NIIF IFL INFRASTRUCTURE FINANCING

September 26, 2022

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051.

Subject: Intimation of 9th Annual General Meeting of NIIF Infrastructure Finance Limited ("NIIF IFL" or "the Company") for the Financial Year 2021-22.

Dear Sirs/Madam,

Pursuant to the Regulation 50(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), we wish to inform you that 9th Annual General Meeting (AGM) of the Members of the Company is scheduled to be held on Wednesday, September 28, 2022 at a shorter notice, through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with applicable provisions of the Companies Act, 2013 read with relevant MCA and SEBI Circulars.

Also attaching the Annual Report of the Company and Notice of the 9th AGM.

Request you to take the above on record and oblige.

Thanking You,
FOR NIIF Infrastructure Finance Limited

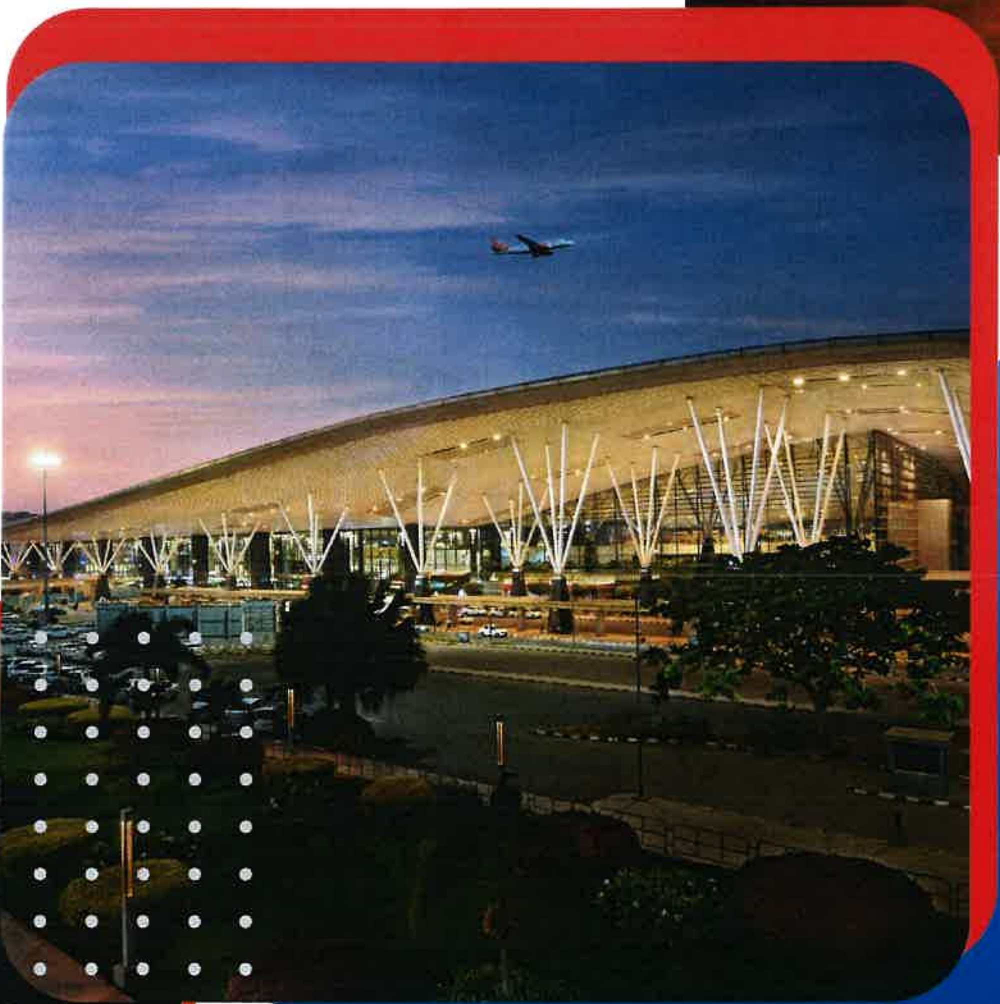
ANKIT RAMESHCHANDRA SHETH

Digitally signed by ANKIT RAMESHCHANDRA SHETH
Date: 2022.09.26 17:43:38 +05'30'

Ankit Sheth
Company Secretary

NIIF IFL INFRASTRUCTURE FINANCING

ANNUAL REPORT
FY 2021-22



www.niififl.in
info@niififl.in
+91-2268591300

NIIF Infrastructure Finance Limited
3rd Floor, UTI Tower, North Wing, GN Block,
BKC, Bandra (East), Mumbai 400 051

INDEX

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Surya Prakash Rao Pendyala
Chairman (Nominee of NIIF Fund II)

Mr. Rajiv Dhar
Non- Executive Director (Nominee of NIIF Fund II)

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

Mr. Ashwani Kumar
Independent Director

Ms. Rosemary Sebastian (appointed w.e.f. June 7, 2022)
Independent Director

MANAGEMENT

Mr. Shiva Rajaraman (appointed w.e.f. July 1, 2022)
Chief Executive Officer

Mr. Debabrata Mukherjee
Chief Business Officer

Mr. Dhananjay Yellurkar
Chief Risk Officer

Mr. Srinivas Upadhyayula
Head- Legal, Compliance & Secretarial

Mr. V. Narayanan Iyer (appointed w.e.f. October 29, 2021)
Chief Financial Officer

KEY MANAGERIAL PERSONNEL

Mr. Shiva Rajaraman (appointed w.e.f. July 1, 2022)
Chief Executive Officer

Mr. V. Narayanan Iyer (appointed w.e.f. October 29, 2021)
Chief Financial Officer

Mr. Ankit Sheth (appointed w.e.f. January 31, 2022)
Company Secretary and Compliance Officer

STATUTORY AUDITORS

Lodha & Company (appointed w.e.f. September 21, 2021)
Chartered Accountants

MP Chitale & Co (appointed w.e.f. June 8, 2022)
Chartered Accountants

SECRETARIAL AUDITORS

Rathi & Associates,
Practicing Company Secretaries

HEAD OF INTERNAL AUDIT (HIA)

Mr. Srinivas Upadhyayula

REGISTRAR & SHARE TRANSFER AGENT FOR EQUITY SHARES AND PREFERENCE SHARES

Link Intime India Pvt. Ltd
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083
Tel: +91 22 4918 6000
Toll Free no: N/A
E-mail: equityca@linkintime.co.in

FOR DEBENTURES AND COMMERCIAL PAPER

MCS Share Transfer Agent Limited
209-A, C Wing, 2nd Floor,
Gokul Industrial Estate, Sagbaug,
Marol Co-op Industrial Area, B/H Times Square, Andheri (E), Mumbai - 400 059.
Tel: +91 9833472293
Toll Free no: N/A
E-mail: cprabhu@mcsregistrars.com

DEBENTURE TRUSTEE

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

CREDIT RATING AGENCIES

CARE RATINGS LIMITED
4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (E), Mumbai – 400 022.
Email: mohit.dave@careratings.com
Website: https://www.careratings.com/

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

REGISTERED & CORPORATE OFFICE

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

Chairman's Message

Dear Shareholders,

It gives me great pleasure to present to you the annual report of your Company for the financial year 2021-22. As can be gleaned from the report, we continue to make strong and sustained progress on all financial and qualitative parameters, despite a challenging macro environment.

As I reflect on the year that has gone by, it was marked by three 'R' s– Resilience, Recovery, and Recalibration. The world in general and India in particular have shown strong resilience to the devastation caused by the pandemic and are gearing up to regain normalcy. The recovery has largely been achieved on the back of the massive vaccination drive unleashed by the Governments world over and the indomitable spirit displayed by the public at large. It is in times of crises like this that human character and resilience are tested, and I can say with conviction that we have all come out of it with a spirit of collaboration transcending borders.

With the gradual lifting of the stringent Covid related restrictions, business operations have bounced back, with demand picking up, people returning to work, business and leisure travel both resuming and shopping malls seeing greater footfalls. Financial markets remained resilient and global economy is on a recovery path, albeit with intermittent volatility. It isn't easy to adapt to a VUCA* environment, but people, businesses and policy makers are all learning to navigate through these challenging times.

Against this backdrop, it is a matter of significance that your Company continued to perform strongly, propelled by the hard work of the employees and management, under the guidance of the Board.

The Macro Economy

With the pandemic fears receding and the proactive and pragmatic measures and policy interventions made by the Government, the Indian economy bounced back with a growth of 8.7% in Financial Year 2021-22, compared to a contraction of 6.6% in the previous fiscal. This performance creates a strong positive outlook for the Indian economy and augurs well for it to remain on course towards becoming a $5 trillion economy.

The infrastructure space has seen significant tail winds, with 29 kms of roads being constructed daily in Financial Year 2021-22 and the installed power generation capacity increasing to 400 GW with an additional 38 GW of renewable energy being under development at the end of the financial year. With significant capacity additions planned in the airport and port sectors, it is my sincere belief that India is on the cusp of an infrastructure and economic transformation

*Volatility, Uncertainty, Complexity, Ambiguity

While the Russia-Ukraine war, increase in crude oil and commodity prices, and the rise in inflation continue to pose near-term challenges to the Indian economy, the steps taken by the Government of India and the RBI provide comfort that there is a concerted effort to solve for these concerns and soften their impact on the overall economy and trade.

Performance for the Financial Year 2021-22

Riding on the growth momentum created over the last couple of years, your Company's loan book grew from Rs. 8,461 crores to INR 14,201 crores during the financial year, a growth of 68%. This is one of the highest growths achieved by any infrastructure financier in the country during Financial Year 2021-22. The profit after tax grew from Rs. 132 crores in Financial Year 2020-21 to Rs. 233 crores in FY22, a growth of 77%, and the ROEs continued to remain healthy. Capital Adequacy Ratio, at 23.49%, remains well above the minimum regulatory requirement, indicating strong capitalization. With over Rs. 5,500 crores raised from the bond market, NIIF IFL is playing an important role in deepening the bond market in the country.

You will be happy to note that your Company continued to have nil NPAs and was among the fastest growing NBFCs in the country, becoming the second-largest Infrastructure Debt Fund in the financial year. NIIF IFL also maintains one of the most diversified asset books in the industry.

Capital Infusion by GoI and NIIF

During the financial year, the Government of India and Aseem Infrastructure Finance Limited (sponsor) jointly infused ~Rs 1,012 crores as equity, to top-up the ~Rs 655 crores infused in the previous fiscal. The additional equity will provide fuel to the Company as it moves forward in its quest to achieve aspirational goals.

Commitment towards Technology

NIIF IFL is committed to being a tech-enabled lending institution. In the financial year, your company implemented a new Loan Lifecycle Management System, 'Finesse'. Finesse is an end-to-end application designed to provide solutions during the sourcing, managing and execution phases of a loan.

During the financial year, we also implemented a compliance tool to automate the myriad of compliances under various laws and to ensure against any slip-ups. With a strong oversight by the Board, the Company is expected to make further investments in technology which will enable it to achieve its growth aspirations, while ensuring a strong compliance culture.

As a recognition of its efforts in this direction, your Company was adjudged a Winner in the Innovation in Operations Category at the IDC Industry Innovation Awards 2021.

Focus on Environmental, Social and Governance

The Board, the management and the team are acutely aware of the importance of responsible ESG practices for sustainable and holistic growth. The Company has hence adopted the IFC Performance Standards in addition to the national environmental guidelines for its E&S risk assessments and the portfolio is monitored based on indicators developed in accordance with the Sustainable Development Goals (SDGs).

As part of the risk management processes, E&S risks are tracked closely at the senior management and the board level. The policy of following the highest standards for ESG compliance is intended to make the world a better place and we are doing our best in that direction.

Corporate Social Responsibility

It is our firm belief that profitability must be complemented by a sense of responsibility towards the society. As responsible corporate citizen, your company is committed to advancing communities and endeavors to create an enduring positive, economic, environmental, and social impact by leveraging its competencies and networks.

Our CSR activities are focused on educating and empowering underprivileged children, providing quality healthcare to the needy, through various activities like Project Digi Yountan, which aims to provide a Tablet in Every Hamlet, Project Dhvani, Project Dexascan and providing scholarships to needy students through Isha Vidhya.

Going Forward

With the pandemic fears ebbing, I strongly believe that the Indian economy is poised for strong growth in the coming years. The fundamentals of the economy continue to be strong, and the India growth story remains intact. The Government's initiative in launching the National Monetization Pipeline of projects worth over Rs. 6 lakh crores is a major step in unlocking the value of operational projects in India. This, in addition to the National infrastructure Pipeline of Rs. 111 lakh crores launched earlier, is expected to create a segway for a steady growth of your Company.

It is my strong conviction that any Company is as good as its employees. Your company is endowed with a strong workforce that brings diverse skillsets and unflinching commitment which make the success of the company during the year, as 'just another day in the park'. The sense of responsibility and purpose displayed by them to all stakeholders is laudable, to say the least. It is our endeavour to continue building a quality work-force and providing them with a caring and best-in-class working environment.

I am quite encouraged by the progress achieved thus far and eagerly look forward to the journey ahead. Your Company remains deeply committed to its purpose of being a partner of choice to all the stakeholders, that include the bond holders, infrastructure developers, government agencies, banks and I thank each one of them for the faith reposed in us and look forward to their continued support going forward.

Surya Prakash Rao Pendyala,
Chairman,
NIIF Infrastructure Finance Limited

CEO's Message

Dear Stakeholders,

I am delighted to share with our stakeholders, my first message after joining NIIF IFL as CEO, through this Annual Report, summarising *inter alia* the Company's performance, activities, results and contribution to infrastructure financing in FY 2021-22, seen in the light of the policy objectives of the Government of India for IDFs and stakeholder requirements & expectations.

Recap of government policy objectives for Infrastructure Debt Funds (IDFs):

The IDF policy of the Government of India is globally an innovative business & development model without precedent, which evolved as a potential solution to multiple challenges in infrastructure financing in India. The IDF policy envisaged refinance/ investment in infra projects by IDFs as:

i. a potential solution to the asset-liability mismatches of banks/ other lenders [*which source 1-4 year tenor deposits but provide 10-15 year debt to infrastructure projects*]

ii. an enabler to free-up group concentration limits of banks [*which have reached or are close to reaching regulatory concentration limits with respect to most large infrastructure developer groups*]

iii. a facilitator to channelise long term domestic and international funds [*including insurance/ pension/ provident funds etc*] to infrastructure projects in India

iv. a vehicle that ensures better risk assessment, allocation and viability enhancement for infra projects through innovative instruments, & long-term, fixed-rate financing

v. a means to develop the bond market in India through issuance of, investment in and listing of, both conventional and innovative instruments for multiple rating categories and different investor classes.

Performance of IDF industry vis-à-vis original expectations:

The High Level Committee on Infrastructure Financing (1st & 2nd reports – 2010/ 2014) set up by the Government of India which originally recommended the creation of IDFs, envisaged that IDFs would refinance ~ Rs. 50,000 crores of infrastructure projects in the initial years. Against the backdrop of the issues arising out of the COVID pandemic and earlier ILFS default (both of which had systemic consequences), the gross refinance disbursement by IDFs (all of which have AAA ratings for their debt instruments), has been lower, at ~ Rs. 45,000 crores in the last 6 years. While IDFs have proceeded in the direction of achieving the objectives targeted by government policy, *there is still substantial work to be done.*

We acknowledge the role of policy makers (government) and regulators (including RBI), who have made (and continue to make) suitable changes to ensure that policy & regulation relating to infrastructure financing including that of IDFs, keeps pace with market dynamics.

Review of our performance:

In FY 2021-22, NIIF IFL emerged as one of India's top 5 financiers (among ~40 active players in the space, including ~ 20 banks, 3 IDF NBFCs, 6 other NBFCs, 5 mutual funds, 5 multilaterals/ development banks and a few debt focussed AIFs) of private/ PPP infrastructure projects in India with disbursement (FY 2022) of Rs. 9,358 crores. In line with national priorities and NIIF's ESG* thrust, the primary focus of the Company during the year under review, was towards financing & enhancing viability of utility-scale solar/ wind power generation projects and power transmission projects. Our long-tenor fixed-rate offering has enabled enhancement of viability of projects, reflected in increase in credit ratings post such financing.

We financed the above principally by channelising long-term funds (through the issue of AAA rated bonds) from retirement funds, insurance companies, banks etc and drawdown of capital from shareholders, Including the Government of India. We continued to be one of the largest private sector NBFC fund raisers in India through the bond market during FY 2022, with a focus on longer tenors.

In FY 2022, NIIF IFL continued to demonstrate a diversified (by geography, sub-sector, developer group and counterparty) high quality asset portfolio, comfortable liquidity and ALM profile, low interest rate risk (fixed rate borrowing & substantially fixed rate lending), excellent capitalisation (well above the regulatory requirements), gearing well below rating covenants.

From an analytical perspective (i.e. classical Dupont analysis), Return on Equity (RoE) is a function or product of three components: Profitability, Asset Utilisation and Leverage. While the 1st two components of NIIF IFL's RoE are well above industry benchmarks, the 3rd component i.e. leverage was low consequent to equity infusion in March 2022. RoE in FY 2022 was 9.5%.

Our customers:

Our 93 customers have demonstrated exceptional resilience in the aftermath of the COVID pandemic and NIIF IFL ended FY 2022 without a single customer requiring longer term COVID-related or any other form of restructuring. This is also a reflection of our strong project selection and underwriting capabilities. The average internal portfolio rating of the company has improved and is currently rated as "A".

The high level of repeat business from existing 27 customer groups in FY 2022 reflects their continued confidence in our value proposition and product offering.

Our team:

The hard work, perseverance and agility of our relatively small, enthusiastic and young team of 30 employees & experienced management (acknowledging the contribution of Shri Sadashiv S Rao, ex CEO, who superannuated a few months back) has ensured that, despite the macroeconomic challenges, residual impact of the pandemic, impact of international military conflicts and uncertain interest rate environment of FY 2022, our underlying asset portfolio has seen a remarkable growth of 68% (in line with a near-proportional 67% increase in capital during the year) and yet has remained clean, with 0% NPA* and zero DPD*. Among other things, such performance has been important for the re-establishment of trust in NBFCs by market participants consequent to high profile defaults by ILFS, DHFL & others in past years.

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*Environmental, Social, Governance

*Non-performing assets or gross stage 3 (i.e., impaired assets)

*Days past due (i.e., number of days of delay in payment of debt service by customers)

Culture initiatives, CSR and ESG:

Culture represents the unique character and personality of an organisation and is the sum of values, behaviours, systems, practices, beliefs, traditions, interactions and attitudes. A visible and positive culture attracts talent, drives engagement, performance and innovation. This is critical for an organisation like ours, which is growing and continues to work for larger development goals (while at the same time, give asset growth, profitability and asset quality equal importance) along with finding ways and means to make infrastructure projects viable, through financial / technical structuring and innovation.

NIIF IFL's culture initiatives are uniquely driven and led bottoms up, through a committee which includes junior and middle level employees (ably supported by the management and HR) whose objective is to (i) set culture goals, (ii) measure and demonstrate culture (iii) alignment of the right values, behaviour to enable business growth (iv) put in place a system of rewards (v) implement an effective platform for employee "voice" upto the boardroom. To this end, even the MISSION and VISION statements have been uniquely drafted by the employees and thereafter discussed and approved by the Board of Directors.

I would like to emphasise two distinctive areas in which the culture focus has resulted in a remarkably different way of working, and consequently with respect to impact:

- that the degree of employee engagement at a personal level is very high across the organisation with respect to our CSR initiatives that have focussed largely on education for underprivileged children and quality healthcare for segments of society that are in dire need but cannot afford it
- that the degree of enthusiasm for implementing our ESG mandate is very high across the organisation where discussions on "bird diverters" is as important as that of "debt service coverage ratio".

Plans & Outlook for FY 23:

We are close to crossing the halfway mark in FY 2023. We have been preparing ourselves in the last two-three months, for the next stage of our growth. Aided by a conducive policy environment, regulatory support, the government's ambitious plans relating to NIP* & NMP*, we plan to further diversify our portfolio by considering proposals in new/ emerging sectors like storage/ warehousing, datacentres, water, power storage, tourism, healthcare etc. We plan to enhance project viability by providing innovative flexi-coupon self-adjustable redemption premium structures tailormade to match project cash flows, working with insurers to implement novel insurance solutions (like energy shortfall insurance) to protect infrastructure projects from climate risks.

We plan to channelise funds from several new classes of investors into infrastructure, including family offices, endowment funds, wealth management companies, gratuity funds, provident funds of foreign embassies in India, impact funds, multilaterals, pension funds, insurance funds etc. We plan to reduce our cost of borrowing through the issue of innovatively structured bond instruments including market linked debentures (MLDs), and Zero-Coupon Bonds (ZCB) of long tenors. The lower cost of borrowing will enable us to provide lower cost funding to infrastructure projects as well as increase returns for our shareholders.

Given the policy actions to curb inflation in developed nations (and consequent interest rate hikes globally by central banks) as well as the increasing impact of the military conflict in Ukraine, on global supply chains and livelihoods, it is a difficult to anticipate with any

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*National Infrastructure Pipeline

*National Monetisation Pipeline

degree of accuracy, the extent of movement of macro factors (including liquidity and interest rates) in India, which have a deep impact on our fund raising and channelising of long term funds to infrastructure projects.

Under the circumstances, I believe that with prudent risk management, long term out-of-the-box thinking coupled with optimism and practical innovative solutions, the talent of our young employees, the commitment of our leadership team and the support & stewardship of Board, Committee members and shareholders, we would continue to make a positive difference to infrastructure financing in India and to all our stakeholders in the current year FY 2023.

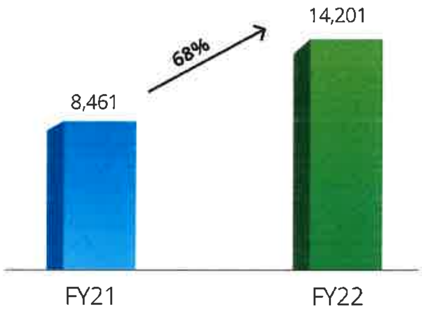
Shiva Rajaraman

Chief Executive Officer
NIIF Infrastructure Finance Limited

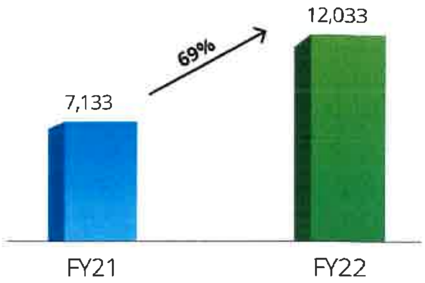
FINANCIAL HIGHLIGHTS

All figures in Rs. crores except %

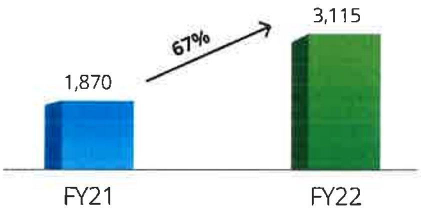
FY21 FY22



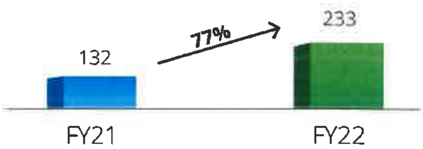
Loan Book



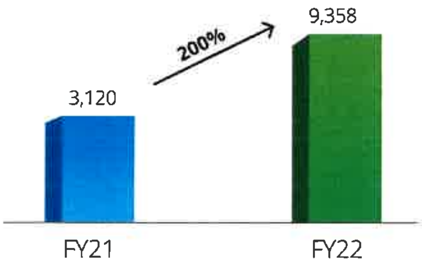
Borrowings



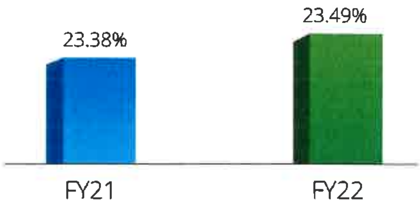
Net Worth



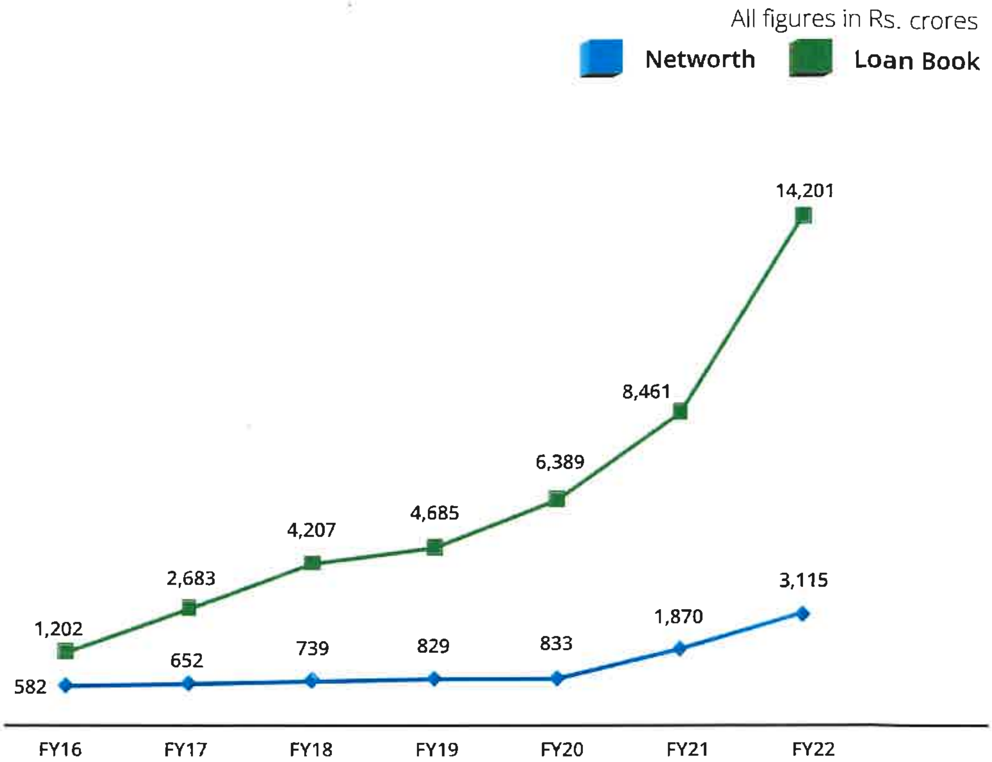
Net Profit



Disbursement (Gross)



Capital Adequacy Ratio


All figures in Rs. crores
Networth
Loan Book
14,201
8,461
6,389
4,685
4,207
2,683
1,202
3,115
1,870
833
829
739
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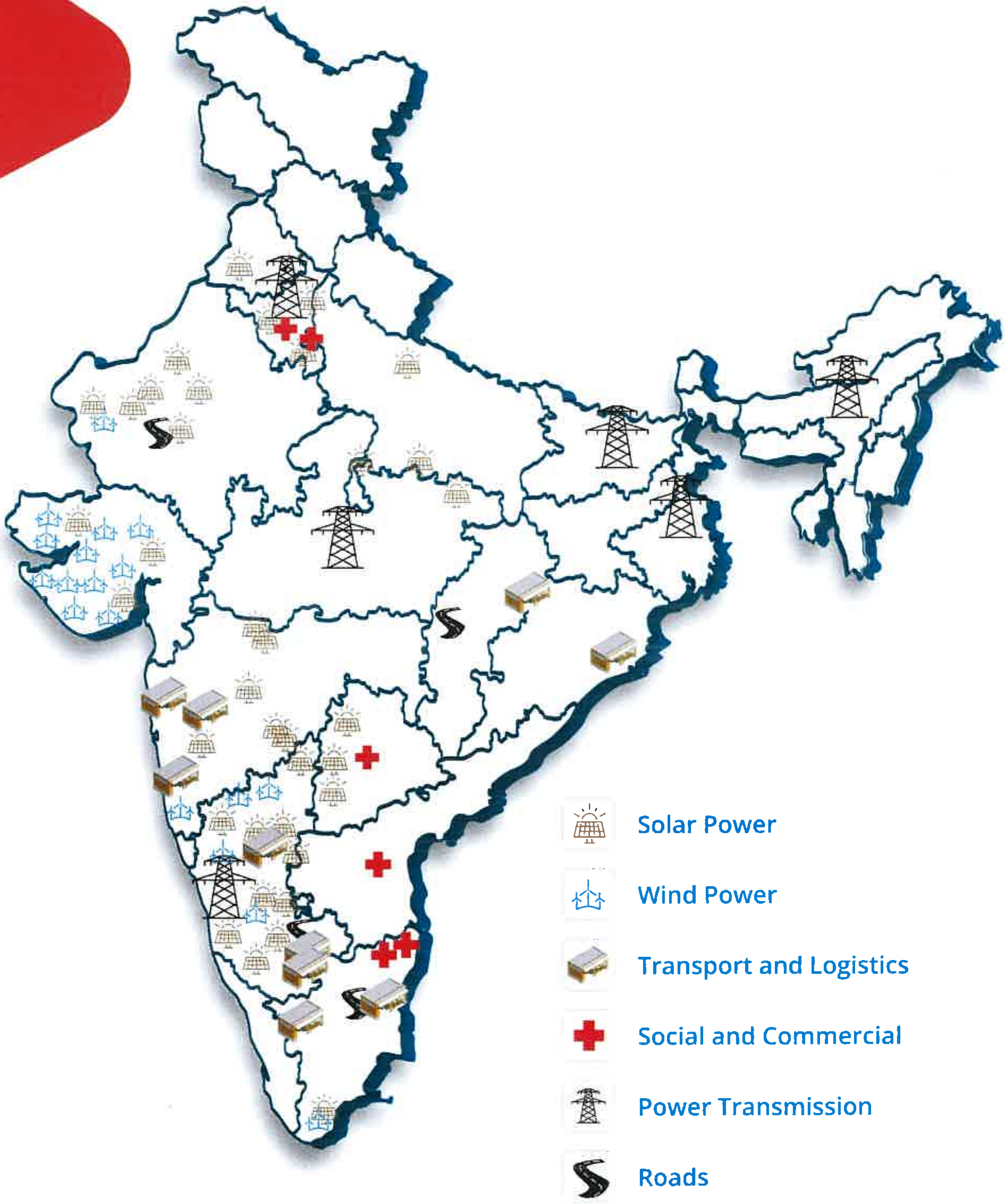
582
FY16
FY17
FY18
FY19
FY20
FY21
FY22

GEOGRAPHICAL PRESENCE



BOARD OF DIRECTORS

Mr. Surya Prakash Rao Pendyala
Chairman

Mr. Prakash Rao, currently the Executive Director & Chief Investment Officer – Indirect Investments, National Investment and Infrastructure Fund Limited (NIIF), is the Chairman of our Company since March 2019. He is a seasoned professional with over 35 years of rich experience in the financial services sector. He brings deep expertise in infrastructure lending and investment, corporate finance, project finance, strategic planning and execution, and establishing and growing new businesses.

As a founding member of NIIF, Prakash was instrumental in establishing the foundation pillars of the company, in developing business strategy, setting up systems and processes, in developing policies, fund raising, building the ESG practice, and setting up the NIIF Fund of Funds.

Prior to joining NIIF, Prakash spent over three decades with the State Bank of India (SBI) where he held several key positions. In his last position at SBI, he headed the Tamil Nadu and Pondicherry operations as the Chief General Manager. He led a team of 20,000+ employees and managed a balance sheet of USD 30 billion spread across 1,100 branches. Prior to this, he headed State Bank of India's Private Equity and Venture Capital Fund vertical as General Manager. During his stint with SBI, he has also served as the Deputy CEO of the SBI Macquarie Infrastructure Fund (a USD 1.2 billion fund set up as a Joint Venture with the Macquarie Group of Australia), and was instrumental in the fund's investments into airports, telecom towers, thermal power, small hydro, and transportation sectors.

Prakash is a Cost and Management Accountant, having passed with a Merit Certificate, and holds a Diploma in Business Finance. He has participated in executive education programmes from the Harvard Business School, Duke University, Indian Institute of Management (Ahmedabad), Indian Institute of Management (Calcutta), and the Indian School of Business.

Mr. Rajiv Dhar
Nominee Director of National Investment and Infrastructure Fund II

Rajiv Dhar is Executive Director and COO at NIIF Ltd. Rajiv has over three and half decades of experience across multiple sectors, including Financial Services, Telecom, Oil & Gas (upstream and downstream), Construction, and Real Estate, spanning several countries. With an excellent track record of demonstrated leadership in Corporate Finance, Strategic Planning, M&A, FP&A, Risk management, Tax, and ESG, he has led several successful capital raising assignments (project recourse and general corporate purposes) and has excellent relationships with leading banks and multilateral finance agencies across the globe.

Before joining NIIF, Mr. Rajiv Dhar was Executive Director with Omzest Group, one of the Middle East's most diversified and respected groups. At Omzest, Rajiv was responsible for managing strategy and finance functions for the holding company and was on the Board and Committees of crucial portfolio companies of the Group.

Before Omzest, Rajiv worked with the TATA Group for 15 years with different entities across various management and leadership roles in various Tata group companies.

He is a commerce graduate and member of the Institute of Chartered Accountants of India. He has also completed the Executive Development Program at Wharton Business School and Leadership Management Program at Harvard Business School.

Mr. A K T Chari
Nominee Director of National Investment and Infrastructure Fund II

Mr. A.K.T Chari was an Advisor at IDFC Project Finance. A keen Project Finance Specialist, he has over 35 years of experience.

Prior to joining IDFC, Mr. Chari worked with the Industrial Development Bank of India (IDBI) for 25 years where he held *inter alia* the position of Chief General Manager/Adviser - Corporate Finance. In this role, his responsibilities included appraisal of projects - infrastructure and industrial, project monitoring and portfolio management in the SME and venture capital sectors. He has been a director on various boards as an Independent Director such as HDFC Pension Management Company Limited.

Mr. Ashwani Kumar
Independent Director

Mr. Ashwani Kumar is a seasoned banker having an experience of around 37 years. He was the Chairman and Managing Director of Dena Bank for a term of 5 years w.e.f. 1.1.13 to 31.12.17.

Before being elevated to the post of CMD Dena Bank he was an Executive Director in Corporation Bank. He was appointed by the Government of India as a Director on the Board of Life Insurance Corporation of India (LIC) where he was a Director for over 5 years. He was also the Chairman of the Audit Committee and Risk Management Committee, Member of Investment Committee and Executive Committee of LIC. As the Chairman of the Indian Banking Association (Sept 2015 - Oct 2016), Mr. Kumar effectively liaisoned with the Reserve Bank of India, Government of India and other Statutory bodies to promote sound and progressive banking practices. He was the President of Indian Institute of Banking & Finance (IIBF), Chairman of Institute of Banking Personnel Selection (IBPS). He was also a member of Board of Supervision of NABARD.

Mr. Ashwani Kumar is a Certified Associate of the Indian Institute of Bankers. He holds a master's degree in science from Lucknow University. He has attended number of training programmes notably at Kellogg School of Management Chicago, NIBM and other reputed institutions. He has also attended on the job training in Bullion at Nova Scotia London and Societe Generale Paris.

Ms. Rosemary Sebastian
Independent Director

Ms. Rosemary Sebastian is a former career central banker with 38 years of professional track record. She was the Executive Director of the Reserve Bank of India in charge of its financial supervision function (NBFCs and Cooperative Banks). During her career, she has handled various responsibilities in central banking, regulation, and supervision of banking and non-banking entities, financial inclusion, consumer protection, public debt management, and internal audit among others.

She has been associated with the work and recommendations of important Committees of the Reserve Bank. She has served as the Reserve Bank's Nominee Director on the Board of a large public sector bank. Ms. Rosemary Sebastian is post graduate from Osmania University and has a law degree from Mumbai University. She is currently on the Boards of two reputed Companies, as an Independent Director.

MANAGEMENT TEAM

Mr. Shiva Rajaraman
Chief Executive Officer

Mr. Shiva Rajaraman is the Chief Executive Officer (CEO) of NIIF Infrastructure Finance Limited (NIIF IFL). He has over 26 years of experience in infrastructure finance, innovative & sustainable funding, and advisory.

In his previous role as founder CEO & Wholetime Director of L&T Infra Debt Fund Limited (L&T IDF), one of India's leading Infrastructure Debt Funds (IDF) with an excellent quality asset base, he built and led a top-notch team in introducing innovative financing and credit enhancement solutions to PPP projects in renewable energy, roads, and transmission sectors. The L&T IDF team was able to procure bond & equity investor funding from key national and international investor groups including long term focussed pension/ provident/ insurance funds. At L&T Financial Services (LTFS), he was part of the Group Executive Committee, the leadership team which *inter alia* managed one of India's largest (USD ~ 3 bn) high quality debt-financed renewable energy portfolios aggregating ~ 6000 MW and one of the largest quality road refinance portfolios.

Shiva is a member of the Inter-Ministerial Steering Committee (IMSC) of the Government of India, set up for implementation of the National Infrastructure Pipeline (NIP). He has been a member of several expert groups and national committees, including the Project Finance Sub-Group for the NIP and the Expert Group constituted by the Ministry of Finance for guiding rating agencies to developing a new framework for rating infrastructure projects. He has also been a member of Infrastructure Committees of CII, FICCI, IVCA (industry associations) and a Director on the Board of Feedback Infrastructure (a leading infrastructure services company) and Indian Highway Management Company Ltd (IHMCL), a company promoted by the National Highways Authority of India (NHAI) along with other institutions, which has implemented electronic tolling solutions (including FASTAG) in India.

Prior to joining L&T Financial Services, he worked with India's specialised infrastructure financier IDFC (now IDFC First Bank) for nearly 10 years, in various positions in Project Finance and Risk. He started his career with the Equity Group of Dresdner Kleinwort Benson (now Commerzbank).

Shiva is an established subject matter expert and trainer in the field of infrastructure finance. He has a passion for teaching and conducts training programs for young professionals, senior government and RBI officials. He has a keen interest in history and enjoys playing chess.

Shiva holds a Bachelors' degree in Commerce from Loyola College, Chennai, and an MBA from Bharathidasan Institute of Management, Tiruchirappalli, India.

Mr. Debabrata Mukherjee
Chief Business Officer

Debabrata joined the Company in August 2015. He is primarily responsible for business development, fund raising, and overseeing the evaluation and delivery of investment and credit proposals and portfolio performance.

In a career spanning over 29 years in financial services, Debabrata has worked with leading Indian and global institutions across corporate and project finance, special situation investments, advisory services, and investment banking. He has worked on all forms of capital - debt, mezzanine, and equity and has been involved in evaluating, advising, structuring, and funding of projects with a capital outlay of over US$ 10 billion. In his previous role, Debabrata was a Senior Director in the project finance business of IDFC Ltd. where he led debt and structured investments across diverse sectors in the infrastructure domain including transport, social infrastructure, hospitality, industrial, and commercial real estate. He also worked on special situation investments and corporate advisory transactions in IDFC, advising infrastructure developers in power, transport, and telecom sectors on the business plan and investment opportunities, bidding for PPP projects, risk mitigation, and financial structuring. Prior to joining IDFC, Debabrata worked in the areas of corporate finance and investment banking and held key positions in ASK Raymond James, BNP Paribas, and SBI Capital Markets. He led and managed transactions for several Indian business houses and multinational clients across a wide range of products spanning M&A, equity and debt capital markets, and structured finance. Debabrata holds a Post Graduate Diploma in Business Management from the Indian Institute of Management, Bangalore, and a Bachelor's degree in Mechanical Engineering from Jadavpur University, Kolkata.

Mr. Dhananjay Yellurkar
Chief Risk Officer

Dhananjay joined NIIF IFL in January 2016. He is the Chief Risk Officer of the company and responsible for developing and implementing NIIF IFL's risk management framework, ensuring a sound risk awareness culture, and monitoring the risk management activities in the company, in order to build and safeguard a healthy portfolio of infrastructure project assets. He has over three decades of experience in the financial services sector with leading institutions in India in the areas of risk management, project finance, and advisory services.

Before moving into his current role, Dhananjay was Head – Risk and Asset Monitoring Group at L&T Infrastructure Finance Company Ltd. and was responsible for overseeing the risk function for the wholesale finance platform of L&T Financial Services. Prior to his 5 year stint with L&T Infrastructure Finance Company Ltd. Dhananjay held key positions in the areas of infrastructure advisory and corporate finance with CRISIL Risk & Infrastructure Solutions Limited, Ernst & Young and ICICI Ltd. Dhananjay holds a Master in Business Administration degree from Northeastern University, Boston and a Bachelor's degree in Electronics & Communications Engineering from Karnataka University, Dharwad.

Mr. Srinivas Upadhyayula
Head - Legal, Compliance & Secretarial

Srinivas Upadhyayula is presently the Head-Legal, Compliance and Secretarial of NIIF IFL. Prior to this assignment Srinivas worked as a Senior Director (Legal & Compliance) in the Special Situations Management Group (SSMG) of IDFC Ltd. Srinivas has more than 30 years of rich experience in legal, documentation of project & non-project finance, corporate finance and infrastructure finance, including litigation management & recovery management in the Banking and Financial sector. He has expertise in handling delinquent accounts, recovery planning and in regular reviewing of the non-performing assets of the loan portfolio to identify trends and significant changes for effective recovery and financial restructuring of loans.

Prior to IDFC Limited, Srinivas worked with Asset Reconstruction Company (India) Ltd (Arcil) (the first Asset Reconstruction Company established in India and a prominent player in the Distressed Assets) as Senior Vice- President & Group Head – Legal.

Srinivas started his career as an Advocate Civil and Labour in the District Courts of Vizianagaram and Visakhapatnam. He then worked with Sterling Tree Magnum (India) Ltd (a Sterling group company), and as Law officer in Canara Bank & as Deputy General Manager (Legal) IDBI Bank Ltd.

He completed his Bachelor of Laws with specialisation in Company Law and Banking Law from Andhra University. He has also completed his CAIIB.

His interests include tracking the stock market & litigation.

Mr. V. Narayanan Iyer
Chief Financial Officer

V. Narayanan Iyer joined NIIF IFL on 16th September 2021. He is a finance professional with over 25 years of work experience across diverse organizations & sectors. He has more than 15 years of Leadership & Management experience in creating financial systems, robust internal controls, and sound GRC - Governance, Compliance & Risk Management framework.

He has supported scaling up & enabling new business rollout, and initiated change management & productivity/efficiency improvements in growing organizations. A good technological bent of mind helps him in focusing on automation & streamlining processes. He also has a keen eye for detail with good experience in business planning, financial reporting, budgeting & P&L management.

Before joining NIIF IFL, he served as the CFO of the Piramal Foundation for more than four years. His prior experiences include six years with IDFC limited as Senior Director – Finance wherein he was responsible for financial control, reporting, audit, treasury, and loan Operations. Prior to IDFC Ltd, he worked in Deutsche Bank for more than nine years and his last title was Joint Controller – India for the Deutsche Bank group operations across India.

He is a postgraduate in Commerce (M. Com). He is also an associate member of the Institute of Cost Accountants of India and the Institute of Company Secretaries of India.

COMMITTEES

1. AUDIT COMMITTEE

Name	Position	Status
Mr. Ashwani Kumar	Chairperson	Independent Director
Ms. Rosemary Sebastian	Member	Independent Director
Mr. Rajiv Dhar	Member	Non-Executive Director

2. NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Status
Mr. Ashwani Kumar	Chairperson	Independent Director
Ms. Rosemary Sebastian	Member	Independent Director
Mr. Surya Prakash Rao Pendyala	Member	Non-Executive Director

Mr. Rajiv Dhar is a permamanent invitee to NRC Committee meetings.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Name	Position	Status
Mr. Ashwani Kumar	Chairperson	Independent Director
Ms. Rosemary Sebastian	Member	Independent Director
Mr. Surya Prakash Rao Pendyala	Member	Non-Executive Director

4. RISK MANAGEMENT COMMITTEE

Name	Position	Status
Mr. Ashwani Kumar	Chairperson	Independent Director
Mr. Rajiv Dhar	Member	Non-Executive Director
Mr. A K T Chari	Member	Non-Executive Director

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Name	Position	Status
Mr. Ashwani Kumar	Chairperson	Independent Director
Mr. Rajiv Dhar	Member	Non-Executive Director
Mr. Surya Prakash Rao Pendyala	Member	Non-Executive Director

6. IT STRATEGY COMMITTEE

Name	Position	Status
Ms. Rosemary Sebastian	Chairperson	Independent Director
Mr. Rajiv Dhar	Member	Non- Executive Director
Mr. Shiva Rajaraman	Member	Chief Executive Officer
Mr. Dhananjay Yellurkar	Member	Chief Risk Officer
Mr. Rohan Shinde	Member	Senior Vice President – Information Technology
Mr. V. Narayanan Iyer	Member	Chief Financial Officer

7. CREDIT COMMITTEE

Name	Position	Status
Mr. Surya Prakash Rao Pendyala	Chairperson	Non-Executive Director
Mr. A K T Chari	Member	Non- Executive Director
Ms. Varsha Purandare	Member	Independent external Member
Mr. Shiva Rajaraman	Member	Chief Executive Officer
Mr. Nilesh Shrivastava	Member	NIIF Fund II Representative

8. ASSET-LIABILITY MANAGEMENT COMMITTEE

Name	Position	Status
Mr. Shiva Rajaraman	Chairperson	Chief Executive Officer
Mr. Debabrata Mukherjee	Member	Chief Business Officer
Mr. Dhananjay Yellurkar	Member	Chief Risk Officer
Mr. V. Narayanan Iyer	Member	Chief Financial Officer
Mr. Amit Ruparelia	Member	Director- Resources

TEAM

Above; our young and enthusiastic team and experienced management, which has delivered in FY 22, 68% growth in in loan book, 77% growth in net profit, 0% NPA, financing through well-structured contracts, compliance with regulatory norms and consistently unqualified audited financials.

Our employees are our most important assets. During the financial year, the global and domestic economy was still recovering from the impact of COVID-19, therefore the health, safety well being our employees continued to remain a key priority. The organization introduced a "Hybrid" work model to provide flexibility to its employees to work from anywhere. The organization provided tools, technology and platforms that enabled individuals to operate from home, to ensure no disruption to normal business functioning. Various health and wellness initiatives were also launched.

The Company ensured consistent engagement with its employees through forums such as town-halls, team outbounds, etc. Such sessions ensured that the team remains aligned to the Company's goals. The management and the HR team also spent significant amount of time on each employee to review performance, mentor, one-on-one connect at regular intervals. The Company conducted a Culture Survey intended at feedback from employees in an effort to enhance positive work environment. During the year various learning & training sessions were planned & implemented, which were a blend of instructor led training and virtual/self-paced learning centered around technical, behavioural and regulatory/compliances programs.

During the year, the team was strengthened across functions. Employees with diverse skillsets, experience and deep industry knowledge were recruited. The Company had a healthy gender diversity ratio with ~25% of its workforce comprising of women. The Company's total workforce stood at 30 as on March 31, 2022.

VISION, MISSION AND VALUES

Vision

To be the partner of choice to finance sustainable Infrastructure for a transforming India.

Mission

To offer sustainable infrastructure financing solutions that provide long term value to all our stakeholders and to society at large which is young, growing and taking a global leadership role.

Values - ASPIRE

A : Alliance

We work and grow together while leveraging the collective strength of our people and partners to achieve the shared goals and objectives.

S : Service

We develop deep relationships by consistently delighting our stakeholders through quick and efficient execution.

P : Passion

We bring energy, enthusiasm, and joy to our work every day. We are inspired and committed to deliver results.

I: Integrity

We function with fair and honest intent. Our thoughts and speech are aligned with everything that we do.

R: Responsible

We strive to function with the highest level of corporate governance and work ethics, are accountable for our decisions, actions, and behaviour while minimizing the adverse impact on the environment.

E: Excellence

We continuously learn, upgrade our knowledge, and build expertise to provide the best solution to our clients and stakeholders.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our Key Corporate Social Responsibility Endeavours

2021-2022

Project

Tata Memorial Centre

Tata Memorial Hospital (TMH), a Grant-in-Aid Institute under the Department of Atomic Energy, Government of India, is one of the largest cancer centres in South Asia.

Over 70,000 new cancer cases are treated every year in the hospital, 3000 of whom are children, coming from not only all over India, but from neighboring countries as well. This makes the Paediatric Oncology department of TMH one of the busiest childhood cancer departments globally. High-quality cancer care based on robust scientific evidence is delivered to these children by a large specialized multidisciplinary team.

Financial and other logistic contraints during this period dicourage many families from medical treatment and consequently they refuse or abandon treatment. Additionally, delays in starting therapy for many of these children who are sick may lead to adverse outcomes. Therefore, along with the routine medical assessment, an initial assessment is also done by the social worker team to see if any financial help is needed.

Arrangements are then made, to transfer initial emergency funds to the patient's hospital account on the same day for all investigations and emergency treatment (antibiotics, blood products, etc.) where required. Providing emergency financial support ensures that timely investigations are done and immediate supportive treatment is provided so that directed therapy can be started early and not delayed due to lack of funds.

Project

Tata Memorial Hospital

Tata Memorial Hospital continued operations right through the Covid-19 pandemic, beginning in March 2020.

The hospital had implemented a comprehensive plan during this period including setting up separate isolation wards for treating patients with Covid, ICU beds, rapid action teams, etc. A COVID vaccination centre had also been established. For patient care & treatment, the staff had been deployed at the isolation wards, Covid OPD/casualty, and the vaccination centre. The NIIF IFL support was used towards the salaries of 5 doctors, 15 nurses, and 10 housekeeping and administrative staff.

Project

Vipla Foundation ("Dhvani")

Established in 2010, **Dhvani Early Intervention Program of Vipla Foundation ("Dhvani")** is a unique and comprehensive program envisioned by Save the Children India. It aims to provide early identification and intervention services to young children suffering from hearing loss, by providing them with state-of-the-art facilities under one roof.

The prime motive of the early intervention program is to provide invaluable treatment at the earliest, thus reducing the trauma associated with hearing loss. As the name suggests, the focus of the program is on early diagnosis and intervention with children suffering from hearing loss, so as to develop essential listening skills & spoken language naturally, and eventually mainstream them into the world of sound.

DHVANI OFFERS

1. **Audiological Services** – Children with hearing loss are tested and provided audiological management.
2. **Therapeutic Services** – Auditory Verbal Therapy session.
3. **School Readiness Program** – Individual session to prepare the child for regular schooling.
4. **Parental Guidance & Counseling** - Individual counselling sessions are conducted for effective parenting and creating an enabling environment for holistic development of their child.
5. **Infant Hearing Screening Program** - Emphasizing importance of Universal Newborn /Infant Hearing Screening.
6. **Pre and Post Cochlear Implant Management** - If a child with hearing impairment is not showing desired progress with good quality powerful digital hearing aids then post testing, cochlear implant are considered. Cochlear implant is an assistive listening device that comprises surgically implanted internal components & external components. It provides a sense of sound to the child who is severely hearing impaired..

Funds from NIIF IFL have enabled Project Dhvani to purchase state-of-the-art equipment and reach out to the community for hearing screening free of cost.

Project

Isha Vidhya

Isha Vidhya was established in 2006 towards building an India where high-quality school education is accessible and affordable to all children.

Isha Vidhya has evolved a scalable model for providing quality education within the limitations of poor, rural communities. The model creates a holistic and nurturing environment in which children can learn joyfully and realise their full potential. Isha Vidhya supports government and private schools in select, critical areas to bring about a significant enhancement in education quality and has the potential to trigger an overall change in the public education system.

SCHOLARSHIP IN ISHA VIDHYA SCHOOLS

Isha Vidhya schools have 9,324 students across 9 schools in Tamil Nadu & 1 school in Andhra Pradesh. Many are first-generation learners from underprivileged families. About 60% of these children are supported on full scholarships while the remaining pay a nominal fee. The scholarship covers tuition, notebooks, books, and nutritional health supplements.

Environmental, Social and Governance

NIIF Infrastructure Finance Limited ("NIIF IFL") is a responsible financial institution that has adopted IFC Performance Standards ("IFC PS") for Environmental and Social Risk ("E&S Risk") assessment of its funding proposals. NIIF IFL also undertakes monitoring of its portfolio based on indicators of United Nations Sustainable Development Goals (SDGs).

The E&S Risk Policy of NIIF IFL, initially adopted in February, 2020 was comprehensively updated in October, 2021 in order to align it to IFC Performance Standards. The Policy was approved by the Board of Directors of NIIF IFL and several committees, namely Credit Committee, Risk Management Committee and the management provided direction & guidance on its effective implementation.

Blade tips of WTG is painted orange to deflect avian fauna and avoid collision

Post adoption of the Policy, NIIF IFL has integrated E&S risks in credit appraisal and loan monitoring & supervision phases. Every new funding proposal is screened for E&S sensitivity and a risk category is assigned. Based on the E&S risk category, a detailed E&S due diligence is conducted with respect to IFC PS. The gaps identified with respect to this framework are mitigated through stipulation of suitable time bound covenants in the financing documents.

During the loan supervision stage, E&S covenants are tracked periodically. E&S Monitoring and Review (ESMR) for portfolio projects is conducted annually in order to review compliance with E&S regulatory requirements as well as to assess the impact of any emerging E&S risks related to the projects. Site visits are conducted periodically to review site EHS* practices and conditions. E&S screening and tracking of covenants have also been automated in the Loan Management System.

The largest segment of NIIF IFL's portfolio consists of renewable power projects that do not produce carbon emissions since they harness natural energy from the sun/wind. In FY 2022, NIIF IFL's financing contributed towards net avoidance in CO_2 emissions by ~9.0 million tonnes.

Also, NIIF IFL's financing has directly and indirectly enabled creation of 9,175 gross employment opportunities through portfolio companies.

	FY20	FY21	FY22
Net CO_2 emissions avoidance (mn tonnes)	5.5	7.0	9.0
Job Creation (no. of personnel)	6,336	7,308	9,175

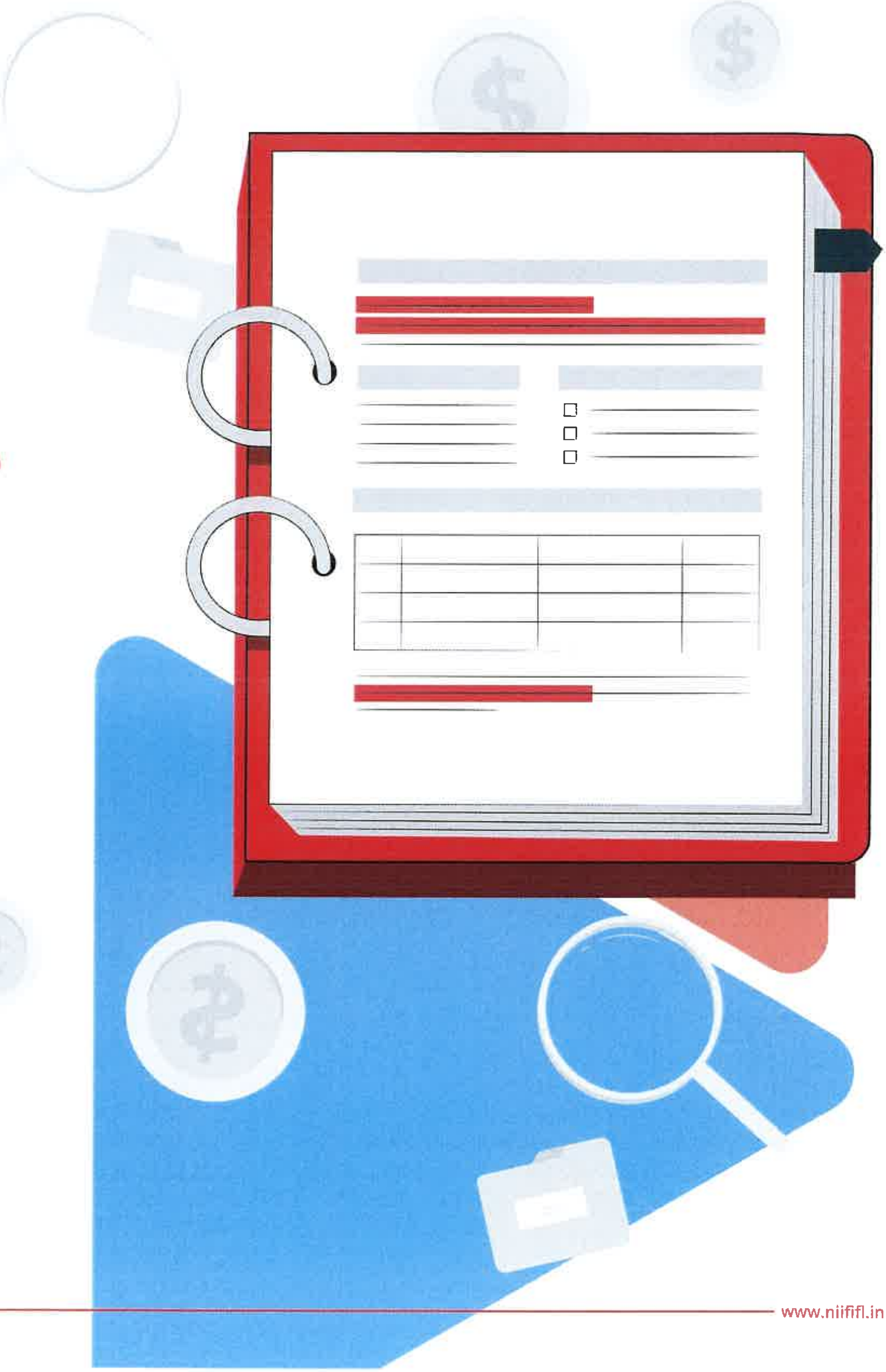
*Environmental, Health and Safety

Embodiment of commitment to 'Zero Harm at Workplace'

Bird diverters installed on powerlines falling in GIB sensitive habitats Courtesy: Sprng

As a responsible financial institution, we have stipulated suitable covenants to ensure that our borrowers install bird diverters on project powerlines falling in sensitive natural ecosystems in order to conserve Great Indian Bustard (GIB), a Critically Endangered avian fauna species. This is also in line with the spirit of the directions of the Supreme Court of India in the context of endangered avian fauna species.

BOARD'S REPORT



BOARD'S REPORT

To,
The Members,
NIIF INFRASTRUCTURE FINANCE LIMITED

Your Directors are pleased to present the 9th Directors' Report on the business and operations of the Company ("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 on 31st March, 2022. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as required under the Companies Act, 2013 ("the Act"). This report states compliance as per the requirements of the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules and regulations as applicable to the Company. The pdf version of the report is also available on the Company's website (https://www.niififl.in/)

1. FINANCIAL STATEMENTS & RESULTS:

a. Financial Results:

The Company's performance during the financial year ended 31st March 2022 as compared to the previous financial year ended 31st March 2021 is summarized below:

Financial Performance

(Amount in Rupees in Lakhs).

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022
Total Income	71,568	98,431
Total Expenditure	58,393	75,106
Profit before tax	13,175	23,325
Tax Expenses	0	0
Profit for the year	13,175	23,325
Other comprehensive income	35	(15)
Total comprehensive income for the year	13,210	23,310
Earnings per share in Rs. (Face value Rs. 10)		
Basic	1.96	2.54
Diluted	1.96	2.31

b. Capital Adequacy:

The Company's capital adequacy ratio is 23.49% as on March 31, 2022, compared to 23.38% in the previous year which is significantly above the threshold limit of 15% as prescribed by RBI.

c. Debt Equity Ratio:

The Company's Debt:Equity ratio as on March 31, 2022, stands at 3.96 times.

d. Transfer to reserves:

During the financial year under review Rs. 46.62 crores have been transferred to Statutory Reserve under section 45-IC of RBI Act, 1934. These details are given in the notes to the Financial Statements.

e. Operations:

The Company's performance during the year end March 31, 2022 in comparison with the year ended March 31, 2021 is summarized as follows:

i. Total Revenue: Rs. 984 crores as at March 31, 2022 in comparison with Rs. 716 crores as at March 31, 2021 (Growth of 38% over last year).

ii. Loan book: Rs. 14,201 crores as at March 31, 2022 in comparison with Rs. 8,461 crores as at March 31, 2021 (Growth 68% over last year).

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

f. Material events during the year:

i. The Company increased its Authorized Share Capital to Rs. 2,700 crores and raised Equity share capital to the extent of Rs. 312 crores (including securities premium) from Aseem Infrastructure Finance Limited and Preference share capital by way of compulsorily convertible preference shares (series II) (CCPS) of Rs. 700 crores (including securities premium) from Government of India (GoI);

The CCPS infusion from the Government of India is the second tranche of its commitment to make direct investment in the Company, which was announced in the Union Budget for FY 2020-21 and Atmanirbhar Bharat Scheme 3.0.

ii. The Company has put in place all the compliance policies as applicable to NBFC-ND-SI and NBFC-IDF as per the extant RBI Regulations.

iii. No material changes and commitments have occurred from the closure of FY till the date of this Report which would materially affect the financial position of the Company.

2. DIVIDEND:

For the financial year under review, your Company has not considered declaration of the dividend, in order to strengthen the balance sheet for its business.

3. RESOURCE MOBILISATION:

During the financial year under review, the Company raised funds from Banks (Rs. 4,085 crores), Insurance Companies (Rs. 455 crores), Retirement Benefit Funds (Rs. 892 crores), Mutual Funds (Rs. 175 crores) and others (Rs. 47 crores) through the issue of Non-Convertible Debentures (NCDs). As on March 31, 2022, the outstanding amount of NCDs was Rs. 11,783 crores. Further, the Company raised funds through Commercial Papers of Rs. 250 crores from Mutual funds.

The abovementioned Debt Securities and Commercial Papers are listed on Wholesale Debt Market (WDM) segment of National Stock Exchange of India Limited.

The Company has raised capital of Rs. 1,012 crores via issuance of equity shares and compulsory convertible preference shares (CCPS).

4. CREDIT RATING:

CARE Ratings Limited (CARE) and ICRA Limited (ICRA) have reaffirmed 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 (Rs. Crores)	Name of Rating Agency - ICRA Limited	Amount (Rs. Crores)
Non-Convertible Debentures including Zero Coupon Bonds	CARE AAA; Stable	21,192	ICRA AAA"; Stable	21,195
Commercial Papers	CARE A1+	600	ICRA A1+	600
Date of rating	March 3, 2022	-	March 4, 2022	-

With the above rating affirmations, the Company continues to enjoy the highest credit quality rating for its Debentures and Commercial Papers.

5. STATE OF AFFAIRS OF THE COMPANY:

The Management Discussion and Analysis Report forming part of this Report, is attached as **Annexure I**.

During the financial year under review, there has been no change in the nature of business of the Company.

6. SHARE CAPITAL:

(i) Authorized Share Capital

Share Capital	FY 2021	FY 2022
Authorized Share Capital	**20,00,00,00,000**	**26,99,99,99,993**
Equity share Capital (181,50,00,000 Equity Shares of Rs. 10/- each)	18,15,00,00,000	18,15,00,00,000

Preference Share Capital (8,80,95,238 Preference Shares of Rs. 21/- each)	185,00,00,000	185,00,00,000
(25,92,59,259 Preference Shares of Rs. 27/- each)	-	6,99,99,99,993

(ii) Issued, Subscribed and Paid-up Capital

During the financial year under review, your Company has issued and allotted 11,45,53,305 Equity Shares aggregating to Rs. 311,92,86,495.15 ((including premium) to Assem Infrastructure Finance Limited and 25,70,69,408 CCPS (series II) aggregating to Rs. 699,99,99,980 (including premium) to the GOI on preferential cum private placement basis.

Post allotment of equity shares as aforesaid, paid-up equity share capital of the Company was Rs. 10,30,28,34,660 comprising of 103,02,83,466 Equity Shares of Rs. 10/- each and paid-up preference share capital was 87,927,757 CCPS of 21/- each and 25,70,69,408 CCPS (series II) of Rs. 27/- each.

7. DEPOSITORY:

As on March 31, 2022, 100% of the Company's Equity Shares, Non-Convertible Debentures (NCD's) and Commercial Papers were held in dematerialized mode.

8. HIGH VALUE DEBT LISTED ENTITY:

Securities and Exchange Board of India ("SEBI") through SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 made regulation 15 to 27 of SEBI (LODR) Regulations 2015, applicable to high value debt listed entities with effect from September 7, 2021.

High value debt listed entity means an entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of rupees Five Hundred Crores and above. These provisions shall be applicable to high value debt listed entities on a 'comply or explain' basis until March 31, 2023, and on a mandatory basis thereafter.

Your Company is considered as a high value debt listed entity, as the outstanding value of listed non-convertible debt securities as on March 31, 2021, was more than rupees Five Hundred Crores. Hence, the regulations 15 to 27 of Listing Regulations became applicable to the Company in addition to the Chapter V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") which were applicable to Company since it became a debt listed entity.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP"):

(i) Appointment/Resignation of Directors

The composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations with an appropriate combination of Independent Directors and Non – Executive Directors. The complete list of Directors of the Company has been provided.

As on March 31, 2022, the Board of Directors comprised of 5 (five) Directors out of which 2 (two) are Independent Directors (including 1 Woman Director).

Based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, the Members of the Company at their Annual General Meeting held on September 21, 2021, approved appointment of Mr. Ashwani Kumar (DIN: 02870681) as an Independent Director of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold highest standards 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.

Further, Ms. Ritu Anand (DIN: 05154174) Independent Director of the Company has retired from the Board of the Company, on completion of her tenure of appointment with effect from May 6, 2022. Accordingly, shareholders of the Company on the recommendation of Board of Directors, at their Extra Ordinary General Meeting held on June 8, 2022 appointed Ms. Rosemary Sebastian (DIN 07938489) as an Independent Director of the Company for a term of 3 years with effect from June 7, 2022

(ii) Directors Retiring by Rotation

In accordance with the relevant provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajiv Dhar, Non-Executive Director 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. Brief profile of Mr. Rajiv Dhar has been given in the Notice to the AGM.

(iii) Director(s) Disclosure/Board 's 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 laid down in Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations as amended from time to time.

The Independent Directors met once on May 17, 2021 for the financial year ended March 31, 2022. The matters considered and discussed, inter-alia, included those prescribed under Schedule IV to the Act. All the Independent Directors attended the meeting held on May 17, 2021.

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 25(7) of the Listing Regulations, the Company has familiarized 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 familiarization programme are available on the website of the Company at https://www.niififl.in/

(iv) Appointment/Resignation of KMPs:

During the financial year under review, Mr. Sanjay Ajgaonkar, Chief Financial Officer("CFO") of the Company who joined on September 1, 2015, had resigned with effect from August 31, 2021. Accordingly, the Board of Directors of the Company on the recommendation of NRC and Audit Committee, at its meeting held on October 29, 2021 has appointed Mr. V. Narayanan Iyer as CFO of the Company from October 29, 2021.

Board of Directors of the company on the recommendation of NRC at its meeting held on May 19, 2021 has appointed Ms. Shweta Laddha as Company Secretory and Compliance Officer of the company. Ms. Shweta Laddha thereafter, resigned as Company Secretory and Compliance Officer of the company with effect from December 6, 2021. Accordingly, the Board of Directors of the Company on the recommendation of NRC, at its meeting held on January 31, 2022 has appointed Mr. Ankit Sheth as Company Secretary and Compliance Officer of the Company from January 31, 2022.

Further, Mr. Sadashiv S. Rao, Chief Executive Officer ("CEO") of the Company retired from the post of CEO (Key Managerial Personnel) of the Company, on completion of tenure of appointment with effect from June 30, 2022. Accordingly, the Board of Directors of the Company at its meeting held on June 3, 2022 approved the appointment of Mr. Shiva Rajaraman as Chief Executive Officer (CEO) (Key managerial Personnel) of the Company, with effect from July 1, 2022.

(v) List of Directors and KMPs' as on March 31, 2022:

Name of the Director / KMP	DIN/PAN	Type/Category
Mr. Surya Prakash Rao Pendyala	02888802	Chairman and Non-Executive Director
Mr. Rajiv Dhar	00073997	Non-Executive Director
Mr. A K T Chari	00746153	Non-Executive Director
Mr. Ashwani Kumar	02870681	Independent Director
Ms. Ritu Anand *	05154174	Independent Director
Mr. Sadashiv S. Rao**	AADPR1481M	Chief Executive Officer
Mr. V. Narayanan Iyer	AAAPI2722B	Chief Financial Officer
Mr. Ankit Sheth	BFPPS8108Q	Company Secretary

**Ms. Ritu Anand (DIN: 05154174) Independent Director of the Company has retired from the Board of Directors of the Company, on completion of tenure of appointment with effect from May 6, 2022.*

*** Mr. Sadashiv S. Rao, Chief Executive Officer ("CEO") of the Company retired from the post of CEO (Key Managerial Personnel) of the Company, with effect from June 30, 2022, on completion of tenure of appointment.*

(v) Fit and Proper criteria & Code of Conduct:

All the Directors meet the fit and proper criteria stipulated by the Reserve Bank of India ("RBI"). All the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company.

10. ANNUAL BOARD EVALUATION:

The Independent Directors at their Meeting evaluated the performance of each Non-Independent Director and of the entire Board as a whole. Each Board member's attendance, participation and contribution of his/her expertise was evaluated. Both the Independent Directors were present for the Meeting. Pursuant to the provisions of the Companies Act, 2013, as amended from time to time, the Nomination and Remuneration Committee also carried out an annual evaluation of the Board as well as of the Board's Committees and individual Directors including Chairman of the Board. The conclusions were discussed in the Meeting of the Nomination and Remuneration Committee where the performance of the Board, its committees and individual Directors were reviewed.

Basis the above, Nomination and Remuneration Committee summarized the performance evaluation reports to the Chairman of the Board and provided feedback to individual Directors.

The Board expressed its satisfaction on the performance of all the Directors, Board and its Committees.

11. 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") has a 39.72% equity stake (on a fully diluted basis) 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 three funds and has the majority stake in the Company through its Strategic Fund.

Sponsor Company

As per RBI Master Directions, an IDF NBFC is required to have an Infrastructure Finance Company (NBFC IFC) or a Bank as a "Sponsor". Such "Sponsor" needs to hold an equity stake of 30-49% in the IDF NBFC.

Aseem Infrastructure Finance Limited (AIFL) is the Sponsor of your Company. AIFL is registered with the Reserve Bank of India ("RBI") as an NBFC- IFC and has requisite approvals to act as a Sponsor of the Company. AIFL owns 30.82% equity stake (on a fully diluted basis) in your Company.

Subsidiary Company, Joint Ventures, Associates Company

During the financial year under review, your Company did not have a Subsidiary / Associate / Joint Venture company. The Company did not become a part of any Joint Venture during the year. As on the date of this Report, your Company does not have any Subsidiary and/or Associate Company and your Company is not a part of any Joint Venture.

Accordingly, 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.

12. 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.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

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

The details of contracts and arrangements with related parties of your Company for the financial year under review, are given in notes to the Standalone Financial Statements, which forms part of this Annual Report. The Company has in place RPT Policy as required under the applicable laws. The RPT policy is available on the website of the Company at https://www.niifl.in/

14. 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 Companies Act, 2013.

However, details of loans given, investments made, guarantees given and security provided, if any, are covered under the provisions of Section 186 of the Act and are provided in the Notes to the Financial Statements as applicable.

15. POLICY FOR FIT AND PROPER SELECTION OF DIRECTORS:

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

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

(I) Independent-Non-Executive Directors ("INEDs")

INEDs are paid sitting fees for each meeting of the Board, or its Committees attended by them. The INEDs have not been granted any stock options of the Company.

The Board of Directors at their meeting held on August 5, 2022 approved payment of sitting fees to Mr. AKT Chari (Non- Executive Director) in addition to INEDs. The Board also approved revision in the sitting fees payable to INEDs and Mr. AKT Chari (Non- Executive Director) for each meeting of the Board or the Committees meetings attended by them.

(II) 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 inter alia setting out the criteria for deciding remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company. Details of the Remuneration Policy is available on the website of the Company at https://www.niififl.in/.

17. 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 22 of the Listing Regulations, the Company has formulated a Whistle blower policy/ vigil mechanism for Directors and Employees to report concerns. The said policy 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 also provides direct access to the Chairman of the Audit Committee in exceptional circumstances. The whistle blower complaints were reviewed by the Audit Committee on an annual basis.

During the financial year under review, there were no complaints received by the Company.

18. RISK MANAGEMENT FRAMEWORK:

The Company has constituted a Risk Management Committee ("RMC") in terms of the requirements of Regulation 21 of the Listing Regulations and RBI Regulations and adopted a Risk Management Policy. The details of the same are disclosed in the Corporate Governance Report.

The 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 and processes approved by the Board of Directors encompassing independent identification, measurement, and management of risks across the company.

The risk management processes are guided by well-defined policies appropriate for the various risk categories viz. credit risk, market risk, interest rate risk, operational risk, concentration risk, operational risk, liquidity risk, E&S (environmental & social) risk supplemented by periodic monitoring through the Board and Management-level committees such as Credit Committee ("CC"), Asset-Liability Committee ("ALCO"), RMC, etc. The RMC, a committee constituted by the Board, approves policies related to risk and oversee 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 Board appointed Chief Risk Officer ("CRO") functions independently with specific roles and responsibilities to ensure that the highest standards of risk management are met. The CRO ensures that the company follows a maker-checker principle with the risk team playing the checker role independently. 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. The CRO does not have any reporting relationship with the business verticals of the company and is not given any business targets. Further 'dual hatting' is avoided by ensuring that the CRO is not given any other responsibility.

Credit Risk

Over and above the prudential limits set by the RBI for IDF-NBFCs, the company has set internal limits for exposure in various infrastructure sectors/sub-sectors, minimum credit rating for borrowers, etc. The Credit policy along with the Risk policy of the company ensure that the risk appetite of the company is prudent and in line with the company strategy. As part of the sanctioning process, each borrower is rated internally, and disbursement is done as per the well laid out norms. Covenant testing, monitoring, and re-rating of each borrower is conducted annually, and findings are presented to the Risk Management Committee for further action, if any. Portfolio concentration risk is managed by analyzing counterparty, industry, sector, geographical region, single and group borrower limits. Periodic scenario analysis of the credit portfolio is also reviewed, and necessary corrective measures are implemented.

E&S Risk

NIIF IFL is a responsible financial institution and recognizes that E&S (environmental and social) risks associated with infrastructure projects financed by it, should be avoided, prevented and/or mitigated. The Company has rolled-out an E&S Risk Policy in order to ensure E&S integration in the credit appraisal and loan disbursal processes, as well as post lending monitoring phases.

NIIF IFL has adopted IFC - PS (International Finance Corporation-Performance Standards) framework for conducting Environmental & Social Due Diligence (ESDD) at the time of credit appraisal.

Market & Liquidity Risk

The ALM policy of the company provides the framework to monitor and manage the market and liquidity risks. The policy also defines the structural liquidity limits beyond the buckets prescribed by RBI. ALCO of the company reviews the liquidity risk and the interest rate sensitivity profile of the organization on a regular basis. Monitoring and management of Liquidity (Asset-Liability and Interest Rate) and Market Risk is carried out using quantitative techniques, such as sensitivity analysis, duration analysis and 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. An oversight committee of Senior Management representatives viz. the Operational Risk Management Committee, meets periodically to review the operational risk profile of the organization.

19. 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. Details of the CSR policy is available on the website of the Company at https://www.niififl.in/

20. INTERNAL FINANCIAL CONTROLS:

The Company has laid down a set of standards, processes and structure which enables implementation of Internal Financial controls across the organization with reference to Financial Statements and that such controls are adequate and are operating effectively.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during their audit. During the financial year under review, , there has been no material or serious observation by the Auditors of the Company, citing inadequacy of such controls.

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

21. INTERNAL AUDIT:

The Company has put in place an 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 organization'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 scope of internal audit and the responsibilities of the internal audit function are formally defined in the internal audit engagement & scope document which is periodically reviewed, and any key amendments are presented to the Board for approval. To provide for the independence of the internal audit function, the internal auditors report to the Audit Committee.

The internal audit plan is developed based on the risk profile of business activities of the organization. The audit plan covers process audits, compliance with policies, standard operating procedures and regulations & follows a risk-based approach. The audits are carried out by an independent external firm. The audit plan is approved by the Audit Committee, which regularly reviews compliance with the plan.

22. 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, 2022, the Board of Directors hereby confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards had been 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 at March 31, 2022 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.

23. MATERIAL ADVERSE ORDERS, IF ANY:

There are no significant and material orders passed by the RBI 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.

24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is attached as an **Annexure I**.

25. AUDITORS AND REPORTS:

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

a. Statutory Auditors and their report:

Pursuant to the provisions of Section 139 and other applicable provisions of the Act read with rules made thereunder, as amended from time to time, the Shareholders of the Company at their Extra Ordinary General Meeting held on September 22, 2020, appointed M/s. S.R. Batliboi & Co., LLP (FRN 301003E/E300005) as Statutory Auditors of the Company to fill in the casual vacancy arising out of the resignation of M/s Price Waterhouse & Co Chartered Accountant LLP (Firm Registration No.: 304026E/E-300009) for a term of one year i.e. till the conclusion of 8th Annual General Meeting. Accordingly, the term of M/s. S.R. Batliboi as a Statutory Auditors of the Company was completed on September 21, 2021.

Accordingly, the Shareholders of the Company on the recommendation of Audit Committee and Board of Directors, at their 8th Annual General Meeting (AGM) held on September 21, 2021 appointed M/s. Lodha & Co (Firm Registration Number 301051E) as Statutory Auditors for a period of 3 (Three) years commencing from the date of 8th AGM till the conclusion of 11th AGM of the Company.

M/s. Lodha & Co have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors of the Company.

There are no observations made in the Auditor's reports for the financial year ended March 31, 2022. 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 Rs. 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 had reached the asset size of Rs. 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 Audit Committee and Board of Directors, at their Extra Ordinary General Meeting held on June 8, 2022 appointed M/s M P Chitale & Co, (Firm Registration No. 101851W), as Statutory Auditors of the Company to hold office for a period of 3 (Three) years till the conclusion of the 12th Annual General Meeting of the Company.

The Company has received a letter from M/s M P Chitale & Co, confirming that they are willing, eligible and not disqualified to act as a Joint Statutory Auditor of the Company.

b. Secretarial Auditors and their report:

As required under provisions of Section 204 of the Companies Act, 2013 and pursuant to Regulation 24A of Listing Regulations, the reports in respect of the Secretarial Audit for FY 2021-22 carried out by M/s. Rathi & Associates, Practicing Company Secretaries, in Form MR-3 forms part of this report.

The Secretarial Audit Report for the financial year ended March 31, 2022 does not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act 2013 and the Secretarial Audit Report is marked as **Annexure II** to this Report.

c. Internal Auditors and their report:

Pursuant to the requirements of Section 138 of the Act and rules made thereunder, KPMG, Chartered Accountants are the Internal Auditors of the Company.

The Internal Audit reports are reviewed quarterly by the Audit Committee. The internal audit report does not contain any qualification, reservation, adverse remark or disclaimer.

d. Head of Internal Audit (HIA):

Reserve Bank of India (RBI) vide its circular dated February 3, 2021, had issued Risk Based Internal Audit ("RBIA") framework for the applicable NBFCs. In terms of the RBIA framework the company is required to appoint a Head of Internal Audit ("HIA"), who shall be a Senior Executive of Company with the ability to exercise independent judgement. Accordingly, the Board of Directors at their meeting held on January 31, 2022 appointed Mr. Srinivas Upadhyayula as Head of Internal Audit of the Company.

e. 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.

f. 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, Secretarial Auditors and Internal Auditors of the Company during the course of the audit conducted.

26. PROTECTION OF WOMEN AT 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 workplace. The Board confirms that during the financial year under review, the Company did not receive any sexual harassment complaints.

27. CORPORATE GOVERNANCE:

Being a professionally run enterprise with National Investment and Infrastructure Fund II ("NIIF Fund II') as the controlling shareholder and effective board oversight, sound Corporate Governance practices are fundamental to the Company's quest of delivering long-term value to all its stakeholders. Corporate Governance is a continuous process at NIIF IFL. It is about commitment to sound values and ethical business conduct. Systems, policies and frameworks are regularly upgraded to meet the challenges of rapid growth in a dynamic external business environment.

The Company believes that good & transparent Corporate Governance practices enabling 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. Further the report on Corporate Governance has been furnished and is marked as **Annexure IV**.

a. 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 seven times.

The meetings of the Board were held on May 19, 2021, June 15, 2021, August 18, 2021, October 29, 2021, January 31, 2022, February 23, 2022, and March 28, 2022.

Further details on the Board Meetings are provided in the Corporate Governance Report, which forms part of this Annual Report.

b. Audit Committee:

Your Company has a duly constituted Audit Committee with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act and Listing Regulations.

During the financial year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of your Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control system of your Company. The Committee also reviewed the procedures laid down by your Company for assessing and managing risks.

Further details on the Audit Committee are provided in the Corporate Governance Report, which forms part of this Annual Report. During the financial year under review, all recommendations made by the Audit Committee were accepted by the Board.

c. Nomination and Remuneration Committee:

Your Company has a duly constituted Nomination and Remuneration Committee with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act and Listing Regulations.
Further details on the NRC are provided in the Corporate Governance Report, which forms part of this Annual Report.

Pursuant to the provisions of Section 178(3) of the Act and Regulation 19 of the Listing Regulations, the Company has formulated Remuneration Policy of the Company which inter alia, includes the criteria for determining qualifications, positive attributes and independence of Directors, identification of persons who are qualified to become Directors, Key Managerial Personnel and Senior Management. The Remuneration Policy also covers the Remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company. The Remuneration Policy is available on the website of the Company at https://www.niififl.in/

d. Corporate Social Responsibility Committee:

In accordance with Section 135 of the Act, your Company has a Corporate Social Responsibility (CSR) Committee. The Company's CSR activities are guided and monitored by its CSR Committee. The CSR Policy is available on the Company's website at https://www.niififl.in/

As a part of its initiatives under CSR, the Company has undertaken projects in the areas of promoting education, health care, relief measures and vocation training. The projects are also in line with the statutory requirements under the Act and it's CSR Policy.

During the financial year under review, the Company has contributed and spent Rs. 2.56 crores towards CSR projects. The required disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules 2014 has been appended as **Annexure III** to this report.

e. Other Committees:

Board has constituted various other committee as stipulated in the Act, Listing Regulations and RBI Master Directions. Details of such Committees are provided in the Corporate Governance Report, which forms part of this Annual Report.

28. ANNUAL RETURN:

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

29. RBI GUIDELINES:

The Company has constituted various Committees in compliance with applicable regulations/ directions issued by the RBI (as amended from time to time). These Committees primarily measure, monitor, report and control risks of the Company. The Company always aims to operate in compliance with the applicable laws including RBI regulations. The Company has complied with all applicable regulations and guidelines issued by the applicable authorities including the RBI. As required under the Non-Banking Financial Company – Systematically important Non-Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016, the management of the Company, in addition to this report, have prepared a management discussion analysis report which forms part of this report.

30. OTHER DISCLOSURES:

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

a. 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.

b. Secretarial Standards:

The Company complies with applicable Secretarial Standards with respect to the Board Meetings & General Meetings.

31. GENERAL:

Your Directors 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 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 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.

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.

There was a preferential cum private placement issue of Compulsory Convertible Preference Shares and Equity Share, details of which are provided in the Share Capital Section.

32. ACKNOWLEDGEMENTS AND APPRECIATION:

The Board wishes to place on record their appreciation for the dedication and hard work put in by the employees of the Company at all levels and the support extended by various stakeholders of the Company. The relationship with regulatory authorities, customers, bondholders and other stakeholders remained good in the year under review.

The Board thanks the regulators, policy makers, shareholders, bondholders and other stakeholders for their support and cooperation.

By Order of the Board of Directors

Surya Prakash Rao Pendyala
Chairman
DIN: 02888802

Place: Mumbai
Date: August 5, 2022

Registered Office:
North Wing, 3rd Floor, UTI Tower,
GN Block, Bandra Kurla Complex, Mumbai 400051

CIN: U67190MH2014PLC253944

MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Structure and Developments

The Indian economy grew by 8.7% in FY 22, compared to a de-growth of 6.6% in FY 21. While the first half of FY 22 witnessed economic revival after the 2^{nd} wave of the pandemic, the momentum was disturbed in the second half of FY 22 on account of the 3^{rd} wave of Covid and fallout from the geo-political developments in Europe. The 3^{rd} wave's adverse impact on economic growth was less as the lockdowns were localised and State Governments were better prepared to handle the health crisis. Economic recovery during FY 22 was also supported by large-scale vaccination and sustained fiscal and monetary support.

Coming out of the pandemic, FY 22 underscored the robustness of the infrastructure sector. Revenue generation of operational infrastructure projects remained steady. The timely measures taken by policy-makers and regulators helped in protecting infrastructure projects from significant adverse impact caused by the pandemic. FY 22 also witnessed certain important developments in the infrastructure sector including the judicial pronouncement by the Honourable High Court of Andhra Pradesh upholding the sanctity of PPA* tariff.

Infrastructure investment continues to be the key area of focus for the Indian Government. The Union Budget 2022 laid special emphasis on infrastructure sector under the initiative 'Gati-Shakti' for multi-modal connectivity and announced plans to increase the highway network by 25,000 km. With the enhanced outlay of Rs. 1.87 Lakh Crore for the Ministry of Road Transport and Highways, the allocation is around 55% higher than previous year and augurs well for the sector. Allocation for NHAI more than doubled (YoY) to Rs. 1.34 Lakh Crore. In the Renewable energy sector, capital outlay of Rs. 28,500 Crore has been allocated to Indian Renewable Energy Development Agency Limited (IREDA) and Solar Energy Corporation of India Limited (SECI) (40% higher than previous year). The Budget also outlined the Government's plans to monetise operating public infrastructure assets.

II. Opportunities and Threats

Opportunities

The increased capital base of NIIF Infrastructure Finance Limited (NIIF IFL) post infusion of funds by the sponsor Aseem Infrastructure Finance Limited (AIFL) and the Government of India (GoI) will help the company to participate and finance larger operational infrastructure projects and grow faster.

Further, the Union Budget 2022 announced by the Honorable Finance Minister on February 01, 2022, has proposed inclusion of Data Centres and Energy Storage Systems including dense charging infrastructure and grid-scale battery systems in the definition of infrastructure. Once the relevant notification is issued by the government, projects in these area/sectors would become eligible for infrastructure financing. This will help NIIF IFL in further diversifying its loan portfolio by lending to newer infrastructure sectors.

Threats

Continued availability of liquidity in the banking system may lead some infrastructure project companies /borrowers to avail financing from banks which could impact the opportunities available for refinancing by NBFC-IDFs. Also, in view of limited credit growth, commercial banks are likely to aggressively lend to operational infrastructure projects thereby posing competition to the NBFC-IDFs. New investment platforms like InVITs in matured sectors such as roads, renewables and transmission can affect the pipeline of operating assets available for refinancing by NIIFIFL.

*Power Purchase Agreement

Also, difficulties in project execution in various sectors due to disturbance of supply chain and availability of labor may impact timelines for commissioning of projects and thus delay the pipeline of operational projects for Company.

NIIF IFL is dependent on the bond markets for its liabilities (as mandated by regulatory guidelines) and any significant movement in terms of yields or liquidity will affect its fund raising. The recent increase in Repo Rate by Reserve Bank of India has led to increase in the bond yields which in turn has increased borrowing cost for NBFC-IDFs including NIIF IFL.

Success of NBFC-IDFs is significantly dependent on a facilitative regulatory framework; any adverse change in the regulatory framework can have an impact on the profitability of NIIF IFL.

III. Segments Wise and Operational Performance of the Company

NIIF IFL grew its loan book significantly from Rs. 8,461 to Rs. 14,201 crores at the end of FY 22 (growth of 68% over last year) by refinancing several operational infrastructure projects across multiple sectors. Gross disbursements made were Rs 9,358 crore. NIIF IFL was able to increase its exposure in sectors like solar power generation, power transmission, telecommunication infrastructure, ports, logistics and other commercial infrastructure projects. On the liabilities side, NIIF IFL has maintained strong ties with a diversified base of investors including banks, insurance companies, provident funds, mutual funds etc.

The outstanding NCD borrowing of NIIF IFL as of March 31, 2022, stood at Rs. 11,783 crores. All the issuances were rated "AAA" by the rating agencies ICRA and CARE. The issuances were subscribed by a wide variety of investors including banks, insurance companies, pension funds, provident funds, and mutual funds.

The business of the Company continues to be resilient despite the challenges posed by the Covid pandemic. Asset quality remains healthy with nil Non-Performing Assets (NPAs). The capitalization of the company is comfortable with a Capital Adequacy Ratio of 23.49% as on March 31, 2022.

NIIF IFL Financial Performance Highlights

A summary of NIIF IFL's FY22 financial performance and its comparison with FY21 performance is as under:

- Total Revenue: Rs. 984 crore as at March 31, 2022 in comparison with Rs. 715.68 as at March 31, 2021 (Growth of 38% over last year).
- Gross sanctions: Rs. 11,510 crore in March 31, 2022 in comparison with Rs. 5,664 crore in March 31, 2021 (Growth of 103% over last year).
- Loan book: Rs. 14,201 crore as at March 31, 2022 in comparison with Rs. 8,461 crore as at March 31, 2021 (Growth 68% over last year).
- Healthy asset quality with nil Non-Performing Assets (NPAs) in both the Financial Years.
- The Company's Debt Equity ratio as on March 31, 2022, stands at 3.96 times.

Capital Changes during FY 2021-22

- Equity share capital of Rs. 312 crore (including securities premium) from Aseem Infrastructure Finance Limited (Sponsor Company) on preferential cum private placement basis;
- Preference share capital by way of compulsorily convertible preference shares (series II) (CCPS) of Rs. 700 crore (including securities premium) from Government of India (GoI).

IV. Outlook

The Company is well positioned to embark on a robust growth path over the next few years. The strategy going forward would be to significantly increase the loan book with focus on asset quality and maintain a balanced and diversified portfolio across multiple sectors in the infrastructure domain.

The growth would be underpinned by strong credit appraisal and structuring skills, disciplined risk and asset management practices and continuous monitoring of 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.

V. Risk and concerns

Details of Risk and Concerns arising out of the Company's business model and present economic conditions and risk management framework are placed in the Board's Report under the head risk management framework.

VI. Internal control systems and their adequacy

The Company has laid down a set of standards, processes and structure which enables implementation of Internal Financial controls across the organization with reference to Financial Statements and such controls are considered adequate and are operating effectively. During the year under review, no material or serious observation was observed for inefficiency or inadequacy of such controls. More details are placed in Internal Control and Internal Audit section of Board's Report.

VII. Human Resources

Talent is a key anchor and differentiator for a service-based organisation such as ours. Our people, their diverse skill sets, proven expertise, and deep industry knowledge constitute our human capital. During the year, we continued strengthening our team across functions. As on March 31, 2022, workforce of the Company stood at 30. Further details are placed in Board's Report.

There have been focussed initiatives on wellness and professional development of employees. The communication initiatives including CEO connects sessions enabled employees to be aligned to Company`s vision. The team also implemented a Compliance tool to ensure continued compliance with all applicable guidelines.

ANNEXURE II

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, 2022

To
The Members,
NIIF Infrastructure Finance Limited
Mumbai

Dear Sirs,

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.

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, 2022, 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 Bye-laws 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 and SEBI Operational Circular for issue and of Non-Convertible Securities (NCS), Securitized Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP) daed August 10, 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:-

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

   (ii). The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   (iii). The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

   (iv). The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(v). The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and

(vi). 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). Infrastructure Debt Fund-Non-Banking Financial Companies (Reserve Bank) Directions, 2011;

(ii). Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;

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

(iv). Master Circular – "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015"-

(v). Master Circular – "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015"

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

(vii). Master Direction – Information Technology Framework for the NBFC Sector.

(viii). Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

(ix). Master Direction – Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.

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;

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, Secretarial Standards etc. as specified above.

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 director in compliance with the provisions of the Companies Act, 2013. 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.

Except in case of meetings convened at a shorter notice, 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. However, 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:

(a). Issue of Secured Redeemable Non-Convertible Debentures ("NCD's) of the face value of Rs. 10,00,000/- each through Private placement basis as under:

Sr No.	Date of Allotment	No. of NCDs alloted	Amount raised from issue of NCDs (Rs. in Crores)
1	April 12, 2021 (Re-Issuance I)	2,070	207
2	April 29, 2021 (Re-Issuance II)	400	40
3	May 21, 2021 (Re-Issuance II)	1,500	150
4	June 16, 2021 (Re-Issuance III)	1,000	100
5	September 9, 2021	6,500	650
6	September 22, 2021 (Option I)	6,250	625
7	September 22, 2021 (Option II)	2,550	255
8	September 28, 2021	1,0000	1,000
9	January 14 , 2022	3,000	300

10	January 28, 2022 (Option I)	8,850	885
11	February 17, 2022	3,000	300
12	February 22, 2022	6,250	625
13	March 11, 2022 (Option II , Reissuance I)	1,420	142
14	March 28, 2022	3,750	375

(b). During the year under review, 11,45,53,305 Equity Shares of the face value of INR 10/- per share at a premium of INR 17.23 per share aggregating to INR 311,92,86,495.15/- were allotted on Preferential cum Private Placement basis to Aseem Infrastructure Finance Limited on March 28, 2022 and 25,70,69,408, 0.001% Compulsory Convertible Preference Shares (CCPS) of face value of INR 27/- per share at a premium of 0.23 paisa per share aggregating to INR 699,99,99,980 were allotted on a preferential cum private placement basis to the President of India, represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India on March 28, 2022.

For **RATHI & ASSOCIATES**
COMPANY SECRETARIES

Place: Mumbai
Date: August 5, 2022

NEHA R LAHOTY
PARTNER
FCS 8568
COP No. 10286
UDIN: F008568D000747383

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 record 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.

Place: Mumbai
Date: August 5, 2022

For **RATHI & ASSOCIATES**
COMPANY SECRETARIES

NEHA R LAHOTY
PARTNER
FCS 8568
COP No. 10286
UDIN: F008568D000747383

ANNEXURE III

ANNUAL CSR REPORT

1. Brief outline on CSR Policy of the Company:

NIIF Infrastructure Finance Limited ("NIIF IFL" or "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 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) Rules 2014, Companies (CSR Policy) Amendment Rules, 2021 and 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	5	5
2	Mr. Prakash Rao	Nominee Director of NIIF Fund II - Member	5	5
3	Ms. Ritu Anand*	Independent Director - Member	5	5

*Ms. Ritu Anand (DIN: 05154174) Independent Director of the Company has retired from the Board of the Company, on completion of tenure of appointment with effect from May 6, 2022.

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:

CSR Policy - CSR Policy.pdf (https://www.niififl.in/)
CSR Projects & Committee - CSR Report FY 2022.pdf (https://www.niififl.in/)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) – Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Not Applicable

6. **Average net profit of the company as per section 135(5):** Rs. 128.05 crores

7.
   (a) **Two percent of average net profit of the company as per section 135(5)** – Rs. 2.56 crores
   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years** – NIL
   (c) **Amount required to be set off for the financial year, if any** – NIL
   (d) **Total CSR obligation for the financial year (7a+7b-7c)** – Rs. 2.56 crores

8.
   (a) **CSR amount spent or unspent for the financial year:** Rs. 2.56 crores
   (b) **Details of CSR amount spent against ongoing projects for the financial year:** Nil
   (c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

Total Amount Spent for the Financial Year (in Rs)	Amount Unspent (in Rs)				
	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
Rs. 2.56 crores	-	-	-	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sr. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the project (in Rs.)**	**Mode of implement ation - Diect (Yes/ No)**	**Mode of implementation – Through implementing agency**
				State	**District**			**Name & CSR registration number**
1.	Urgent need to scale up services including establishing temporary COVID Care facilities	Promoting health care including preventive health care	Yes	Mahara -shtra	Mumbai	6,000,000	No	Tata Memorial Hospital CSR00001287

2.	Support provided to enhance e-learning in schools for the underprivileged children	Promoting education	No	Union Territ ory of Lad akh	Leh and Kargil	979,241	No	17000 ft Foundation CSR00002404
3.	Dhvani-infrastruct ure support for audiological testing and screening for children for better integration into society	Promot ing health care including prevent ive health care	Yes	Maharashtra	Mumbai	3,070,430	No	Vipla Foundation CSR00000158
4.	To fund a DEXA scan machine for better treatment outcomes for pediatric patients	Promot ing health care including prevent ive health care	Yes	Maharashtra	Mumbai	4,200,000	No	Tata Memorial Hospital CSR00001287
5.	To provide medical equipm ent for better vision care	Promoting healthcare	Yes	Maharashtra	Mumbai	2,200,000	No	Mission for Vision CSR00001849
6.	Smart Classrooms – Improving access to education through technology for children with disabilities	Promoting education	Yes	Maharashtra	Mumbai	2,900,000	No	Vipla Foundation CSR00000158
7.	Providing equipment for improvem-ent in services for rural populations	Promoting health care including preventive health care	No	Andhra Pradesh	Guntur	4,757,000	No	L V Prasad Eye Institute CSR00001698
8.	Partial Scholarsh ips for students	Promoting education	No	Tamil-Nadu	Coimba-tore	1,080,829	No	Isha Vidhya

9.	Compe-sation for CSR Consultant	Managem-ent fees	NA	Mahara-shtra	Mumbai	412,500	NA	NA
	Total					**25,600,000**		

(d) **Amount spent in Administrative Overheads:** 412,500 (management fees for CSR Consultant)

(e) **Amount spent on Impact Assessment, if applicable**: Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** Rs. 2.56 crores

(g) **Excess amount for set off, if any:** Not Applicable

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Nil

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Nil

(a) Date of creation or acquisition of the capital asset(s): -

(b) Amount of CSR spent for creation or acquisition of capital asset: -

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: -

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): -

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/-
Shiva Rajaraman
Chief Executive Officer

Sd/-
Ashwani Kumar
Chairman - CSR Committee

ANNEXURE IV

REPORT ON CORPORATE GOVERNANCE

PHILOSOPHY OF CORPORATE GOVERNANCE:

Corporate Governance is essentially the management of an organisation's activities in accordance with policies that are value-accretive for all stakeholders. At NIIF IFL Corporate Governance is a continuous process. It is about commitment to values and ethical business conduct. Systems, policies, and frameworks are regularly upgraded to meet the challenges of rapid growth in a dynamic external business environment.

Being a professionally run enterprise with effective board oversight, sound Corporate Governance practices are fundamental to the Company's quest of delivering long-term value to all its stakeholders.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities, transparency in decision making process, fair & ethical dealings with all and accountability to all stakeholders. The said internal guidelines on Corporate Governance has been uploaded on the Company's website and can be accessed at https://www.niififl.in/.

As per the provisions of the Act and Listing Regulations, various disclosures are required to be made in the Boards' Report of which the disclosures relating to the Directors, the Board, its Committees and their meetings are given herein below:

BOARD OF DIRECTORS ("BOARD")

The Board is at the core of the corporate governance system of the Company. The Directors act with a responsibility to set strategic objectives for the management and to ensure that the long-term interests of all stakeholders are served by adhering to and enforcing the principles of sound corporate governance.

The Board members have diverse areas of knowledge and expertise, which is necessary in providing an independent and objective view on business issues and assesses them from the standpoint of the stakeholders of the Company. The Board is independent from the management.

Committees of the Board handling specific responsibilities mentioned under the applicable laws viz. Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, IT Strategy Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee etc. empower the functioning of the Board through flow of information amongst each other and by delivering a focused approach and expedient resolution of diverse matters.

In compliance with the provisions of the Act and Listing Regulations, the Board of your Company has an optimum combination of Executive, Non-Executive and Independent Directors. As on March 31, 2022, the Board comprises of 5 (five) Directors, of which 2 (two) are Independent Directors including one woman director. As per the provisions of the Act, the Company has appointed a Chief Executive Officer, Chief Financial Officer and Company Secretary who is not a part of the Board of Directors.

The composition of the Board of Directors as at March 31, 2022, including other details are given below:

Name of Director	Category	No. of Directorships in other Public Cos*	No. of Committee Member-ships of other Public Cos[$#]	Chairperson-ship in Committees of other Public Co[$s]
Mr. Prakash Rao (DIN 02888802)	Non-Executive (Nominee) Director – Chairman	1	1	-
Mr. Rajiv Dhar (DIN 00073997)	Non-Executive (Nominee) Director	2	1	-
Mr. A K T Chari (DIN 00746153)	Non-Executive (Nominee) Director	1	-	-
Ms. Ritu Anand ** (DIN 05154174)	Independent Director	2	3	-
Mr. Ashwani Kumar (DIN 02870681)	Independent Director	4	2	-

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.*

$ It includes Chairmanship or Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Companies (listed and unlisted) only

 # Excluding Chairpersonship which is mentioned in the next column.

***Ms. Ritu Anand (DIN: 05154174) Independent Director of the Company has retired from the Board of the Company, on completion of tenure of appointment with effect from May 6, 2022.*

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 Meetings

i. 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 material information is incorporated, in the agenda papers for facilitating meaningful and focused discussions at the meetings.

In compliance of the statutory requirements, the following minimum information is supplied to the Board in the agenda of every quarterly/annual Board Meeting:
- Minutes of meetings of previous Board and Committee meetings
- Noting of Circular resolution(s)
- Financial results of the Company
- Compliance certificate
- Status of Action on items of the previous Board meeting
- Business requirements
- Outstanding borrowings and investments
- Approval of policies
- Approval of fees of Auditors

The Company is in compliance with the provisions of the notified Secretarial Standards on the subject.

ii. Attendance of directors

As a good practice the Company ensures optimum presence of the Directors at each meeting. During the FY 2021-22, seven Board meetings were held on May 19, 2021, June 15, 2021, August 18, 2021, October 29, 2021, January 31, 2022, February 23, 2022, and March 28, 2022.

The attendance of the Directors at the above, the Board meetings and at the last Annual General Meeting is given in the table below:

Name of Director	**No. of Board meetings during FY 2021-22**		**Attendance in the last AGM dated September 21, 2021**
	Held	**Attended**	
			Yes/No
Mr. Prakash Rao	7	7	No
Mr. Rajiv Dhar	7	7	No
Mr. A K T Chari	7	7	No
Ms. Ritu Anand	7	7	Yes
Mr. Ashwani Kumar	7	7	Yes

iii. Details of the Directorships in other listed entities as on March 31, 2022:

Name of Director	**Name of listed entity***	**Category**	**Shareholding of Directors**
Mr. Prakash Rao	Nil	Not applicable	Nil
Mr. Rajiv Dhar	Nil	Not applicable	Nil
Mr. A K T Chari	Nil	Not applicable	Nil
Ms. Ritu Anand	IDFC Limited	Independent Director	Nil
Mr. Ashwani Kumar	Gujarat Siddhe Cement Limited	Independent Director	Nil
	Saurashtra Cement Limited	Independent Director	Nil
	Macrotech Developers Limited	Independent Director	Nil

***** *Includes entities whose equity shares are listed on a stock exchange*

In terms of Regulation 26 of 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 17A of the Listing Regulations, none of the Directors:

i. hold Directorships in more than 20 companies (Public or Private),

ii. hold Directorships in more than 10 public companies,

iii. hold Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairpersonship of Board Committee in excess of 5,
iv. serve as Director in more than 7 listed companies,
v. who serve as Managing Director/Whole Time Director in any listed company serves as Independent Director in more than 3 listed companies.

There is no inter-se relationship between the Directors. Further no Directors are holding equity shares and non-convertible debentures of the Company.

B. 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 is governed by this Code of Conduct. The salient features of the said Code of Conduct policy are as under:

i. Maintain highest degree Corporate Governance practices
ii. confidentiality of information
iii. Accuracy of Company Records and Reporting
iv. Protecting Company's Assets
v. Responsibilities
vi. Fairness in workplace
vii. Ensure compliance with laws

C. Familiarisation Programmes

At the time of appointment, the Independent Directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. At Board and Committee meetings, the Independent Directors are regularly being familiarized on the business model, strategies, operations, functions, policies and procedures of the Company. All Directors attend the familiarization program conducted by the Company. The details of training programs attended by the Independent Directors has been posted on the Company's website at https://www.niifl.in/

D. 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 Board and its Committee.

The table below summarizes the list of core skills/ expertise/ competencies identified by the Board of Directors for effectively conducting the business of the Company and that the said skills are available with the existing composition of the Board.

Skill Areas	Mr. Prakash Rao	Mr. Rajiv Dhar	Mr. A K T Chari	Ms. Ritu Anand	Mr. Ashwani Kumar
Leadership qualities	✓	✓	✓	✓	✓
Business and Strategic planning	✓	✓	✓	✓	✓
Industry knowledge and experience	✓	✓	✓	✓	✓
Engagement	✓	✓	✓	✓	✓
Governance, Compliance and Audit purview	✓	✓	✓	✓	✓

Information Technology		✓		✓	
Risk Management			✓		✓

OTHER COMMITTEES OF THE COMPANY

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

There were total 12 Committees as on 31st March, 2022; out of which 7 are statutory committees and 5 are other committees considering the need of best practice in Corporate Governance of the Company.

Committees as mandated under the Companies Act, 2013 Listing Regulations and RBI Directions:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility ("CSR") Committee
5. Risk Management Committee
6. Asset and Liability Management Committee
7. IT Strategy Committee
Other Committees
8. Credit Committee
9. Investment Committee
10. Finance Committee
11. Allotment Committee
12. IT Steering Committee

A. Audit Committee

The Company has in place the Audit Committee in accordance with the provisions of the Act, Listing Regulations and RBI Guidelines as amended from time to time.

All the members are financially literate and at least one member has accounting or financial management expertise. The Chief Financial Officer and the representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee. The Audit committee charter is in line with the Act.

i. Composition of Audit Committee

Our Audit Committee comprised of 3 (three) members viz. Mr. Ashwani Kumar, Ms. Ritu Anand and Mr. Rajiv Dhar. as on March 31, 2022 Out of the above, two members viz Mr. Ashwani Kumar and Ms. Ritu Anand are Independent Directors. Mr. Ashwani Kumar is the Chairman of the Audit Committee.

All members of the Audit Committee are financially literate and have the necessary accounting and related financial management expertise.

The Board of Directors of the Company on June 7, 2022 reconstituted the Audit Committee. The composition of the said Committee as on date is as under:

a. Mr. Ashwani Kumar (Chairman)
b. Mr. Rajiv Dhar
c. Ms. Rosemary Sebastian

The Chief Executive Officer, the Chief Financial Officer, Chief Business Officer, Chief Risk Officer, Head – Legal Compliance & Secretarial, the Statutory Auditors and the Internal Auditors of the Company are invited for each of the Audit Committee meeting of the Company. The Company Secretary acts as the Secretary to the 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the 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 utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore 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.

ii. Meetings of Audit Committee and attendance of Audit Committee members

During the FY 2021-22, the Audit Committee met four times on May 19, 2021, August 18, 2021, October 29, 2021 and January 31, 2022.

The attendance of the Audit Committee members at the Audit Committee meetings held during the FY 2021-22 is given in the table below:

Name of the Committee member	**No. of Audit Committee meetings**	
	Held	**Attended**
Mr. Ashwani Kumar	4	4
Ms. Ritu Anand	4	4
Mr. Rajiv Dhar	4	3

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed to recommend to the Board the appointment of Directors, senior management and Key Managerial Personnel. The Committee further ensures fit and proper status of existing / proposed directors. The Committee is formed as per the provisions of the Act, Listing Regulations and the RBI Directions.

i. Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised of the following Members as on March 31, 2022:

a. Mr. Ashwani Kumar (Chairman)
b. Mr. Prakash Rao
c. Ms. Ritu Anand

Mr. Rajiv Dhar shall be a permanent invitee or observer of the Committee

The Board of Directors of the Company on June 7, 2022 reconstituted the Nomination and Remuneration Committee. The composition of the said Committee as on date is as under:

a. Mr. Ashwani Kumar (Chairman)

b. Mr. Prakash Rao

c. Ms. Rosemary Sebastian

Mr. Rajiv Dhar shall be a permanent invitee or observer of the Committee

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, on the basis of the report of performance evaluation of independent directors.
7. recommend to the board, all remuneration, in whatever form, payable to senior management.

ii. **Meetings of Nomination and Remuneration Committee (NRC) and attendance of NRC members**

During the FY 2021-22, the Nomination and Remuneration Committee met four times on May 17, 2021, October 28, 2021, October 29, 2021 and January 31, 2022. The attendance of the Nomination and Remuneration Committee members at the NRC meetings held during the FY 2021-22 is given in the table below:

Name of the Committee member	No. of Nomination and Remuneration Committee meetings during the FY 2021-22	
	Held	Attended
Mr. Prakash Rao	4	4
Mr. Ashwani Kumar	4	4
Ms. Ritu Anand	4	4
Mr. Rajiv Dhar (till October 29, 2021)	3	2

iii. Performance Evaluation

Annual Performance Evaluation

The evaluation framework for assessing the performance of the Directors of your Company comprises of contributions at the Meeting(s) and strategic viewpoint or inputs regarding the growth and performance of your Company, amongst others.

Pursuant to the provisions of the Act and in terms of the Framework of the Board Performance Evaluation, the NRC and the Board of Directors have carried out an annual performance evaluation of the Board itself, performance of various Committees of the Board, Individual Directors and the Chairman.

An evaluation mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria which include, amongst others, providing strategic perspective, Chairmanship of Board and Committees, attendance, time devoted and preparedness for the Meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the Meetings, effective decision-making ability, role and effectiveness of the Committees. The Directors provide their feedback on the functioning of the Board, Committees and Chairman of the Board.

Outcome of the Evaluation

The Directors of your Company are satisfied with the functioning of the Board and its committees. The committees are functioning well and besides the respective committee's terms of reference, as mandated by law, important issues are brought up and discussed in the committee meetings. Qualitative comments and suggestions of Directors were taken into consideration by the Chairman of the Board. The Board was also satisfied with the contribution of directors, in their respective capacities, which reflects the overall engagement of the individual directors.

C. Stakeholders Relationship Committee

SEBI vide its SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 made regulation 15 to 27 of SEBI (LODR) Regulations 2015, applicable to the High Value Debt Securities (HVDS) with effect from September 7, 2021.

As the regulations 15 to 27 of SEBI (LODR) Regulations 2015 are applicable to the Company being a High Value Debt listed entities, the Company requires to comply with the said regulations in addition to the Chapter V of the SEBI (LODR) Regulations 2015.

As per Regulation 20 of the SEBI (LODR) Regulations 2015, the company is required constitute a Stakeholders Relationship Committee to specifically look into various aspects of interest of shareholders, debenture holders and other security holders.

Accordingly, the Board of Directors of the Company at its meeting held on October 29, 2021 constituted Stakeholders Relationship Committee. The Committee is formed as per the provisions of the Act and the Listing Regulations.

i. Composition of Stakeholders Relationship Committee

The Stakeholder's Relationship Committee comprises of the following Members:

a. Mr. Ashwani Kumar (Chairman)
b. Mr. Prakash Rao
c. Mr. Rajiv Dhar

The terms of reference of the role of Stakeholders Relationship Committee 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.

ii. Meeting of Stakeholders Relationship Committee and attendance of members

During the FY 2021-22, the Stakeholders relationship Committee met one time on January 31, 2022. The attendance of the Stakeholders Relationship Committee members at the SRC meeting held during the FY 2021-22 is given in the table below:

Name of the Committee member	**No. of Stakeholders Relationship Committee meetings during the FY 2021-22**	
	Held	**Attended**
Mr. Prakash Rao	1	1
Mr. Ashwani Kumar	1	1
Mr. Rajiv Dhar	1	1

iii. Details of the investor complaints received during the FY 2021-22 are given as below:

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	Nil	Nil

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee

D. Risk Management Committee

The Risk Management Committee reviews and monitors risks across the organization, credit risk, market risk, operational risk and portfolio level risk. As per the documented charter duly approved by the Board of Directors, the primary function of the Risk Management Committee inter- alia is to ensure that risk taking be within clearly defined risk limits and boundary parameters as defined in the Board approved Credit Policy, Asset Liability Management (ALM), and Operational Risk Management (ORM) Policy of the Company and adequate processes are implemented to identify, measure, monitor and mitigate the risks.

i. Composition of Risk Management Committee

The Company at its Board Meeting held May 19, 2021 reconstituted the Risk Management Committee. The composition of the said Committee as on date is as under:

a. Mr. Ashwani Kumar - Chairman
b. Mr. Rajiv Dhar
c. Mr. A K T Chari

The following are the terms of reference of the RMC Committee:

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 (particularly, 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 review the risk management policy, at least once in two years, 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 (if any) 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.

ii. Meetings of Risk Management Committee and attendance of Risk Management Committee members

During the FY 2021-22, the Risk Management Committee met four times on April 23, 2021, August 12, 2021, October 28, 2021 and January 27, 2022 The attendance of the members at the Risk Management Committee meetings held during the FY 2021-22 is given in the table below:

Name of the Committee Member	No. of Risk Management Committee Meetings	
	Held	Attended
Mr. Ashwani Kumar	3	3
Mr. Rajiv Dhar	4	4
Mr. A K T Chari	4	4
Mr. Prakash Rao (till May 19, 2021)	1	1

E. Corporate Social Responsibility (CSR) Committee

The Company believed that profitability must be complemented by a sense of responsibility towards all stakeholders. The CSR Committee, as mandated under Section 135 (3) of the Act had 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. The CSR Committee had been constituted pursuant to the provisions of Section 135 of the Act.

i. Composition of CSR Committee

The CSR Committee comprises of the following Members:

a. Mr. Ashwani Kumar (Chairman)
b. Mr. Prakash Rao
c. Ms. Ritu Anand

The Board of Directors of the Company on June 7, 2022 reconstituted the CSR Committee. The composition of the said Committee as on date is as under:

a. Mr. Ashwani Kumar (Chairman)
b. Mr. Prakash Rao
c. Ms. Rosemary Sebastian

ii. Meeting(s) of CSR Committee and attendance of CSR Committee members

During the FY 2021-22, the CSR Committee met five times on May 18, 2021, December 28, 2021, January 25, 2022, February 22, 2022, and March 25, 2022. The attendance of the CSR Committee members at the CSR meetings held during the FY 2021-22 is given in the table below:

Name of the Committee member	No. of CSR Committee meetings during the FY 2021-22	
	Held	Attended
Mr. Ashwani Kumar	5	5
Mr. Prakash Rao	5	5
Ms. Ritu Anand	5	5

F. IT Strategy Committee

The IT Strategy Committee has been constituted as per the requirements of RBI's master directions on Information technology.

i. Composition of IT Strategy Committee

The Committee comprised of the following members as on March 31, 2022:

a. Ms. Ritu Anand - Chairperson
b. Mr. Rajiv Dhar
c. Mr. Sadashiv S. Rao
d. Mr. Dhananjay Yellurkar
e. Mr. V. Narayanan Iyer
f. Mr. Madhusudan Warrier

The Board of Directors of the Company on June 3, 2022 and June 7, 2022 reconstituted the IT Strategy Committee. The composition of the said Committee as on date is as under:

a. Ms. Rosemary Sebastian - Chairperson
b. Mr. Rajiv Dhar
c. Mr. Shiva Rajaraman
d. Mr. Dhananjay Yellurkar
e. Mr. V. Narayanan Iyer
f. Mr. Rohan Shinde

ii. Meetings of the Committee and attendance of the Committee members

During the FY 2021-22, the IT Strategy Committee met three times on April 8, 2021, October 1, 2021 and March 25, 2022. The attendance of the IT Strategy Committee members at the meetings held during the FY 2021-22 is given in the table below:

Name of the Committee member	No. of IT Strategy Committee meetings during the FY 2021-22	
	Held	**Attended**
Ms. Ritu Anand	3	3
Mr. Rajiv Dhar	3	3
Mr. Sadashiv S. Rao	3	3
Mr. Dhananjay Yellurkar	3	3
Mr. V. Narayanan Iyer (w.e.f. October 29, 2021)	1	1
Mr. Sanjay Ajgaonkar (till August 31, 2021)	1	1
Mr. Madhusudan Warrier	3	3

G. Asset - Liability Management Committee (ALCO)

The ALCO is a decision-making body responsible for integrated balance sheet management from risk-return perspective and includes the strategic management of interest rate and liquidity risks. Primary function of the ALCO inter-alia includes balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks, review the results of and progress in implementation of the decisions made in the previous meetings and articulate the current interest rate view and base its decisions for future business strategy on this view.

The ALCO is a decision-making body responsible for integrated balance sheet management from risk-return perspective and includes the strategic management of interest rate and liquidity risks. Primary function of the ALCO inter-alia includes balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks, review the results of and progress in implementation of the decisions made in the previous meetings and articulate the current interest rate view and base its decisions for future business strategy on this view.

i. Composition of ALCO

The Asset Liability Management Committee comprised of the following members as on March 31, 2022 viz.:

a. Mr. Sadashiv S. Rao
b. Mr. Debabrata Mukherjee
c. Mr. Dhananjay Yellurkar
d. Mr. V. Narayanan Iyer
e. Mr. Amit Ruparelia

The Board of Directors of the Company on June 3, 2022 reconstituted the ALCO. The composition of the said Committee as on date is as under:

a. Mr. Shiva Rajaraman
b. Mr. Debabrata Mukherjee
c. Mr. Dhananjay Yellurkar
d. Mr. V. Narayanan Iyer
e. Mr. Amit Ruparelia

ii. Meetings of ALCO and attendance of ALCO Members

During the FY 2021-22, the ALCO met 6 times on June 29, 2021, August 25, 2021, December 1, 2021, January 28, 2022, February 17, 2022 and March 25, 2022

The attendance of the members at the ALCO meetings held during the FY 2021-22 is given in the table below:

Name of the Committee member	No. of ALCO meetings during the FY 2021-22	
	Held	Attended
Mr. Sadashiv S. Rao	6	6
Mr. Debabrata Mukherjee	6	6
Mr. Dhananjay Yellurkar	6	5
Mr. V. Narayana Iyer (w.e.f. October 28, 2021)	4	4
Mr. Sanjay Ajgaonkar (till August 31, 2021)	2	2
Mr. Amit Ruparelia	6	6

Remuneration of Directors

The Independent Directors are paid sitting fees, travelling, lodging and other incidental expenses for attending Meetings of Board / Committees. 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 pays sitting fees to the Independent Directors for attending meetings as per the following:

Attending Meeting of	Amount in Rs
Board	50,000 per meeting
Other Committees	25,000 per meeting

Details of sitting fees paid to the Independent Directors during the FY 2021-22 are given in the table below:

Name of the Director	Board Meeting	Independent Directors Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	CSR Meeting	IT Strategy Committee Meeting	Stakeholders Relationship Committee Meeting
Ms. Ritu Anand	3,50,000	25,000	1,00,000	1,00,000	1,25,000	75,000	NA
Mr. Ashwani Kumar	3,50,000	25,000	1,00,000	1,00,000	1,25,000	NA	25,000

The Board of Directors at their meeting held on August 5, 2022 approved payment of sitting fees to Mr. AKT Chari, Non-Executive Director in addition to the Independent Directors of the Company and revision in the sitting fees payable to them for Board and Committee meetings. The revised sitting fees payable to Independent Directors and Mr. AKT Chari for attending meetings is as follows:

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

Shareholders & General information

a. General Body Meetings

The particulars of the last three Annual General Meetings (AGMs) of the Company are provided in the below Table:

Details of AGM	Date and Time	Venue	Special resolutions passed
6th AGM	September 20, 2019 at 3.30 pm	3rd Floor, North Wing, UTI Tower, GN Block, Bandra Kurla Complex Mumbai 400051.	To approve re-appointment of Ms. Ritu Anand as Independent Director of the Company for second term.
7th AGM	June 24, 2020 at 5.00 pm	Through Video Conferencing on MS Teams	To approve issuance of Non-Convertible Securities, including but not limited to Non-Convertible Debentures ("NCDs") and Commercial Papers ("CPs"), on private placement basis,
8th AGM	September 21, 2021 at 2.00 pm	Through Video Conferencing on MS Teams	a. To approve limits under section 180(1) (c) of Companies Act, 2013 and powers; b. To approve limits under section 180(1) (a) of Companies Act, 2013 and powers

The details of Extraordinary General Meetings convened during the year are as follows:

Date and Time	Venue	Special resolutions passed
June 21, 2021 at 2.00 pm	Through Video Conferencing on MS Teams	To approve issuance of Non-convertible Debentures on private placement basis and filing of shelf prospectus.
March 22, 2022 at 12.45 pm	Through Video Conferencing on MS Teams	To approve Increase in the Authorized Share Capital of the Company and consequent alteration to the Memorandum of Association of the Company.
March 28, 2022 at 1.15 pm	Through Video Conferencing on MS Teams	a. To approve issue of Equity Shares on Preferential cum Private Placement basis; b. To approve issue of Preference Shares on Preferential cum Private Placement basis

Details of resolutions passed through Postal Ballot:

As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, no resolutions were passed by members of the Company through Postal Ballot.

Means of Communication

Financial Results & Other Communication	Quarterly, half-yearly and annual financial results are intimated to the National Stock Exchanges of India Limited and published in the Financial Express. The Financial Results are also uploaded on the website of the Company. A separate dedicated section 'Investors' is maintained on the website of the Company for ease of the shareholders. The information required to be disseminated by the Company in terms Listing Regulations are uploaded on the website of the Company. The Annual Report of the Company, the quarterly/ half- yearly and the Annual Financial Results are displayed on the Company's website at https://www.niififl.in/
Official news releases	The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange and the same is also uploaded on the website at https://www.niififl.in/
Website	All the information and disclosures required to be disseminated as per Regulation 62 of the Listing Regulations, Companies Act, 2013 and RBI guideline are being posted at Company's website https://www.niififl.in/
Designated E-mail address for investor services	To serve the investors better and as required under Listing regulations, the designated e-mail address for investors complaints is info@niififl.in
Details of Compliance Officer	Mr. Ankit Sheth Address: North Wing, 3rd Floor, UTI Tower, GN Block, Bandra Kurla Complex Mumbai 400 051 Phone No.: +91 2268591301 Email: ankit.sheth@niififl.in

General Shareholder Information

Date, Time and Venue of the 9th Annual General Meeting	September, 28, 2022 at 11 A.M. by way of video conferencing/ other audio visual means
Financial Year	2021-22
Dividend Payment Date	NA
Name and Address of Stock Exchanges where Company's securities are listed	The non-convertible securities and Commercial Papers of the Company are listed on the debt market segment of 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
Listing fees	Annual listing fees, as prescribed, have been paid to the said stock exchanges up to March 31, 2022.
Stock code	The equity shares of the Company are not listed on the Stock Exchange; hence the Stock code is not applicable.
Market price data- high, low during each month in last financial year;	Not applicable, as the equity shares of the Company are not listed.
Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc	Not applicable, as the equity shares of the Company are not listed.

In case the securities are suspended from trading, the directors report shall explain the reason thereof	During the FY 2021-22, none of the securities of the Company were suspended from trading
Share Registrar and Transfer Agents	In terms of Regulation 7 of the 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 Email: cprabhu@mcsregistrars.com Website: https://www.mcsregistrars.com All the securities of the Company are in dematerialised form, hence there are no physical transfer of securities.

Shareholding pattern and distribution of shareholding as on 31st March, 2022

Name of the Shareholder	No of equity share of face value 10/- each	% of shareholding
National Investment and Infrastructure Fund II and its nominees	546,350,979	53.03
Aseem Infrastructure Finance Limited	423,932,487	41.14
Housing Development Finance Corporation Limited	6,00,00,000	5.83
Total	**1,030,283,466**	**100.00**

Name of the Shareholder	No of CCPS	Face Value of CCPS (Rs.)	% of shareholding
President of India, represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India	8,79,27,757	21	100.00
President of India, represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India	257,069,408	27	100.00

Dematerialization of shares and liquidity	As on March 31, 2022, Equity Shares, Preference Shares, Non-Convertible Debentures (NCD's) and Commercial Papers were held in dematerialized mode.
Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;	As on March 31, 2022, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments.
Commodity price risk or foreign exchange risk and hedging activities;	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 enter into hedging activities.
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 mobilization of funds, whether in India or abroad.	The details are furnished in the Directors' Report forming part of the Annual 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)** **Link Intime India Pvt. Ltd.** Address: C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400083 Email: equityca@linkintime.co.in Website: http://www.linkintime.co.in **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: nikhil@idbitrustee.com **Company's correspondence details:** North Wing, 3rd Floor, UTI Tower, GN Block, Bandra Kurla Complex Mumbai 400 051 Phone No.: +91 2268591301 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/ authorization, obtained from other financial sector regulators	RBI's certificate of Registration no. N.13.02078 dated September 22, 2014
Area and country of operation	India

OTHER DISCLOSURES

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 forming part of the Annual Report. None of the transactions with any of 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 is 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 the year under review, as also during the last three years, 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 forming part of the Annual 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 requirements are mentioned below in point no. 'o' of this report.
e. **web link where policy for determining 'material' subsidiaries is disclosed**	The Company does not have any Subsidiary Company, hence formulation of Policy for determining Material Subsidiaries as per Regulation 16 of the Listing Regulations is not applicable for the Company.
f. **web link where policy on dealing with related party transactions**	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 https://www.niififl.in/
g. **disclosure of commodity price risks or foreign risk and commodity hedging activities.**	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 enter into hedging activities.
h. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**	Not Applicable
i. **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.**	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 has 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.
j. **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**	During the financial year under review, all the recommendation of the various Committees were accepted by the Board.
k. **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**	Total fees paid by the Company during the FY 2021-22 to the Statutory Auditors including all entities in their network firm/entity of which they are a part, is given below:

Sr. No	Particulars	Amount (Rs. in crore)
	M/s. S. R. Batliboi & Co. LLP	
1.	Statutory Audit Fee	0.03
	M/s. Lodha & Co	
1.	Statutory Audit Fee	0.24
2.	Tax Audit Fees	0.02
3.	Other Certifications	0.01

l. **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 disposed of during the financial year
	Nil	Nil	Nil

m. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

The Company is a High Value Debt Listed Entity ("HVDLE") pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 dated September 7, 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 7, 2021. The Company has been submitting the quarterly corporate governance compliance report to the stock exchange as required under regulation 27(2) of the Listing Regulations from the applicable period.

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 Listing Regulations. The said Certificate is attached as **Annexure B** and forms part of this Report.

n. Compliance certificate from chief executive officer and the chief financial officer under Listing Regulations

The Chief Executive Officer and Chief Financial Officer have certified to the Board with regard to the financial statements and internal controls relating to financial reporting for the year ended March 31, 2022 as required under the Listing Regulations. The said Certificate is attached as **Annexure C** and forms part of this Report.

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 Listing Regulations applicable to the Company being a High Value Debt Listed Company. The Company has also complied with the discretionary requirements as under:

- **Modified opinion(s) in audit report**
  The Company confirms that its financial statements have unmodified audit opinion.

- **Reporting of internal auditor**
  The internal auditors of the Company directly report to the Audit Committee.

- **Separate posts of Chairperson and the Chief Executive Officer**
  The Company has appointed separate persons to the post of the Chairperson and the Chief Executive Officer, such that the Chairperson shall be a Non-Executive Director; and 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 Director of the Company has resigned before the expiry of his/her respective tenure(s) during the FY 2021-22.

r. Disclosures with respect to demat suspense account/ unclaimed suspense account:

Not Applicable.

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, 2022 have been debarred or disqualified from being appointed or continuing as Director of the Companies 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.	*Ms. Ritu Anand	05154174	Independent Director	24-04-2017
2.	$Mr. A K T Chari	00746153	Nominee Director	12-03-2019
3.	Mr. Rajiv Dhar	00073997	Nominee Director	12-03-2019
4.	Mr. Surya Prakashrao Pendyala	02888802	Nominee Director	12-03-2019
5.	Mr. Ashwani Kumar	02870681	Independent Director	30-09-2020
6.	#Ms. Rosemary Sebastian	07938489	Independent Director	07-06-2022

** Ms. Ritu Anand was appointed as Non-Executive Director with effect from October 28, 2015 and thereafter she was appointed as Independent- Non -Executive Director with effect from April 24,2017. Further, she retired from the post of Director of the Company w.e.f. 6th May, 2022*

$Mr. A K T Chari was appointed as Independent Non-Executive Director of the Company with effect from October 28, 2015 till October 27, 2018 and thereafter appointed as Non-Executive Director with effect from March 12, 2019.

 # Ms. Rosemary Sebastian was appointed as the Director of the Company w.e.f. 7th June, 2022.

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
FCS 8568
COP No. 10286
UDIN: F008568D000747185

Place: Mumbai
Date: August 5, 2022

ANNEXURE B

CERTIFICATE ON 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 ('the Company') for the year ended March 31, 2022 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For RATHI & ASSOCIATES
COMPANY SECRETARIES

NEHA R LAHOTY
PARTNER
FCS 8568
COP No. 10286
UDIN: F008568D000747339

Place: Mumbai
Date: August 5, 2022

ANNEXURE C

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors of
NIIF Infrastructure Finance Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of the Company, to the best of our knowledge and belief certify that:

a. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2022 and that to the best of our knowledge and belief:

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

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

b. 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, other than those specifically disclosed.

c. 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.

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

   i. there have been no significant changes in internal control over financial reporting during this year;

   ii. there have been no significant changes in accounting policies during this year; and

   iii. there have been no instances of significant fraud of which we have become aware and the

   iv. involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-	Sd/-
Shiva Rajaraman	**V. Narayanan Iyer**
Chief Executive Officer	**Chief Financial Officer**

Place: Mumbai
Date: August 5, 2022

ANNEXURE D

DECLARATION BY CHIEF EXECUTIVE OFFICER

[Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

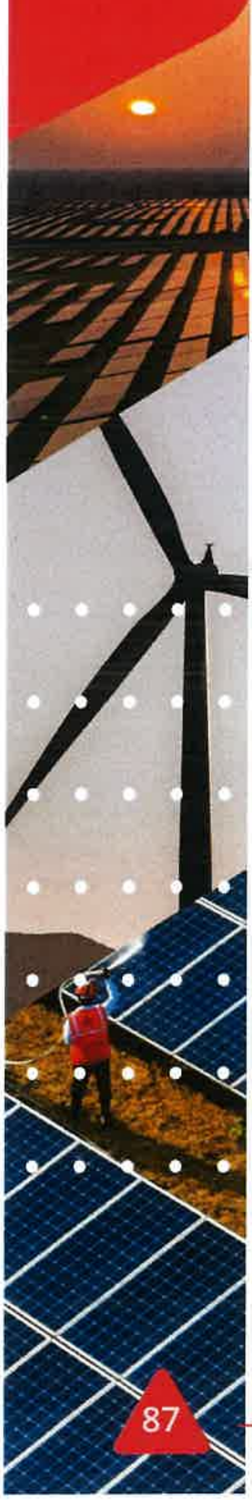
To,
The Board of Directors,
NIIF Infrastructure Finance Limited

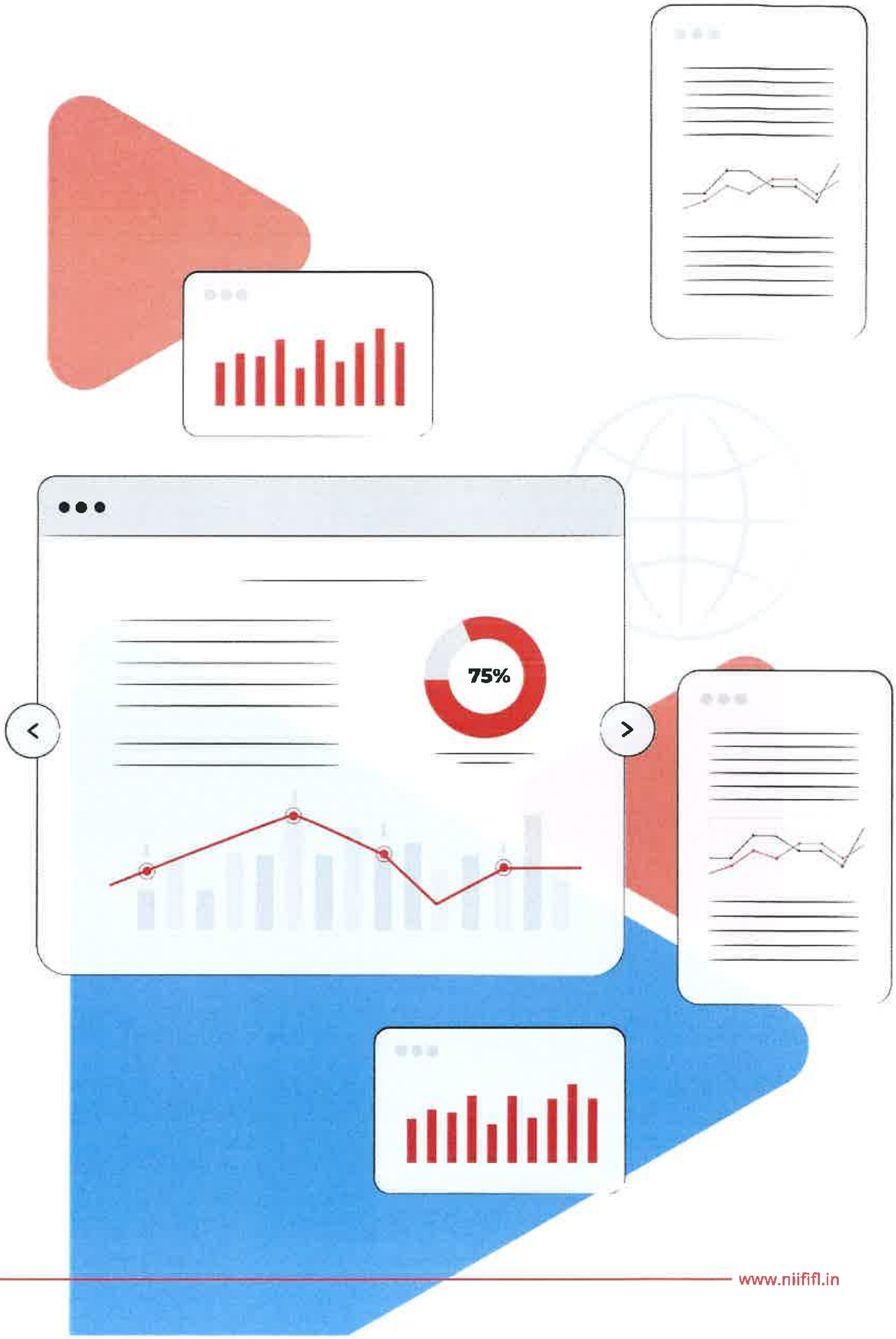
I, Shiva Rajaraman, Chief Executive Officer of NIIF Infrastructure Finance Limited hereby declare that, all the Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct of the Company laid down for them for the year ended March 31, 2022.

Sd/-
Shiva Rajaraman
Chief Executive Officer

Place: Mumbai
Date: August 5, 2022

FINANCIAL REPORT





INDEPENDENT AUDITOR'S REPORT

To,
The Members,
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, 2022, 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 significant 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, 2022, 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, 2022. 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.

Sr. No	Key Audit Matters	Auditor's response
1	**Impairment of financial assets - provision for expected credit losses** As on March 31, 2022, loans and investments carried at amortised cost amounts to Rs. 9,940 lakhs (As at March 31, 2021 – Rs. 5,328 lakhs). [Refer Note no. 2 & 31 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 instrument involves significant judgement and estimates. 1. 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. 2. Model estimations – Judgmental model used to estimate ECL which involves determination of Probability of Default (PD), Loss given default (LGD) and Exposure at default (EAD). Further, in light of the business disruption caused due to COVID-19, the management has done an assessment of the impact on the ECL on the above-mentioned financial assets. The management using certain assumptions and estimates, applied management overlays to arrive at a probable impact on COVID-19 on the ECL provision. Given the complexity and significant judgement and the uncertainty of impact of COVID-19 involved in the estimation of expected credit losses on loans, we have considered this area as a key audit matter.	**Audit Procedure performed:** We performed the following key audit procedures: • Performed process walkthroughs to identify the key systems, applications and controls used in the impairment allowance processes. • Testing 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. • Testing the Company's Controls over authorization and calculations of management overlays. • We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status performed inquiries with the Company's management and its risk management function to assess the impact of Covid-19 on the business activities of the Company and its loans portfolio. • Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards, RBI's master directions relating to Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings. • We tested the arithmetical accuracy of the computation of ECL provision performed by the Company in spreadsheets. • Assessing whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in financial statements are appropriate and sufficient.

Information Other than the Financial Statements and Auditor's 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 Board's Report including annexures to the Board report but does not include the financial statement and our auditor's report thereon.

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 Board report including annexures to the Board report, 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 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 accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

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 Management is 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 are also responsible for overseeing the Company's financial reporting process.

Auditor's 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 SAs 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 judgment 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 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 standalone 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.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope pf our audit work and in evaluating the results of our work and (ii) to evaluate the effect of ant identified misstatements in 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 current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Other Matters:

1. The financial statements of the Company for the year ended March 31, 2021 included in these financial statements, have been audited by the predecessor independent auditor who has expressed an unmodified opinion on these statement on May 19, 2021.

2. We draw your attention to the Note 33 to the financial statement regarding the assessment made by management relating to impact of COVID-19 pandemic on the operations of the Company.

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.

    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.

    c. 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.

    d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e. On the basis of the written representation received from the directors as on March 31, 2022 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a Directors in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 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 of the Act are not applicable to the Company.

h. With respect to the 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 has disclosed the impact of pending litigations on its financial performance in its financial statements. Refer note no 27 to standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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 theri 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.

v. The Company has not declared or paid dividend during the financial year 2021-22. Accordingly, reporting under rule 11 (f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner

Place: Mumbai
Date: May 06, 2022

Membership No. 44101
UDIN: 22044101AIMTCG5690

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:

i. a. In respect of Company's Property, Plant and Equipment and Intangible Assets:

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

B The Company does not hold any intangible assets as on March 31, 2022 and hence reporting under clause 3(i)(a)(B) is not applicable.

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

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements included under property, plant and equipment (other than properties where the company is lessee and lease agreements are duly executed in favour of the Company) are held in the name of the Company.

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

e. In our opinion and according to the information and explanations given to us, no proceedings have been initiated during the year or are pending as at March 31, 2022 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 [Refer to note no. 34(c) of the financial statements].

ii. a. The Company is engaged in providing financial services primarily into non-banking financial services (NBFC). Accordingly, it does not hold any inventories and hence reporting under clause 3(ii)(d) of the Order is not applicable to the Company.

b. According to the information and explanations given to us, the Company has not been sanctioned working capital limit in excess of Rs. 5 crores on the basis of security of current assets from banks and financial institutions during the year and hence Accordingly, the provisions of clause 3(ii)(b) of the Order are not applicable to the Company.

iii. 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:

a. The Company is engaged in providing financial services primarily into non-banking financial services (NBFC). Accordingly, Clause 3(iii)(a) and 3(iii)(e) of the Order are not applicable to the Company.

b. According to the information and explanations given to us, the Company has not made any investments, nor given any guarantee or nor provided any security during the year. The terms and conditions of the loans granted during the year 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. 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 during the year. Accordingly, clause 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, no 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 have been accepted by the Company and hence reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, 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.

vii. a. According to the information and explanations given to us and on the basis of our examination of the records, 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 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. According to the information and explanations given to us, there are no statutory dues mentioned in clause vii (a) which have been not deposited on account of any dispute.

viii. According to the information and explanation given to us, 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.

ix. 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. On the basis of information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.

c. In our opinion and according to the information and explanations given to us, the term loans (by way of issuance of non-convertible debentures) have been applied for the purposes they have been raised.

d. On an overall examination of the financial statements, in our opinion the Company has not utilized funds raised on short term basis for long term purposes.

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

x. a. In our opinion and according to the information and explanations given to us, the Company has utilized the monies raised by way of debt instruments in the nature 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. According to the information and explanations given to us and based on our examination of the records, the Company has complied with provisions of section 62 of the Act in respect of the preferential allotment and private placement of shares (According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any allotment of fully or partly convertible debentures during the year).

xi. 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 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. Based on our audit procedures performed and according to the information and explanation given to us, 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.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, 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 standalone financial statements as required by the applicable Accounting Standard (Refer to note no. 32 of the financial statements).

xiv. a. In Our opinion and according to the information and explanations given to us, 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.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.

xvi. a. The Company being a NBFC- IDF 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, the clause 3(xvi)(b) and (c) of the Order is not applicable to the Company.

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

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

xviii. There has been a resignation of the statutory auditors of the Company during the year. (There were no issues, objections or concerns raised by the outgoing auditors) and hence reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. 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 we neither give any guarantee nor any 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.

xx. According to the information and explanations given to us, there are no amounts unspent in respect of corporate social responsibility towards ongoing or other than ongoing projects. Accordingly, reporting under Clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

xxi. Since the Company does not have any subsidiary, joint venture and associate, it is not required to prepare consolidated financial statements. Accordingly, reporting under Clause 3(xxi) the Order is not applicable to the Company.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner

Place: Mumbai
Date: May 06, 2022

Membership No. 44101
UDIN: 22044101AIMTCG5690

Meaning of Internal Financial Controls Over Financial Reporting

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

A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; and (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 standalone financial statements (4) also provide reasonable by the internal auditors through their internal audit reports given to the organisation from time to time.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria 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.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. - 301051E

R. P. Baradiya
Partner

Place: Mumbai
Date: May 06, 2022

Membership No. 44101
UDIN: 22044101AIMTCG5690

NIIF INFRASTRUCTURE FINANCE LIMITED

Balance Sheet as at March 31, 2022

(₹ in lakhs)

	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
I Financial assets			
(a) Cash and cash equivalents	1	1,24,155	74,006
(b) Loans	2	14,09,300	8,42,342
(c) Other financial assets	3	25	77
		15,33,480	**9,16,425**
II Non Financial assets			
(a) Current tax assets (Net)	4	11,522	8,475
(b) Property, plant and equipment	5a	65	136
(c) Right of use assets	5b	-	202
(d) Intangible assets under development	5c	85	-
(e) Other non-financial assets	6	158	100
		11,830	**8,913**
Total assets		**15,45,310**	**9,25,338**
LIABILITIES AND EQUITY			
LIABILITIES			
I Financial liabilities			
(a) Payables			
(I) Trade payables	7		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		381	431
(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		-	-
(b) Debt Securities	9	12,32,274	7,36,993
(d) Other financial liabilities	10	768	682
		12,33,423	7,38,106
II Non-Financial liabilities			
(a) Provisions	11	200	69
(b) Other non-financial liabilities	12	193	165
		393	234
EQUITY			
(a) Equity share capital	13A	1,03,028	91,573
(b) Instruments Entirely Equity in Nature	13A	87,874	18,465
(c) Other equity	13B	1,20,592	76,960
		3,11,494	1,86,998
Total liabilities and equity		**15,45,310**	**9,25,338**

The accompanying notes are an integral part of these financial statements (See notes 1 to 40)

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
ICAI Firm Registration No. 301051E

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

R. P. Baradiya
Partner

Surya Prakash Rao Pendyala
Chairman

Rajiv Dhar
Director

Sadashiv S Rao
Chief Executive Officer

Narayanan Iyer
Chief Financial Officer

Place: Mumbai
Date: 6th May,2022

Ankit Sheth
Company Secretary

NIIF INFRASTRUCTURE FINANCE LIMITED

Statement of Profit and Loss for year ended March 31, 2022

(₹ in lakhs)

		Notes	For year ended March 31, 2022	For year ended March 31, 2021
	Revenue from operations			
	Interest income	14	97,719	70,445
	Net gain on derecognition of financial instruments under amortised cost category	15	-	1,030
I	**Total revenue from operations**		**97,719**	**71,475**
II	Other income	16	712	93
III	**Total income (I+II)**		**98,431**	**71,568**
	Expenses			
	Finance costs	17	67,697	53,278
	Fees and commission expense	18	36	38
	Impairment on financial instruments	19	4,613	2,764
	Employee benefits expenses	20	1,481	1,368
	Depreciation, amortisation and impairment	5 & 21	243	281
	Other expenses	22	1,036	664
IV	**Total expenses**		**75,106**	**58,393**
V	**Profit before tax (III - IV)**		**23,325**	**13,175**
VI	**Income Tax expense**	23	-	-
	Current tax		-	-
	Deferred tax		-	-
	Total tax expenses		-	-
VII	**Profit for the year (V - VI)**		**23,325**	**13,175**
VIII	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of post-employment benefit obligations		(15)	35
	- 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)		**(15)**	**35**
IX	**Total comprehensive income for the year (VII + VIII) (Comprising profit and other comprehensive income for the year)**		**23,310**	**13,210**
X	**Earnings per equity share (nominal value of share- ₹ 10 each)**			
	Basic (₹)		**2.54**	**1.96**
	Diluted (₹)		**2.31**	**1.96**

The accompanying notes are an integral part of these financial statements (See notes 1 to 40)

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
ICAI Firm Registration No. 301051E

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

R. P. Baradiya
Partner

Surya Prakash Rao Pendyala
Chairman

Rajiv Dhar
Director

Sadashiv S Rao
Chief Executive Officer

Narayanan Iyer
Chief Financial Officer

Place: Mumbai
Date: 6th May,2022

Ankit Sheth
Company Secretary

NIIF INFRASTRUCTURE FINANCE LIMITED

Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

	For year ended March 31, 2022	For year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	23,325	13,175
Adjustments for:		
Depreciation and amortisation	243	281
Interest on Debt Security - EIR Adjustments	297	105
Interest on Loan - EIR adjustement	(1,112)	(379)
Net (gain) / loss on sale of property, plant and equipments	(2)	(2)
Write back of liabilities no longer payable	(219)	-
Interest on Borrowings other than debt securities (Ind AS 116 impact)	14	42
Impairment on financial instruments	4,613	2,764
Operating profit before working capital changes	**27,159**	**15,986**
Changes in working capital:		
(Decrease)/Increase in trade payables	(50)	(15)
(Increase)/Decrease in other financial assets	356	(41)
(Decrease)/Increase in other financial liabilities	86	(154)
Increase/(Decrease) in Provision	131	68
Increase/(Decrease) in other non financial liabilities	28	11
Increase/(Decrease) Interest accrual on debt securities	7,767	5,031
(Increase)/Decrease in non-financial assets	(73)	12
(Increase)/Decrease in loans	(5,70,458)	(2,03,983)
Cash flow generated from/(used in) operations	**(5,35,056)**	**(1,83,085)**
(Payment) of tax (net)	(3,047)	(4,232)
Net Cash flow generated from/(used in) operations (A)	**(5,38,103)**	**(1,87,317)**
B. Cash flows from investing activities		
Purchase of property, plant and equipment/intangible assets	(97)	(10)
Sale of property, plant and equipments	2	2
Net cash flow generated from/(used in) investing activities (B)	**(95)**	**(8)**
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital (including Security Premium)	31,784	72,000
Proceeds from issuance of CCPS	69,415	18,500
Share Issue expense	(7)	(29)
Proceeds from debt securities issued (Net)	4,87,217	1,45,335
Payment for the lease liablitiy	(62)	(205)
Net cash generated from/(used in) financing activities (C)	**5,88,347**	**2,35,601**
Net Increase in cash and cash equivalents (D) = (A + B + C)	**50,149**	**48,276**
Cash and cash equivalents at the beginning of the Year (E)	74,006	25,730
Cash and cash equivalents at the end of the Year (F) = (D) + (E)	**1,24,155**	**74,006**
Cash and cash equivalents include the following		
Balances with banks in current account	9,600	1,003
Fixed deposits with maturity less than 3 months	1,14,555	73,003
Fixed deposits with maturity exceeding than 3 months	-	-
Total cash and cash equivalents	**1,24,155**	**74,006**

The accompanying notes are an integral part of these financial statements (See notes 1 to 40)

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
ICAI Firm Registration No. 301051E

R. P. Baradiya
Partner

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

Surya Prakash Rao Pendyala
Chairman

Rajiv Dhar
Director

Sadashiv S Rao
Chief Executive Officer

Narayanan Iyer
Chief Financial Officer

Place: Mumbai
Date: 6th May,2022

Ankit Sheth
Company Secretary

A1 Equity share capital

(₹ in lakhs)

	Note	Number	Amount
As At March 31, 2020		**54,00,00,000**	**54,000**
Issued during the year	13	37,57,30,161	37,573
Changes in Equity Share Capital due to prior period errors		-	-
Restated balance at the beginning of the previous reporting period		-	-
As At March 31, 2021		**91,57,30,161**	**91,573**
Issued during the year	13	11,45,53,305	11,455
As At March 31, 2022		**1,03,02,83,466**	**1,03,028**

A2 Compulsorily convertible preference share capital

(₹ in lakhs)

	Note	Number Series I	Amount	Number Series II	Amount
As At March 31, 2020		-	-	-	-
Issued during the year	14	8,79,27,757	18,465	-	-
As At March 31, 2021		**8,79,27,757**	**18,465**	-	-
Issued during the year	14	-	-	25,70,69,408	69,409
As At March 31, 2022		**8,79,27,757**	**18,465**	**25,70,69,408**	**69,409**

A3 Other equity

(₹ in lakhs)

	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, 2020	-	6,141	4	23,112	88	29,345
Premium on shares issued	34,462	-	-	-	-	34,462
Transfers to Special reserve u/s. 45-IC of the RBI Act, 1934	-	2,642	-	(2,642)	-	-
Share capital issue expenses	(25)	-	-	(32)	-	(57)
Changes in reserves due to prior period errors	-	-	-	-	-	-
Other comprehensive income	-	-	-	35	-	35
Profit for the year	-	-	-	13,175	-	13,175
As at March 31, 2021	34,437	8,783	4	33,648	88	76,960
Profit for the year	-	-	-	23,325	-	23,325
Transfers to Special reserve u/s. 45-IC of the RBI Act, 1934	-	4,662	-	(4,662)	-	-
Premium on shares issued	20,329	-	-	-	-	20,329
Share capital issue expenses	(7)	-	-	-	-	(7)
Other comprehensive income	-	-	-	(15)	-	(15)
As At March 31, 2022	54,759	13,445	4	52,296	88	1,20,592

The accompanying notes are an integral part of these financial statements (See notes 1 to 40)
As per our attached report of even date

For Lodha & Co.
Chartered Accountants
ICAI Firm Registration No. 301051E

R. P. Baradiya
Partner

Place: Mumbai
Date: 6th May,2022

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

Surya Prakash Rao Pendyala
Chairman

Rajiv Dhar
Director

Sadashiv S Rao
Chief Executive Officer

Narayanan Iyer
Chief Financial Officer

Ankit Sheth
Company Secretary

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 financial statement for the year ended March 31, 2022 were authorised for issue in accordance with a resolution of the directors on May 06, 2022.
As per RBI regulations, the Sponsor of the Company is M/s Aseem Infrastructure Finance Limited, which is a NBFC-Infrastructure Finance Company reistered with RBI. The majority shareholder 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 Significant accounting policies

The principal accounting policies applied in the preparation of these 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 financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 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 financial statements have been prepared on a historical cost basis, except for the following:
• certain financial assets and liabilities (including derivative instruments) is 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 lakhs 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. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Company presents its balance sheet in the order of liquidity. .This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 35. 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.

B Policy on segment

The Company operates in a single reportable segment i.e. lend/invest in 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). In a manner consistent with 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.

Depreciation methods, estimated useful lives and residual value

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)	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 residual values are not more than 5% of the original cost of the asset.

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 generally 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. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Shortterm leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

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 ofeach 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. The income of the Company, being IDF-NBFC, is exempt under section 10(47) of the Income Tax Act, 1961, with effect from October, 2014.

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 financial to identify whether they meet the SPPI test, where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, 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, when representing a return on such investments, 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.

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.

The Company has issued Compulsorily Convertible Preference Shares (CCPS) - Tranche I & Tranche II in March'21 & March'22 respectively. The CCPS do not carry any voting rights. 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. CCPS have liquidation preference over Equity Shares, in accordance with the Insolvency and Bankruptcy Code, 2016.

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. The details are available in Note 34 to the financial statements.

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 35 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, superannuation fund. Defined Employee benefits includes gratuity fund, compensated absences and long term incentive plans.

Defined contribution plan

The Company pays contribution to provident fund, superannuation 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.

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 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.

N New Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its financial statements.

1 Cash and cash equivalents

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
In current accounts	9,600	1,003
In deposit accounts (with original maturity less than 3 months)	1,14,555	73,003
Total	**1,24,155**	**74,006**

2 Loans (At amortised costs)

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Term loans	11,20,186	6,60,863
Debt Securities	2,95,591	1,82,311
Total Loans (*)	**14,15,777**	**8,43,175**
Interest accrued on loans	946	499
Interest accrued on debt securities	2,517	3,996
Total Gross Loans	**14,19,240**	**8,47,670**
Less: Impairement loss allowance	(9,940)	(5,328)
Total Net Loans	**14,09,300**	**8,42,342**
(*) The loans outstanding before adjustment of Effective Interest Rate, Premium Amortisation and Discount Accretion	**14,20,055**	**8,46,120**
(a) The above amount includes:		
(i) Secured by tangible assets	14,19,240	7,69,710
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank / Government guarantees		
(iv) Unsecured		
Total- Gross	**14,19,240**	**7,69,710**
Less: Impairement loss allowance	(9,940)	(5,328)
Total- Net	**14,09,299**	**7,64,382**
(b) Loans in India	**14,09,299**	**7,64,382**

3 Other financial assets

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Receivables from Group Company	-	52
Deposits	25	25
Total	**25**	**77**

4 Current tax assets (Net)

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Advance payment of income tax	11,522	8,475
Net of provision for tax is ₹ 10,924 lakhs(Previous year ₹ 10,924 lakhs)		
Total	**11,522**	**8,475**

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 amounting to ₹ 10,801 lakhs had been provided for in the financial statements of year ended March 31, 2020.

5 a Property, plant and equipment

As at March 31, 2022 (₹ in lakhs)

	Gross block				Accumulated depreciation				Net block	
	Balance as at April 1, 2021	Additions	Disposals	Balance as at Mar 31, 2022	Balance as at April 1, 2021	Depreciation charge for the year/period	On disposals	Balance as at Mar 31, 2022	Balance as at Mar 31, 2022	Balance as at March 31, 2021
Freehold Land (Refer note below)	4	-	-	4	-	-	-	-	4	4
(Previous year)	(4)	-	-	(4)	-	-	-	-	(4)	-
Vehicles (owned)	94	-	38	56	80	8	38	50	7	15
(Previous year)	(142)	-	(47)	(95)	(107)	(20)	(47)	(80)	(15)	
Computers	58	9	-	67	23	12	-	35	32	35
(Previous year)	(50)	(8)	-	(58)	(13)	(10)	-	(23)	(35)	
Office Equipments	13	3	1	15	8	2	-	10	5	5
(Previous year)	(10)	(3)	-	(13)	(6)	(2)	-	(8)	(5)	
Leasehold Improvements	176	-	-	176	101	59	-	161	15	74
(Previous year)	(176)	-	-	(176)	(42)	(59)	-	(101)	(75)	-
Furniture	4	-	-	4	1	0	-	1	3	3
(Previous year)	(4)	-	-	(4)	(1)	(0)	-	(1)	(3)	(3)
Total tangible assets	**348**	**12**	**39**	**322**	**213**	**82**	**38**	**257**	**65**	**136**
(previous year)	**(386)**	**(10)**	**(47)**	**(349)**	**(168)**	**(92)**	**(47)**	**(213)**	**(136)**	

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

5 b Right of use assets

As at March 31, 2022 (₹ in lakhs)

	Gross block				Accumulated depreciation				Net block	
	Balance as at April 1, 2021	Additions	Disposals	Balance as at Mar 31, 2022	Balance as at April 1, 2021	Amortisation charge for the year/period	On disposals	Balance as at Mar 31, 2022	Balance as at Mar 31, 2022	Balance as at March 31, 2021
Right of use Assets (Buildings)	525	-	41	485	323	161	-	485	-	202
(Previous year)	(537)	-	(12)	(525)	(135)	(189)	-	(324)	(202)	-
Total Right of use Assets (Buildings)	**525**	**-**	**41**	**485**	**323**	**161**	**-**	**485**	**-**	**202**
(previous year)	**(537)**	**-**	**(12)**	**(525)**	**(135)**	**(189)**	**-**	**(324)**	**(202)**	**-**

5 c

	March 31,2022	March 31,2021
Intangible assets under development		
Loan Management Software	85	-
Total Intangible assets under development	**85**	**-**

	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	85	-	-	-	85
Projects temporarily suspended	-	-	-	-	-

6 Other non-financial assets (₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	99	61
Supplier Advance	13	32
Other Advance	46	7
	158	**100**

7 Trade payables* (₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	381	431
Total	**381**	**431**

Trade Payables ageing schedule	Outstanding as on 31, March 2022 from due date of payment				
Particulars	< 1 year	1 to 2 Years	2 to 3 Years	> 3 Years	Total
MSME	-	-	-	-	-
Others	381	-	-	-	381
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule	Outstanding as on 31, March 2021 from due date of payment				
Particulars	< 1 year	1 to 2 Years	2 to 3 Years	> 3 Years	Total
MSME	-	-	-	-	-
Others	431	-	-	-	431
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

(₹ in lakhs)

8 Other payables*

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro	-	-
	-	-

*Refer note 34 (c)

9 Debt Securities (₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
At Amortised cost		
Debentures (Secured, non convertible)(*) fully paid up, privately placed	11,75,337	7,12,642
Commercial papers (unsecured)	24,820	
Interest accrued but not due	32,117	24,351
Total (A)	**12,32,274**	**7,36,993**
(*) The borrowings outstanding before adjustment of unamortised fees under Effective Interest Rate	12,03,300	7,13,300
Debt securities in India	12,32,274	7,36,993
Debt securities outside India	-	-
Total (B)	**12,32,274**	**7,36,993**
Face value per debenture	10,00,000	10,00,000

Maturity profile of Borrowings is set out below:

(₹ in crores)

	Rate of interest range			
Based on Original Maturity	**4% to 6%**	**6% to 8%**	**8% to 10%**	**Grand Total**
1) Less than 1 year	250	-	-	250
2) 1Year to 3Years	550	-	-	550
3) 3Years to 5Years	-	105	150	255
4) >5Years	-	7,386	3,592	10,978
Grand Total	800	7,491	3,742	12,033

10 Other financial liabilities (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Finance Lease Obligations	-	242
Advance receipts from borrowers	768	440
Total	**768**	**682**

11 Provisions (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	43	-
Provision for compensated absences	68	35
Provision for long term incentive plan	89	34
Total	**200**	**69**

12 Other non-financial liabilities (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	193	165
Total	**193**	**165**

13 A Share capital

	As at March 31, 2022		As at March 31, 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised shares				
Equity shares of ₹ 10 each	1,81,50,00,000	1,81,500	1,81,50,00,000	1,81,500
Compulsorily convertible preference shares of ₹ 21 each (Series I)	8,80,95,238	18,500	8,80,95,238	18,500
Compulsorily convertible preference shares of ₹ 27 each (Series II)	25,92,59,259	70,000	-	-
Issued, subscribed & fully paid-up shares				
Equity shares of ₹ 10 each	1,03,02,83,466	1,03,028	91,57,30,161	91,573
Compulsorily convertible preference shares of ₹ 21 each (Series I)	8,79,27,757	18,465	8,79,27,757	18,465
Compulsorily convertible preference shares of ₹ 27 each (Series II)	25,70,69,408	69,409	-	-
Total		1,90,902		1,10,038

(a) Movements in equity share capital.

	As at March 31, 2022		As at March 31, 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
Outstanding at the beginning of the year	91,57,30,161	91,573	54,00,00,000	54,000
Issued during the year (*)	11,45,53,305	11,455	37,57,30,161	37,573
Outstanding at the end of the year	1,03,02,83,466	1,03,028	91,57,30,161	91,573

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

	Number	₹ in lakhs	Number	₹ in lakhs
Outstanding at the beginning of the year	8,79,27,757	18,465	-	-
Issued during the year (*)	-	-	8,79,27,757	18,465
Outstanding at the end of the year	8,79,27,757	18,465	8,79,27,757	18,465

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

	Number	₹ in lakhs	Number	₹ in lakhs
Outstanding at the beginning of the year	-	-	-	-
Issued during the year (*)	25,70,69,408	69,409	-	-
Outstanding at the end of the year	25,70,69,408	69,409	-	-

(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 is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend. Such dividend is not recognised as a liability at the Balance Sheet date.

(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

(e) Details of shares held by the promoter entity

	As at March 31, 2022		As at March 31, 2021	
	Number	% of Holding	Number	% of Holding
	-	-	-	-

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

Equity shares

	As at March 31, 2022		As at March 31, 2021	
	Number	% of Holding	Number	% of Holding
National Investment & Infrastructure Fund II and its nominees	54,63,50,979	53.03%	54,63,50,979	59.66%
Aseem Infrastructure Finance Limited	42,39,32,487	41.15%	30,93,79,182	33.78%
Housing Development Finance Corporation Limited	6,00,00,000	5.82%	6,00,00,000	6.55%

0.001% Compulsorily Convertible Preference Shares (Series I)

President of India (*)	8,79,27,757	100.00%	8,79,27,757	100.00%

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

0.001% Compulsorily Convertible Preference Shares (Series II)

President of India (*)	25,70,69,408	100.00%	-	-

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

13 B Other Equity

		As at March 31, 2022	As at March 31, 2021
(a)	Surplus in the statement of profit and loss	52,296	33,648
(b)	Securities premium (*)	54,759	34,437
(c)	General Reserves	88	88
(d)	Special reserve u/s. 45-IC of the RBI Act, 1934	13,445	8,783
(e)	Impairment Reserve	4	4
	Total	**1,20,592**	**76,960**
(a)	**Surplus in the Statement of Profit and Loss**		
	Opening balance	33,648	23,112
	Net profit for the year	23,325	13,175
	Items of other comprehensive income recognised directly in retained earnings	-	-
	- Remeasurements of post-employment benefit obligations, net of tax	(15)	35
	Transfer to Special Reserve u/s. 45-IC of RBI Act, 1934	(4,662)	(2,642)
	Share capital issue expenses	-	(32)
	Closing balance	**52,296**	**33,648**
(b)	**Securities Premium**		
	Opening balance	34,437	-
	Changes during the year (*)	20,329	34,462
	Share capital issue expenses	(7)	(25)
	Closing balance	**54,759**	**34,437**
(c)	**General Reserve**		
	Opening balance	88	88
	addition		
	Closing balance	**88**	**88**
(d)	**Special Reserve u/s. 45-IC of RBI Act,1934**		
	Opening balance	8,783	6,141
	Appropriations during the year	4,662	2,642
	Closing balance	**13,445**	**8,783**
(e)	**Impairment Reserve**		
	Opening balance	4	4
	Appropriations during the year	-	-
	Closing balance	**4**	**4**
	Total	**1,20,592**	**76,960**

Nature and purpose of reserve

a) Securities premium

Securiles 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. General reserve are created upon cancellation of Employee Stock Options (ESOPS)

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. The Company makes this provision anually as of 31st March

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'

14 Interest Income

(₹ in lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial assets measured at amortised costs		
Interest on loans	95,466	68,237
Interest on deposit	2,253	2,208
Total	97,719	70,445

15 Net gain on derecognition of financial instruments under amortised cost category

(₹ in lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
- Loans	-	1,030
Total	-	1,030

16 Other Income

(₹ in lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Shared Service Cost Recovery	67	91
Profit on sale of asset	2	2
Interest on Income Tax Refunds	414	-
Miscellaneous Income*	229	-
Total	712	93

* Includes 219 lakhs due to write back of liabilities no longer payable

17 Finance Costs
On financial liabilities measured at amortised costs

(₹ in lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		
(i) Debt securities	67,519	53,114
(ii) Lease Liabilities	14	42
Other borrowing cost (Rating fee & Other expenses)	164	122
Total	67,697	53,278

18 Fees and commission expense

(₹ in lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Commission paid to project authorities	36	38
	36	38

19 Impairment on financial instruments

	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial instruments measured at amortised costs		
Term loans & Debentures	4,613	2,764
Total	4,613	2,764

20 Employee benefits expense

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	1,337	1,257
Contribution to gratuity fund	34	28
Contribution to provident and other funds	84	78
Staff welfare expenses	26	5
Total	1,481	1,368

21 Depreciation, amortisation and impairment

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment	82	92
Amortisation of right of use	161	189
Total	243	281

22 Other expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Professional fees	258	125
Rates and taxes	243	113
Computer and IT related expenses	110	104
Insurance charges	39	23
Electricity charges	13	13
Travelling and conveyance	11	(0)
Printing and stationery	2	1
Communication costs	6	8
Stamp duty and registration fees	31	7
Directors' sitting fees	16	12
Contribution towards corporate social responsibility (CSR)	256	211
Donations	10	-
Auditor's remuneration	31	29
Advertising & publicity	5	12
Miscellaneous expenses	5	6
Total	1,036	664

(a) Breakup of Auditors' remuneration

Audit fees	27	18
Tax audit fees	2	1
Other Services	2	9
Out-of-pocket expenses	-	1
	31	29

(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 ₹ 256 lakhs (previous year ₹ 211 lakhs). Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is ₹ 256 lakhs (previous year ₹ 211 lakhs), which comprise of following:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	256	211
(iii) On purposes other than (i) above- unspent balance for FY 2019-20	-	-
Total	256	211

(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 & Education	Promoting Healthcare & Education.
(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

a) The components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

(₹ in lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	-	-
Deferred tax	-	-
Total	-	-

b) Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2022 and March 31, 2021 is, as follows:

(₹ in lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit before tax	23,325	13,175
Tax effect of the amount which are not taxable in calculating taxable income:		
- Income exempted under section 10(47) of Income Tax Act, 1961	23,325	13,175
Income tax expense at effective tax rate	-	-
Effective tax rate	0%	0%

^Refer note 4 on Current tax assets

24. Employee benefit obligations

(₹ in lakhs)

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 lakhs)

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	March 31, 2022	March 31, 2021
Provident fund	55	49
Pension fund	29	28

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 lakhs)

	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2020	416	384	32
Current service cost	33	-	33
Interest expense/(income)	21	-	21
Return on plan assets	-	20	(20)
Remeasurements due to actual return on plan assets less interest on plan assets	-	5	(5)
Actuarial loss / (gain) arising from change in financial assumptions	2	-	2
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	(32)	-	32
Reversal of the liability	-	-	-
Employer contributions	-	32	(32)
Benefit payments	-	-	-
Assets acquired	-	-	-
Liabilities assumed on acquisition	(6)	-	(6)
As at March 31, 2021	434	441	(7)
Current service cost	36	-	36
Interest expense/(income)	21	-	21
Return on plan assets	-	22	(22)
Remeasurements due to actual return on plan assets less interest on plan assets	-	(5)	5
Actuarial loss / (gain) arising from change in financial assumptions	4	-	4
Actuarial loss / (gain) arising from change in demographic assumptions	(9)	-	(9)
Actuarial loss / (gain) arising on account of experience changes	14	-	14
Reversal of the liability	-	-	-
Employer contributions	-	-	-
Benefit payments	(75)	(75)	-
Assets acquired	-	-	-
Liabilities assumed on acquisition	-	-	-
As at March 31, 2022	425	383	43

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of plan liabilities	425	434
Fair value of plan assets	383	441
Plan liability net of plan assets	43	(7)

ii) Statement of profit and loss (₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Employee benefit expense	-	-
Losses on acquisition	-	-
Current service cost	36	33
Total	36	33
Finance costs	(1)	1
Gains/(losses) on settlements	-	(6)
Net impact on the profit before tax	34	28
Particulars	**March 31, 2022**	**March 31, 2021**
Remeasurements of the net defined benefit liability:		
Opening amount recognized in OCI outside profit and loss account	-	-
Return on plan assets excluding amounts included in interest expense/income	5	(5)
Actuarial loss / (gain) arising from change in financial assumptions	4	2
Actuarial loss / (gain) arising from change in demographic assumptions	(9)	-
Actuarial loss / (gain) arising on account of experience changes	14	(32)
Actuarial gains/(losses) arising from changes in experience	-	-
Net impact on the other comprehensive income before tax	15	(35)

iii) Defined benefit plan assets

Category of assets (% allocation)		As at March 31, 2022	As at March 31, 2021
Insurer managed funds		383	441
Total		383	441

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		As at March 31, 2022	As at March 31, 2021
Discount rate		5.90%	6.35%
Salary escalation rate*		9.00%	9.00%

* takes into account the inflation, seniority, promotions and other relevant factors

v) Sensitivity
Gratuity

(₹ in lakhs)

As at March 31, 2022	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	0.50%	(5)	5
Salary escalation rate	0.50%	5	(5)

As at March 31, 2021	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	0.50%	(8)	8
Salary escalation rate	0.50%	8	(8)

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.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vi) Maturity

The defined benefit obligations shall mature after year end as follows:

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	237	198
Between 2 and 5 years	146	160
Between 5 and 10 years	73	83
Beyond 10 years	45	148
Total expected payments	**500**	**589**

The weighted average duration of the defined benefit obligation is 2.33 years (previous year - 3.75 years)

vii) Provision for long term incentive plan (LTIP)

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Liability for long term incentive plan	89	34

viii) Provision for leave encashment

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Liability for compensated absences	68	35

25. Segment information

The Company is domiciled in India. The Company is engaged in business of financing by way of loans (non banking financial services), which is considered to be only reportable segment (in accordance with Ind AS 108). All other activities revolve around the main business.

a) Segment revenue

The Company operates as a single segment. The segment revenue is measured in the same way as in the statement of income and expenditure.

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Segment revenue		
- India	97,719	71,475
- Outside India	-	-
Total	**97,719**	**71,475**

* There is no single party who individually contributes more than 10% of total operating revenue of the Company.

b) Segment assets and segment liabilities

(₹ in lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
Segment assets			
- India		15,45,310	9,25,338
- Outside India		-	-
Segment liabilities			
- India		15,45,310	9,25,338
- Outside India		-	-

26. Earnings per share (EPS)

a) The basic earnings per share has been calculated based on the following:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax available for equity shareholders (A)	23,325	13,175
Weighted average number of ordinary shares for basic earnings per share (B)	91,69,85,540	67,27,00,820
Effect of dilution on account of compulsorily convertible preference shares (CCPS)	9,07,44,956	4,81,796
Weighted average number of ordinary shares adjusted for the effect of dilution (C)	1,00,77,30,496	67,31,82,616

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Basic earnings per share (A/B)	2.54	1.96
Diluted earnings per share (A/C)	2.31	1.96

27. Capital commitments

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances)	22	-
Undisbursed commitments	81,300	41,738
Total	81,322	41,738

Contingent liabilities	For the year ended March 31, 2022	For the year ended March 31, 2021
Claims not acknowledged as debts:	-	-

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 (Ref No. DNBR .PD. 008 / 03.10.119 / 2016-17 dated September 01, 2016) and RBI circular DNBR(PD) CC No. 053 / 03.10.119 / 2015-16 :

(₹ in lakhs)

Capital to risk assets ratio (CRAR):	For the year ended March 31, 2022	For the year ended March 31, 2021
Tier I capital	3,11,490	1,86,994
Tier II capital	9,940	5,328
Total capital	**3,21,430**	**1,92,321**
Risk weighted assets	13,68,514	8,22,591
CRAR (%)	23.49%	23.38%
CRAR - Tier I capital (%)	22.76%	22.73%
CRAR - Tier II capital (%)	0.73%	0.65%
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. Certain adjustments are made to Ind AS based results and reserves, as prescribed by the Reserve Bank of India.

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 lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	1,24,155	-	1,24,155	74,006	-	74,006
Loans	83,640	13,25,660	14,09,300	64,911	7,77,431	8,42,342
Other financial assets	-	25	25	52	-	52
Non-financial assets						
Income tax assets (Net)	-	11,522	11,522	-	8,475	8,475
Property, plant and equipment	-	65	65	-	338	338
Intangibles under development	-	85	85	-	-	-
Other non-financial assets	158	-	158	100	25	125
Total assets	2,07,953	13,37,357	15,45,310	1,39,069	7,86,269	9,25,338
Financial liabilities						
Derivative financial instruments	-	-	-	-	-	-
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	381	-	381	60	-	60
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Debt securities	2,17,772	10,14,502	12,32,274	1,24,751	6,12,242	7,36,993
Borrowings (Other than debt securities)	-	-	-	191	51	242
Other financial liabilities	768	-	768	440	-	440
Non-financial Liabilities						
Provisions	200	-	200	28	59	87
Other non-financial liabilities	193	-	193	518	-	518
Total liabilities	2,19,314	10,14,502	12,33,816	1,25,988	6,12,352	7,38,340
Net	(11,361)	3,22,855	3,11,494	13,080	1,73,917	1,86,998

30 Fair value measurement

a) Financial Instruments by Category

(₹ in lakhs)

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, 2022	At FVTPL	At FVOCI	Amortised Cost
Financial Assets			
Loans			
- Term loans	-	-	11,20,186
- Debentures and bonds	-	-	2,95,591
- Accrued interest on loans, debentures and bonds		-	3,463
Cash and Cash Equivalents	-	-	1,24,155
Other financial assets	-	-	25
Total financial assets	-	-	**15,43,420**
Financial Liabilities			
Debt Securities			
- Debentures and bonds	-	-	11,75,337
- Commercial paper	-	-	24,820
- Accrued interest on borrowings			32,117
Borrowings (Other than Debt securities)	-	-	-
Trade payables	-	-	381
Other financial liabilities	-	-	768
Total financial liabilities	-	-	**12,33,423**

As at March 31, 2021	At FVTPL	At FVOCI	Amortised Cost
Financial Assets			
Investments			
- Mutual fund units	-	-	-
Loans			
- Term loans	-	-	6,60,864
- Debentures and bonds	-	-	1,82,311
- Accrued interest on loans, debentures and bonds			4,495
Cash and Cash Equivalents	-	-	74,006
Other financial assets	-	-	52
Total financial assets	-	-	**9,21,728**
Financial Liabilities			
Debt Securities			
- Debentures and bonds	-	-	7,12,642
- Commercial paper	-	-	-
- Accrued interest on borrowings			24,351
Borrowings (Other than Debt securities)	-	-	-
Trade payables	-	-	60
Other financial liabilities	-	-	681
Total financial liabilities	-	-	**7,37,734**

Note: There are no other categories of financial instruments other than those mentioned above. The financial assets are shown gross 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 undemeath the table.

As at March 31, 2022 (₹ in lakhs)

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	-	-	11,12,313	11,12,313
- Debentures and bonds	4	-	-	2,93,524	2,93,524
- Accrued interest on loans, debentures and bonds	4			3,463	3,463
Total financial assets		-	-	**14,09,300**	**14,09,300**
Financial liabilities					
Debt securities					
- Debentures and bonds	11	-	-	11,75,337	11,75,337
- Commercial papers	11	-	-	24,820	24,820
- Accrued interest on borrowings	11	-	-	32,117	32,117
Total financial liabilities		-	-	**12,32,274**	**12,32,274**

As at March 31, 2021 (₹ in lakhs)

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	-	-	6,56,632	6,56,632
- Debentures and bonds	4	-	-	1,81,215	1,81,215
- Accrued interest on loans, debentures and bonds	4			4,495	4,495
Total financial assets		-	-	8,42,342	8,42,342
Financial liabilities					
Debt securities					
- Debentures and bonds	11	-	-	7,12,642	7,12,642
- Commercial papers	11	-	-	-	-
- Accrued interest on borrowings	11			24,351	24,351
Total financial liabilities		-	-	7,36,993	7,36,993

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

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) Valuation Process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team directly reports to the chief financial officer (CFO) and audit committee (AC). Discussion on valuation processes and result are held between CFO, AC and the valuation team regularly in line with Company's quarterly reporting periods.

e) Fair value of financial assets and liabilities measured at amortised cost (₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Loans				
Rupee loans	11,12,313	11,12,313	6,56,632	6,56,632
Debentures and Bonds	2,93,524	2,93,524	1,81,215	1,81,215
Accrued interest on loans, debentures and bonds	3,463	3,463	4,495	4,495
Total financial assets	14,09,300	14,09,300	8,42,342	8,42,342
Financial liabilities				
Loans				
Debt securities				
Debentures	11,75,337	11,75,337	7,12,642	7,12,642
Commercial papers	24,820	24,820	-	-
Total financial liabilities	12,00,156	12,00,156	7,12,642	7,12,642

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.

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 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 committee. The risk committee 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 risk committee 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 head risk, who in turn reports directly to the chief executive officer (CEO) of the Company.
- 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's maintains a Risk Register for all its processes. Operational risks of the Company are monitored by business operations risk committee.
- The Business team monitors project assets on regular basis and highlights pending compliances to senior management on quarterly 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 a risk committee 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 is regularly monitored). The Company manages and controls credit risk by setting limits on the amount of exposure at each sector/sub-sector level it is willing to accept the concentration of risk and by monitoring exposures in relation to each 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 (including loan commitments) 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 risk committee 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 as % of total exposure	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Energy Generation - Wind	25%	25%	14.08%	12.11%
Energy Generation - Solar	45%	45%	31.00%	33.94%
Energy Generation - Hydro	15%	15%	0.00%	0.97%
Energy Generation - Other	25%	25%	16.54%	14.52%
Energy Transmission	25%	25%	10.66%	9.97%
Transport - Roads	-	-	2.24%	8.20%
Ports, Airports, Railways etc. (without tripartite)	25%	25%	8.28%	4.59%
Logistics	25%	-	2.84%	-
Bulk Material Transportation	15%	15%	3.33%	0.84%
Other social and commercial infrastructure	25%	25%	1.02%	1.66%
Hospitals	25%	25%	1.76%	7.02%
Education Institutions	25%	25%	0.96%	3.46%
Communication	15%	15%	7.29%	2.73%
Total			100.00%	100.00%

a) Credit risk grading

The Company uses internal credit risk grading framework that reflects its assessment of the probability of default of individual counterparty. The Company use internal rating model tailored to various categories of counterparties. 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 score scales and mapping of internal rating grades are set out below:

Internal score	Internal rating grades	Description of the grade
5.00 - 4.00	iAAA	Highest Safety
3.91 - 4.00	iAA+	High Safety
3.81 - 3.90	iAA	
3.71 - 3.80	iAA-	
3.61 - 3.70	iA+	Adequate Safety
3.51 - 3.60	iA	
3.41 - 3.50	iA-	
3.11 - 3.40	iBBB+	Moderate Safety
2.81 - 3.10	iBBB	
2.61 - 2.80	iBBB-	
2.25 - 2.60	iBB+, iBB & iBB-	Moderate Risk
1.00 - 2.25	iB, iC & iD	High Risk/ Very High Risk/ Default

As per risk rating policy, the Company does not finance the projects below 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
iAAA	0%	0%	0%	0%
iAA+, iAA, iAA-	33%	40%	40%	36%
iA+, iA, iA-	39%	35%	36%	35%
iBBB+	18%	14%	20%	19%
iBBB	6%	6%	3%	9%
iBBB-	3%	4%	1%	1%
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 35(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 35(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 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Refer note 35(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**	**Lifetime expected credit losses**

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 more than 61 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been more than 61 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

Backstop:

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 61 days past due on its contractual payments.

The Company has not used the low credit risk exemption for any financial instruments in the year ended March 31, 2022.

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) Upgradation from higher stage to lower stage

For upgradation from higher stage to lower stage (i.e. to have cured):
Loan and advances is not moved from higher stage to lower stage immediately after payment of overdue amount, following cooling off period is applied:
From Stage 2 to Stage 1
- Continues in lower than 61 dpd for at least six months

From Stage 3 to Stage 2
- Continues in lower than 90 dpd for at least six months or
- Moves to Zero dpd

This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

iv) 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. CRISIL 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 CRISIL average transition matrices based on corporates.
- For Stage 3, Lifetime PD is taken as 100%.

Internal rating grades – 12 month PD Mapping:

Internal rating grades		PD% Base Case	PD% Best Case	PD% Worst Case
Highest Safety	iAAA	0.03%	0.03%	0.13%
High Safety	iAA+	0.03%	0.03%	0.30%
	iAA	0.03%	0.03%	0.30%
	iAA-	0.03%	0.03%	0.30%
Adequate Safety	iA+	0.03%	0.03%	0.51%
	iA	0.03%	0.03%	0.51%
	iA-	0.03%	0.03%	0.51%
Moderate Safety	iBBB+	0.36%	0.03%	2.67%
	iBBB	0.36%	0.03%	2.67%
	iBBB-	0.36%	0.03%	2.67%
Moderate Risk	iBB+	2.77%	0.58%	9.56%
	iBB	2.77%	0.58%	9.56%
	iBB-	2.77%	0.58%	9.56%
High Risk	iB	7.61%	2.33%	19.14%
Very High Risk	iC	20.02%	8.15%	38.71%
Default	iD	100.00%	100.00%	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% (previous year 'Nil') since the entire credit exposure arising out of loan agreement is secured by way of tripartite agreement with Government authorities.
- 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).

v) 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 rate achieved during black swan events such as during the COVID period (FY21) and subsequent high revival growth rate (FY22) has not been considered while taking the GDP numbers for March 2022 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, 2022

ECL Scenario	Assigned probabilities %	FY23	FY24	FY25	FY26	FY27
Base case	50%	8.15%	6.89%	6.99%	7.04%	6.54%
Best case	20%	11.08%	9.82%	9.92%	9.97%	9.46%
Worst case	30%	5.23%	3.97%	4.06%	4.11%	3.61%

Year ended March 31, 2021

ECL Scenario	Assigned probabilities %	FY22	FY23	FY24	FY25	FY26
Base case	50%	8.80%	8.00%	7.60%	7.40%	7.18%
Best case	20%	10.30%	9.40%	9.10%	8.90%	8.64%
Worst case	30%	7.30%	6.50%	6.20%	5.90%	5.72%

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

	Year ended March 31, 2022			Year ended March 31, 2021		
	Base case	Best case	Worst case	Base case	Best case	Worst case
Assigned probabilities %	50%	20%	30%	50%	20%	30%
ECL (₹ in lakhs)	723.55	220.98	6,349.79	3,558.24	1,267.13	9,052.90

Scenario weighted ECL as on March 31, 2022 is ₹ 2,311 lakhs (March 31, 2021 is ₹ 4,748 lakhs).

vi) Financial assets measured on a collective basis

ECL is calculated on individual basis for all loan assets.

vii) 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 Board/ Committee of the Board post recommendation by the decision board.

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, 2022	As at March 31, 2021
Less than 1 year	2.12%	7.73%
More than 1 year	97.88%	92.27%

viii) 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 lakhs)

Term loans and debentures	As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety	-	-	-	-
High Safety	5,69,175	-	-	5,69,175
Adequate Safety	5,17,035	-	-	5,17,035
Moderate Safety	3,36,895	-	-	3,36,895
Non- performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	**14,23,105**	**-**	**-**	**14,23,105**

Term loans and debentures	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety		-	-	-
High Safety	3,24,648	-	-	3,24,648
Adequate Safety	3,11,638	-	-	3,11,638
Moderate Safety	2,55,884	-	-	2,55,884
Non- performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	**8,92,170**	**-**	**-**	**8,92,170**

ii) Maximum exposure to credit risk - Financial instruments not subject to impairment

The Comapny 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 lakhs)

Particulars	Gross Exposure	Impairment allowance	Undrawn amount	EIR Adjustment	Carrying amount
As at March 31, 2022					
Loans to corporate entities/individuals:					
- Term loans	11,20,186	7,873	81,300	4,594	11,12,313
- Debentures and bonds	2,95,591	2,071	-	299	2,93,520
- Accrued interest on loans, debentures and bonds	3,463	-	-	-	3,463
Total	**14,19,241**	**9,944**	**81,300**	**4,893**	**14,09,297**
As at March 31, 2021					
Loans to corporate entities/individuals:					
- Term loans	6,60,863	4,212	41,738	2,661	6,56,651
- Debentures and bonds	1,82,311	1,089	-	101	1,81,223
- Accrued interest on loans, debentures and bonds	4,495	27	-	-	4,468
Total	**8,47,670**	**5,328**	**41,738**	**2,762**	**8,42,342**

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 for the same portfolio as discussed below:

(₹ in lakhs)

Term loans and debentures	Year ended March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	8,47,670	-	-	8,47,670
New assets originated or purchased	9,35,691	-	-	9,35,691
Assets derecognised or repaid	(3,64,121)	-	-	(3,64,121)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**14,19,240**	-	-	**14,19,240**

Term loans and debentures	Year ended March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	6,43,307	-	-	6,43,307
New assets originated or purchased	3,14,627	-	-	3,14,627
Assets derecognised or repaid	(1,10,264)	-	-	(1,10,264)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**8,47,670**	-	-	**8,47,670**

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 lakhs)

Term loans and debentures	Year ended March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	5,328	-	-	5,328
New assets originated or purchased	6,550		-	6,550
Assets derecognised or repaid	(2,785)	-	-	(2,785)
Net remeasurement of loss allowance	848		-	848
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**9,940**	-	-	**9,940**

Term loans and debentures	Year ended March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	2,563	-	-	2,563
New assets originated or purchased	1,978	-	-	1,978
Assets derecognised or repaid	(693)	-	-	(693)
Net remeasurement of loss allowance	1,480	-	-	1,480
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**5,328**	-	-	**5,328**

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 -30% of cumulative outflows for 1-month to 6-months -40% of cumulative outflows for 6-months to 1-year -55% of cumulative outflows for 1-year to 3-years -70% 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]	0.60
Earnings at risk (EaR) [maximum]	₹ 1,500 lakhs

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.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

(₹ in lakhs)

As at March 31, 2022	One day to 30/31 days	One month to two months	Two months to three months	Over three to six months	Over six month to 1 year	Between 1 and 3 years	Between 3 and 5 years	> 5 years	Total
Financial assets									
Loans	5,497	2,377	13,898	20,293	41,575	2,32,206	2,26,469	8,66,986	14,09,300
Total undiscounted financial assets	**5,497**	**2,377**	**13,898**	**20,293**	**41,575**	**2,32,206**	**2,26,469**	**8,66,986**	**14,09,300**
Financial liabilities									
Debt securities	21,452	44,085	3,321	43,829	1,05,084	2,24,000	6,62,200	1,28,302	**12,32,274**
Total undiscounted financial liabilities	**21,452**	**44,085**	**3,321**	**43,829**	**1,05,084**	**2,24,000**	**6,62,200**	**1,28,302**	**12,32,274**

As at March 31, 2021	One day to 30/31 days	One month to two months	Two months to three months	Over three to six months	Over six month to 1 year	Between 1 and 3 years	Between 3 and 5 years	> 5 years	Total
Financial assets									
Loans	4,723	3,788	10,142	16,335	29,923	1,43,524	1,40,583	4,93,324	8,42,342
Total undiscounted financial assets	**4,723**	**3,788**	**10,142**	**16,335**	**29,923**	**1,43,524**	**1,40,583**	**4,93,324**	**8,42,342**
Financial liabilities									
Debt securities	16,558	866	3,322	60,662	43,343	2,04,400	2,87,000	1,20,842	7,36,993
Total undiscounted financial liabilities	**16,558**	**866**	**3,322**	**60,662**	**43,343**	**2,04,400**	**2,87,000**	**1,20,842**	**7,36,993**

c) **Public disclosure on liquidity risk**

The disclosure in terms of RBI circular ref. DOR.NBFC(PD)CC.NO.102/03.10.001/2019-20 dated November 04, 2019 on liquidity risk management framework for NBFCs is provided below-

(i)	Funding concentration based on significant counterparty			
Sr no	**No of significant counterparties**	**Amount (₹ in lakhs)**	**% of Total Borrowings**	**% of Total Liabilities**
1	24	9,56,670	79.50%	77.54%

(ii) **Top 20 large deposits - Nil**

(iii) **Top 10 borrowings: ₹ 6,67,400 lakhs (represent 55.46% of total borrowings)**

(iv)	Funding concentration based on significant instrument/product		
Sr no	**Name of instrument**	**Amount (₹ in lakhs)**	**% of Total Liabilities**
1	Non Convertible Debentures	12,07,454	97.86%
2	Commercial papers	24,820	2.01%

(v)	Stock ratios:			
Sr no	Instrument	As a % of total public funds	As a % of total liabilities	As a % of total assets
(a)	Commercial papers	NA	2%	2%
(b)	Non Convertible Debentures (original maturity <1 year)	NA	Nil	Nil
(c)	Other short term liabilities	NA	16%	14%

(vi) Institutional set-up for liquidity risk management

The Company has instituted Asset Liability Management Policy under which the Asset Liability Management Committee (ALCO) has been set up for oversight 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 Risk Officer (CRO), Chief Financial Officer (CFO) and Chief Business Officer (CBO). 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, Accounts and Resources group, who analyse/monitor liquidity profile, limits & report to ALCO & RBI.

(iv) **Finance Committee**-comprises of CEO, CRO, CBO and CFO which is authorised to borrow monies through various instruments permitted by RBI.

(v) **Resources Group**-which is ALM support group and is responsible for fund raising, maintain appropriate liquidity buffers, provide market related inputs and actively implement ALM strategy.

(₹ in lakhs)

D) Disclosure on Liquidity Coverage Ratio (LCR) under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 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-22		31-Dec-21		30-Sep-21		30-Jun-21	
1	Total High Quality Liquid Assets (HQLA),	85,880	85,880	88,138	88,138	1,13,396	1,13,396	48,317	48,317
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding				-		-		-
4	Secured wholesale funding	9,823	11,297	7,645	8,792	26,866	30,896	7,722	8,880
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	1,32,497	1,52,372	56,619	65,112	74,222	85,355	26,058	29,967
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	Total Cash Outflows	1,42,321	1,63,669	64,264	73,904	1,01,088	1,16,251	33,780	38,847
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	73,597	55,198	45,119	33,840	16,486	12,364	46,885	35,163
11	Other cash inflows	87,107	65,330	5,543	4,158	82,614	61,961	11,975	8,981
12	Total Cash Inflows	1,60,704	1,20,527	50,663	37,997	99,100	74,325	58,859	44,145
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		85,880		88,138		1,13,396		48,317
14	Total Net Cash Outflows (Higher of inflow less outflows or 25% of outflows		43,141		35,907		41,926		9,712
15	LIQUIDITY COVERAGE RATIO (%)		199%		245%		270%		498%

*Unweighted values calculated as outstanding balances maturing or callable within 30 days
(for inflows and outflows).
Weighted values calculated after the application of respective stress factors on inflow (75%) and outflow (115%).
Notes :
1. HQLA includes unencumbered portion of current account balance, short term fixed deposits with scheduled commercial banks
2. The above numbers of quarter end reporting date are simple average values of previous 3 months

(a) the main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time: Loans and advances, borrowings & capital raise.
(b) intra-period changes as well as changes over time: Quarterly LCR mentioned in table above
(c) the composition of HQLAs: Mentioned in above table
(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

Market 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, 2022 and March 31, 2021, 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 lakhs)**

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, 2022	As at March 31, 2021
Variable rate lending portfolio*	30,130	65,189
Fixed rate loans	13,89,925	7,77,985
Total	14,20,055	8,43,175

*Loans having interest reset frequency in next 1 year has been considered for the same.

As at the end of the reporting period, the Company had the following variable rate lending portfolio outstanding:

As at March 31, 2022	Weighted average interest rate	Balance	% of total loans
Loans	8.81%	30,130	2.1%
Net exposure interest rate risk	8.81%	30,130	2.1%

As at March 31, 2021	Weighted average interest rate	Balance	% of total loans
Loans	9.45%	65,189	7.7%
Net exposure interest rate risk	9.45%	65,189	7.7%

An analysis by maturities is provided in note 35.4. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of debt securities.

ii) Sensitivity

a) Interest rate risk - Loans and debenture

Profit or loss is sensitive to higher/lower interest expense from lending portfolio as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest rates – increase by 100 basis points	301	652
Interest rates – decrease by 100 basis points	(301)	(652)

* The sensitivity is derived holding all other variables constant

b) Price risk

Since the Company does not hold any equity instruments, it is not exposed 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.

32 Related party transactions

a) Holding entity

National Investment and Infrastructure Fund II

Parties with whom transactions have been entered into

b) Associate companies

Aseem Infrastructure Finance Limited

c) Key management personnel

Sadashiv S. Rao - Chief Executive Officer

d) Directors

Mr. Surya Prakash Rao Pendyala - Nominee Director, NIIF
Mr. AKT Chari - Nominee Director, NIIF
Ms. Ritu Anand - Independent Director
Mr. Rajiv Dhar - Nominee Director, NIIF
Mr. Ashwini Kumar - Independent Director

e) Transactions with related parties

(₹ in lakhs)

	March 31, 2022	March 31, 2021
A Holding entity		
1 National Investment and Infrastructure Fund II		
i Liabilities/Transactions		
Outstanding equity share capital	54,635	54,635
Outstanding equity share premium	20,537	20,537
Proceeds from issue of equity share capital during year	-	22,835
Proceeds from issue of equity share premium during year	-	20,537
B Associate		
1 Aseem Infrastructure Finance Limited		
i Income		
Shared services cost recovery (*)	67	91
ii Reimbursement		
Deputation Cost received (*)	-	15
Reimbursement of Processing fees received	87	-
Reimbursement of IT/Internet/other services related expenses received	40	-
Reimbursement of IT related services paid	3	-
iii Liabilities/Transactions		
Proceeds from issue of equity share capital during year	11,455	14,738
Proceeds from issue of equity share premium during year	19,738	13,890
iv Assets/Transactions		
Dues against reimbursement of costs (*)	-	5
Recovery against Shared Service Cost (*)	-	41
Purchase of Loan	18,386	-

(*) The amounts exclude Goods and Services tax expensed out in the statement of profit and Loss

(₹ in lakhs)

C Remuneration to Key management personnel:	March 31, 2022	March 31, 2021
Sadashiv S Rao - Chief Executive Officer	355	325
Total	**355**	**325**

D Director sitting fees:	March 31, 2022	March 31, 2021
Ms. Ritu Anand - Independent Director	8	7
Mr. Ashwini Kumar - Independent Director	8	3
Mr Gautam Kaji - Independent Director (Till July 16, 2020)	-	2
Total	**16**	**12**

33 The Company continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients. The Company continues to meet its operating and financial obligations, maintained required capital adequacy ratio and has adequate financial resources to run its business and has not experienced any significant disruptions due to this pandemic. The company has considered the impact on carrying value of assets based on the external or internal information available up to the date of approval of financial statements. However, the extent to which COVID-19 pandemic will continue to impact the Company's business, operations, financial position and cash flows will depend on future developments which remains uncertain , including, among other things, any information concerning the severity of any new COVID variant. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the financial assets. The Company is also closely monitoring any material changes in the economic conditions and resultant impacts, if any, on the expected credit loss provisions.

34 Other Disclosures:

a) Ratios

Ratios	Description	March 31, 2022	March 31, 2021
Debt-Equity Ratio	Total Debt / Total Equity	3.96	3.94
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	0.80	0.80
Debtors Turnover	NA	NA	NA
Inventory Turnover	NA	NA	NA
Operating Margin (%)	Operating Profit / Total Revenue	23.13%	18.35%
Net Profit Margin (%)	PAT / Total Revenue	23.68%	18.46%
Net Worth (in lakhs)	Share capital + Reserves and surplus	3,11,494	1,86,998
Net Profit After Tax (in lakhs)		23,310	13,210
Earnings Per Share (Basic)	PAT / Total number of shares	2.54	1.96
Earnings Per Share (Diluted)	PAT / Total diluted number of shares	2.31	1.96
Gross/ Net Non-Performing Assets (NPAs)		Nil	Nil
Capital Redemption Reserve/Debenture Redemption Reserve *	NA	NA	NA
LCR	Liquidity coverage ratio	1.99	3.10

* Not applicable, being a Non-Banking Financial Service Company registered with the Reserve Bank of India.

$Refer note 28 for CRAR

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, 2022	As at March 31, 2021
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:	-	-
- Principal amount	-	-
- 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.	-	-

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

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

	As at March 31, 2022	As at March 31, 2021
i) CRAR (%)	23.49%	23.38%
ii) CRAR - Tier I Capital (%)	22.76%	22.73%
iii) CRAR - Tier II Capital (%)	0.73%	0.65%
iv) Amount of Subordinated Debt considered as Tier-II Capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

(b) Details of Investments are set out below:

			As at March 31, 2022	As at March 31, 2021
1	**Value of Investments**			
(i)	Gross Value of Investments			
(a)	In India		-	-
(b)	Outside India		-	-
		(A)	-	-
(ii)	**Provision for depreciation**			
(a)	In India		-	-
(b)	Outside India		-	-
		(B)	-	-
(iii)	**Net Value of Investments**			
(a)	In India		-	-
(b)	Outside India		-	-
		(A-B)	-	-
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) Investor group wise classification of all Investments (Current and Long Term) in shares and securities (both Quoted and Unquoted):

	As at March 31, 2022		As at March 31, 2021	
	Market Value/ Breakup Value / Fair Value / NAV	**Book Value Net of Provision**	**Market Value/ Breakup Value / Fair Value / NAV**	**Market Value/ Breakup Value / Fair Value / NAV**
1 **Related parties**	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 **Other than related parties**	-	-	-	-
Total	-	-	-	-

(d) Securitisation /Assignment

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

(e) 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

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

Please refer note 35.4 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.

(g) 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, 2022 and as at March 31, 2021.

(h) Exposures to Capital Market

This disclosure is not applicable to the Company as there are no exposures to capital market as at March 31, 2022 and as at March 31, 2021.

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

During the years ended March 31, 2022 and March 31, 2021, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

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

		As at March 31, 2022 net of provision	As at March 31, 2021 net of provision
1	Related parties		
(a)	Subsidiaries	-	-
(b)	Companies in the same group	-	-
(c)	Other related parties	-	-
2	Other than related parties	14,09,300	8,42,342
	Total	**14,09,300**	**8,42,342**
	(*) Net of provision for standard assets		

(k) Unsecured advances

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

(l) Registration obtained from other financial regulators

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

(m) Penalties / fines imposed by the RBI

During the year ended March 31, 2022 there was no penalty imposed by the RBI and other regulators (Previous Year ₹ Nil).

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(n) Break up of 'Provisions and Contingencies' shown under the head 'Expenses' in the Statement of Profit and Loss		
Provisions for depreciation on Investment		
Provision towards NPA	-	-
Provision made towards Income tax		
Other Provision and Contingencies		
Provision for Standard Assets	4,613	2,764
	4,613	2,764

In terms of RBI circular reference DOR (NBFC) .CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, the template of comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 is provided below:-

(₹ in lakhs)

Asset Classification as per RBI norms	Asset Classification as per Ind AS 109	Gross Carrying amount as per Ind AS	Loss Allowance (Provision as required under Ind AS 109)	Net Carrying Amount	Provision as required as per IRACP norms	Difference between Ind AS 109 provisios under IRCAP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	14,19,240	4,613	14,14,627	5,677	(1,064)
	Stage 2	-	-	-	-	-
Subtotal		14,19,240	4,613	14,14,627	5,677	(1,064)
Non Performing Assets (NPA)						
Substandard	Stage 3					
Doubtful- up to 1 year	Stage 3					
1-3 years	Stage 3					
More than 3 years	Stage 3					
Subtotal for Doubtful		-	-	-	-	-
Loss						
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments,	Stage 1			-		
etc which are in the scope of Ind AS 109 but not covered	Stage 2					
under Current Income Recognition, Asset Classification	Stage 3	-	-	-	-	-
and Provisioning (IRACP) norms						
Total	**Stage 1**	14,19,240	4,613	14,14,627	5,677	(1,064)
	Stage 2					
	Stage 3					
	Total	14,19,240	4,613	14,14,627	5,677	(1,064)

(o) Drawdowns from Reserves

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

(p) Concentration of Advances

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Total Advances to twenty largest borrowers/ customers	6,86,649	3,74,942
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	46.50%	44.47%

(q) Concentration of Exposures

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers / customers	7,36,292	3,62,989
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	47.02%	42.92%

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

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

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

(₹ in lakhs)

For the year ended March 31, 2022

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
	Nil	Nil	Nil

(₹ in lakhs)

For the year ended March 31, 2021

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
	Nil	Nil	Nil

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

(₹ in lakhs)

For the year ended March 31, 2022	For the year ended March 31, 2021
Nil	Nil

(u) Debentureholder' complaints :

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

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

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

37 The Company has neither transferred nor acquired any loans without request / instance of borrower as mentioned in per Chapter III of the 'Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021' dated September 24, 2021. Accordingly, the disclosures as mentioned in above mentioned directions are not required to be made.

38 Frauds reported during the year- Nil (Previous year Nil)

39 There are no contingent liabilities as of March 31, 2022 (Previous year Nil)

40 Previous year figures have been regrouped/reclassified wherever necessary to correspond with those of the current year's classification/disclosure.

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

Surya Prakash Rao Pendyala
Chairman

Rajiv Dhar
Director

Sadashiv S Rao
Chief Executive Officer

Narayanan Iyer
Chief Financial Officer

Place: Mumbai
Date: 6th May,2022

Ankit Sheth
Company Secretary

NIIF IFL INFRASTRUCTURE FINANCING

NIIF Infrastruture Finance Limited
3rd Floor, UTI Tower, North Wing, GN Block,
BKC, Bandra (East), Mumbai 400 051

NIIF IFL INFRASTRUCTURE FINANCING

NOTICE OF 9th ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN THAT THE NINTH ANNUAL GENERAL MEETING OF MEMBERS OF NIIF INFRASTRUCTURE FINANCE LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 28, 2022 AT 11 A.M. AT A SHORTER NOTICE ON MS TEAMS (THROUGH AUDIO- VISUAL MEANS) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors along with annexures and Auditors Reports thereon.

2. To appoint a Director in place of Mr. Rajiv Dhar (DIN: 00073997), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Ratify and Approve Related Party Transactions with National Investment and Infrastructure Fund II and Aseem Infrastructure Finance Limited for FY 2022-23.**

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

   "**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 (the "Act") and other applicable provisions of the Act read with rules made thereunder, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws, including any amendments, modifications, variations or re-enactments thereof, the Members do hereby ratify and accord approval to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for carrying out and / or continuing with arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise), for the financial year 2022-23 with National Investment and Infrastructure Fund II ("NIIF II") / Aseem Infrastructure Finance Limited ("AIFL"), being a related parties of the Company, (provided that the transactions entered /to be entered at arm's length basis and in ordinary course business of the Company),whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or as fresh and independent transaction(s) or otherwise as for loan transactions including but not limited to buying of loan assets, sale of loan assets, joint participation, syndication and sharing of processing fees, notwithstanding the fact, that all such transactions during the financial year 2022-23, whether individually and/or in the aggregate, may exceed 10% of the annual consolidated turnover as per the Company's last audited financial statements or ₹1,000 crore, whichever is lower, or any other materiality threshold as may be applicable under law/ regulations from time to time;

RESOLVED FURTHER THAT the Members of the Company do hereby accord approval to the Board of Directors of the Company to sign and execute all such documents, contracts/deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental to execution of such transactions and also to delegate all or any of its powers herein conferred to any Committee of Board and / or Director(s) and / or officer(s) / employee(s) of the Company/ any other person(s) to give effect to the aforesaid resolution."

By the Order of the Board of Directors

ANKIT RAMESHCHANDRA SHETH

Digitally signed by ANKIT RAMESHCHANDRA SHETH
Date: 2022.09.26 14:52:15 +05'30'

Ankit Sheth
Company Secretary
Membership Number: A27521

Date: September 26, 2022
Place: Mumbai

Registered office: 3rd Floor, UTI Tower, North Wing,
GN Block, Bandra Kurla Complex, Bandra Mumbai 400 051
CIN: U67190MH2014PLC253944
Tel no: +91 22 6859 1300
Email Id: niif-compliance@niififl.in
Website: www.niififl.in

Notes:

1. Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, concerning the special business in the Notice of this Annual General Meeting is annexed hereto and forms part of this Notice.

2. The Ministry of Corporate Affairs, Government of India (the "MCA") in terms of the General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 5, 2022 (the "MCA Circulars"), have allowed the Companies to conduct their Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue, subject to the fulfilment of conditions as specified in the MCA Circulars. In compliance with the provisions of the Companies Act, 2013 and MCA Circulars, the AGM of the Company is being held through VC / OAVM. In compliance with these Circulars and provisions of the Act, the 9th AGM of the Company is being conducted through VC/ OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 9th AGM shall be the Registered Office of the Company.

3. 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 the Members will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this Notice. Accordingly, the route map is also not annexed in this Notice.

4. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members can join the AGM in the VC/OAVM mode by following the procedure mentioned in the Notice.

5. 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.

6. Body Corporate, a member of the Company, entitled to appoint their authorised 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 niififl-compliance@niififl.in from their e-mail ID registered with the Company.

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

8. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170, Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and other documents shall be made available to the members from whom request is received on niififl-compliance@niififl.in through their e-mail address registered with the Company.

9. In case a poll is ordered to be taken by the Chairman or demanded in accordance with Section 109 of the Companies Act, 2013, members can cast their vote during the Meeting by sending an email to niififl-compliance@niififl.in from their email addresses registered with the Company.

10. In case a poll is demanded, Chairman shall follow the procedure provided in Section 109 of the Companies Act, 2013 and rules made thereunder.

11. On demand of the poll, the Members may vote by sending an e-mail to the designated e-mail id at niififl-compliance@niififl.in stating their assent/dissent. For convenience during voting, the Members are requested to use the following box and state the symbol or mention the number of shares held by them in assent/dissent box.

Example 1: Using Symbol ('√')

Sr. No.	**Resolution**	**Assent**	**Dissent**
	Ordinary Business		
1.	To consider and adopt the Audited Standalone Financial Statement for the financial year ended March 31, 2022 together with the Report of the Board and Auditors thereon.	√	
2.	To appoint a Director in place of Mr. Rajiv Dhar (DIN: 00073997), who retires by rotation, and, being eligible, offers himself for re-appointment.	√	
	Special Business		
3.	To ratify and approve Related Party Transactions with National Investment and Infrastructure Fund II and Aseem Infrastructure Finance Limited for FY 2022-23	√	

Example 2: Using No. of Shares held

Sr. No.	**Resolution**	**Assent**	**Dissent**
	Ordinary Business		
1.	To consider and adopt the Audited Standalone Financial Statement for the financial year ended March 31, 2022 together with the Report of the Board and Auditors thereon.	100	
2.	To appoint a Director in place of Mr. Rajiv Dhar (DIN: 00073997), who retires by rotation, and, being eligible, offers himself for re-appointment.	100	
	Special Business		
3.	To ratify and approve Related Party Transactions with National Investment and Infrastructure Fund II and Aseem Infrastructure Finance Limited for FY 2022-23	100	

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

1. Member 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. Further Members will be required to allow camera and use Internet with a good speed to avoid any disturbance 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. Shareholders 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 niififl-compliance@niififl.in The same will be replied by the Company suitably.

NIIF IFL INFRASTRUCTURE FINANCING

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

Item No. 3

The Members may note that SEBI, vide notification dated September 7, 2021, notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021. Pursuant to the said notification, the Company, being a High Value Debt Listed Entity, has to comply with Regulation 23 of the SEBI Listing Regulations on comply or explain basis till March 31, 2023. The provision shall be mandatory from April 01, 2023 and onwards.

In accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with amendment thereof ("SEBI Listing Regulations"), "Material Related Party Transaction" means any transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower ("Material Related Party Limit").

Further, pursuant to the applicable provisions of the Companies Act, 2013 ("Act") read with the applicable rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 of the SEBI Listing Regulations, the Material Related Party Transactions to be entered by the Company with related party requires prior approval of the members of the Company through the ordinary resolutions. All material related party transactions shall require prior approval of the shareholders and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. No shareholders' approval is required for the related party transactions that are not exceeding the limits specified as per SEBI Listing Regulations with regard to the material related party transactions and can be undertaken with the approval of the Audit Committee.

SEBI vide its circular dated November 22, 2021 read with March 30, 2022 and April 8, 2022 had prescribed the information to be placed before the audit committee and the shareholders for consideration of material RPTs. The required disclosures are as under:

Particulars	**FY 2022-23**
Name of the related party;	i. NIIF Investment and Infrastructure Fund II ii. Aseem Infrastructure Finance Limited
Name of the director or key managerial personnel who is related, if any;	Except Mr. Prakash Rao, Mr. Rajiv Dhar and Mr. AKT Chari, none of the Directors, Key Managerial Personnel and/ or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.
Nature of relationship;	i. NIIF Investment and Infrastructure Fund II – Controlling stakeholder ii. Aseem Infrastructure Finance Limited – Sponsor Company (as per definition of RBI)

Particulars	FY 2022-23
Nature, material terms, monetary value and particulars of the contract or arrangements;	Loan transactions at arm's length with related parties including but not limited to buying of loan assets, sale of loan assets, joint participation, syndication and sharing of processing fees. Price and terms as approved by the credit committee during sanction/approval of loan/processing fees for cumulative transaction value up to Rs. 3,000 crores.
Tenure of the proposed transaction (particular tenure shall be specified)	In terms of omnibus approval obtained from Audit Committee, the said transaction may be undertaken in FY 2022-23.
Justification for why the proposed transaction is in the interest of the Company	i. To provide total financing solution to borrowers by joint participation by both the entities ii. Sharing of the risk between the two entities.
Details of the source of funds in connection with the proposed transaction	Market borrowings
Where any financial indebtedness is incurred to make or give loans, inter- corporate deposits, advances, or investments (Nature of indebtedness, cost of funds, tenure)	Not applicable
Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Transactions proposed to be entered will be at arm's length basis and in the ordinary course of business.
If the transaction relates to any loans, intercorporate deposits, advances, or investments made or given by the listed entity or its subsidiary, then the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not applicable
A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Purchase or sale of loan assets between entities will happen at arms' length basis and at prevalent market practice of such transactions.
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;	Not applicable, since the amounts cannot be determined.

Accordingly, your Board of Directors recommends passing of the resolution contained in Item No. 3 of the accompanying Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution except Mr. Prakash Rao, Mr. Rajiv Dhar and Mr. AKT Chari.

The Members may please note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party is a party to the aforesaid transactions or not), shall not vote to approve resolution under this Item No. 3.

By the Order of the Board of Directors

ANKIT RAMESHCHANDRA SHETH
Digitally signed by ANKIT RAMESHCHANDRA SHETH
Date: 2022.09.26 14:53:19 +05'30'

Ankit Sheth
Company Secretary
Membership Number: A27521

Date: September 26, 2022
Place: Mumbai

Registered office: 3rd Floor, UTI Tower, North Wing,
GN Block, Bandra Kurla Complex, Bandra Mumbai 400 051
CIN: U67190MH2014PLC253944
Tel no: +91 22 6859 1300
Email Id: niif-compliance@niifl.in
Website: www.niififl.in

ANNEXURE-A

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

Particulars	Mr. Rajiv Dhar
Age	60 years
Date of appointment on the Board	March 12, 2019
Qualifications	Commerce graduate and member of the Institute of Chartered Accountants of India. Completed the Executive Development Program at Wharton Business School and Leadership Management Program at Harvard Business School.
Nature of expertise & experience	Rajiv Dhar as Executive Director and COO at NIIF Ltd. Rajiv has over three and half decades of experience across multiple sectors, including Financial Services, Telecom,Oil & Gas (upstream and downstream), Construction, and Real Estate, spanning several countries. With an excellent track record of demonstrated leadership in Corporate Finance, Strategic Planning, M&A, FP&A, Risk management, Tax and ESG. He has led several successful capital raising assignments (project recourse and general corporate purposes) and has excellent relationships with leading banks and multilateral finance agencies across the globe. Before joining NIIF, Mr Rajiv Dhar was Executive Direct or with Omzest Group, one of the Middle East's most diversified and respected groups. At Omzest, Rajiv was responsible for managing strategy and finance functions for the holding company and was on the Board and Committees of crucial portfolio companies of the Group. Before Omzest, Rajiv worked with the TATA Group for 15 years with different entities across various management and leadership roles in various Tata group companies. He is a Commerce Graduate and Member of the Institute of Chartered Accountants of India. He has also completed the Executive Development Program at Wharton Business School and Leadership Management Program at Harvard Business School.
Relationship with other Director/ Key Managerial Personnel	Not related to any Director/ Key Managerial Personnel
Terms and conditions of appointment/ re-appointment	Liable to retire by rotation
Remuneration last drawn	NIL

Particulars	Mr. Rajiv Dhar
Remuneration proposed to be paid	NIL
Number of meetings of the Board attended during the financial year 2021-22	7/7
Number of meetings of the Board attended during the current financial year (2022-23)	3/3
Directorships held in other companies	Aseem Infrastructure Finance Limited Hindustan Infralog Private Limited
Memberships / Chairmanships of committees of other companies	Aseem Infrastructure Finance Limited i. Stakeholders Relationship Committee – Member ii. IT Strategy Committee - Member
No. of shares held in the Company	NIL