/sold, except for management of concentration risk or for any such similar exigency to protect the value of asset. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

Fair value through other comprehensive income: Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit and loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit and loss: Assets that do not meet the criteria for amortised cost or fair value through OCI, are measured at fair value through profit and loss e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit and loss is recognised in profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises.

Equity instruments

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Interest Income

The Company calculates interest income by applying the effective interest rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets.
The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and tees and points paid or received that are integral to the effective interest rate, such as origination fees.
When the Company revises the estimates of future cash flows, the carrying amount of the respective financial asset is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit and loss.
When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest Income from Fixed Deposits placed with banks & mutual fund is recognised on accrual basis by the Company.
Income on discounted instrument is recognised over the tenor of the instrument on a straight line basis

Modification of loans

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:
(i) if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
(ii) whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
(iii) significant extension of the loan term when the borrower is not in financial difficulty.
(iv) significant change in the interest rate.
(v) change in the currency the loan is denominated in.
(vi) insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit and loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit and loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

De-recognition of financial assets

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either
(i) the Company transfers substantially all the risks and rewards of ownership, or
(ii) the company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.
On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity:
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Classification and subsequent measurement

Financial liabilities are measured at amortised cost.
Financial liabilities (including borrowings and debt securities) are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

Interest expenses on Financials Liabilities

The Interest Expenses on Financial liabilities along with amortisation of transaction costs incurred are recognised as Finance Cost in the Statement of Profit and Loss.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred are adjusted to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

Fair Value Measurement

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

H Impairment - Expected Credit Loss Measurement

The Company assesses on a forward looking basis the expected credit losses associated with loans and debentures carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 31 for details of impairment methodology applied by the Company.

I Cash and cash equivalents

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

J Provisions and contingent liabilities

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

K Employee benefits

Defined contribution benefits include provident fund, Defined Employee benefits includes gratuity fund, compensated absences and long term incentive plans.

Defined contribution plan

The Company pays contribution to provident fund and pension fund as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Defined benefit plan

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as past service cost.

Compensated absences

Accumulated leave which is expected to be utilised within next 12 months is treated as short term compensated absences and the accumulated leave which are carried forward beyond 12 months are treated as long term compensated absences Compensated absences are provided for, based on actuarial valuation report as short term and long term compensated absences. The actuarial valuation is done as per projected unit credit method as at the reporting date Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of short-term compensated absences is accounted as under:
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

The Company has a long term incentive plan which is paid in three annual tranches. The Company accounts for the liability as per an actuarial valuation report. The actuarial valuation of the long term incentives liability is calculated based on certain assumptions, as per the projected unit credit method made at reporting period. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

Certain eligible employee of the company are entitled to LTIP units, the value of which is based on underlying value of the share of the company. The company recognizes the fair value of such units and expenses out the same over the vesting period based on the management's estimate of the vesting and forfeiture conditions.

The above units awarded are treated as cash settled share based payment transactions. Under the cash settled share based payment, the fair value of the units granted is computed at every balance sheet date and is recognized as 'employee benefit expenses' with corresponding increase in liability as payable to employee. The fair value of the units is calculated by an independent valuer based on black scholes model.

L Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year, conversion of mandatorily convertible instruments from the date the contract is entered into and excluding treasury shares.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

M Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except :
- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

The Company expenses off 50% of eliglible input tax credit in line with applicable Goods and Services Tax laws.

NIIF INFRASTRUCTURE FINANCE LIMITED
CIN No: U67190MH2014PLC253944
Statement of changes in equity as at Mar 31, 2025

A1 Equity share capital

(₹ in Crs)

	Note	Number	Amount
As At March 31, 2023		**1,37,52,80,631**	**1,375.28**
Issued during the year	13	-	-
Changes in Equity Share Capital due to prior period errors		-	-
As At March 31, 2024		**1,37,52,80,631**	**1,375.28**
Conversion of CCPS during the year	13	-	-
As At March 31, 2025		**1,37,52,80,631**	**1,375.28**

A2 Compulsorily convertible preference share capital

(₹ in Crs)

	Note	Number Series I	Amount	Number Series II	Amount
As At March 31, 2023		**8,79,27,757**	**184.65**	**25,70,69,408**	**694.09**
Conversion of CCPS during the year	14	- 8,79,27,757	- 184.65	- 25,70,69,408	- 694.09
As At March 31, 2024		**-**	**-**	**-**	**-**
Conversion of CCPS during the year	14	-	-	-	-
As At March 31, 2025		**-**	**-**	**-**	**-**

A3 Other equity

(₹ in Crs)

	Reserves and surplus					
	Securities Premium	Special reserve u/s. 45-IC of the RBI Act, 1934	Impairment Reserve	Surplus in the statement of profit and loss	General Reserve	Total
As at March 31, 2023	**547.59**	**199.41**	**0.04**	**782.78**	**0.88**	**1,530.70**
Dividend on CCPS	-	-	-	(0.02)	-	(0.02)
Transfers to Special reserve u/s. 45-IC of the RBI Act, 1934	-	84.00	-	(84.00)	-	-
Premium on CCPS Converted into equity shares	533.74	-	-	-	-	533.74
Profit for the year	-	-	-	420.47	-	420.47
Other comprehensive income	-	-	-	(0.52)	-	(0.52)
As at March 31, 2024	**1,081.33**	**283.41**	**0.04**	**1,118.71**	**0.88**	**2,484.37**
Dividend on CCPS	-	-	-	-	-	-
Dividend on equity share	-	-	-	(20.63)	-	(20.63)
Transfers to Special reserve u/s. 45-IC of the RBI Act, 1934	-	97.39	-	(97.39)	-	-
Premium on CCPS Converted into equity shares	-	-	-	-	-	-
Profit for the year	-	-	-	487.21	-	487.21
Other comprehensive income	-	-	-	(0.26)	-	(0.26)
As At March 31, 2025	**1,081.33**	**380.80**	**0.04**	**1,487.64**	**0.88**	**2,950.69**

As per our attached report of even date
The accompanying notes are an integral part of these financial statements (See notes 1 to 45)

For G.M. Kapadia & Co.
Chartered Accountants
ICAI Firm Registration No. 104767W

For M.P.Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 101851W

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

Atul Shah
Partner
Membership No. 039569

Ashutosh Pednekar
Partner
Membership No. 041037

Nilesh Shrivastava
Director
DIN no. 09632942

AKT Chari
Director
DIN no. 00746153

Place: Mumbai
Date: April 30, 2025

Shiva Rajaraman
Chief Executive Officer

Sudeep Bhatia
Chief Financial Officer

Ankit Sheth
Company Secretary

NIIF INFRASTRUCTURE FINANCE LIMITED

Notes forming part of financial statements as at and for the year ended March 31, 2025

1a Cash and cash equivalents

(₹ in Crs)

	As at March 31, 2025	As at March 31, 2024
Cash on Hand	-	β
Balance with bank:		
In current account	0.61	214.98
In deposit account (with original maturity less than 3 months)	1,631.37	696.52
Total	**1,631.98**	**911.50**

Note: The figures of ₹ 50,000 or less have been denoted by ß.

1b Bank Balance other than (a) above

In deposit account (for more than 3 months)	305.97	-
Total	**305.97**	**-**

1c Investment in T bills	249.53	582.84
Investment in MF	-	-
Total	**249.53**	**582.84**

2 Loans (At amortised costs)

(₹ in Crs)

		As at March 31, 2025	As at March 31, 2024
	Term loans	19,660.46	15,677.75
	Debt Securities	5,718.23	6,406.05
	Total Loans (*)	**25,378.69**	**22,083.80**
	Interest accrued on loans	7.97	11.64
	Interest accrued on debt securities	24.12	49.16
	Total Gross Loans	**25,410.79**	**22,144.60**
	Less: Impairment loss allowance	(177.73)	(154.83)
	Total Net Loans	**25,233.06**	**21,989.77**
(*)	The loans outstanding before adjustment of Effective Interest Rate, Premium Amortisation and Discount Accretion	**25,389.96**	**22,118.19**
(a)	**The above amount includes:**		
(i)	Secured by tangible assets	25,410.79	22,144.60
(ii)	Secured by intangible assets	-	-
(iii)	Covered by Bank / Government guarantees	-	-
(iv)	Unsecured	-	-
	Total- Gross	**25,410.79**	**22,144.60**
	Less: Impairment loss allowance	(177.73)	(154.83)
	Total- Net	**25,233.06**	**21,989.77**
(b)	**Loans in India**	**25,233.06**	**21,989.77**

3 Other financial assets

(₹ in Crs)

	As at March 31, 2025	As at March 31, 2024
Deposits	0.25	0.25
Receivables from Group Company	-	-
Other receivable	2.97	0.01
Total	**3.22**	**0.26**

4 Current tax assets (Net)

(₹ in Crs)

	As at March 31, 2025	As at March 31, 2024
Advance payment of income tax	375.74	250.92
Total	**375.74**	**250.92**

The Company had filed application with Central Board of Direct Taxes (CBDT) for notification as Infrastructure Debt Fund (IDF) from Financial year 2014-15, the year of receipt of licence from RBI as NBFC-IDF, and has been claiming tax exemption under Section 10(47) read with Rule 2F of the Income Tax Act.

The CBDT has issued a notification dated October 21, 2019 notifying the Company under Section 10(47) of the Income Tax Act w.e.f. Financial year 2019-20 (i.e from the financial year starting 1st April 2019).

The Company has made an application to CBDT for review of the said notification with a request to notify it under section 10(47) of Income Tax Act with retrospective effect, i.e. w.e.f. Financial year 2014-15 (the year in which it received RBI registration as NBFC-IDF). In the interim, the tax liability from Financial year 2014-15 till financial year 2018-19 has been provided.

5 a Property, plant and equipment

(₹ in Crs)

As at March 31, 2025	Gross block				Accumulated depreciation				Net block
	Balance as at April 1, 2024	Additions	Disposals	Balance as at March 31, 2025	Balance as at April 1, 2024	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2025	Balance as at March 31, 2025
Freehold Land (Refer note below)	0.04	-	-	0.04	-	-	-	-	0.04
Vehicles (owned)	0.24	-	-	0.24	0.25	-	-	0.24	-
Computers	1.35	0.14	0.02	1.47	0.59	0.40	-	0.98	0.49
Office Equipments	0.28	1.15	0.03	1.40	0.19	0.27	-	0.46	0.94
Leasehold Improvements	1.76	2.14	-	3.90	1.76	0.99		2.75	1.15
Furniture	0.04	0.45	0.01	0.48	0.02	0.04	-	0.06	0.42
Total tangible assets	**3.71**	**3.88**	**0.06**	**7.53**	**2.81**	**1.70**	**-**	**4.49**	**3.04**

As at March 31, 2024	Gross block				Accumulated depreciation				Net block
	Balance as at April 1, 2023	Additions	Disposals	Balance as at March 31, 2024	Balance as at April 1, 2023	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2024	Balance as at March 31, 2024
Freehold Land (Refer note below)	0.04	-	-	0.04	-	-	-	-	0.04
Vehicles (owned)	0.24	-	-	0.24	0.23	0.01	-	0.24	-
Computers	0.76	0.74	0.15	1.34	0.44	0.30	0.15	0.59	0.75
Office Equipments	0.22	0.07	0.01	0.28	0.13	0.07	0.01	0.19	0.09
Leasehold Improvements	1.76	-	-	1.76	1.76	-	-	1.76	-
Furniture	0.04	-	-	0.04	0.02	0.00	-	0.02	0.02
Total tangible assets	**3.06**	**0.81**	**0.16**	**3.70**	**2.58**	**0.38**	**0.16**	**2.80**	**0.90**

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

5 b Capital working in progress

(₹ in Crs)

Particulars	Amount in Capital working in progress for the period ended March 31, 2025				
	Less than 1 year	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	-	-	-	-	-

Particulars	Amount in Capital working in progress for the year ended March 31, 2024				
	Less than 1 year	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	0.98	-	-	-	0.98

5 c Right of use Assets

As at March 31, 2025

(₹ in Crs)

	Gross block				Accumulated depreciation				Net block
	Balance as at April 1, 2024	Additions	Disposals	Balance as at March 31, 2025	Balance as at April 1, 2024	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2025	Balance as at March 31, 2025
Right of use Assets	12.19	-	-	12.19	4.33	3.93	-	8.27	3.92
Total	**12.19**	**-**	**-**	**12.19**	**4.33**	**3.93**	**-**	**8.27**	**3.92**

As at March 31, 2024

(₹ in Crs)

	Gross block				Accumulated depreciation				Net block
	Balance as at April 1, 2023	Additions	Disposals	Balance as at March 31, 2024	Balance as at April 1, 2023	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2024	Balance as at March 31, 2024
Right of use Assets	7.66	4.54	-	12.20	1.92	2.42	-	4.34	7.86
Total	**7.66**	**4.54**	**-**	**12.20**	**1.92**	**2.42**	**-**	**4.34**	**7.86**

5 d Intangible Asset

As at March 31, 2025

(₹ in Crs)

	Gross block				Accumulated depreciation				Net block
	Balance as at April 1, 2024	Additions	Disposals	Balance as at March 31, 2025	Balance as at April 1, 2024	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2025	Balance as at March 31, 2025
Intangible Asset	1.71	0.29	-	1.99	0.33	0.39	-	0.73	1.26
Total Intangible Asset	**1.71**	**0.29**	**-**	**1.99**	**0.33**	**0.39**	**-**	**0.73**	**1.26**

As at March 31, 2024

	Gross block				Accumulated depreciation				Net block
	Balance as at April 1, 2023	Additions	Disposals	Balance as at March 31, 2024	Balance as at April 1, 2023	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2024	Balance as at March 31, 2024
Intangible Asset	0.94	0.76	-	1.70	0.06	0.27	-	0.33	1.37
Total Intangible Asset	**0.94**	**0.76**	**-**	**1.70**	**0.06**	**0.27**	**-**	**0.33**	**1.37**

5 e Intangible assets under development

(₹ in Crs)

Particulars	March 31, 2025	March 31, 2024
Becon ,SAP & Other automation	2.07	0.55
Total Intangible assets under development	**2.07**	**0.55**

Particulars	Amount in Intangible assets under development for the year ended March 31, 2025				
	Less than 1 year	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	1.52	0.55	-	-	2.07
Projects temporarily suspended	-	-	-	-	-

Particulars	Amount in Intangible assets under development for the year ended March 31, 2024				
	Less than 1 year	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	0.55	-	-	-	0.55
Projects temporarily suspended	-	-	-	-	-

NIIF INFRASTRUCTURE FINANCE LIMITED

Notes forming part of financial statements as at and for the year ended March 31, 2025

6 Other non-financial assets

(₹ in Crs)

	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	1.63	0.88
Supplier Advance	0.36	0.02
Balances with government authorities - cenvat credit receivable	-	-
Other Advance	0.19	0.11
	2.18	**1.01**

7 Trade payables*

(₹ in Crs)

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-	β
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.87	1.63
Total	**1.87**	**1.63**

Trade Payables ageing	**Outstanding as on 31, March 2025 from due date of payment**				
Particulars	**< 1 year**	**1 to 2 Years**	**2 to 3 Years**	**> 3 Years**	**Total**
MSME	0.27	-	-	-	**0.27**
Others	1.59	-	-	-	**1.59**
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Note: The figures of ₹ 50,000 or less have been denoted by ß.

Trade Payables ageing	**Outstanding as on 31, March 2024 from due date of payment**				
Particulars	**< 1 year**	**1 to 2 Years**	**2 to 3 Years**	**> 3 Years**	**Total**
MSME	β	-	-	-	-
Others	1.63	-	-	-	1.63
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

(₹ in Crs)

8 Other payables

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.02
	-	**0.02**

9 Debt Securities

(₹ in Crs)

	As at March 31, 2025	As at March 31, 2024
At Amortised cost		
Debentures (Secured, non convertible)(*) fully paid up,	22,708.40	19,136.07
Commercial papers (unsecured)	-	-
Interest accrued but not due	717.73	646.07
Total (A)	**23,426.13**	**19,782.14**
(*) The borrowings outstanding before adjustment of unamortised fees under Effective Interest Rate	22,762.00	19,214.00
Debt securities in India	23,426.13	19,782.14
Debt securities outside India	-	-
Total (B)	**23,426.13**	**19,782.14**

NIIF INFRASTRUCTURE FINANCE LIMITED

Notes forming part of financial statements as at and for the year ended March 31, 2025

10 (a) Finance Lease liabilities **(₹ in crs)**

Particulars	As at March 31, 2025	As at March 31, 2024
Finance Lease liabilities	4.24	8.17
Total	**4.24**	**8.17**

10 (b) Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Advance receipts from borrowers	22.35	74.01
Dividend payable to CCPS holder	-	0.02
Total	**22.35**	**74.03**

11 Provisions **(₹ in Crs)**

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for gratuity	1.54	0.73
Provision for Bonus	6.40	4.40
Provision for compensated absences	2.29	0.82
Provision for long term incentive plan	7.36	4.92
Total	**17.59**	**10.87**

12 Other non-financial liabilities **(₹ in Crs)**

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues	13.82	11.47
Total	**13.82**	**11.47**

NIIF INFRASTRUCTURE FINANCE LIMITED

Notes forming part of financial statements as at and for the year ended March 31, 2025

13 A Share capital

	As at March 31, 2025		As at March 31, 2024	
	Number	(₹ in Crs)	Number	(₹ in Crs)
Authorised shares				
Equity shares of ₹ 10 each	1,81,50,00,000	1,815.00	1,81,50,00,000	1,815.00
Compulsorily convertible preference shares of ₹ 21 each (Series I)	8,80,95,238	185.00	8,80,95,238	185.00
Compulsorily convertible preference shares of ₹ 27 each (Series II)	25,92,59,259	700.00	25,92,59,259	700.00
Non convertible redemabale preference shares of ₹ 100000 each	1,50,000	1,500.00	1,50,000	1,500.00
Issued, subscribed & fully paid-up shares				
Equity shares of ₹ 10 each	1,37,52,80,631	1,375.28	1,37,52,80,631	1,375.28
Compulsorily convertible preference shares of ₹ 21 each (Series I)	-	-	-	-
Compulsorily convertible preference shares of ₹ 27 each (Series II)	-	-	-	-
Total		1,375.28		1,375.28

(a) **Movements in equity share capital.**

	As at March 31, 2025		As at March 31, 2024	
	Number	(₹ in Crs)	Number	(₹ in Crs)
Outstanding at the beginning of the year	1,37,52,80,631	1,375.28	1,03,02,83,466	1,030.28
Conversion of CCPS during the year			34,49,97,165	345.00
Outstanding at the end of the year	**1,37,52,80,631**	**1,375.28**	**1,37,52,80,631**	**1,375.28**

(b) **Movements in preference share capital (Face Value 21) Series I**

	Number	(₹ in Crs)	Number	(₹ in Crs)
Outstanding at the beginning of the year	-	-	8,79,27,757	184.65
Conversion of CCPS during the year	-	-	(8,79,27,757)	(184.65)
Outstanding at the end of the year	-	-	-	-

Movements in preference share capital (Face Value 27) Series II

	Number	(₹ in Crs)	Number	(₹ in Crs)
Outstanding at the beginning of the year	-	-	25,70,69,408	694.09
Conversion of CCPS during the year	-	-	(25,70,69,408)	(694.09)
Outstanding at the end of the year	-	-	-	-

(c) **Terms / rights attached to equity shares**

i The Company has equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

ii In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii The dividend proposed by the Board of Directors Rs.0.15 per share is subject to the approval of shareholders at the ensuing Annual General Meeting.

(d) **Terms / rights attached to Compulsorily Convertible Preference Shares (CCPS)**

i The Company has issued Compulsorily Convertible Preference Shares (CCPS) having a par value of ₹ 21 (Series I) & 27 (Series II) per share.

ii The CCPS shall carry a pre-determined cumulative dividend rate of 0.001% per annum. In addition to the same, if the holders of Equity Shares are paid dividend in excess of 0.001% per annum, CCPS holders shall be entitled to dividend at such higher rate. The dividend shall be payable, subject to cash flow solvency, in the event the board of directors of the Company declare any dividend for the relevant year, and shall be paid in priority to Equity Shares

iii The CCPS are not redeemable & each CCPS shall be converted into one equity share of ₹10 each upon induction of a new investor or expiry of 3 (Three) years from the date of issuance of First Tranche CCPS (30 March 2021), whichever is earlier.

iv Subject to Section 47(2) of the Companies Act, 2013, the CCPS do not carry any voting rights.

v CCPS shall have liquidation preference over the Equity Shares, in accordance with the Insolvency and Bankruptcy Code, 2016

vi In terms of the agreement with CCPS holder; 34,49,97,165 number of CCPS have been converted into equal number of equity shares as on March 30, 2024

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

Equity shares	As at March 31, 2025		As at March 31, 2024	
	Number	% of Holding	Number	% of Holding
National Investment & Infrastructure Fund II & Nominees	54,63,50,979	39.7%	54,63,50,979	39.73%
Aseem Infrastructure Finance Limited	42,39,32,487	30.8%	42,39,32,487	30.83%
President of India (*)	34,49,97,165	25.1%	34,49,97,165	25.09%
HDFC Bank LTD	6,00,00,000	4.4%	6,00,00,000	4.36%
0.001% Compulsorily Convertible Preference Shares (Series I)				
President of India (*)	-	-	-	-
0.001% Compulsorily Convertible Preference Shares (Series II)				
President of India (*)	-	-	-	-

(*) Represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India

Notes forming part of financial statements as at and for the year ended March 31, 2025

13 B Other Equity **(₹ in Crs)**

		As at March 31, 2025	As at March 31, 2024
(a)	Surplus in the statement of profit and loss	1,487.65	1,118.71
(b)	Securities premium	1,081.33	1,081.33
(c)	General Reserves	0.88	0.88
(d)	Special reserve u/s. 45-IC of the RBI Act, 1934	380.80	283.41
(e)	Impairment Reserve	0.04	0.04
	Total	**2,950.70**	**2,484.37**
(a)	**Surplus in the Statement of Profit and Loss**		
	Opening balance	1,118.71	782.78
	Net profit for the year	487.21	420.47
	Items of other comprehensive income recognised directly in retained earnings	-	-
	- Remeasurements of post-employment benefit obligations, net of tax	(0.26)	(0.52)
	Transfer to Special Reserve u/s. 45-IC of RBI Act, 1934	(97.39)	(84.00)
	Dividend on CCPS	-	(0.02)
	Dividend to equity Shareholders	(20.63)	-
	Closing balance	**1,487.65**	**1,118.71**
(b)	**Securities Premium**		
	Opening balance	1,081.33	547.59
	Changes during the year	-	533.74
	Share capital issue expenses	-	-
	Closing balance	**1,081.33**	**1,081.33**
(c)	**General Reserve**		
	Opening balance	0.88	0.88
	addition		
	Closing balance	**0.88**	**0.88**
(d)	**Special Reserve u/s. 45-IC of RBI Act,1934**		
	Opening balance	283.41	199.41
	Appropriations during the year	97.39	84.00
	Closing balance	**380.80**	**283.41**
(e)	**Impairment Reserve**		
	Opening balance	0.04	0.04
	Appropriations during the year	-	-
	Closing balance	**0.04**	**0.04**
	Total	**2,950.70**	**2,484.37**

Nature and purpose of reserve

a) **Securities premium**
Securites premium represents the excess of issue price over face value of equity shares & compulsorily convertible preference shares (CCPS) issue during the year. As per secton 52 (3) expenses on issue of equity share have been adjusted against securities premium.

b) **General Reserves**
General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

c) **Special reserves u/s 45-IC of RBI Act, 1934**
As per section 45-IC of RBI Act, 1934, every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent (20%) of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company annually.

d) **Impairment Reserve**
In terms of RBI circular reference DOR (NBFC) .CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, NBFCs are required to hold expected credit loss allowances in accordance with the provisions of IndAS 109. In parallel NBFCs are required to compute provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). Where the expected credit loss allowance computed under IndAS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the shortfall from their retained earnings to a separate ‘Impairment Reserve’

NIIF INFRASTRUCTURE FINANCE LIMITED

Notes forming part of financial statements as at and for the year ended March 31, 2025

14 Interest Income

	Year ended Mar 31, 2025	Year ended March 31, 2024
		(₹ in Crs)
On financial assets measured at amortised costs		
Interest on loans	1,994.78	1,721.52
Interest on deposit	64.33	34.89
Discount accreted on T-Bills	24.47	21.85
Total	**2,083.58**	**1,778.26**

15 (a) Fees and commission income

	Year ended Mar 31, 2025	Year ended March 31, 2024
		(₹ in Crs)
Fees and commission income	52.24	30.18
Total	**52.24**	**30.18**

15 (b) Net gain on fair value changes

	Year ended Mar 31, 2025	Year ended March 31, 2024
		(₹ in Crs)
- Income from Mutual fund Investment	34.42	28.18
Total	**34.42**	**28.18**

16 Other Income

	Year ended Mar 31, 2025	Year ended March 31, 2024
		(₹ in Crs)
Shared Service Cost Recovery	0.05	-
Profit/(Loss) on sale of asset	-	0.03
Profit on sale of Infra Investm	10.13	
Interest on IT Refunds	2.61	10.37
Total	**12.79**	**10.40**

17 Finance Costs

On financial liabilities measured at amortised costs	Year ended Mar 31, 2025	Year ended March 31, 2024
		(₹ in Crs)
<u>Interest expense</u>		
(i) Debt securities	1,588.86	1,348.99
(ii) Lease Liabilities	0.49	0.45
(iii) Other borrowing cost (Rating fee & Other expenses)	3.01	2.39
Total	**1,592.36**	**1,351.83**

18 Fees and commission expense

	Year ended Mar 31, 2025	Year ended March 31, 2024
		(₹ in Crs)
Commission paid to project authorities	0.54	0.33
	0.54	**0.33**

19 Impairment on financial instruments

	Year ended Mar 31, 2025	Year ended March 31, 2024
		(₹ in Crs)
On financial instruments measured at amortised costs		
Term loans & Debentures	22.90	29.95
Total	**22.90**	**29.95**

Notes forming part of financial statements as at and for the year ended March 31, 2025

20 Employee benefits expense

	Year ended Mar 31, 2025	Year ended March 31, 2024
		(₹ in Crs)
Salaries, wages and bonus	38.11	27.76
Contribution to gratuity fund	0.66	0.52
Contribution to provident and other funds	2.05	1.42
Staff welfare expenses	1.20	1.06
Total	**42.02**	**30.76**

21 Depreciation, amortisation and impairment

	Year ended Mar 31, 2025	Year ended March 31, 2024
		(₹ in Crs)
Depreciation of property, plant and equipment	1.70	0.38
Depreciation of right to use assets	3.93	2.42
Intangible Assets	0.39	0.27
Total	**6.02**	**3.07**

22 Other expenses

	Year ended Mar 31, 2025	Year ended March 31, 2024
		(₹ in Crs)
Professional fees	2.96	2.14
Rates and taxes	2.06	1.65
Computer and IT related expenses	5.94	3.08
Insurance charges	0.38	0.27
Electricity charges	0.41	0.18
Travelling and conveyance	0.66	0.70
Printing and stationery	0.04	0.09
Communication costs	0.07	0.03
Stamp duty and registration fees	0.26	0.54
Directors' sitting fees	0.73	0.82
Contribution towards corporate social responsibility	7.20	5.27
Auditor's remuneration	0.59	0.45
Advertising & publicity	0.03	0.03
Miscellaneous expenses	0.34	0.41
Total	**21.67**	**15.66**

(a) Breakup of Auditors' remuneration

Audit fees	0.48	0.37
Tax audit fees	0.02	0.02
Certification fees	0.06	0.04
Out-of-pocket expenses	0.03	0.02
Total	**0.59**	**0.45**

(b) Contribution for corporate social responsibility (CSR)

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year ₹ 7.20 crore (previous year ₹ 5.27 crore). Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is ₹ 7.20 crore (previous year ₹ 5.27 crore), which comprise of following:

	Year ended Mar 31, 2025	Year ended March 31, 2024
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	7.20	5.27
(iii) On purposes other than (i) above- unspent balance	-	-
Total	**7.20**	**5.27**
(a) shortfall at the end of the year	-	-
(b) total of previous years shortfall	-	-
(c) reason for shortfall	NA	NA
(d) nature of CSR activities	Promoting Healthcare, Rural Development, Education and Environment	Promoting Healthcare, Rural Development, Education and Environment
(e) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Nil	Nil
(f) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

23 Income tax

The Company is registered as Infrastructure Debt Fund (IDF-NBFC) with RBI. As per Section 10(47) of the Income Tax Act, any income of IDFs notified by Central Board of Direct Taxes (CBDT) for this purpose is exempt from income tax.

24 (i) Employee benefit obligations **(₹ in Crs)**

a) Labour Law

The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

b) Defined contribution plans **(₹ in Crs)**

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Provident fund	1.40	1.05
Pension fund	0.65	0.38

c) Defined benefit plans

The Company has a defined benefit gratuity plan in India (funded). The Company’s defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member’s length of service and salary at retirement age. As per internal policy gratuity liabilities for all employees is uncapped and ₹ 20 lakhs limit is not applicable.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance sheet **(₹ in Crs)**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2023	3.56	3.37	0.19
Current service cost	0.65		0.65
Past service cost	(0.14)		(0.14)
Interest expense/(income)	0.22		0.22
Return on plan assets	-	0.21	(0.21)
Employer contributions	-	0.54	(0.54)
Remeasurements due to actual return on plan assets less interest on plan assets	-	0.08	(0.08)
Actuarial loss / (gain) arising from change in financial assumptions	0.02		0.02
Actuarial loss / (gain) arising from change in demographic assumptions	0.08		0.08
Actuarial loss / (gain) arising on account of experience changes	0.50		0.50
Reversal of the liability	-		-
Employer contributions	-	-	-
Benefit payments	(0.70)	(0.70)	-
Assets acquired	-	-	-
Liabilities assumed on acquisition	-	-	-
As at March 31, 2024	4.19	3.50	0.69
Current service cost	0.56	-	0.56
Past service cost	-	-	-
Interest expense/(income)	0.27	-	0.27
Return on plan assets	-	0.24	(0.24)
Employer contributions	-	-	-
Remeasurements due to actual return on plan assets less interest on plan assets	-	0.07	(0.07)
Actuarial loss / (gain) arising from change in financial assumptions	0.11	-	0.11
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	0.21	-	0.21
Reversal of the liability	-	-	-
Employer contributions	-	-	-
Benefit payments	(0.15)	(0.15)	-
Assets acquired	-	-	-
Liabilities assumed on acquisition	-	-	-
As at March 31, 2025	5.20	3.66	1.54

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Present value of plan liabilities	5.20	4.19
Fair value of plan assets	3.66	3.50
Plan liability net of plan assets	**1.54**	**0.69**

ii) Statement of profit and loss **(₹ in Crs)**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Employee benefit expense	-	-
Losses on acquisition	-	-
Current service cost	0.56	0.65
Past service cost	-	(0.14)
Total	0.56	0.51
Finance costs	0.03	0.01
Gains/(losses) on settlements	-	-
Net impact on the profit before tax	**0.59**	**0.52**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Remeasurements of the net defined benefit liability:		
Opening amount recognized in OCI outside profit and loss account	1.39	0.87
Return on plan assets excluding amounts included in interest expense/income	(0.07)	(0.08)
Actuarial loss / (gain) arising from change in financial assumptions	0.11	0.02
Actuarial loss / (gain) arising from change in demographic assumptions	-	0.08
Actuarial loss / (gain) arising on account of experience changes	0.21	0.50
Actuarial gains/(losses) arising from changes in experience	-	-
Net impact on the other comprehensive income before tax	**1.65**	**1.39**

iii) Defined benefit plan assets

Category of assets (% allocation)	Year ended March 31, 2025	Year ended March 31, 2024
Insurer managed funds	3.66	3.50
Total	**3.66**	**3.50**

iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Discount rate	6.55%	7.15%
Salary escalation rate*	10.00%	10.00%

* takes into account the inflation, seniority, promotions and other relevant factors

v) Sensitivity **(₹ in Crs)**

Gratuity

As at March 31, 2025	**Change in assumption**	**Impact on defined benefit obligation**	
		Increase	**Decrease**
Discount rate	0.50%	(5.11)	5.29
Salary escalation rate	0.50%	5.29	(5.11)

As at March 31, 2024	**Change in assumption**	**Impact on defined benefit obligation**	
		Increase	**Decrease**
Discount rate	0.50%	(4.12)	4.27
Salary escalation rate	0.50%	4.27	(4.12)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

vi) Maturity

The defined benefit obligations shall mature after year end as follows: **(₹ in Crs)**

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Within the next 12 months (next annual reporting period)	2.35	0.73
Between 2 and 5 years	1.72	3.07
Between 5 and 10 years	1.43	0.83
Beyond 10 years	1.41	1.17
Total expected payments	**6.91**	**5.80**

The weighted average duration of the defined benefit obligation is 3.64 years (previous year - 3.80 years)

vii) Provision for long term incentive plan (LTIP) **(₹ in Crs)**

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Liability for long term incentive plan	5.25	3.82

viii) Provision for leave encashment **(₹ in Crs)**

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Liability for compensated absences	2.29	0.82

ix) Provision for long term incentive units (Cash settled share option)

During the year certain eligible employees of the company are entitled to LTIP units, value of which is based on underlying value of the share of the company. The company recognizes the fair value of such units and expenses out the same over the vesting period based on the management's estimate of the vesting and forfeiture conditions. Units awarded are cash settled share base payment transaction.

Details of the plan:

Vesting requirement	33% at the end of 2nd year, 33% at the end of 3rd years and 34% at the end of 4 years from June 2023 (Grant date)
Method of settelment	Cash settled
Exercise price	Nil
No of Option granted during the year	16,88,765
No of Option exercised during the year	Nil
No of Option outstanding As on 31-03-2024	16,88,765
Measurement of fair value	Black - Scholes Option pricing model
Expense recognised during the year **(₹ in Crs)**	2.11

24 (ii) Lease

Disclosure on Lease in accordance with Indian Accounting Standard (Ind AS) 116 on 'Leases'

A) Actual Payment of Rent from April 01, 2024 to March 31, 2025 is ₹ 4.42 Crore (Previous Year ₹ 2.76 Crore).

B) The following is the breakup of Current and non-current portion of Lease Liability: **(₹ in Crs)**

Particulars	**March 31, 2025**	**March 31, 2024**
Current	4.24	3.93
Non Current		4.24
Total Lease Liability	**4.24**	**8.17**

C) The following is the movement of Lease Liability **(₹ in Crs)**

Particulars	**March 31, 2025**	**March 31, 2024**
Opening Balance	8.18	5.96
Addition	-	4.53
Interest Expense on lease liability	0.49	0.45
Actual payment of rent	4.42	2.76
Closing Balance	**4.25**	**8.18**

D) The Carrying Value of Right of Use Asset **(₹ in Crs)**

Particulars	**March 31, 2025**	**March 31, 2024**
Opening Balance	7.86	5.75
Addition	-	4.53
Gross Carrying value	**7.86**	**10.28**
Depreciation	3.93	2.42
Carrying value of right of use asset	**3.92**	**7.86**

E) The following represents the Contractual Maturity of the Lease Liability on an undiscounted basis **(₹ in Crs)**

Particulars	**March 31, 2025**	**March 31, 2024**
On demand	-	-
Upto 3 months	1.10	1.10
Above 3 months to 12 months	3.31	3.31
Above 1 Year -3 Years	-	4.42
Above 3 Years-5 Years	-	-
Above 5 Years	-	-
Total	**4.42**	**8.83**

NIIF INFRASTRUCTURE FINANCE LIMITED

Notes forming part of financial statements as at and for the year ended March 31, 2025

25. Segment information

The Company is engaged in business of financing by way of loans (non banking financial services). All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per Ind AS 108 – Operating Segments.

26. Earnings per share (EPS)

a) The basic earnings per share has been calculated based on the following: **(₹ in Crs)**

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Net profit after tax available for equity shareholders (A)	487.21	420.47
Less : Dividend transfered to CCPS bank account	-	(0.02)
Net profit after tax available for equity shareholders (A)	487.21	420.45
Weighted average number of ordinary shares/(CCPS)	1,37,52,80,631	1,37,52,80,631
Weighted average number of shares (B)	1,37,52,80,631	1,37,52,80,631

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

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Basic earnings per share (A/B)	3.54	3.06
Diluted earnings per share (A/B)	3.54	3.06

Notes forming part of financial statements as at and for the year ended March 31, 2025

27. Capital commitments

(₹ in Crs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Estimated amount of contracts remaining to be executed on capital account (net of advances)	0.63	1.64
Total	0.63	1.64

Contingent liabilities	Year ended March 31, 2025	Year ended March 31, 2024
Claims not acknowledged as debts in respect of :		
Income-tax demands under appeal	-	-

28 Capital management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the Company’s capital is monitored using, amongst other measures, the regulations issued by RBI. Company has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the Company’s capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The following additional information is disclosed in terms of the RBI circular RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated March 21, 2024

(₹ in Crs)

Capital to risk assets ratio (CRAR):	Year ended March 31, 2025	Year ended March 31, 2024
Tier I capital	4,322.65	3,849.87
Tier II capital	177.73	154.83
Total capital	**4,500.38**	**4,004.70**
Risk weighted assets	20,733.34	16,534.49
CRAR (%)	21.71%	24.22%
CRAR - Tier I capital (%)	20.85%	23.28%
CRAR - Tier II capital (%)	0.86%	0.94%
Amount of subordinated debt considered as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

Regulatory Tier I capital, which comprises share capital, share premium, special reserves, share option outstanding account, retained earnings including current year profit and non-controlling interests less accrued dividends & Intangible assets. Certain adjustments are made to Ind AS based results and reserves, as prescribed by the Reserve Bank of India.

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Notes forming part of financial statements as at and for the year ended March 31, 2025

Maturity analysis of assets and liabilities

29 The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. **(₹ in Crs)**

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	1,631.98	-	1,631.98	911.50	-	911.50
Bank Balance other than above	305.97	-	305.97	0.02	-	0.02
Investments	249.53		249.53	582.84		582.84
Loans	1,320.37	23,912.69	25,233.06	1,564.08	20,425.69	21,989.77
Other financial assets	2.97	0.25	3.22	0.01	0.25	0.26
Non-financial assets						-
Income tax assets (Net)	-	375.74	375.74	-	250.92	250.92
Property, plant and equipment	-	3.04	3.04	-	0.90	0.90
Capital work in progress	-		-	0.98		0.98
Right of use Assets	-	3.92	3.92	-	7.86	7.86
Intangible assets	-	1.26	1.26	-	1.37	1.37
Intangible Asset under Development	-	2.07	2.07	-	0.55	0.55
Other non-financial assets	2.18	-	2.18	1.01	-	1.01
Total assets	3,513.00	24,298.97	27,811.97	3,060.44	20,687.54	23,747.98
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.59	-	1.59	1.63	-	1.63
(II) Other payables						-
(i) total outstanding dues of micro enterprises and small	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	4.42	-	4.42
Debt securities	2,086.73	21,339.40	23,426.13	2,147.07	17,635.07	19,782.14
Borrowings (Other than debt securities)	-	-	-	-	-	-
Finance Lease liabilities	4.24	-	4.24	3.93	4.24	8.17
Other financial liabilities	22.35	-	22.35	74.03	-	74.03
Non-financial Liabilities						-
Provisions	6.40	11.19	17.59	-	6.47	6.47
Other non-financial liabilities	13.82	-	13.82	11.47	-	11.47
Total liabilities	2,135.13	21,350.59	23,485.72	2,242.55	17,645.78	19,888.33
Net	1,377.87	2,948.38	4,326.25	817.89	3,041.76	3,859.65

30 Fair value measurement

a) Financial Instruments by Category **(₹ in Crs)**

The following table provides categorization of all financial instruments at carrying value except for financial assets and financial liabilities not measured at fair value if, the carrying amount is a reasonable approximation of fair value.

As at March 31, 2025	At FVTPL	At FVOCI	Amortised Cost
Financial Assets			
Loans			
- Term loans	-	-	19,522.59
- Debentures and bonds	-	-	5,678.36
- Accrued interest on loans, debentures and bonds		-	32.10
Cash and Cash Equivalents	-	-	1,631.98
Bank Balance other than above			305.97
Investments			249.53
Other financial assets	-	-	3.22
Total financial assets	**-**	**-**	**27,423.75**
Financial Liabilities			
Debt Securities			
- Debentures and bonds	-	-	22,708.40
- Accrued interest on borrowings			717.73
Trade payables	-	-	1.87
Other Payables	-	-	-
Finance Lease liability	-	-	4.24
Other financial liabilities	-	-	22.35
Total financial liabilities	**-**	**-**	**23,454.59**

As at March 31, 2024	At FVTPL	At FVOCI	Amortised Cost
Financial Assets			
Loans			
- Term loans	-	-	15,576.49
- Debentures and bonds	-	-	6,352.48
- Accrued interest on loans, debentures and bonds			60.79
Cash and Cash Equivalents	-	-	911.50
Bank Balance other than above			0.02
Investments	-	-	582.84
Other financial assets			0.26
Total financial assets	**-**	**-**	**23,484.38**
Financial Liabilities			
Debt Securities			
- Debentures and bonds	-	-	19,136.07
- Accrued interest on borrowings			646.07
Trade payables	-	-	1.63
Other Payables			4.42
Lease liability			8.17
Other financial liabilities	-	-	74.03
Total financial liabilities	**-**	**-**	**19,870.39**

Note: There are no other categories of financial instruments other than those mentioned above. The financial assets are shown net of provision for Expected Credit Loss.

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2025 **(₹ in Crs)**

Assets and liabilities measured at amortised cost for which fair values are disclosed	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Loans					
- Term loans	4	-	-	19,522.59	19,522.59
- Debentures and bonds	4	-	-	5,678.36	5,678.36
- Accrued interest on loans, debentures and bonds	4			32.10	32.10
Investments	4			249.53	249.53
Total financial assets		**-**	**-**	**25,482.58**	**25,482.58**
Financial liabilities					
Debt securities					
- Debentures and bonds	11	-	-	22,708.40	22,708.40
- Commercial papers	11	-	-	-	-
- Accrued interest on borrowings	11	-	-	717.73	717.73

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Total financial liabilities			-	-	23,426.13	23,426.13

As at March 31, 2024 (₹ in Crs)

Assets and liabilities measured at amortised cost for which fair values are disclosed	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Loans					
- Term loans	4	-	-	15,576.49	15,576.49
- Debentures and bonds	4	-	-	6,352.48	6,352.48
- Accrued interest on loans, debentures and bonds	4	-	-	60.79	60.79
Investments	4			582.84	582.84
Total financial assets		**-**	**-**	**22,572.60**	**22,572.60**
Financial liabilities					
Debt securities					
- Debentures and bonds	11	-	-	19,136.07	19,136.07
- Commercial papers	11	-	-	-	-
- Accrued interest on borrowings	11	-	-	646.07	646.07
Total financial liabilities		**-**	**-**	**19,782.14**	**19,782.14**

i) There are no transfers between levels 1, 2 and 3 during the year.

ii) The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1: Level 1: The fair value of financial instruments traded in active markets (such as mutual funds) is based on quoted market prices at the end of the reporting period. The mutual funds are valued using the closing NAV. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

c) Valuation technique used to determine fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Specific valuation techniques used to value financial instruments include:

- the fair value of the unquoted mutual fund units is determined using observable NAV representing repurchase price issued by the mutual fund/venture capital fund.
- the fair values of interest rate swaps is calculated as the present value of the estimated future cash flows based on the observable yield curves.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis and the discount rates used were adjusted for counterparty or own credit risk.

d) Fair value of financial assets and liabilities measured at amortised cost (₹ in Crs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Loans				
Rupee loans	19,522.59	19,522.59	15,576.49	15,576.49
Debentures and Bonds	5,678.36	5,678.36	6,352.48	6,352.48
Accrued interest on loans, debentures and bonds	32.10	32.10	60.79	60.79
Investments	249.53	249.53	582.84	582.84
Total financial assets	**25,482.58**	**25,482.58**	**22,572.60**	**22,572.60**
Financial liabilities				
Debt securities				
Debentures	22,708.40	22,708.40	19,136.07	19,136.07
Commercial papers	-	-		-
Interest accrued but not due	717.73	717.73	646.07	646.07
Total financial liabilities	**23,426.13**	**23,426.13**	**19,782.14**	**19,782.14**

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts. They are classified as Level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk. The fair values of financial liabilities measured at amortised cost i.e. debt securities issued were calculated based on their cash flows discounted using a current borrowing rate. They are classified as Level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk. Accordingly, fair value of such instruments is not materially different from their carrying amounts.They are classified as Level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk. For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include, cash and bank balances, trade and other payables, other financial assets and liabilities. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Notes forming part of financial statements as at and for year ended March 31, 2025

31 Financial risk management

31.1. Introduction

Risk management is an integral part of the business practices of the Company. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. The process of risk management is paramount to the Company and each employee is accountable for risks relating to his/her responsibilities. The key risk management tenets adopted by the Company includes maker-checker principle and three levels of defence (first level - employee, second level - risk team, third level - internal audit). The Company is exposed to credit risk, interest rate risk, liquidity risk, price risk and operations risk (including cyber risk) through its business operations.

31.2. Risk management structure

The Company has set up a robust risk governance framework based on the following key principles:

- The Board has ultimate responsibility for the Company’s risk management framework. The board is principally responsible for approving the Company’s risk related strategies and policies.
- To ensure that the Company has a sound system of risk management and internal controls in place, the board has established a Risk Management Committee (RMC). The RMC assists the board in relation to the oversight and review of the Company’s risk management principles and policies, strategies, appetite, processes and controls. The RMC has direct access to the Company’s management and has open communication with them.
- Policies, processes and systems are put in place for effective risk management.
- The Company has an independent risk unit which is entrusted with the responsibility of implementing risk policy and processes for risk identification, assessment, measurement, monitoring and control. It reports to the Chief Risk Officer (CRO), who in turn reports directly to the Chief Executive Officer (CEO) of the Company. The board has put in place the policy to safeguard the independence of CRO (The CRO meets the Risk Management Committee (RMC) on a quarterly basis without the presence of CEO).
- The Company’s Resources team is primarily responsible for funding and liquidity risks and is guided by the asset liability management policy. The market risks of the Company are supervised by the asset liability committee.
- The Company maintains a Risk Register for all its processes. Operational risks of the Company are monitored by business operations risk committee.
- The portfolio team along with business team monitors project assets on regular basis and highlights pending compliances to senior management on monthly basis. It also conducts annual site visits and monitors financial covenants.
- Annual review of financial and operational performance of projects and their re-rating is conducted by the risk team.
- Risk management processes are also audited quarterly by internal audit and findings and recommendations are provided to the audit committee.

31.3. Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from loans and advances arising from lending activities.

Credit risk is the single largest risk for the Company's business, management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in RMC which reports regularly to the Board. The company adheres to high standards of credit risk management and mitigation. The lending proposals are subjected to a thorough assessment of promoters; group financial strength and leverage; operational & financial performance track record; cash flows; valuation of collateral.

The exposures are subjected to regular monitoring of (i.e. cash flows of the projects, security cover and operational performance is regularly monitored). The Company manages and controls credit risk by setting limits on the amount of exposure at each sector/sub-sector level. The concentration of risk is monitored in relation to such limits.

31.3.1. Credit risk measurement - loans and advances

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a loans and advances entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations counterparties. The Company measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD). This is similar to the approach used for the purpose of measuring expected credit loss (ECL) under Ind AS 109.

The Company’s concentration risk is managed at the sector/sub-sector level. These limits are approved by the RMC and reviewed at regular intervals. The following table shows the risk concentration towards each sector/sub-sector.

Sector/sub-sector	Exposure limit as per risk policy		Exposure		Amount Outstanding (₹ in Crs)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Energy Generation - Wind	20%	25%	4.87%	6.89%	1,339.91	1,657.61
Energy Generation - Solar	50%	45%	26.41%	36.54%	7,107.59	7,894.39
Energy Generation - Hydro	15%	15%	1.84%	2.19%	505.65	525.95
Energy Generation - Other	35%	25%	32.20%	21.09%	8,235.80	4,521.46
Energy Transmission	20%	25%	2.66%	3.07%	729.40	738.10
Total Energy Sector	**80%**	**85%**	**67.98%**	**69.78%**	**17,918.35**	**15,337.51**
Ports, Airports, Railways etc. (without tripartite)	25%	25%	7.74%	9.06%	2,119.61	2,160.61
Logistics	25%	25%	2.95%	2.73%	642.10	656.16
Bulk Material Transportation	25%	25%	1.33%	1.59%	365.99	381.99
Other social and commercial infrastructure	25%	25%	1.79%	0.55%	493.01	123.40
Hospitals	25%	25%	0.52%	0.66%	141.62	158.96
Education Institutions	25%	25%	0.00%	0.29%	-	68.65
Transport - Roads	25%	-	3.70%	4.50%	1,016.40	1,073.58
Water & Sanitation	15%	15%	2.02%	2.31%	521.79	521.79
Communication	15%	15%	11.97%	8.53%	2,171.09	1,635.54
Total			**100.00%**	**100.00%**	**25,389.96**	**22,118.19**

a) Credit risk grading

The Company uses internal credit risk grading framework that reflects its assessment of the probability of default of individual counterparty. Borrower and loan specific information collected at the time of initial application and annual re-rating exercise is fed into risk rating model. This is supplemented by external data such as credit bureau scoring information.

The framework is robust and comparable to credit models used by premier credit rating bureaus. The credit rating model considers various parameters (such as promoter strength, operating risk, market risk, financial factors, etc.) and a score is assigned to each parameter between 1 (lowest) to 5 (highest). The internal rating grade is based on the final score derived from the credit rating model.

The Company's internal rating grades

Internal rating grades	Description of the grade
iAAA	Highest Safety
iAA+	High Safety
iAA	
iAA-	
iA+	Adequate Safety
iA	
iA-	
iBBB+	Moderate Safety
iBBB	
iBBB-	
iBB+, iBB & iBB-	Moderate Risk
iB, iC & iD	High Risk/ Very High Risk/ Default

As per risk rating policy, the Company does not finance the projects having internal rating grade below iBBB-, arrived as per the above mentioned risk rating framework. In case of difference between internal rating grade and external credit rating (if any), then lower of the two ratings would be considered while evaluating the minimum rating criteria.

However, at the time of sanction, if the external credit rating is below internal rating grade, but is expected to improve due to various factors (including refinance loan terms), Company may provide financial assistance to such borrowers on the condition that the disbursement would be made only after the minimum investment grade rating as aforesaid is obtained.

An annual review of the loans / debentures (credit substitutes) would be conducted to determine the credit migration and rating of the portfolio. The analysis below summarises the credit quality of the Company's debt portfolio at March 31.

Internal rating grades	% of total customer		% of total outstanding	
	As at March 31, 2025	**As at March 31, 2024**	**As at March 31, 2025**	**As at March 31, 2024**
iAAA	0%	0%	0%	0%
iAA+, iAA, iAA-	17%	28%	33%	46%
iA+, iA, iA-	56%	52%	48%	41%
iBBB+	20%	11%	12%	7%
iBBB	7%	9%	5%	6%
iBBB-	1%	0%	1%	0%
Total	**100%**	**100%**	**100%**	**100%**

b) Expected credit loss measurement

Ind AS 109 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored by the Company.
- If a significant increase in credit risk (‘SICR’) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired. Refer note 31(b)(i) below for a description of how the Company determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to ‘Stage 3’. Refer note 31(b)(ii) below for a description of how the Company defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 have their ECL measured based on expected credit losses on a lifetime basis while for Stage 3, probability of default is taken as 100%. Refer note 31(b)(iii) below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with Ind AS 109 is that it should consider forward-looking information.

The following diagram summarises the impairment requirements under Ind AS 109:

Change in credit quality since initial recognition

Stage 1	**Stage 2**	**Stage 3**
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	**Lifetime expected credit losses**	**PD taken as 100%**

i) Significant increase in credit risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the quantitative, qualitative or backstop criteria have been met.

Quantitative criteria:

The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are 31 days past due but less than 90 days past due, with rebuttable presumption. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been 31 days past due but less than 90 days past due.

Qualitative criteria:

For all financial instruments held by the Company, if the borrower is on the watch list and/or the instrument meets one or more of the following criteria:

- Internal rating downgrade of two notches or more
- Any event/s of non-cooperation
- Evidence of diversion of funds

d) The Company has not used the low credit risk exemption for any financial instruments in the year ended March 31, 2025.

ii) Default and credit-impaired asset

The Company defines a financial asset as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The borrower is more than 90 days past due on its contractual payments to be considered in default.

Qualitative criteria:

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- the borrower is in long-term forbearance
- the borrower is insolvent

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the probability of default (PD), exposure at default (EAD) and loss given default (LGD) throughout the Company's expected loss calculations.

iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD), and loss given default (LGD), defined as follows:

PD Estimation:

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The credit quality of the portfolio is assessed using internally developed credit rating model. The internal rating grade is determined for every initial application and annual re-rating is also performed for all existing counterparties. In the absence of default/SMA history and limited number of counterparties involved, credit rating data available in public domain has been used to assign PDs to Internal rating grades.

- For Stage 1, 12 month PD are calculated on average of three rating agencies for 1 year cumulative default rate data and GDP forecast estimates have been used to arrive at 12 month PD for base case, best case and worst case economic scenarios
- For Stage 2, Lifetime PD are calculated by considering the survival rate of the counterparty for the remaining maturity. The PD is based on average transition matrices of three rating agencies based on corporates.
- For Stage 3, Lifetime PD is taken as 100%

Internal rating grades – 12 month PD Mapping:

Internal rating grades		PIT PD
Highest Safety	iAAA	0.19%
High Safety	iAA+	0.17%
	iAA	0.17%
	iAA-	0.17%
Adequate Safety	iA+	0.25%
	iA	0.25%
	iA-	0.25%
Moderate Safety	iBBB+	1.08%
	iBBB	1.08%
	iBBB-	1.08%
Moderate Risk	iBB+	3.73%
	iBB	3.73%
	iBB-	3.73%
High Risk	iB	7.33%
Very High Risk	iC	24.87%
Default	iD	100.00%

Exposure at default:

EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

Loss given default:

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type and security coverage.

- In case of re-financing of operating road project, the Company enters into a tripartite agreement with the concessionaire and NHAI/any other project authority for ensuring a compulsory buyout with termination payments. The LGD for road project loans is taken as 5% since the entire credit exposure arising out of loan agreement is secured by way of tripartite agreement with Government authorities. 5% assumption on LGD is hence assumed only to capture any time delay in enforcing the tripartite agreement .

- In case of re-financing of other operating infrastructure project loans, the primary credit support is cash flow control and additional comfort is taken as project assets as collateral. In absence of actual instances of default and consequential recoveries, the LGD rates under "Foundation IRB approach" as prescribed by RBI, after considering the threshold level of collateralisation and required level of over collateralisation for full recognition of collateral, have been taken as a proxy measure.

ECL computation:

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

iv) Forward-looking information incorporated in the ECL model

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for portfolio.

Judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided on a regular basis and provide the best estimate view of the economy over the next five years.

The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Company measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The Company has identified the "GDP growth rate" as a key driver for the expected credit loss. To smoothen the GDP growth rate for past 15 years, GDP growth rates achieved during black swan events such as during the COVID period (FY21) and subsequent high revival growth rate (FY22) have not been considered while taking the GDP numbers for March 2025 ECL workings.

The following table sets out the assumptions used for base case, best case and worst case ECL scenarios, taking GDP growth rate as key driver for expected loss:

Year ended March 31, 2025

ECL Scenario	Assigned probabilities %	FY25	FY26	FY27	FY28	FY29
Base case	50%	7.02%	6.46%	6.47%	6.48%	6.49%
Best case	20%	9.47%	8.91%	8.91%	8.92%	8.93%
Worst case	30%	4.58%	4.02%	4.03%	4.04%	4.04%

Year ended March 31, 2024

ECL Scenario	Assigned probabilities %	FY25	FY26	FY27	FY28	FY29
Base case	50%	6.81%	6.46%	6.47%	6.48%	6.49%
Best case	20%	9.55%	9.20%	9.20%	9.21%	9.22%
Worst case	30%	4.07%	3.72%	3.73%	3.74%	3.75%

The GDP estimates are used to project the grade wise PD for base case, best case and worst case scenario. The final (weighted) ECL is arrived at by assigning 50%, 20% and 30% weights to the base case, best case and worst case ECL respectively.

The GDP estimates are presented for financials years

Particulars	As at March 31, 2025 (₹ in Crs)	As at March 31, 2025 (%)	As at March 31, 2025 (% of Total Loans)	As at March 31, 2024 (₹ in Crs)	As at March 31, 2024 (%)	As at March 31, 2024 (% of Total Loans)
Scenario weighted computed ECL	54.09	30%	0.21%	31.55	20%	0.14%
Management Overlay	123.64	70%	0.49%	123.28	80%	0.56%
Total Impairment Loss Allowance on Loans (Note 2)	**177.73**	**100%**	**0.70%**	**154.83**	**100%**	**0.70%**

Scenario weighted computed ECL as on March 31, 2025 is ₹ 54.09 crore (March 31, 2024 is ₹ 31.55 crore). Over and above this, there is management overlay of ₹123.64 crore (₹123.28 crore) such that the Total Impairment Loss Allowance will be 0.7% of Total Loans which amounts to ₹ 177.73 crore (₹ 154.83 crore)

v) **Financial assets measured on a collective basis**
ECL is calculated on individual basis for all loan assets.

vi) **Proposal appraisal**
The Company collects relevant project/ corporate documents and initiate appraisal of the proposal. The evaluation process encompasses establishment of viability of proposal including borrower's ability to service the loan. The evaluation is undertaken through a combination of review of project/corporate documents, external rating rationales (if any), meetings with project promoters/key officials, site visits, etc.

Proposals shall be approved by the Credit Committee post recommendation by the Decision Committee.

Term loans /debentures can have fixed rate or floating rate of interest linked to the Company's benchmark rate or another agreed benchmark. There may be reset of spreads after defined intervals.

Below is the mix of assets with spread reset dates falling within 1 year and more than 1 year:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than 1 year	12.95%	6.00%
More than 1 year	87.05%	94.00%

vii) **Overview of modified and forborne loan**
All the loan assets of the Company are categorised under Stage 1 and there are no modified or forborne loans.

c) **Credit risk exposure**

i) **Maximum exposure to credit risk - Loans and debenture measured at amortised subject to impairment**
The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

(₹ in Crs)

Term loans and debentures	As at March 31, 2025			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety	-	-	-	-
High Safety	8,379.68	-	-	8,379.68
Adequate Safety	12,309.76	-	-	12,309.76
Moderate Safety	4,700.52	-	-	4,700.52
Non- performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	**25,389.96**	**-**	**-**	**25,389.96**

Term loans and debentures	As at March 31, 2024			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety		-	-	-
High Safety	10,136.38	-	-	10,136.38
Adequate Safety	9,016.28	-	-	9,016.28
Moderate Safety	2,965.53	-	-	2,965.53
Non- performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	**22,118.19**	**-**	**-**	**22,118.19**

ii) **Maximum exposure to credit risk - Financial instruments not subject to impairment**
The Company does not have any exposure to Financial instruments not subjected to impairment.

iii) **Collateral and other credit enhancement**
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Company prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types are:

- charges over tangible assets such as property, plant and equipment; and
- charges over book debts, inventories, bank deposits, and other working capital items; and
- charges over financial instruments such as debt securities and equities.

The fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a regular basis.

(₹ in Crs)

Particulars	Gross Exposure	Impairment allowance	Undrawn amount	EIR Adjustment	Carrying amount
As at March 31, 2025					
Loans to corporate entities/individuals:					
- Term loans	20,299.61	137.86	604.97	8.80	19,547.97
- Debentures and bonds	5,695.33	39.87	-	2.47	5,652.99
- Accrued interest on loans, debentures and bonds	32.10	-	-	-	32.10
Total	**26,027.04**	**177.73**	**604.97**	**11.27**	**25,233.06**
As at March 31, 2024					
Loans to corporate entities/individuals:					
- Term loans	15,746.13	110.22	-	24.48	15,611.42
- Debentures and bonds	6,372.07	44.60	-	9.91	6,317.55
- Accrued interest on loans, debentures and bonds	60.79	-	-	-	60.79
Total	**22,178.99**	**154.82**	**-**	**34.39**	**21,989.76**

iv) Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and Lifetime ECL;
- additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- impacts on the measurement of ECL due to changes made to models and assumptions;
- financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

An analysis of change in the gross carrying amount of the loan portfolio and corresponding loss allowance:

The following table further explains changes in the gross carrying amount of the loan portfolio to help explain their significance to the changes in the loss allowance tor the same portfolio as discussed below:

(₹ in Crs)

Term loans and debentures	**Year ended March 31, 2025**			**Total**
	Stage 1	**Stage 2**	**Stage 3**	
Opening balance	22,144.60	-	-	22,144.60
New assets originated or purchased	7,055.10	-	-	7,055.10
Assets derecognised or repaid	(3,788.91)	-	-	(3,788.91)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**25,410.79**	**-**	**-**	**25,410.79**

Term loans and debentures	**Year ended March 31, 2024**			**Total**
	Stage 1	**Stage 2**	**Stage 3**	
Opening balance	17,841.89	-	-	17,841.89
New assets originated or purchased	6,985.74	-	-	6,985.74
Assets derecognised or repaid	(2,683.04)	-	-	(2,683.04)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**22,144.59**	**-**	**-**	**22,144.59**

The following table explains the changes in the loss allowance between the beginning and at the end of the annual period due to various factors:

(₹ in Crs)

Term loans and debentures	**Year ended March 31, 2025**			**Total**
	Stage 1	**Stage 2**	**Stage 3**	
Opening balance	154.83	-	-	154.83
New assets originated or purchased	49.39		-	49.39
Assets derecognised or repaid	(26.49)	-	-	(26.49)
Net remeasurement of loss allowance	-		-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**177.73**	**-**	**-**	**177.73**

Term loans and debentures	**Year ended March 31, 2024**			**Total**
	Stage 1	**Stage 2**	**Stage 3**	
Opening balance	124.88	-	-	124.88
New assets originated or purchased	48.90		-	48.90
Assets derecognised or repaid	(18.95)	-	-	(18.95)
Net remeasurement of loss allowance	-		-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**154.83**	**-**	**-**	**154.83**

The origination of new loan assets is the primary factor that contributed to the change in the loss allowance during the period.

31.3.2. Other financial assets

The Company has credit risk exposure in cash and cash equivalents, deposits with banks, and other financial assets. Cash and cash equivalents and bank deposits are held with only high rated banks/financial institutions only, therefore credit risk is perceived to be low. The Company has no significant concentration of credit risk.

31.4. Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stressful circumstances. To limit this risk management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a monthly basis. The Company has developed internal control processes and contingency plans for managing liquidity risk.

Prudent liquidity risk management implies maintaining liquid investments. In accordance with the Company's policy, the liquidity position is assessed by setting limits on the amount of liquidity exposure and monitoring exposures in relation to each such limits:

a) Liquidity Risk framework

Category	Limits
Limits on cumulative negative gaps, as a % of cumulative outflows [maximum]	-10% of cumulative outflows for 0 to 7 days, over 7 days to 14 days -20% of cumulative outflows for 14 days to 1-month -25% of cumulative outflows for 1-month to 6-months -40% of cumulative outflows for 6-months to 1-year -50% of cumulative outflows for 1-year to 3-years -50% of cumulative outflows for 3-years to 5-years
Capital adequacy ratio (CRAR) [minimum]	15%
Capital Classification	Tier II Capital shall not exceed Tier I Capital
Borrowings through shorter tenor bonds and commercial papers (CPs)	Up to 10% of total outstanding borrowings
Credit rating [minimum]	A
Liquidity coverage ratio (LCR) [minimum]	1.00
Earnings at risk (EaR) [maximum]	₹ 35 Crore
Liquidity ratio - Long-term assets/Total Assets	Min. 80% - Max 95%

The Company has assumed prepayment in upto 3 year buckets based on behavioral pattern as allowed under RBI circular from Oct 31,2023.

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Notes forming part of financial statements as at and for year ended March 31, 2025

b) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company’s financial assets and liabilities balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Crs)

As at March 31, 2025	0 - 7 Days	8 - 14 Days	15 Days - 1 Month	Over 1 Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Above 5 Years	Total
Deposits											
Advances	8.75	-	22.26	8.29	269.92	1,605.99	1,912.06	7,508.45	4,789.06	9,253.90	25,378.68
Investments	149.94	-	99.58	-							249.52
Borrowings	-	-	-	544.00	250.00	125.00	450.00	9,177.00	3,220.00	8,942.40	22,708.40
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

As at March 31, 2024	0 - 7 Days	8 - 14 Days	15 Days - 1 Month	Over 1 Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Above 5 Years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	31.42	-	13.78	18.12	218.97	300.53	920.48	3,369.39	4,168.92	13,042.22	22,083.83
Investments		249.52	229.17	104.15							582.84
Borrowings				20.00	-	376.00	1,105.00	6,622.00	5,424.00	5,589.07	19,136.07
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

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Notes forming part of financial statements as at and for year ended March 31, 2025

c) **Public disclosure on liquidity risk**

The disclosure in terms of RBI circular ref. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated March 21, 2024 on liquidity risk management framework for NBFCs Is provided below-

(i) Funding concentration based on significant counterparty

Sr no	Year	No. of counterparties	Amount (₹ in Crs)	% of Total Borrowings	% of Total Liabilities
1	March 31, 2025 #	64	19,111.50	83.96%	81.46%
2	March 31, 2024	20	14,500.00	75.47%	72.91%

For FY 2024-25 funding concentration has been calculated based on group counterparties.

(ii) **Top 20 large deposits - Nil**

(iii) **Top 10 borrowings: ₹ 15,487 Crore (represent 68.04% of total borrowings) (previous year ₹ 11,540 Crore (represent 60.06% of total borrowings))**

(iv)	**Funding concentration based on significant instrument/product**	**March 31, 2025**		**March 31, 2024**	
Sr no	**Name of instrument**	**Amount (₹ in Crs)**	**% of Total Liabilities**	**Amount (₹ in Crs)**	**% of Total Liabilities**
1	Non Convertible Debentures	22,762.00	100.00%	19,214.00	100.00%
2	Commercial papers	-	-	-	-

(v)	**Stock ratios:**	**March 31, 2025**			**March 31, 2024**		
Sr no	**Instrument**	**As a % of total public funds**	**As a % of total liabilities**	**As a % of total assets**	**As a % of total public funds**	**As a % of total liabilities**	**As a % of total assets**
(a)	Commercial papers	NA	Nil	Nil	NA	0%	0%
(b)	Non Convertible Debentures (original maturity <1 year)	NA	Nil	Nil	NA	Nil	Nil
(c)	Other short term liabilities	NA	9%	8%	NA	11%	9%

(vi) **Institutional set-up for liquidity risk management:**

The Company has put in place an Asset Liability Management Policy under which the Asset Liability Management Committee (ALCO) has been set up to oversee Asset Liability Management (ALM), including liquidity risk management. The overall ALM framework as well as liquidity risk is managed by-

(i) Board which provides the overall direction for the Policy and framework.

(ii) ALCO - comprises of Chief Executive Officer (CEO), Chief Finance Officer (CFO) Chief Risk Officer (CRO) and Chief Business Officer (CBO) and Director - Resources. It is a decision making body responsible for strategic management of interest rate and liquidity risks.

(iii) Asset Liability Management Support Group - which consist of operating staff from Risk, Finance and Resources group. The ALM support group analyses / monitors the liquidity profile, limits and reports to ALCO.

(iv) Finance Committee - comprises of CEO, CRO, CBO and CFO. The Finance Committee is authorised to borrow monies through various instruments permitted by RBI, subject to the overall borrowing limits approved by the Board and Shareholders.

(v) Resources Group - which is ALM support group and is responsible for the following:

•Fund raising for the company.

•Ensuring compliance with respect to funds raised.

•Provide market-related inputs post discussion with relevant stakeholders e.g. interest rate, liquidity and exchange rate scenarios to the ALCO.

•Actively implement the asset and liability management strategy as decided by the ALCO.

•Maintain appropriate liquidity buffers in consultation with relevant stakeholders (the minimum liquidity buffer would always be as specified by regulatory guidelines)

•Prepare all regulatory and internal MIS (management information systems) and be responsible for all data collection, aggregation, and limit monitoring for liquidity risk and interest rate risk, as specified in the Policy and/or as suggested from time to time by the ALCO.

(vi) Investment Committee - Comprises CEO, CRO, CBO, CFO, CCO and GC is responsible for investment of surplus funds of the Company as per the Board approved Investment policy.

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(₹ in Crs)

D) Disclosure on Liquidity Coverage Ratio (LCR) under RBI circular no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated March 21, 2024 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

Particulars		**Total Unweighted Value (average)***	**Total Weighted Value (average)#**	**Total Unweighted Value (average)***	**Total Weighted Value (average)#**	**Total Unweighted Value (average)***	**Total Weighted Value (average)#**	**Total Unweighted Value (average)***	**Total Weighted Value (average)#**
High Quality Liquid Assets		**31-Mar-25**		**31-Dec-24**		**30-Sep-24**		**30-Jun-24**	
1	**Total High Quality Liquid Assets (HQLA)1**	**757**	**689**	**1,190**	**1,064**	**1,273**	**1,147**	**1,401**	**1,275**
	Balance in Current Account	20	20	112	112	18	18	31	31
	T-bill	283	283	242	242	416	416	531	531
	NCDs (HQLA)	454	386	836	711	839	713	839	713
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	377	433	242	278	763	877	571	656
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	6	7	6	7	2,764	2,867	2,251	2,410
7	Other contingent funding obligations	-	-		-	-	-	-	-
8	Total Cash Outflows	383	440	248	285	3,527	3,744	2,822	3,067
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	385	289	229	172	806	605	529	397
11	Other cash inflows	1,574	1,181	1,170	877	2,972	2,755	2,156	1,887
12	Total Cash Inflows	1,959	1,470	1,399	1,049	3,778	3,360	2,685	2,284
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		689		1,064		1,147		1,275
14	Total Net Cash Outflows (Higher of inflow less outflows or 25% of outflows		110		71		936		783
15	**LIQUIDITY COVERAGE RATIO (%)**		**626%**		**1496%**		**123%**		**163%**

Notes:
1) Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
2) Weighted values must be calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
3) There is change in methodology of LCR calculation from Q3 FY 2025 onwards from actual basis to estimated basis for next 30 days.

(a) The main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time:
(b) intra-period changes as well as changes over time: Quarterly LCR mentioned in table above
(c) the composition of HQLAs: Mentioned above
(d) concentration of funding sources: Refer 31.4 (c) liquidity risk
(e) derivative exposures and potential collateral calls: NA
(f) currency mismatch in the LCR: NA
(g) other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile: NA

31.5. Market Risk

The risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and mutual fund NAV's.

a) Interest rate risk-lending

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's main interest rate risk arises from lending with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2025 and March 31, 2024, the Company's lending portfolio at variable rate are mainly denominated in Indian rupees (₹).

The Company's fixed rate lending portfolio is carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

i) Interest rate risk exposure **(₹ in Crs)**

The exposure of the Company's lending portfolio to interest rate changes at the end of the reporting years are as follows:

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Variable rate lending portfolio	329.64	437.85
Fixed rate loans	25,060.00	21,680.34
Total	25,389.64	22,118.19

ii) Sensitivity

a) Interest rate risk - Loans and debenture

Profit or loss may be impacted due to change in interest rate on rate-sensitive assets and liabilities.

Particulars	**Impact on profit after tax**	
	Year ended March 31, 2025	**Year ended March 31, 2024**
Interest rates – increase by 100 basis points	29.30	15.13
Interest rates – decrease by 100 basis points	(29.30)	(15.13)

* The sensitivity is derived holding all other variables constant

iii) Company does not have any variable rate borrowings; hence its not exposed to borrowning interest rate risk exposure.

b) Price risk

Since the Company does not hold any equity instruments, it is not exposed to price risk. Investment in Mutual fund is subject to price risk .

c) Foreign currency risk:

The Company does not have any foreign currency exposures in respect of financial assets and financial liabilities as at the balance sheet date that will result in net currency gains or losses in the statement of profit and loss due to change foreign currency exchange rates. This mitigates the foreign currency risk exposure for the Company.

31.6. Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. Operational risk management process comprises of identification, assessment, measurement, monitoring / controlling, reporting and mitigation of operational risk. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit. Periodic Business Operational Risk Committee (BORC) meetings are convened to keep a track of operational risks and mitigation plans across the Company.

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Notes forming part of financial statements as at and for year ended March 31, 2025

32 Related Party Disclosure

List of Related Parties

a) Contolling Stake Holder
National Investment and Infrastructure Fund II

b) Entity with significant influence
National Investment and Infrastructure Fund Limited (Investment Manager of National Investment and Infrastructure Fund II)
Aseem Infrastructure Finance Limited
President of India

c) Key Management Personel
Mr. Shiva Rajaraman - Chief Executive Officer
Mr. Pankil Mehta - Chief Financial Officer (Appointed wef March 28, 2024)
Mr. Sudeep Bhatia - Chief Financial Officer (Appointed wef June 25, 2024)
Mr. Ankit Sheth - Company Secretary

d) Directors
Mr. AKT Chari - Nominee Director, NIIF
Mr. Ashwani Kumar - Independent Director
Ms. Rosemary Sebastian - Independent Director
Mr. Prashant Kumar Ghose - Independent Director
Mr. Padmanabh Sinha - Nominee Director NIIF Fund II (Ceased w.e.f March 31, 2025)
Mr. Nilesh Shrivastava – Nominee Director NIIF Fund II

(₹ in Crs)

Related Party	Parent		Subsidiaries		Entity with significant influence		KMPs		Relatives of KMPs		Directors		Relatives of Directors		Total	
Items	**FY24**	**FY25**	**FY24**	**FY25**	**FY24**	**FY25**	**FY24**	**FY25**	**FY24**	**FY25**	**FY24**	**FY25**	**FY24**	**FY25**	**FY24**	**FY25**
Recovery against Shared Service Cost	-	0.05	-	-	0.26	-	-	-	-	-	-	-	-	-	0.26	0.05
Processing fees received	-	-	-	-	0.20	-	-	-	-	-	-	-	-	-	0.20	-
Reimbursement of expenses to related Party	-	-	-	-	0.13	-	-	-	-	-	-	-	-	-	0.13	-
Dividend	-	8.20	-	-	-	6.36									-	14.56
Purchase of Loans & Advances	-	-	-	-	478.33	358.46	-	-	-	-	-	-	-	-	478.33	358.46
Proceeds from issue of equity share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from issue of equity share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managerial Remuneration	-	-	-	-	-	-	3.88	5.25	-	-	-	-	-	-	3.88	5.25
Sitting Fees	-	-	-	-	-	-		-	-	-	0.82	0.73	-	-	0.82	0.73
Balances outstanding	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
Total	**-**	**8.25**	**-**	**-**	**478.92**	**364.82**	**3.88**	**5.25**	**-**	**-**	**0.82**	**0.73**	**-**	**-**	**483.62**	**379.05**

33 The company has used accounting software for maintaining its books of account which has a feature of recording audit-trail (edit log)and same was operated through-out the year for all relevant transactions recorded in the software. The company did not use database feature to enable audit trail due to security and performance consideration. However, company has effective control mechanism with respect to database management to check if there is any change in database. Further, the company is in the process of allowing access to Database and Server only through Privileged Accesses Management.

NIIF INFRASTRUCTURE FINANCE LIMITED

Notes forming part of financial statements as at and for the year ended March 31, 2025

34 Other Disclosures:

a) Ratios

Ratios	Description	March 31, 2025	March 31, 2024
Debt-Equity Ratio	Total Debt / Total Equity	5.42	5.13
Current Ratio	NA	NA	NA
Long Term Debt to Working Capital	NA	NA	NA
Bad Debts to Account Receivable Ratio	NA	NA	NA
Current Liability Ratio	NA	NA	NA
Total Debts to Total Assets	Total Debt / Total Asset	0.84	0.83
Debtors Turnover	NA	NA	NA
Inventory Turnover	NA	NA	NA
Profit before tax margin (%)	PBT / Total Revenue	22.79%	22.49%
Net Profit Margin (%)	PAT / Total Revenue	22.32%	22.76%
Net Worth (in ₹ in Crs)	Share capital + Reserves and surplus	4,325.98	3,859.65
Net Profit After Tax (in ₹ in Crs)		487.21	420.47
Earnings Per Share (Basic)	PAT / Total number of shares	3.54	3.06
Earnings Per Share (Diluted)	PAT / Total diluted number of shares	3.54	3.06
Gross/ Net Non-Performing Assets (NPAs)		Nil	Nil
Capital Redemption Reserve/Debenture Redemption Reserve *	NA	NA	NA
LCR	Liquidity coverage ratio	6.26	2.26

* Not applicable, being a Non-Banking Financial Service Company registered with the Reserve Bank of India.

b) There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) No proceeding has been initiated during the year or pending against the Company for holding any Benami property

d) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

e) During the current year the Company has not traded or invested in Crypto currency or Virtual Currency.

f) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

g) The Company, has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

h) The Company, has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

i) The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said act as available with the Company and relied upon by the auditors, is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:	0.27	β
- Principal amount	0.27	β
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

NIIF INFRASTRUCTURE FINANCE LIMITED

Notes forming part of financial statements as at and for the year ended March 31, 2025

35 The following additional information is disclosed in terms of the RBI circular RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 ,October 19 2023 as amended.

(a) Capital to risk assets ratio (CRAR): Refer note 28

			As at March 31, 2025	As at March 31, 2024
(b)	**Details of Investments are set out below:**			
1	**Value of Investments**			
(i)	Gross Value of Investments			
(a)	In India		249.53	582.84
(b)	Outside India		-	-
		(A)	**249.53**	**582.84**
(ii)	**Provision for depreciation**			
(a)	In India		-	-
(b)	Outside India		-	-
		(B)	-	-
(iii)	**Net Value of Investments**			
(a)	In India		249.53	582.84
(b)	Outside India		-	-
		(A-B)	**249.53**	**582.84**
2	**Movement of provisions held towards depreciation on investments.**			
(i)	Opening balance		-	-
(ii)	Add: Provisions made during the year		-	-
(iii)	Less: Write-offs/ write-back of excess provisions during the year		-	-
(iv)	Closing balance		-	-

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

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

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

Please refer note (31b) for the Asset Liability Management maturity patterns

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

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

This disclosure is not applicable to the Company as there are no exposures, direct or indirect to real estate sector as at March 31, 2025 and as at March 31, 2024.

(f) Exposures to Capital Market

This disclosure is not applicable to the Company as there are no exposures to capital market as at March 31, 2025 and as at March 31, 2024.

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

During the years ended March 31, 2025 and as at March 31, 2024, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

		As at March 31, 2025 net of provision	As at March 31, 2024 net of provision
(h)	**Borrower group-wise classification of assets financed:**		
1	Related parties		
(a)	Subsidiaries	-	-
(b)	Companies in the same group	-	-
(c)	Other related parties	-	-
2	Other than related parties *	25,233.06	21,989.77
	Total	**25,233.06**	**21,989.77**
	(*) Net of provision for standard assets		

(i) Unsecured advances

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

(j) Registration obtained from other financial regulators

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

(k) Penalties / fines imposed by the RBI

During the year ended March 31, 2025 there was no penalty imposed by the RBI and other regulators (Previous Year ₹ Nil).