



**NIIF INFRASTRUCTURE FINANCE LIMITED**

**Registered/Corporate Office:** 3<sup>rd</sup> Floor, North Wing, UTI Tower, GN Block,  
Bandra Kurla Complex, Mumbai - 400 051.

**Tel No:** 022 68591300

**Email ID:** info@niiffl.in

**Website:** [www.niiffl.in](http://www.niiffl.in)

**CIN:** U67190MH2014PLC253944

**PAN:** AADCI5030Q

**Date and Place of Incorporation:** March 7, 2014; Mumbai

**RBI Registration Number:** N-13.02078

**SHELF PLACEMENT MEMORANDUM DATED April 19, 2023**

This Shelf Placement Memorandum/Information Memorandum is issued in conformity with the Companies Act, 2013, as amended, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, Circular No. RBI/2014-15/475 DNBR (PD) CC No. 021/03.10.001/2014-15 dated February 20, 2015 issued by the Reserve Bank of India on "Raising Money through Private Placement by NBFCs – Non – Convertible Debentures (**NCDs**) by NBFCs" as amended and updated from time to time. This issuance would be under the electronic book mechanism for issuance of debt securities on private placement basis as per Chapter 6 of SEBI circular dated August 10, 2021 bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as amended ("**SEBI EBP Circular**"), read with the "Electronic Bidding Platform for Issuance of Debt Securities on Private Placement Basis" issued by NSE vide circular number 24/2018 dated September 28, 2018 ("**NSE EBP Guidelines**") and/or "Operational Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism" issued by BSE vide notice number 20180328-53 dated March 28, 2018 ("**BSE EBP Guidelines**"), as applicable. The SEBI EBP Circulars and the BSE EBP Guidelines / NSE EBP Guidelines shall hereinafter be referred to as the "**Operational Guidelines**". The Issuer intends to use the bid bond platform of National Stock Exchange of India Limited ("**NSE**") and/or Bombay Stock Exchange ("**BSE**") for this Issue. This Shelf Placement Memorandum is in accordance with all applicable laws, rules, regulations and guidelines.

**SHELF PLACEMENT MEMORANDUM DATED April 19, 2023**

SHELF PLACEMENT MEMORANDUM OF THE COMPANY FOR THE ISSUANCE OF DEBENTURES IN THE NATURE OF LISTED, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS (THE "BONDS" OR "DEBENTURES"), (i) DEBENTURES EACH HAVING A FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH) FOR FRESH ISSUANCES ON OR AFTER 19<sup>th</sup> APRIL 2023 THROUGH NEW ISINs (INCLUDING RE-ISSUANCES, IF ANY) UNDER THIS SHELF PLACEMENT MEMORANDUM, AND/ OR (ii) DEBENTURES EACH HAVING A FACE VALUE OF INR 10,00,000 (RUPEES TEN LAKHS), FOR REISSUANCES UNDER THE ISINs ISSUED PRIOR TO APRIL 19<sup>th</sup> 2023 PURSUANT TO CHAPTER V – DENOMINATION OF ISSUANCE AND TRADING OF NON-CONVERTIBLE SECURITIES OF THE SEBI OPERATIONAL CIRCULAR FOR THE ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES, SECURITIZED DEBT INSTRUMENTS, SECURITY RECEIPTS, MUNICIPAL DEBT SECURITIES AND COMMERCIAL PAPER DATED AUGUST 10, 2021 AND SEBI CIRCULAR FOR REDUCTION IN DENOMINATION FOR DEBT SECURITIES AND NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES DATED OCTOBER 28, 2022, AND IN TERMS OF SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS MAY BE APPLICABLE, AND AS AMENDED FROM TIME TO TIME, FOR AN AMOUNT NOT EXCEEDING RS. 1,588,00,00,000 (RUPEES ONE THOUSAND FIVE HUNDRED AND EIGHTY EIGHT CRORE ONLY) ("SHELF LIMIT") TO BE ISSUED IN VARIOUS TRanches FROM TIME TO TIME WITH OR WITHOUT A GREEN SHOE OPTION (THE "ISSUE") (HEREINAFTER REFERRED TO AS "THE SHELF DOCUMENT" OR "SHELF PLACEMENT MEMORANDUM").

NEITHER THE ISSUER NOR ANY OF THE CURRENT DIRECTORS OR CONTROLLING STAKEHOLDER/PROMOTER OR SPONSOR OF THE ISSUER HAS BEEN DECLARED AS WILFUL DEFAULTER.

**LISTING**

The Debentures are proposed to be listed on the Negotiated Trade Reporting Platform of NSE and/ or the BSE BOND Platform. The Issuer intends to use the NSE platform and BSE platform for electronic book mechanism for issuance of the Debentures on private placement basis.

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ISSUE SCHEDULE	
Date of Opening of the Issue	Shall be updated in tranche document
Date of Closing of the issue	Shall be updated in tranche document
Date of Earliest Closing of the Issue	Shall be updated in tranche document
DEBENTURE TRUSTEE FOR THE DEBENTURE HOLDERS	REGISTRAR TO THE ISSUE
 <b>IDBI Trusteeship Services Ltd</b> <b>IDBI Trusteeship Services Limited</b> Registered Office: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Contact Person: Nikhil Lohana Contact: 022-40807007 Email: <a href="mailto:nikhil@idbitrustee.com">nikhil@idbitrustee.com</a> Website: <a href="http://www.idbitrustee.com">http://www.idbitrustee.com</a>	 <b>MCS Share Transfer Agent Limited (for Debentures and Commercial Paper)</b> 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 Person: Chandrakant Prabhu Contact: 022-28516020 Email: <a href="mailto:cprabhu@mcsregistrars.com">cprabhu@mcsregistrars.com</a> Website: <a href="https://www.mcsregistrars.com">https://www.mcsregistrars.com</a> Fax: 022-28516021
CREDIT RATING AGENCY	STOCK EXCHANGE
 <b>CARE RATINGS LIMITED</b> Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai – 400 022. Tel: +91-22-6754 3456 Fax: +91-22-6754 3457 Email: <a href="mailto:Shweta.Agrawal@careedge.in">Shweta.Agrawal@careedge.in</a> Contact Person: Shweta Agrawal Website: <a href="https://www.careratings.com">https://www.careratings.com</a>	<b>National Stock Exchange Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Contact Person – Pramilla D'souza Email – <a href="mailto:pveigas@nse.co.in">pveigas@nse.co.in</a> Contact: +91-22-2659 8100/ 2659 8114 / 66418100  <b>Bombay Stock Exchange</b> Phiroze Jeejeebhoy Towers, Dalal Street, Kala Ghoda, Fort, Mumbai – 400 001 Contact Person – BSE debt listing department Email – <a href="mailto:bse.bond@bseindia.com">bse.bond@bseindia.com</a> Contact: 022-22728392
 <b>ICRA Limited</b> Address: 4th Floor, Electric Mansion Prabhadevi, Mumbai - 400 025 Contact Person: Shiva Kumar Tel: +91-22-61143406 Fax: +91-22-24331390 Email: <a href="mailto:shivakumar@icraindia.com">shivakumar@icraindia.com</a> Website: <a href="http://www.icra.in">www.icra.in</a>	
COMPANY SECRETARY & COMPLIANCE OFFICER AND CHIEF FINANCIAL OFFICER	PROMOTER/ CONTROLLING STAKEHOLDER
<b>Mr. Ankit Sheth</b> Designation: Company Secretary & Compliance Officer Address: 3 <sup>rd</sup> Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Phone No.: +91 22 68591300 Email ID: <a href="mailto:ankit.sheth@niiffl.in">ankit.sheth@niiffl.in</a>  <b>Mr. V. Narayanan Iyer</b> Designation: Chief Financial Officer ("CFO") Address: 3 <sup>rd</sup> Floor, UTI Tower, North Wing, GN Block, Bandra Kurla	National Investment and Infrastructure Fund II (NIIF Fund II) is the controlling equity stake holder of the Company. Aseem Infrastructure Finance Limited is Sponsor as per RBI's IDF-NBFC Regulations.  <b>Controlling equity stake holder:</b> Name: National Investment and Infrastructure Fund II Phone No.: 91-11- 48987000 Email ID: <a href="mailto:niifinvestments@niifindia.in">niifinvestments@niifindia.in</a>  <b>Sponsor:</b> Name: Aseem Infrastructure Finance Limited

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Complex, Bandra (East), Mumbai 400 051. Phone No.: +91 22 68591300 Email ID: <a href="mailto:narayanan.iyer@niiffl.in">narayanan.iyer@niiffl.in</a>	Phone No.: +91- 022 68591350 Email ID: <a href="mailto:info@aseeminfra.in">info@aseeminfra.in</a>
<b>CREDIT RATING: "ICRA AAA and CARE AAA"</b>	
The Press Release/ Rating rationale and credit rating letters for the above Credit Rating is enclosed as Annexure 2 and 3.	
<b>The details about eligible investors, coupon rate, coupon payment frequency, redemption date, redemption amount / redemption premium (discount)/ details of underwriting</b>	As may be stipulated in the respective Tranche Document.
<b>Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable;</b>	As may be stipulated in the respective Tranche Document.
<b>Pay in Date</b>	As may be stipulated in the respective Tranche Issue.
<b>Pay Out Date</b>	As may be stipulated in the respective Tranche Issue.
<b>Deemed Date of Allotment</b>	As may be stipulated in the respective Tranche Issue.

## SECTION I

### DEFINITIONS

This Shelf Placement Memorandum uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meaning as provided below. References to any legislation, act or regulation shall be to such term as amended from time to time.

Term	Description
<b>"Act" or "Companies Act"</b>	Any reference to <b>"Act"</b> or <b>"Companies Act"</b> shall have the meaning ascribed in Companies Act, 1956 or Companies Act, 2013 as applicable and time being in force.
<b>Allotment</b>	The issue and allotment of the Debentures to the successful Applicants pursuant to this Issue.
<b>"Amalgamation" or "Acquisition"</b>	shall have the meaning ascribed to in the Companies Act.
<b>Applicant/Investor</b>	A person who makes an offer to subscribe to the Debentures pursuant to the terms of this Shelf Document and the Application Form.
<b>Application Form</b>	The form with which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for Allotment of Debentures.
<b>Board</b>	shall mean Board of Directors of the Company/Issuer.
<b>Business Day</b>	shall mean day other than Sunday and public holidays, on which banks are normally open for business in Mumbai.
<b>CARE</b>	CARE Ratings Limited
<b>"Debentures" or "Bonds"</b>	shall have the meaning given to it on page [1] of this Shelf Placement Memorandum.
<b>Deemed Date of Allotment</b>	The Deemed Date of Allotment for respective Tranche issue of the Debentures shall be the date (mentioned in the Tranche Document) as may be determined by the Board or committee thereof authorized to do so and notified to NSE and BSE, as the case may be.
<b>Debenture Holders</b>	shall mean the Investors to whom the Debentures shall be allotted.
<b>Debenture Trust Deed</b>	Debenture Trust Deed dated August 25, 2015 as amended from time to time.
<b>Depositories Act</b>	The Depositories Act, 1996, as amended.

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<b>Depository Participant</b>	Shall mean a Depository Participant as defined under the Depositories Act, 1996.
<b>EBP</b>	Electronic Bidding Platform.
<b>FY</b>	Period of 12 (twelve) months ending on March 31 of that particular year.
<b>GIRN</b>	General Index Registration Number
<b>GoI</b>	Government of India
<b>ICRA</b>	ICRA Limited
<b>"Issuer", "NIIF IFL", "our Company" or "the Company"</b>	NIIF Infrastructure Finance Limited
<b>IDF – NBFC</b>	Infrastructure Debt Fund – Non-Banking Financial Company, as defined under the RBI guidelines.
<b>Infrastructure Project</b>	A project undertaken in relation to any of the sectors classified as an 'infrastructure' sector (Harmonised Master List of Infrastructure Sub-sectors issued by the Ministry of Finance) from time to time.
<b>NCD</b>	Non-Convertible Debentures.
<b>NIIF</b>	National Investment & Infrastructure Fund
<b>NPA</b>	Non-performing asset
<b>NRI</b>	Non-Resident Indians
<b>Negotiated Trade Reporting Platform</b>	erstwhile Wholesale Debt Market on the National Stock Exchange
<b>OCBs</b>	Overseas Corporate Bodies
<b>PAN</b>	Permanent Account Number
<b>"Private Placement Offer Document" or "Shelf Placement Memorandum" or "Offer Document"</b>	shall mean this document.
<b>PPP</b>	Public private partnership
<b>Project Authority</b>	means an authority constituted by a statute for the development of infrastructure in the country.
<b>RBI</b>	Reserve Bank of India.
<b>"Reconstruction" or "Reorganization"</b>	shall have the meaning ascribed to in the Companies Act.
<b>Record Date</b>	The Record Date will be 15 (fifteen) days prior to each interest payment date or the date of Redemption or put/call option date as the case may be.
<b>Redemption</b>	shall have the meaning ascribed in the section "Application process and Information relating to the terms of offer or purchase" in this document.
<b>Register of Debenture Holders/ Bond Holders</b>	The register maintained containing the name of the Debenture holders entitled to receive coupon/redemption amount in respect of the Debentures on the Record Date and whose name appears in the list of Debenture Holders/ Bond Holders appearing in the record of beneficial owners maintained by the Depository as the Debentures are issued in demat form only if the debentures were subsequently rematerialized, the register maintained by the Issuer of the names of the Debenture Holders entitled to receive coupon/redemption amounts on the Record Date, maintained at the registered office of the Issuer under the Companies Act, 2013.
<b>Registrar for the Issue</b>	MCS Share Transfer Agent Limited
<b>Scheduled Property</b>	shall have the same meaning as ascribed to it in the Debenture Trust Deed.
<b>SEBI</b>	Securities and Exchange Board of India
<b>Security</b>	shall have the meaning ascribed in the section "Application process and Information relating to the terms of offer or purchase" in this document.
<b>Debenture Trustee</b>	IDBI Trusteeship Services Limited



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<b>Debenture Trustee Agreement</b>	shall mean the agreement executed inter alia between the Company and IDBI Trusteeship Services Limited.
<b>Tranche Document(s)</b>	shall mean the respective Placement Memorandum that shall prescribe the terms and conditions as may be applicable to a particular Tranche Issue.
<b>Tranche Issue</b>	shall mean Debentures or Bonds to be issued in one or more tranches subject to the overall Shelf Limit as covered under the Shelf Placement Memorandum and will be offered by way of subsequent Tranche Documents prescribing the respective conditions applicable to such Tranche Issue.
<b>"We" or "us", "our" or the "Group"</b>	NIIF Infrastructure Finance Limited and its subsidiaries, joint ventures and associates, if any.
<b>Working day</b>	Working days of the stock exchange where the securities of the entity are listed.

## SECTION II

### RISKS IN RELATION TO THIS ISSUE

No assurance can be given regarding any active or sustained trading in the securities of the Issuer or regarding the price at which the securities will be traded after listing.

### GENERAL RISKS

Investment in debt and debt related securities involves a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Prospective Investors are advised to read the risk factors carefully before taking an investment decision in relation to any tranche of this issue. Prospective Investors should consult their own legal, regulatory, tax, financial and/or accounting advisors about risks associated with an investment in Debentures and the suitability of investing in the Debentures. For taking an investment decision, the Investors must rely on their own examination of the Company, this Shelf Document and any supplemental Placement Memorandum issued in pursuance hereof and the issue including the risks involved. This issue has not been recommended or approved by any regulatory authority in India, including Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Shelf Document. Prospective Investors are advised to carefully read the risks associated with the issue of Debentures. Specific attention of Investors is invited to statement of 'Risk Factors' in this Shelf Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or Investor's decision to purchase the debentures.

### CREDIT RATING

ICRA Limited (ICRA) and CARE Ratings Limited have assigned rating of "**ICRA (AAA)**" and "**CARE AAA**" respectively, for an overall amount of Rs. 32,000 crores, out of which this Shelf Placement Memorandum is filed for an amount of Rs.1588 crores.

Investors may please note that the credit rating of the Debentures of this Issue is not a recommendation to buy, sell or hold securities and the prospective investors should take their own investment decisions. The rating agency has the right to suspend, withdraw or revise the credit rating / outlook assigned to the Issue at any time, on the basis of new information or unavailability of information or other circumstances which the rating agency believes may have an impact on the credit rating. Please refer to the credit rating letters, and rating rationale issued by ICRA Limited and CARE Ratings Limited which are attached as Annexure 2 and 3 to this Shelf Document for further information.

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**ISSUER'S ABSOLUTE RESPONSIBILITY**

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Shelf Placement Memorandum, read together with each Tranche Document, contains all information with regard to the Issuer and the Issue which is material in context of the Issue, that the information contained in this Shelf Placement Memorandum is true and fair in all material respects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which makes this Shelf Placement Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Shelf Placement Memorandum and/or in the Tranche Documents. Any covenants later added and not covered in Shelf Placement Memorandum or Tranche Documents shall be disclosed on the website of the stock exchange where the Debentures are listed.

**GENERAL DISCLAIMER**

This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of prospectus. The rated secured redeemable non-convertible debentures are proposed to be listed on the Negotiated Trade Reporting Platform of the NSE and/ or the BSE BOND Platform and the issue(s) are being made strictly on private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. Nothing in this document shall constitute or be deemed to constitute an offer or an invitation to subscribe to the debentures to the public in general. Apart from this Shelf Placement Memorandum, no offer document or prospectus has been prepared in connection with the offering of this Issue, nor is such a Shelf Placement Memorandum required to be registered under the applicable laws. Accordingly, this Shelf Placement Memorandum has neither been delivered for registration nor is it intended to be registered. The contents of this Shelf Placement Memorandum are intended to be used only by those Debenture Holders to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient. The person to whom a copy of the Shelf Placement Memorandum and the Tranche Document is provided would alone be entitled to apply for the debentures. No invitation is being made to any persons other than those to whom the Application Forms along with this Shelf Placement Memorandum/ Tranche Document have been addressed. Any application by a person to whom the Shelf Placement Memorandum, Tranche Document and/or the Application Form has not been addressed by the Issuer shall be rejected without assigning any reason. The person who is in receipt of this Shelf Placement Memorandum shall maintain utmost confidentiality regarding its contents and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the Issuer.

This Shelf Placement Memorandum has been prepared to provide general information about the Issuer to potential Investors to whom it is addressed and who are willing and are eligible to subscribe to the Debentures. This Shelf Placement Memorandum does not purport to contain all the information that any potential investor may require. Neither this Shelf Placement Memorandum nor any other information supplied in connection with the Debentures should be considered as a recommendation to purchase or subscribe to any Debentures. Each Investor contemplating the purchase of any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such investor's particular circumstances. It is the responsibility of potential Investors to also ensure that they will sell these debentures in strict accordance with this Shelf Placement Memorandum and applicable laws, so that the sale does not constitute an offer to the public within the meaning of the Companies Act, 2013.

The Tranche Document shall be read in conjunction with this Shelf Placement Memorandum and in case of any inconsistency between the Tranche Document and the Shelf Placement Memorandum; contents of the Tranche Document shall prevail to the extent of such inconsistency.

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**DISCLAIMER CLAUSE FOR STOCK EXCHANGES AND SEBI**

Issuance of Debentures (in one or more tranches) on private placement basis under this Shelf Placement Memorandum is proposed to be listed on the Negotiated Trade Reporting Platform of NSE and/ or the BSE BOND Platform and copy of this Shelf Placement Memorandum will be filed with the Negotiated Trade Reporting Platform of the NSE and/ or the BSE BOND Platform in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time. It is to be distinctly understood that submission of the Shelf Placement Memorandum to SEBI or NSE or BSE should not in any way be deemed or construed to mean that the Shelf Placement Memorandum has been cleared or approved by NSE and /or BSE and / or SEBI; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Placement Memorandum, nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the NSE and/ or BSE; nor does it take any responsibility for the financial or other soundness of the issuer, its promoters, its management.

**DISCLAIMER CLAUSE OF RESERVE BANK OF INDIA**

NIIF Infrastructure Finance Limited was originally incorporated as IDFC Infra Debt Fund Limited on March 7, 2014 under the Companies Act, 2013 and the Reserve Bank of India (RBI) issued a certificate of registration dated September 22, 2014. The name of the Company was changed from IDFC Infra Debt Fund Limited to IDFC Infrastructure Finance Limited with effect from January 10, 2017 and RBI had issued a fresh certificate of registration in the new name of the Company dated January 16, 2017. Thereafter, the name of the Company was further changed to NIIF Infrastructure Finance Limited with effect from July 11, 2019 and RBI has issued a fresh certificate of registration consequent to the name change dated July 16, 2019 in the name of NIIF Infrastructure Finance Limited.

The Bonds/ Debentures have not been recommended or approved by RBI nor does RBI guarantee the accuracy or adequacy of this Shelf Placement Memorandum. It is to be distinctly understood that this Shelf Placement Memorandum should not, in any way, be deemed or construed that the Debentures have been recommended for investment by RBI. Further, RBI does not take any responsibility either for the financial soundness of the Issuer, or the Debentures being issued by the Issuer or for the correctness of the statements made or opinions expressed in the Shelf Placement Memorandum. The potential Investors may make investment decisions in respect of the Debentures offered in terms of this Shelf Placement Memorandum solely on the basis of their own analysis and RBI does not accept any responsibility about servicing /repayment of such investment.

**DISCLAIMER CLAUSE OF THE CREDIT RATING AGENCY**

As at the date of this Shelf Placement Memorandum, the ICRA and CARE (collectively known as "Credit Rating Agency") have assigned "ICRA AAA" and "CARE AAA" rating to the Debentures. The rating assigned by the Credit Rating Agency is an opinion on credit quality and is not a recommendation to buy, sell or hold the rated debt instruments. The Investors should take their own decisions. The Credit Rating Agency has based its rating on information obtained from sources believed by them to be accurate and reliable. The Credit Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information.

The rating may be subject to revision or withdrawal at any time by the Credit Rating Agency and should be evaluated independently of any other rating. The Credit Rating Agency has the right to suspend or withdraw the rating at any time based on factors such as new information or unavailability of information or any other circumstances.

**DISCLAIMER CLAUSE OF THE COMPANY**

The Company has certified that the disclosures made in this Shelf Placement Memorandum are adequate and in conformity with SEBI guidelines and RBI guidelines in force for the time being. This requirement is to

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facilitate Investors to take an informed decision for making an investment in the proposed Issue. The Company accepts no responsibility for statements made otherwise than in the Shelf Document or any other material issued by or at the instance of the Company in connection with the issue of the Debentures and that anyone placing reliance on any other source of information would be doing so at their own risk. The Issuer accepts no responsibility for statements made other than in this Shelf Placement Memorandum or any other material expressly stated to be issued by or at the instance of the Issuer in connection with the issue of the Debentures. Any person placing reliance on any other source of information would be doing so at such person's own risk.

**ELIGIBILITY OF THE ISSUER TO COME OUT WITH THE ISSUE**

AS ON THE DATE OF THIS SHELF PLACEMENT MEMORANDUM:

- (I) THE ISSUER AND ITS DIRECTORS HAVE NOT BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTIONS PASSED BY SEBI;
- (II) NONE OF THE PROMOTERS/ CONTROLLING STAKEHOLDER OR DIRECTORS OF THE ISSUER IS A PROMOTER OR DIRECTOR OF ANOTHER COMPANY WHICH IS DEBARRED FROM ACCESSING THE CAPITAL MARKET OR DEALING IN SECURITIES BY SEBI;
- (III) NEITHER THE ISSUER NOR ANY OF ITS PROMOTERS/ CONTROLLING STAKEHOLDER OR DIRECTORS IS A WILFUL DEFAULTER;
- (IV) NONE OF THE PROMOTERS/ CONTROLLING STAKEHOLDER OR WHOLE-TIME DIRECTORS OF THE ISSUER IS A PROMOTER OR WHOLE-TIME DIRECTOR OF ANOTHER COMPANY WHICH IS A WILFUL DEFAULTER;
- (V) NONE OF ITS PROMOTERS/ CONTROLLING STAKEHOLDER OR DIRECTORS IS A FUGITIVE ECONOMIC OFFENDER; AND
- (VI) NO FINE OR PENALTIES LEVIED BY SEBI /STOCK EXCHANGES IS PENDING TO BE PAID BY THE ISSUER AT THE TIME OF FILING THE SHELF PLACEMENT MEMORANDUM.

**DISCLAIMER IN RESPECT OF JURISDICTION**

Issue of these Debentures have been/will be made in India to Investors as specified under clause "Who Can Apply" in this Shelf Placement Memorandum, who have been/shall be specifically approached by the Company. This Shelf Placement Memorandum is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. The Debentures are governed by and shall be construed in accordance with the existing Indian laws as applicable in the State of Maharashtra. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of Mumbai.

**FORCE MAJEURE**

The Company reserves the right to withdraw the Issue at any time or any Tranche under the Issue prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, collected in respect of that Tranche without assigning any reason.

**ISSUE OF DEBENTURES IN DEMATERIALISED FORM**

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of the Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its Depository Participant. The Issuer will make the Allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

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**EACH PERSON RECEIVING THIS SHELF PLACEMENT MEMORANDUM ACKNOWLEDGES THAT**

Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and such person has not relied on any intermediary which may be associated with issuance of Debentures in connection with investigation of the accuracy of such information or investment decision. The Issuer does not undertake to update the information in this Shelf Document to reflect subsequent events after the date of the Shelf Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Neither the delivery of this Shelf Document nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Shelf Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Shelf Document in any jurisdiction where such action is required. The distribution of this Shelf Document and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this comes are required to inform them about and to observe any such restrictions. The Shelf Document is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential.

**CONFIDENTIALITY**

The information and data contained herein is submitted to each recipient of this Shelf Document on a strictly private and confidential basis. By accepting a copy of this Shelf Document, each recipient agrees that neither it nor any of its employees, agents or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This Shelf Document must not be photocopied, reproduced, extracted or distributed in any manner whatsoever, in full or in part to any person other than the recipient without the prior written consent of the Company. If at any time any such reproduction or disclosure is made and the Company suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or disclosure, the recipient of this Shelf Document breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify the Company from and against any such loss, damage or liability.

**FORWARD-LOOKING STATEMENTS**

While no forecasts or projections relating to the Issuer's financial performance are included in this Shelf Document, this document contains certain "forward-looking statements" including words like "intends", "believes", "expects" and other similar expressions or variations of such expressions. These statements are primarily meant to give prospective Investors an overview of the Issuer's future plans, as they currently stand. The Issuer operates in a highly competitive, regulated and ever-changing business environment, and a change in any of these variables may necessitate an alteration of the Issuer's plans. Further, these plans are not static, but are subject to continuous internal review, and may be altered if the altered plans suit the Issuer's needs better. Further, many of the plans may be based on one or more underlying assumptions (all of which may not be contained in this Shelf Document) which may not come to fruition. Thus, actual results may differ materially from those suggested by the forward-looking statements. The Issuer cannot be held liable by estoppels or otherwise for any forward-looking statement contained herein. All statements contained in this Shelf Document that are not statements of historical fact constitute "forward-looking statements" and are not forecasts or projections relating to the Issuer's financial performance. All forward-looking statements are subject to risks, uncertainties and assumptions that may cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that may cause actual results to differ materially from the issuer's expectations include, among others, the risk factors set out in Section II (Risks relating to the Debentures) of this Shelf Document. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The forward-looking statements made in this Shelf Document speak only as of the date of this Shelf

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Document. Neither the Issuer nor its Directors nor any of the Issuer's affiliates have any obligation, or intention, to update or otherwise revise any forward-looking statement to reflect circumstances arising after the date hereof or to reflect the events occurring after the date hereof, even if the underlying assumptions do not come to fruition and the Issuer does not assume any responsibility to do so.

### SECTION III

#### RISK FACTORS

The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Potential investors should carefully consider all the risk factors in this Shelf Placement Memorandum for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. The order of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Shelf Document and reach their own conclusions prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be adversely impacted. More than one risk factor may occur simultaneously with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the impact that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties presently not known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not able to quantify the financial or other implications of any risk mentioned herein below.

**PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THESE KEY RISKS ASSOCIATED WITH THE DEBENTURES. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO THE DEBENTURES OR THE INVESTORS' DECISION TO PURCHASE THE DEBENTURES. THIS SHELF DOCUMENT IS NOT AND DOES NOT PURPORT TO BE IN THE NATURE OF INVESTMENT ADVICE.**

#### **A. INTERNAL RISK FACTORS**

##### **1. Increasing competition from banks, financial institutions and NBFCs**

The successful implementation of Company's growth plans depends on its ability to face the competition. The main competitors of the Company are Infra Debt Funds, other NBFCs, financial institutions, mutual funds and banks. The Company is a non-deposit taking NBFC and does not have access to low-cost deposits. Due to this, or any other reason, it may become less competitive than other players. Many of its competitors have significantly greater financial, technical, marketing and other resources. Many of them also offer a wider range of services and financial products than the Company does and have greater brand recognition and a larger client base. If the Company is unable to manage its business and compete effectively with current or future competitors, it might adversely impact its competitive position and profitability.



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**2. Credit Risk**

Any lending and investment activity by the Company is exposed to credit risk arising from default in interest / repayment (by whatsoever name used, for example coupon/ redemption) by borrowers and other counterparties. The Company has institutionalized a systematic credit evaluation process and monitors the performance of its asset portfolio on a regular and continuous basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has exposure. The Company also endeavors to undertake a periodic review of its entire asset portfolio with a view to determine any changes in portfolio quality, identify potential areas of action and devise appropriate strategies thereon. Despite these efforts, there can be no assurance that interest or repayment default will not occur and/or there will be no adverse effect on the Company's financial results and/or operations as a result thereof. While the Company generally provides secured debt to borrowers and assesses the status of security periodically, there can be no assurance that the entire amount of principal and interest can be recovered in an event of default, through invocation/ disposal of security.

In performing its credit assessment, the Company relies largely on information furnished by or on behalf of its borrowers, including financial information, based on which the Company performs its credit assessment. The Company may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. Any such information if materially misleading may increase the risk of default and could adversely impact the financial condition, financial results and/or operations of the Company.

**3. Repayment of principal is subject to the credit risk of the Company**

Potential Investors should be aware that receipt of principal amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company. Potential investors assume the risk that the Company may not be able to satisfy its obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

**4. Interest Rate Risk**

The Company's interest income from lending and gains from trading in debt securities are dependent upon interest rates and their movement. Interest rates are highly sensitive to many factors beyond the control of the Company, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, foreign exchange rates and their movement, inflation and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. Consequently, there can be no assurance that significant interest rate movements will not have an adverse effect on the Company's financial results and/or operations.

**5. Non-performing assets.**

At this point in time, the Issuer has NIL non-performing assets and its provisioning norms fully comply with the RBI guidelines/directives. The Issuer believes that its overall financial profile, capitalization levels and risk management systems provide significant risk mitigation. A material increase in the level of non-performing assets in the Issuer's portfolio and/ or change in the extent of provisioning, may cause its business and results of operations to suffer.

**6. Access to Capital Markets and Commercial Borrowings**

Current regulatory guidelines mandate the Company to raise funds principally from the debt capital markets. The Company's growth will depend on its continued ability to access funds at competitive

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rates which in turn will depend on various factors including prevailing market conditions and the Company's ability to maintain its credit ratings. If the Company is unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to offer competitive interest rates for its loans or have adequate funds for its investment activities mandated by regulation. This may adversely impact its business results and its future financial performance.

**7. Portfolio Concentration**

The Company's lending portfolio comprises Public Private Partnership (PPP) infrastructure projects with or without a Project Authority and non-PPP infrastructure projects which have completed at least one year of satisfactory commercial operations. While the Company's portfolio is diversified across various infrastructure sectors, as the focus has been on key sectors including but not limited to solar power generation, wind power generation, power transmission, etc., the Company's performance may be adversely impacted due to portfolio concentration risk, if these sectors go through a downtrend or are adversely impacted due to any reason whatsoever.

**8. Operational and System Risk**

The Company may be faced with operational risks (which may include people, process or system risks), which may arise as a result of various factors, viz., improper authorizations, failure of employees to adhere to approved procedures, inappropriate documentation, failure in maintenance of proper security policies, frauds, inadequate training and employee errors. Further, there can also be a security risk in terms of handling information technology related products such as system failures, information system disruptions, communication systems failure which involves certain risks like data loss, breach of confidentiality and adverse effect on business continuity and network security.

If any of the systems do not operate properly or are disabled or if other shortcomings or failures in internal processes or systems are to arise, this could affect the Company's operations and/or result in financial loss, disruption of Company's businesses, regulatory intervention and/or damage to its reputation. In addition, the Company's ability to conduct business may be adversely impacted by a disruption (i) in the infrastructure that supports its businesses and (ii) in the localities in which it is located.

**9. Any inability of the Company to attract or retain talented professionals may impact its business operations**

The business in which the Company operates is very competitive and the Company's ability to attract and retain quality talent impacts the successful implementation of growth plans. The Company may lose business opportunities and business, or portfolio monitoring may suffer if such required manpower is not available on time. The inability of the Company to replace manpower or add requisite manpower, in a satisfactory and timely manner may adversely affect its business and future financial performance.

**10. Downgrading of credit rating**

The Company cannot guarantee that its credit ratings will not be downgraded. In the event of perceived/ assessed or actual deterioration in the financial health of the Company, there is a possibility that any of the Rating Agencies may downgrade the rating of the Debentures. In such cases, potential investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per regulatory norms applicable to them. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

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**11. Decisions may be made on behalf of all Debenture Holders that may be adverse to the interest of individual Debenture Holders**

The terms of the Debentures contain provisions for calling meetings of Debenture Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Debenture Holders including Debenture Holders who did not attend and vote at the relevant meeting and Debenture Holders who voted in a manner contrary to the majority. In view of the same, it is possible that the decisions made through defined majorities on behalf of all Debenture Holders may not be in favour of the interest of individual Debenture Holder.

**12. No Debenture Redemption Reserve**

As per the provisions of the Companies (Share Capital and Debentures) Rules, 2014 as amended time to time, the Company is currently exempt from the requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this, the Company does not intend to create any such reserves for the redemption of the Debentures. The Company will continue to comply with applicable provisions of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable guidelines, as amended from time to time. The non availability of such reserve could impact investors.

**13. Security may be insufficient to redeem the Debentures**

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of the Debenture Trustee Deed and other related documents. The Investors recovery in relation to the Debentures will be subject to (i) the market value of the property offered as security, and (ii) finding a willing buyer in a timely manner, for such security at a price sufficient to repay the potential investors' amounts outstanding under the Debentures.

**14. Tax and other Considerations**

Special tax, accounting and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of an investment into the Debentures.

**15. Asset Liability Mismatch (ALM)**

The Company has assets and liabilities with varying maturities that may not be completely aligned for each maturity bucket. The Company's assets are mostly loans with amortising repayments. Borrowings in the form of bonds, as required by regulation, typically have bullet redemption. In case of the misalignment of cash flows caused by the nature of asset and liability repayments, ALM mismatch risk may arise.

**B. EXTERNAL RISK FACTORS**

**1. The Debentures may be illiquid**

The Company intends to list the Debentures on the Negotiated Trade Reporting Platform of the NSE and/ or BSE BOND platform. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange and that there would be any market for the Debentures. The current trading of the Company's existing listed non-convertible debentures may not reflect the liquidity of the NCDs being offered through the Issue. It is not possible to predict if and to what extent a secondary market may develop for the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the

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Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

Further, the Company may not be able to issue any further Debentures, in case of any disruptions in the securities market.

**2. Future legal and regulatory changes**

Future government policies and changes in laws and regulations in India (including their interpretation and application to the operations of the Company) and comments, statements or policy changes by policy makers or any regulator, including but not limited to the Income Tax department, SEBI or RBI, may adversely affect the Debentures, and restrict the Company's ability to do business in its target markets. The timing and content of any new law or regulation or rule is not within the Company's control and such new law, regulation, comment, statement, rule or policy change could have an adverse impact on its business, financial results and/or operations.

Further, SEBI, the relevant Stock Exchange(s) or other regulatory authorities may require clarifications on this Shelf Document, which may cause a delay in the issuance of Debentures or may result in the Debentures being materially affected or even rejected.

**3. Material changes in regulations to which the Company is subject**

NBFCs in India are subject to supervision and regulation by the RBI. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting standards. The RBI also requires the Company to make provisions based on quality of assets and ensure specified levels of capital adequacy. Any changes in the regulatory framework impacting NBFCs including but not limited to change in the definition of infrastructure, change in risk weights on assets and/or provisioning norms for NPAs and/or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance. The Company is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's lending or investments. As per current Tax Laws, any income of an IDF-NBFC is exempt from income tax and a withdrawal of this benefit or change of law/ rules in this regard may impact the profitability of the Issuer.

**4. A slowdown in economic growth in India**

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy or a fall in India's GDP or other macroeconomic indicators may adversely affect its business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general downtrend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

**5. Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally**

If there is any slowdown in the economic liberalization, or a reversal of steps already taken, it could have an adverse impact on the Company's business. Financial difficulties and other problems in certain financial institutions in India could cause the Company's business to suffer. The Company is exposed to the risks of the international as well as Indian financial system, which in turn may be affected by financial difficulties, trends and other problems faced by certain Indian financial institutions. The problems faced by such Indian financial institutions and any instability in, or difficulties faced by the Indian financial system generally could create an adverse market perception

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about Indian financial institutions, banks and NBFCs. This in turn could adversely affect the Company's business, its future financial performance and its shareholders' funds.

**6. Acts of God, terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Company's business**

Acts of God, terrorist attacks and other acts of violence or war may negatively impact the Indian markets and may also adversely impact worldwide financial markets. These acts may also result in a loss of business confidence. In addition, adverse social, economic and political events in India could have a negative impact on the Company. Such incidents could also create a perception that investment in Indian companies involves a higher degree of risk which could have an adverse impact on the Company's business.

**7. The Company's business may be adversely impacted by natural calamities or unfavourable climatic changes.**

India has experienced natural calamities such as earthquakes, floods, droughts, and a tsunami in recent years. India has also experienced pandemics, including the outbreak of avian flu, swine flu and coronavirus. The extent and severity of these natural disasters and the lock downs due to these pandemics determine their impact on the economy and in turn their effect on the financial services sector of which the Company is a part cannot be ascertained or predicted but could adversely affect the Company. Prolonged spells of abnormal rainfall, drought and other natural calamities could have an adverse impact on the economy which in turn could adversely affect the financial results and/or operations of the Company.

**8. There is no assurance that the Debentures issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.**

There is no assurance that the Debentures issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all. In accordance with Indian law and practice, permissions for listing and trading of the Debentures issued pursuant to this Issue will not be granted until after the Debentures have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Exchanges. There could be a failure or delay in listing the Debentures on the Stock Exchange for reasons unforeseen.

## **C. GENERAL RISK FACTORS**

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risks attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this Issue. For taking an investment decision, investors must rely on their examination of the Company, this Shelf Document and any Tranche Documents issued in pursuance hereof and the Issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section III of this Shelf Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. The Issue has not been recommended or approved by any regulatory authority in India, including SEBI or RBI nor does SEBI or RBI guarantee the accuracy or adequacy of this Shelf Placement Memorandum. There is no guarantee, implicit or explicit, by any shareholder or owner, regarding equity infusion or credit support in any manner whatsoever.

## **D. ADDITIONAL ASSUMPTIONS**

The initial subscriber by subscribing to and any subsequent purchaser by purchasing the NCDs shall be deemed to have agreed that and accordingly the Company shall be entitled to presume that each of the

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initial subscribers and any subsequent purchasers (Debenture Holder, as referred to hereinabove and hereinafter):

- (1) has reviewed the terms and conditions applicable to the NCDs as contained in the Shelf Document and the relevant Tranche Document and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that NCDs are a suitable investment and that the Debenture Holder can bear the economic risk of that investment;
- (2) has received all the information believed by it to be necessary and appropriate or material in connection with, and for, investment in the NCDs;
- (3) has sufficient knowledge, experience and expertise as an investor, to make the investment in the NCDs;
- (4) has not relied on either the Company or any of its affiliate, associate, holding, subsidiary or group entities, if any or any person acting in its or their behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the NCDs set out in this Shelf Document and the relevant Tranche Document;
- (5) has understood that information contained in this Shelf Document and the relevant Tranche Document is not to be construed as business or investment advice;
- (6) has made an independent evaluation and judgment of all risks and merits before investing in the NCDs;
- (7) has understood that the method and manner of computation of returns and calculations on the NCDs shall be solely determined by the Company and the decision of the Company shall be final and binding;
- (8) has understood that in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial or other related markets or if for any other reason the calculations cannot be made as the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder(s) and no liability thereof will attach to the Company;
- (9) has understood that in the event that the Debenture Holder(s) suffers adverse consequences or loss, the Debenture Holder(s) shall be solely responsible for the same and the Company, its parent, its subsidiaries or affiliates, if any shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture Holder(s) including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood;
- (10) has the legal ability to invest in the NCDs and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or its assets;
- (11) where the Debenture Holder includes any kind of fund including but not limited to a mutual fund / provident fund/pension fund / superannuation fund / gratuity fund/ endowment fund/ wealth fund/ family office fund or any kind of retirement benefit funds or other welfare funds (each a "**fund**"), that:



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- (a) investing in the NCDs on the terms and conditions stated herein is within the scope of the fund's investment policy and does not conflict with the provisions of the trust deed / bye laws / regulations currently in force,
  - (b) the investment in NCDs is being made by and on behalf of the fund and that the fund is in force and existing and the investment has been ratified by appropriate resolutions, and
  - (c) the investment in NCDs has been duly authorized and does not contravene any provisions of the trust deed / bye laws / regulations as currently in force or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the fund or its assets;
- (12) where the Debenture Holder is a company, that:
- (a) the Debenture Holder is not precluded under any law, rules, regulations and / or circular(s) issued by any statutory authority (ies) including under the Act from investing in the NCDs;
  - (b) All necessary corporate or other necessary action has been taken and that the Debenture Holder has corporate ability and authority, to invest in the NCDs; and
  - (C) Investment in the NCDs does not contravene any provisions of the Memorandum and Articles of Association or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture Holder's assets.

#### SECTION IV

#### **DISCLOSURES AS PER SCHEDULE II OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED.**

##### **A. Issuer Information**

##### **(a) Name and address of the following:**

##### **(i) Corporate and Registered Office of the Company:**



##### **NIIF Infrastructure Finance Limited,**

3<sup>rd</sup> Floor, UTI Tower,  
North Wing, GN Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051.  
Phone No: +91 2268591300  
Email ID: [info@niiffl.in](mailto:info@niiffl.in)

##### **(ii) Company Secretary & Compliance Officer of the Company:** **Ankit Sheth**

Company Secretary & Compliance Officer  
Address: 3<sup>rd</sup> Floor, UTI Tower,  
North Wing, GN Block, Bandra Kurla  
Complex, Bandra (East), Mumbai 400 051.  
Phone No.: +91 2268591300  
Email ID: [ankit.sheth@niiffl.in](mailto:ankit.sheth@niiffl.in)

##### **(iii) Chief Financial Officer ("CFO") of the Company:**

Mr. V. Narayanan Iyer  
Address: 3<sup>rd</sup> Floor, UTI Tower,  
North Wing, GN Block, Bandra Kurla  
Complex, Bandra (East), Mumbai 400 051.  
Phone No.: +91 2268591300

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Email ID: [narayanan.iyer@niiffl.in](mailto:narayanan.iyer@niiffl.in)

(iv) **Arranger, if any, of the Issue:**

The Company reserves the right to appoint arranger(s) in the Tranche Issue(s) or may choose to launch a Tranche Issue(s) directly.

- (v) **Trustee of the Issue:** The Company has currently appointed IDBI Trusteeship Services Limited. However, the Company reserves the right to appoint any other Trustee for a particular Tranche Issue.



**IDBI Trusteeship Services Ltd**

IDBI Trusteeship Services Limited,  
Registered Office: Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai – 400 001  
Contact Person: Nikhil Lohana  
Email: [nikhil@idbitrustee.com](mailto:nikhil@idbitrustee.com)  
Website: <http://www.idbitrustee.com>

IDBI Trusteeship Services Limited ("**Debenture Trustee**") has given their consent to NIIF IFL for its appointment under regulation 8 of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations. Copy of consent is enclosed as **Annexure 4**

(vi) **Registrar of the Issue:**

MCS Share Transfer Agent Limited. However, the Company reserves the right to appoint any other registrar for a particular Tranche Issue. Following are the contact details:

**For Debentures and Commercial paper**



**MCS Share Transfer Agent Limited**

201, D Wing, 2<sup>nd</sup> Floor  
Gokul Industrial Estate Building  
Sagbaug, Marol Co-op Industrial Area  
B/H Times Square, Andheri East, Mumbai – 400 059.  
Contact Person: Chandrakant Prabhu  
Email: [cprabhu@mcsregistrars.com](mailto:cprabhu@mcsregistrars.com)  
Website: <https://www.mcsregistrars.com>  
Fax: 022-28516021

(vii) **Credit Rating Agencies of the Issue:**

ICRA Limited (ICRA) and Credit Analysis & Research Limited (CARE) and / or any other credit rating agency, as may be appointed by the Company for a particular Tranche Issue.



**ICRA Limited,**

Electric Mansion, 3<sup>rd</sup> Floor,  
Appasaheb Marathe Marg, Prabhadevi,  
Mumbai – 400 025.  
Contact Person: Shiva Kumar

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Tel: +91-22-61143406  
Fax: +91-22-24331390  
Email: shivakumar@icraindia.com  
Website: [www.icra.in](http://www.icra.in)



**CARE Ratings Limited (CARE)**

Address: 4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road,  
Off Eastern Express Highway, (E), Mumbai – 400 022.  
Contact Person: Shweta Agrawal  
Tel: +91-22-6754 3456  
Fax: +91-22-6754 3457  
Email: [Shweta.Agrawal@careedge.in](mailto:Shweta.Agrawal@careedge.in)  
Website: <https://www.careratings.com/>

(viii) **Joint Auditors of the Company:**

Lodha & Co

**Lodha & Co, Chartered Accountants**

6, Karim Chambers, 40, A, Doshi Marg, Hamam Street, Mumbai – 400 001  
Contact Person: Hemant Mantri  
Email: [mumbai@lodhaco.com](mailto:mumbai@lodhaco.com)  
Website: <https://www.lodhaco.com/>

**M/s. MP Chitale & Co., Chartered Accountants**

1st Floor, Hamam House, Ambalal Doshi Marg, Fort, Mumbai – 400 001  
Contact Person: Shraddha Jathar  
Email: [office@mpchitale.com](mailto:office@mpchitale.com)

**(b) A summary of the business/activities of the Issuer and its line of business:**

**(i) Overview:**

**Brief Background of the NIIF IFL:**

The Finance Minister of India in his budget speech for 2011-12 had announced the setting up of Infrastructure Debt Funds (“IDFs”) in order to accelerate and enhance the flow of long-term debt in infrastructure projects.

Since several banks had reached group concentration limits to key infrastructure developer groups and faced asset liability mismatches due to low tenor liabilities and higher tenor infrastructure assets, IDFs were conceived as specialized financing vehicles to solve the problem of asset liability mismatches, free up group concentration limits of banks, channelize long term funds (like pension/provident/ insurance/ sovereign funds, etc.), provide innovative credit enhancement solutions to enhance viability of infrastructure projects in India.

IDFC Limited incorporated IDFC Infra Debt Fund Limited on March 7, 2014, as a new infrastructure financing entity to carry on the business of the infrastructure debt fund under the NBFC format as per the RBI guidelines issued in this regard. The Reserve Bank of India granted Certificate of Registration to IDFC Infra Debt Fund Limited (“IDFC IDFL”) on September 22, 2014, permitting the Company to carry on the business of Non-Banking Finance Company – Infrastructure Debt Fund. The Company commenced business on January 16, 2015. The name of IDFC Infra Debt Fund Limited was changed to IDFC Infrastructure Finance Limited (“IDFC IFL”) with effect from January 10, 2017. Pursuant to definitive agreements entered between IDFC Limited, IDFC Financial Holding Company Limited (“IDFC FHCL”), IDFC Infrastructure Finance Limited and National Investment &

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Infrastructure Fund II ("**NIIF Fund II**") on October 30, 2018; IDFC FHCL sold 51.48% of the shareholding in the Company to National Investment and Infrastructure Fund II on March 12, 2019.

The name of the Issuer was further changed to NIIF Infrastructure Finance Limited (**NIIF IFL**) with effect from July 11, 2019.

**Summary of the business/ activities and its line of business**

In terms of the guidelines issued by RBI, initially IDF-NBFCs could invest in Public Private Partnership ("**PPP**") and post commercial operations date ("**COD**") infrastructure projects, which have completed at least 1 (one) year of satisfactory commercial operations and are a party to Tripartite Agreement with the Concessionaire and the Project Authority for ensuring a compulsory buyout with termination payment. Accordingly, the key sectors in infrastructure that could be eligible for IDF-NBFCs funding were restricted principally to sectors like roads and ports with Project Authorities like NHAI, Port Trusts etc. Thereafter, on May 14, 2015, RBI in consultation with the Government of India decided to amend the guidelines to broaden the mandate of IDF-NBFCs by also allowing them to undertake investments in non-PPP projects and PPP projects without a Project Authority. In accordance with RBI regulations, NIIF IFL is engaged in financing operational Infrastructure Projects. It plans to continue to invest in debt securities and loans of both PPP and non-PPP Infrastructure Projects which have completed minimum one year of satisfactory operations post commercial operations date ("**COD**").

NIIF IFL intends to focus on projects across various sectors in infrastructure in line with RBI guidelines including but not limited to transport, energy, communication, and social and commercial infrastructure.

NIIF IFL can raise funds by way of rupee or dollar denominated Bonds of minimum 5 (five) years tenure. From April 21, 2016, IDF-NBFCs have been permitted by RBI to raise funds through shorter tenor bonds and commercial papers (CPs) from the domestic market to the extent of upto 10 % of their total outstanding borrowings. Further, IDF-NBFCs are required to follow applicable fund-raising and other guidelines/provisions of Companies Act, RBI/SEBI/ Income tax Rules.

**Controlling Stake Holder:** National Investment and Infrastructure Fund II (NIIF's Strategic Fund) owns 39.73% equity stake (on a fully diluted basis) in NIIF Infrastructure Finance Limited

National Investment and Infrastructure Fund Limited (**NIIFL**) is the investment manager of National Investment and Infrastructure Fund II. NIIFL 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 made this acquisition from its Strategic Fund. The Strategic Fund is aimed at growth and development stage investments in projects/companies in a broad range of sectors that are of economic and commercial importance and are likely to benefit from India's growth trajectory over the medium to long-term.

**Background of Sponsor Company:**

As per extant regulatory guidelines, only an Infrastructure Finance Company (IFC) or a Bank registered with RBI, is permitted to act as "Sponsor" of an IDF NBFC and such Sponsor needs to contribute a minimum equity of 30% and a maximum equity of 49%. Aseem Infrastructure Finance Limited ("**AIFL**") is a NBFC- IFC (Infrastructure Finance Company). The NIIF Fund II has a 59% stake in AIFL on a fully diluted basis. Presently AIFL has an Equity capital base of Rs. 2,380.59 crores (excluding Securities premium). AIFL is registered with Reserve Bank of India ("**RBI**") as NBFC- IFC and has requisite approvals to act as a Sponsor of the Company. AIFL owns 30.82% equity stake (on fully diluted basis) in NIIF IFL as a Sponsor.

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### Infrastructure sector in India

Infrastructure is a key driver of the Indian economy and instrumental in impacting India's overall development. It is a priority for the government's economic policy. Infrastructure funding from private as well as public sectors is set to increase significantly in the near term.

The key difference between an IDF-NBFC and other infrastructure financing institutions is that an IDF-NBFC, by regulation, finances only those infrastructure projects that have achieved COD and have a track record of at least one year of satisfactory commercial operations. This insulates IDF-NBFCs from the uncertainties and risks associated with construction and development of infrastructure projects particularly with regard to timely approvals, land acquisition, cost and time overruns etc.

For PPP projects with Project Authority, IDF-NBFCs are required to execute a Tripartite Agreement with the Concessionaire and the Project Authority. GoI has approved a model tripartite agreement in respect of the roads and ports sectors. The model tripartite agreement defines the maximum quantum of lending by IDF-NBFC apart from stipulating certain conditions on the tenor and repayment schedule of the lending. IDF-NBFCs are entitled to all rights, titles, interests and security at par with the existing senior lenders on a pari-passu basis. Further, the tripartite agreement accords higher priority to IDF-NBFCs vis-a-vis other senior lenders with regard to termination payments in case of termination of concession.

### Corporate Structure

The following is the Corporate Structure of the Company:

1. Domestic and Foreign direct/indirect Subsidiaries:  
 Nil
2. Following is the shareholding pattern of the Company

#### Details of Equity Share Capital of the Company:

Sr. No.	Name of Shareholder	Shares	% of holding
1.	National Investment and Infrastructure Fund II and its nominees	546,350,979	53.03
2	Aseem Infrastructure Finance Limited	423,932,487	41.14
3	Housing Development Finance Corporation Limited	60,000,000	5.83
	<b>Total</b>	<b>1,030,283,466</b>	<b>100</b>

#### Details of Preference Share Capital of the Company:

Sr. No.	Name of Shareholder	No. of CCPS* of face value Rs. 21 each	No. of CCPS* of face value Rs. 27 each	% of Shareholding
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1.	The President of India, represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India.	87,927,757	257,069,408	100
	<b>Total</b>	<b>344,997,165</b>		<b>100</b>

\*Compulsorily Convertible Preference Shares

**3. Name of the Controlling Equity Holder**

National Investment and Infrastructure Fund II (NIIF Fund II) is the controlling equity stake holder of the Company. Aseem Infrastructure Finance Limited is Sponsor as per RBI IDF – Regulations.

**(i) A columnar representation of the audited financial statements (i.e., Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years –** Please refer financial statements enclosed with this Shelf Placement Memorandum.

**(ii) Key Operational and Financial Parameters standalone basis (audited)**

**a. Consolidated:** NA

**b. Standalone:**

**(in ₹ lakhs)**

<b>Parameters</b>	<b>As at Dec 31, 2022 (Unaudited)- Under Ind AS</b>	<b>As at March 31, 2022 (Audited)- Under Ind AS</b>	<b>As at March 31, 2021 (Audited)- Under Ind AS</b>	<b>As at March 31, 2020 (Audited)- Under Ind AS</b>
<b>Balance Sheet</b>				
Net Fixed Assets	756	149	338	620
Current Assets	2,42,200	2,07,953	1,39,069	74,318
Non-Current Assets	15,32,185	13,37,357	7,85,931	5,99,075
<b>Total Assets</b>	<b>17,75,141</b>	<b>15,45,459</b>	<b>9,25,338</b>	<b>6,74,013</b>
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	1,46,800			
Financial (borrowings, trade payables, and other financial liabilities)		10,14,651	6,12,352	4,89,507
Provisions				
Deferred tax liabilities (net)				
Other non-current liabilities				
Current Liabilities (including maturities of long-term borrowings)	12,92,920			
Financial (borrowings, trade payables, and other financial liabilities)		2,19,314	1,25,988	1,01,161
Provisions				



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Current tax liabilities (net)				
Other current liabilities				
Equity (equity and other equity)	3,35,421	3,11,494	1,86,998	83,345
<b>Total Equity and Liabilities</b>	<b>17,75,141</b>	<b>15,45,459</b>	<b>9,25,338</b>	<b>6,74,013</b>
<b>Profit and Loss</b>				
Total revenue:				
- From operations	1,03,313	98,431	71,568	52,195
- Other income				
Total Expenses	79,290	75,106	58,393	40,941
Total comprehensive income				
- Profit/loss	24,023	23,325	13,175	453
- Other comprehensive income	(97)	(15)	35	(1)
Profit/loss after tax	23,926	23,310	13,210	452
Earnings per equity share: (a) basic; and (b) diluted				
- Continuing Operations	a) 1.82	a) 2.54	1.96	0.08
- Discontinued Operations	b) 1.82	b) 2.31		
- Total continuing and discontinued operations				
<b>Cash Flow</b>				
Net cash generated from operating activities	-	(5,38,103)	(1,87,317)	(1,57,196)
Net cash used in/generated from investing activities	-	(95)	(8)	(770)
Net cash used in financing activities	-	5,88,347	2,35,601	1,80,285
Cash and cash equivalents	1,46,561	1,24,155	74,006	22,319
Balance as per statement of cash flows	1,46,561	1,24,155	74,006	22,319
<b>Additional information</b>				
Net worth	3,35,421	3,11,494	1,86,998	83,345
Cash and Cash equivalents	1,46,561	1,24,155	74,006	22,319
Current Investments	Nil	Nil	Nil	Nil
Total Debts to Total Assets	0.81	0.80	0.80	0.87
Debt Service Coverage Ratios	NA	NA	NA	NA
Interest service coverage ratio	NA	NA	NA	NA
Bad debts to account receivable ratio	Nil	Nil	Nil	Nil
Share Application Money	Nil	Nil	Nil	Nil
Total Debt of which				
-Long Term Borrowing	-	11,75,337	712,642	567,203
-Short Term Borrowing	-	24,820	Nil	Nil
Other Non-Current Liabilities-Provision for standard assets	11,363	9,940	5,328	2,563
Net Fixed Assets	756	149	338	620
Current Tax Assets	14,454	11,522	8,475	4,243
Deferred Tax Assets	Nil	Nil	Nil	Nil

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Cash and Bank Balances	1,46,561	1,24,155	74,006	25,719
Non-Current Investments – NIIF IFL				
Other Financial Assets	49	3,463	4,495	4,406
Other Non-Financial Assets	95	158	125	103
Other Financial Liabilities	2,208	32,885	25,032	20,331
Other Non-Financial Liabilities	511	393	605	526
Interest Income	1,03,301	97,719	70,445	51,254
Other income	11	712	1,123	941
Interest Expense	75,142	67,697	53,278	38,029
Provisioning & Write-offs	1,423	4,613	2,764	683
Total comprehensive income	24,023	23,325	13,175	453
PAT	23,926	23,310	13,210	452
Gross NPA (%) to gross advances	Nil	Nil	Nil	Nil
Net NPA (%) to net advances	Nil	Nil	Nil	Nil
Tier I Capital Adequacy Ratio (%)	20.4%	22.76%	23.38%	18.97%
Tier II Capital Adequacy Ratio (%)	0.7%	0.73%	0.65%	0.59%
Assets Under Management (` in crores)	NA	NA	NA	NA
Off Balance Sheet Assets	Nil	Nil	Nil	Nil

Note:

\* NPA refers to non-performing advances.

(\*\*) Capital adequacy for FY18 is based on Indian GAAP audited accounts as submitted to RBI

**(iii) Debt: Equity Ratio (in ₹ lakhs)**

Particulars	As at Dec 31, 2022 (Unaudited)-Under Ind AS	As at March 31, 2022 (Audited)- Under Ind AS	As at March 31, 2021 (Audited)- Under Ind AS	As at March 31, 2020 (Audited)- Under Ind AS	Post-Issue (Unaudited)
<b>Debt (Gross)</b>					
Short Term Debt	-	24,820	Nil	Nil	Nil
Long Term Debt *	14,36,050	11,75,337	7,12,642	5,67,203	17,57,300 *
<b>Total Debt</b>	<b>14,36,050</b>	<b>12,00,156</b>	<b>7,12,642</b>	<b>5,67,203</b>	<b>17,57,300</b>
Equity Share Capital	1,03,028	1,03,028	91,573	54,000	1,03,028 (**)
Compulsorily Convertible preference shares (CCPS)	87,874	87,874	18,465	Nil	87,874 (**)
Reserves and surplus	1,44,519	1,20,592	76,960	29,345	1,20,592 (**)
<b>Total Shareholders' Funds</b>	<b>3,35,421</b>	<b>3,11,494</b>	<b>1,86,998</b>	<b>83,345</b>	<b>3,11,494</b>

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<b>Debt to Equity Ratio</b>	<b>4.28</b>	<b>3.85</b>	<b>3.94</b>	<b>7.04</b>	<b>5.73</b>
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(\*) Long term debt refers to total borrowing power under Debenture Trust Deed minus debentures redeemed till date. Current outstanding as on date long term debt is Rs. 1,459,800 lakhs. We have assumed incremental aggregate subscription of Rs 198,800 lakhs of debentures under various tranches to be issued under this Shelf Placement Memorandum and calculated Debt: Equity ratio post issuance would be adjusted accordingly in the event that the subscription is less than Rs 198,800 lakhs.

(\*\*) As of 31<sup>st</sup> March 2022

**(iv) Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability - Nil**

**(v) Project cost and means of financing, in case of funding of new projects:**

The proceeds of the Issue will be utilized for such purposes as may be mentioned in the respective Tranche Document(s) pertaining to each Tranche Issue, and would be in line with extant regulation.

**c. A brief history of the Issuer since its incorporation giving details of its following activities: -**

**(i) Details of Share Capital as on date: -**

**Details of Equity Share Capital:**

<b>Share Capital</b>	<b>No. of Shares</b>	<b>Rupees (Rs.)</b>
Authorized Share Capital	1,815,000,000 having face value of Rs. 10/- each	18,150,000,000
Issued, Subscribed and Paid-up Share Capital	1,030,283,466 having face value of Rs. 10/- each	10,302,834,660

**Details of Preference Share Capital:**

<b>Share Capital</b>	<b>No. of Shares</b>	<b>Rupees (Rs.)</b>
Authorized Share Capital	88,095,238 having face value of Rs 21/- each	1,850,000,000
	259,259,259 having face value of Rs. 27/- each	6,999,999,993
Issued, Subscribed and Paid-up Share Capital	87,927,757 CCPS of Rs. 21/- each	1,846,482,897
	257,069,408 CCPS of Rs. 27/- each	694,08,74,016

**(ii) Changes in its capital structure as on last quarter end, for the last three years:-**

<b>Date of Change (AGM/EGM)</b>	<b>Particulars</b>
EGM dated March 1, 2021	The Authorized share capital of the Company was increased from to Rs. 8,000,000,000 to Rs. 20,000,000,000
EGM dated March 22, 2022	The Authorized share capital of the Company was increased from Rs. 20,000,000,000 to Rs. 26,999,999,993.

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**Capital Allotment history since inception**

The Company had allotted 11,950,000 equity shares on March 21, 2014 to IDFC Limited, through a rights issue.

On August 12, 2014 the Company allotted by way of Preferential Allotment, 140,000,000 equity shares to IDFC Limited, 143,000,000 equity shares to IDFC Alternatives Limited and 15,000,000 equity shares to IDFC Finance Limited.

At the Board meeting held on April 29, 2015, the Board approved to transfer 152,000,000 equity shares held by IDFC Limited of the Company to IDFC Financial Holding Company Limited. At the Board meeting held on August 21, 2015, the Board approved following transfers of equity shares of the Company:

Sr. No.	Name of the Transferor	Name of the Transferee	No of shares
1.	IDFC Alternatives Limited	IDFC Financial Holding Company Limited.	143,000,000
2.	IDFC Finance Limited	IDFC Financial Holding Company Limited.	15,000,000

On September 21, 2015, 130,000,000 equity shares were allotted to IDFC Financial Holding Company Limited by way of rights issue.

On March 29, 2016, The Company made a Preferential allotment aggregating to 100,000,000 equity shares divided into 60,000,000 equity shares to Housing Development Finance Corporation Limited and 40,000,000 equity shares to SBI Life Insurance Company Limited.

Pursuant to definitive agreements entered between IDFC Limited, IDFC Financial Holding Company Limited ("**IDFC FHCL**"), IDFC Infrastructure Finance Limited and National Investment & Infrastructure Fund II ("**NIIF Fund II**") on October 30, 2018; IDFC FHCL sold 51.48% of the shareholding in the Company to National Investment and Infrastructure Fund II on March 12, 2019.

SBI Life Insurance Company Limited and Housing Development Finance Corporation Limited ("HDFC") were given tag along right along with "IDFC FHCL" to sell their equity stake in the Company to NIIF Fund II. HDFC decided to continue their shareholding and SBI Life sold their equity stake of 7.41% to NIIF Fund II.

IDFC FHCL sold 30% of its shareholding in the Company to Aseem Infrastructure Finance Limited on March 30, 2020. Board of Directors of NIIF Infrastructure Finance Limited ("NIIF IFL") at its meeting held on May 21, 2020 have allotted equity shares of face value of Rs.10/- each at a premium of Rs.6.41/- each on Rights Basis to the existing shareholders of the Company as follows:

Sr No	Name of the Shareholder	No of share
1	National Investment and Infrastructure Fund II	100,929,312
2	Aseem Infrastructure Finance Limited	51,416,819
	<b>Total</b>	<b>1,52,346,131</b>

On March 30, 2021 Board of Directors of NIIF Infrastructure Finance Limited has allotted 22,33,84,030 (twenty two crore thirty three lakh eighty four thousand thirty) Equity Shares of face value of Rs. 10 (Rupees Ten only) per share at a premium of Rs. 11.04 (Rupees Eleven and Four Paise only) per share (the "**Equity Shares**") aggregating to Rs 469,99,99,992

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(Rupees Four Hundred and Sixty Crore Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Ninety Two only) on private placement basis to National Investment and Infrastructure Fund II and Aseem Infrastructure Finance Limited, existing shareholders of the Company and 8,79,27,757 (Eight Crore Seventy Nine Lakh Twenty Seven Thousand Seven Hundred Fifty Seven) 0.001% Compulsorily Convertible Preference Shares (CCPS) of the Company of the face value of Rs. 21 (Rupees Twenty One only) each at a premium of Rs. 0.04 (Rupees Four Paise only) per share aggregating to Rs. 185,00,00,007 (Rupees One Hundred Eighty Five Crore and Seven only) on private placement basis to President of India, represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India

On March 28, 2022, the Board of Directors of NIIF Infrastructure Finance Limited had allotted 11,45,53,305 (Eleven Crore Forty Five Lakh Fifty Three Thousand and Three Hundred Five) Equity Shares of the Company of face value of INR 10 (Rupees Ten only) each at a premium of INR 17.23 (Rupees Seventeen and Twenty Three Paise only) per share aggregating to INR 311,92,86,495.15 (Rupees Three Hundred and Eleven Crore Ninety Two Lakh Eighty Six Thousand Four Hundred Ninety Five and Fifteen Paise Only), on a preferential cum private placement basis, to Aseem Infrastructure Finance Limited and 25,70,69,408 (Twenty Five Crore Seventy Lakh Sixty Nine Thousand Four Hundred Eight) 0.001% Compulsorily Convertible preference Shares (Series II) ("CCPS") of the Company of the face value of INR 27/- (Rupees Twenty Seven only) each at a premium of INR 0.23 (Twenty Three paise only) per share aggregating to INR 699,99,99,980 (Rupees Six Hundred Ninety Nine Crore Ninety Nine lakh Ninety Nine Thousand Nine Hundred Eighty only), 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 existing preference shareholder of the Company.

Current Shareholding pattern of the Company is given below:

- (1) National Investment and Infrastructure Fund II with its Nominees – **53.03%**
- (2) Aseem Infrastructure Finance Limited – **41.14%**
- (3) Housing Development Finance Corporation Limited – **5.83%**

Considering CCPS allotment made to Government of India, shareholding pattern on fully diluted basis is as given below:

Sr. No.	Name of Shareholder	Number of Equity Shares	Number of Preference Shares	% Of holding
1.	National Investment and Infrastructure Fund II and its nominees	546,350,979		39.73%
2	Aseem Infrastructure Finance Limited	423,932,487		30.83%
3	Housing Development Finance Corporation Limited	60,000,000		4.36%
4	President of India, represented by and acting through the Secretary, Department of Economic Affairs,		344,997,165	25.09%

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	Ministry of Finance, Government of India			
	<b>Total</b>	<b>1,030,283,466</b>	<b>344,997,165</b>	<b>100</b>

- 1. After the offer:** No Change as the offer document is being filed for issuance of Non-Convertible Debentures
- 2. After conversion of convertible instruments (if applicable):** Not Applicable
- 3. Share premium account (before and after the offer):** Not Applicable
- 4. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter:**

Standalone				(Rs. in Crores)
Year	Profit Before Tax	Provision for Tax	Profit after tax	Comprehensive Income
F.Y. 2021-22	23,325	Nil	23,325	(15)
F.Y. 2020 -21	13,175	Nil	13,175	35
F.Y. 2019 -20	11,254	10,801	453	(1)

- 5. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid):**

Standalone		
Year	Dividend	Interest Coverage Ratio (Cash Profit / Interest Cost)
F.Y. 2021 -22	Nil	Please Refer Financial Statement
F.Y. 2020 -21	Nil	Please Refer Financial Statement
F.Y. 2019 -20	Nil	Please Refer Financial Statement

- 6. Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter:**

The Audited financials for FY 2019-20 FY 2020-21 & FY 2021-22 have been attached herewith.

- 7. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company:** Nil
- 8. Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with Report of the Registered Valuer:** Not Applicable
- 9. Intention of promoters, directors or key managerial personnel to subscribe to the offer:** The proposed private placement is not being made to the Promoters/ Controlling Stakeholders, Directors or key management personnel of the Company.



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- 10. Relevant Date with reference to which the price has been arrived at:** Not Applicable.
- 11. The Change in control, if any, in the company that would occur consequent to the private placement** Not Applicable
- 12. The justification for allotment proposed to be made for consideration other than cash together with Valuation Report of the Registered Valuer:** Not applicable
- 13. Any Default in Annual filings of the Company under the Companies Act, 2013 or rules made thereunder:** Nil
- 14. The Details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operation:** Nil
- 15. Equity and Preference Share Capital History of the Company, for the last three years:**

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative		
						No of equity shares	Equity Share Capital (₹)	Equity Share Premium (₹)
As on Incorporation	50,000	10	10	Cash	Subscription	50,000	500,000	NIL
21-March-14	11,950,000	10	10	Cash	Rights Issue	12,000,000	120,000,000	NIL
12-August-14	298,000,000	10	10	Cash	Preferential Allotment	310,000,000	3,100,000,000	NIL
21-September-15	130,000,000	10	10	Cash	Right Issue	440,000,000	4,400,000,000	NIL
29-March-16	100,000,000	10	10	Cash	Preferential Allotment	540,000,000	5,400,000,000	NIL
21-May-20	15,23,46,131	10	16.41	Cash	Right Issue	692,346,131	6,923,461,310	97,65,38,700
30-March 21	223,384,030	10	21.04	Cash	Private Placement	915,730,161	9,157,301,610	2,466,159,692
28-March-22	114,553,305	10	27.23	Cash	Private Placement	1,030,283,466	10,302,834,660	197,37,53,445.15

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Date of Allotment	No. of CCPS	Face Value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative		Premium (₹)
						No of CCPS	Preference Shares Capital (₹)	
30-March 21	87,927,757	21	21.04	Cash	Private Placement	87,927,757	1,846,482,897	3,517,110
28-March 22	257,069,408	27	27.23	Cash	Private Placement	25,70,69,408	699,99,99,979.84	59,125,963.8

**16. Details of any Acquisition or Amalgamation in the last 1 (one) year:**

There was no acquisition or amalgamation event happened in the last one year.

**17. Details of any Reorganization or Reconstruction in the last 1 year: NIL**

**18. Details of the shareholding of the Company as on date**

(i) Equity Shareholding pattern of the Company as on date:

Sr. No.	Category	Total Shares	Shares in Demat	Shares in Physical	% To Equity
1.	National Investment & Infrastructure Fund II and its nominees.	546,350,979	546,350,979	NIL	53.03
2.	Aseem Infrastructure Finance Limited	423,932,487	423,932,487	NIL	41.14
3.	Housing Development Finance Corporation Limited.	60,000,000	60,000,000	NIL	5.83
	<b>Total</b>	<b>1,030,283,466</b>	<b>1,030,283,466</b>	<b>NIL</b>	<b>100.00</b>

(ii) Preference Shareholding pattern of the Company as on date:

Sr. No.	Category	Total Shares	Shares in Demat	Shares in Physical	% To Preference
1	The President of India, represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India.	344,997,165	344,997,165	NIL	100

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Details of shares pledged or encumbered by the promoters (if any): **NIL**

(iii) List of top 10 holders of equity shares of the Company as on date:

Sr. No.	Category	Total Shares	Shares in Demat	Shares in Physical	% To Equity
1.	National Investment & Infrastructure Fund II and its nominees.	546,350,979	546,350,979	NIL	53.03
2.	Aseem Infrastructure Finance Limited	423,932,487	423,932,487	NIL	41.14
3.	Housing Development Finance Corporation Limited	60,000,000	60,000,000	NIL	5.83
	<b>Total</b>	<b>1,030,283,466</b>	<b>1,030,283,466</b>	<b>NIL</b>	<b>100.00</b>

(iv) List of top 10 holders of preference shares of the Company as on date:

Sr. No.	Category	Total Shares	Shares in Demat	Shares in Physical	% To Preference
<b>1</b>	The President of India, represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India.	344,997,165	344,997,165	NIL	100

## 19. Details regarding the directors of the Company:

As per our Articles of Association, we are required to have not less than 3 Directors and not more than 15 Directors subject to the provisions of Sections 149 and 152 of the Companies Act, 2013 and subject to Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Currently, we have the following 6 Directors on our Board:

### 1. Mr. Surya Prakash Rao Pendyala (DIN: 02888802):

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, 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 State Bank of India (SBI) where he held several key positions. In his last position at SBI, he headed Tamil Nadu and Pondicherry

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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.

**2. Mr. Rajiv Dhar (DIN: 00073997):**

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.

**3. Mr. A K T Chari (DIN: 00746153):**

Mr. A.K.T Chari was an Advisor to IDFC in the area of Project Finance. A keen Project Finance Specialist, he has over 40 years of experience in Finance Sector. Prior to joining IDFC, Mr. Chari worked with the Industrial Development Bank of India (IDBI) for 25 years where he held the position of Chief General Manager/Adviser-Project/Infrastructure and 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 on the Board of Directors of various companies as Independent Director/Nominee Director.

**4. Ms. Rosemary Sebastian (DIN: 07938489):**

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

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law degree from Mumbai University. She is currently on the Boards of two reputed Companies, as an Independent Director.

**5. Mr. Ashwani Kumar (DIN: 02870681):**

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 31.13.17. 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 a little more than 5 years. He was also the Chairman Audit Committee and Risk Management Committee, Member of Investment Committee, Executive Committee of LIC. As the Chairman of Indian Banking Association (Sept 2015- Oct 2016), Mr. Kumar effectively liaised 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 programs 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.

**6. Mr. Prashant Kumar Ghose (DIN: 00034945):**

Mr. Prashant Kumar Ghose has nearly five decades of experience in finance and industry having worked across sectors including steel, cement, fertilisers, chemicals and consumer products. He worked at Tata Steel, where he became Chief Financial Controller (Corporate) and then Chief of Strategic Finance, before moving to Tata Chemicals as Chief Financial Officer. In Tata Chemicals he was elevated to the Board as Executive Director & CFO. He has worked on multiple M&A and fund-raising transactions, domestically and internationally, and he was recognised as "CFO of the Year" 3 times, twice by IMA and once by CNBC TV18. Mr. Ghose has held multiple board positions including for Tata Chemicals across Europe, North America and Africa, Infinity Retail, Tata Consulting Engineers, Air Asia India and Tata Services. He has also been on international boards - IMACID Morocco and JOil Singapore. Prior to his joining Tata Chemicals he had been a member of the boards of TAYO (erstwhile Tata Yodogawa), Tata Pigments, Stewart's & Lloyd and others. Mr Ghose also was advisor to the Group Chairman, Tata Group for over 2 years. He is currently a member of three National Committees of CII, and is a member and trustee of the CFO Board.

He is a BCOM (Hons) graduate, a member of the Institute of Cost & Works Accountants of India and the Institute of Company Secretaries, India, and an alumnus of the Advanced International General Management Program of CEDEP, INSEAD. He has attended the Financial Management programme at Wharton School and Strategy at Harvard Business School.

(i) **Details of the directors of the Company as on date:**

Name, DIN and Designation	Age (yrs.)	Address	Director of the Company since	Details of other Directorship in Indian Companies
<b>Mr. Surya Prakash Rao Pendyala</b>  <b>DIN:</b> 02888802  <b>Designation:</b>	64	3 <sup>rd</sup> Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	March 12, 2019	Aseem Infrastructure Finance Limited

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Chairman and Nominee director of National Investment and Infrastructure Fund II				
<b>Mr. Rajiv Dhar</b> <b>DIN:</b> 00073997 <b>Designation:</b> Nominee of National Investment and Infrastructure Fund II	61	3 <sup>rd</sup> Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	March 12, 2019	Aseem Infrastructure Finance Limited  Hindustan Infralog Private Limited
<b>Mr. A K T Chari</b> <b>DIN:</b> 00746153 <b>Designation:</b> Nominee of National Investment and Infrastructure Fund II	83	3 <sup>rd</sup> Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	March 12, 2019	-
<b>Ms. Rosemary Sebastian</b> <b>DIN:</b> 05154174 <b>Designation:</b> Independent Director	63	3 <sup>rd</sup> Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	June 7, 2022	Godrej Housing Finance Limited Aseem Infrastructure Finance Limited
<b>Mr. Ashwani Kumar</b> <b>DIN:</b> 02870681 <b>Designation:</b> Independent Director	65	3 <sup>rd</sup> Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	September 30, 2020	Saurashtra Cement Limited Macrotech Developers Limited LICHFL Asset Management Company Limited
<b>Mr. Prashant Kumar Ghose</b> <b>DIN:</b> 00034945 <b>Designation:</b> Independent Director	72	3 <sup>rd</sup> Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	February 1, 2023	Aseem Infrastructure Finance Limited  Association of CFO Welfare India  Aquachemie DMCC

None of the current directors' name is appearing in the RBI defaulter list and/or ECGC default list or is a willful defaulter.

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(ii) **Details of change in directors since last 3 (three) years:**

<b>Name, DIN and Designation</b>	<b>Date of Appointment/ Resignation/ Cessation</b>	<b>Director of the Company since (in case of resignation)</b>	<b>Remark</b>
<b>Mr. Vikram Limaye</b> <b>DIN:</b> 00488534 <b>Designation:</b> Nominee Director of IDFC Limited.	15/07/2017 Date of cessation due to resignation	07/03/2014 Date of Appointment	-
<b>Mr. Sunil Kakar</b> <b>DIN:</b> 03055561 <b>Designation:</b> Non Executive Director	28/10/2015 Date of Resignation	16/01/2015 Date of Appointment	-
<b>Mr. Pavan Pal Kaushal</b> <b>DIN:</b> 07117387 <b>Designation:</b> Non Executive Director	17/12/2018 Date of Resignation	20/03/2015 Date of Appointment	-
<b>Dr. Rajeev Uberoi</b> <b>DIN:</b> 01731829 <b>Designation:</b> Non Executive Director	28/10/2015 Date of Resignation	16/01/2015 Date of Appointment	-
<b>Dr. Rajiv Behari Lall</b> <b>DIN:</b> 00131782 <b>Designation:</b> Non Executive Chairman	24/07/2015 Date of Resignation	07/03/2014 Date of Appointment	-
<b>Late Mr. S H Khan</b> <b>DIN:</b> 00006170 <b>Designation:</b> Non-Executive Chairman	12/01/2016 Date of Cessation due to Death	28/10/2015 Date of Appointment	
<b>Mr. S.S. Kohli</b> <b>DIN:</b> 00169907 <b>Designation:</b> Chairman of the Board- Non-Executive Independent Director	27/10/2018 Date of Retirement	28/10/2015 Date of Appointment	On 25/01/2016 Mr. S S Kohli was appointed as a Chairman of the Board.
<b>Mr. A.K.T Chari</b> <b>DIN:</b> 00746153 <b>Designation:</b> Non-Executive Independent Director	27/10/2018 Date of Retirement	28/10/2015 Date of Appointment	



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<b>Ms. Ritu Anand</b> <b>DIN:05154174</b>  <b>Designation:</b> Independent Director	06/05/2022 Date of Retirement	28/10/2015 Date of Appointment	On 07/05/2019 Ms. Ritu Anand was reappointed as Independent Director for second term after complying with the provisions of the Companies Act, 2013.
<b>Mr. Suresh Menon</b> <b>DIN:00737329</b>  <b>Designation:</b> Nominee Director	30/03/2021 Date of resignation	18/11/2016 Date of Appointment	
<b>Mr. Sunil Kakar</b>  <b>DIN:</b> 03055561 <b>Designation:</b> Nominee Director of IDFC Limited.	30/03/2020 Date of resignation	19/07/ 2017 Date of Appointment -	
<b>Mr. Gautam Kaji</b>  <b>DIN:</b> 02333127 <b>Designation:</b> Independent Director	16/07/2020 Date of Retire	17/07/2018 Date of Appointment	
<b>Mr. Surya Prakash Rao Pendyala</b>  <b>DIN:</b> 02888802 <b>Designation:</b>  Nominee of National Investment and Infrastructure Fund II	12/03/2019 Date of Appointment		
<b>Mr. Rajiv Dhar</b>  <b>DIN:</b> 00073997  <b>Designation:</b> Nominee of National Investment and Infrastructure Fund II	12/03/2019 Date of Appointment		
<b>Mr. A K T Chari</b>  <b>DIN:</b> 00746153  <b>Designation:</b> Nominee of National Investment and Infrastructure Fund II	12/03/2019 Date of Appointment		
<b>Ms. Rosemary Sebastian</b>  <b>DIN:</b> 05154174  <b>Designation:</b> Independent Director	07/06/2022 Date of Appointment		

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<b>Mr. Prashant Kumar Ghose</b>  <b>DIN:</b> 00034945  <b>Designation:</b> Independent Director	February 1, 2023 Date of Appointment		-
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## **20. Details regarding the Management of the Company:**

### **1. 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 27 years of experience in infrastructure finance, innovative & sustainable funding, and advisory.

In his previous role as founder CEO & Wholtime 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 leadership team which 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 has been 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 in India.

Prior to joining L&T Financial Services, he worked with India's specialised infrastructure financier IDFC (now IDFC 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.

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

### **2. Mr. Debabrata Mukherjee (Chief Business Officer):**

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

In a career spanning over 30 years in financial services, Debabrata has worked with leading Indian and global institutions across corporate and project finance, special situation

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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 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 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 Indian Institute of Management, Bangalore and a Bachelor's degree in Mechanical Engineering from Jadavpur University, Kolkata.

**3. Mr. Dhananjay Yellurkar (Chief Risk Officer):**

Dhananjay joined the company 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 years 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.

**4. Mr. Srinivas Upadhyayula (Chief Compliance Officer & General Counsel)**

Mr. Srinivas Upadhyayula is presently the Chief Compliance Officer & General Counsel of NIIF Infrastructure Financial Limited. Prior to this, he has worked as a Senior Director (Legal & Compliance) in the Special Situations Management Group (SSMG) of IDFC Ltd. He has more than 30 years of rich experience in legal, documentation of project & non-project finance, corporate finance and infrastructure finance documentation, including litigation management & recovery management in the Banking and Financial sector. He has expertise in leading the 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 and a structuring of the loans.

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

Srinivas started his career as an Advocate on Civil and Labour side in the District Courts of Vizianagaram and Visakhapatnam. He then worked with Sterling Tree Magnum (India) Ltd (a

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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.

**5. Mr. V. Narayanan Iyer (Chief Financial Officer)**

V. Narayanan 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, sound GRC - Governance, Compliance & Risk Management framework.

He has supported scaling up & enabling new businesses rollout, 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 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 position 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 Institute of Company Secretaries of India.

**21. Following details regarding the auditors of the Company: -**

**i. Details of the auditors of the Company:**

**M/s. Lodha & Co, Chartered Accountants**

6, Karim Chambers, 40, A, Doshi Marg, Hamam Street, Mumbai – 400 001

Contact Person: Hemant Mantri

Email: [mumbai@lodhaco.com](mailto:mumbai@lodhaco.com)

Auditors since- September, 2021

**M/s. MP Chitale & Co., Chartered Accountants**

1<sup>st</sup> Floor, Hamam House, Ambalal Doshi Marg, Fort, Mumbai – 400 001

Contact Person: Shraddha Jathar

Email: [office@mpchitale.com](mailto:office@mpchitale.com)

Auditors since- June, 2022

**ii. Details of change in auditor since last three years:**

The Company at its 4<sup>th</sup> Annual General Meeting (AGM) held on June 9, 2017 had appointed Price Waterhouse & Co LLP, Chartered Accountants (FRN: 304026E/E00009) ("PWC") for a period of five (5) years, to hold office from conclusion of 4<sup>th</sup> AGM till the 8<sup>th</sup> AGM of the Company to be held for the FY 2021-2022. PWC resigned as statutory auditors of the Company in the month of July 2020.

Subsequently, S. R. Batliboi & Co. LLP with PAN No. ACHFS9180N was appointed as the Statutory Auditors of the Company, in place of Price Waterhouse & Co LLP, Chartered Accountants (FRN:

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304026E/E00009), vide Board Meeting dated July 23, 2020 which was subsequently approved by shareholders at their Extra Ordinary General Meeting held on September 22, 2020, and who held the office of the Statutory Auditors of the Company until the conclusion of the ensuing Annual General Meeting i.e. for the Financial Year ending March 31, 2021.

Lodha & Co., Chartered Accountants with PAN No. AABFL1894Q was appointed as the statutory auditor of the Company in place of S. R. Batliboi & Co. LLP, Chartered Accountants (FRN:301051E), vide Board Meeting dated August 18, 2021 which was subsequently approved by shareholders at their 8<sup>th</sup> Annual General Meeting held on September 21, 2021, and who shall hold the office of the Statutory Auditors of the Company until the conclusion of the 11<sup>th</sup> Annual General Meeting i.e. for the Financial Year ending March 31, 2024.

M.P. Chitale & Co. Chartered Accountants with PAN No. AAAPM2282Q (FRN: 101851W) were appointed as the Joint Statutory Auditors of the Company at the Board Meeting held on May 6, 2022, and which was subsequently approved by shareholders at their Extra Ordinary General Meeting held on June 8, 2022, and who shall hold the office of the Joint Statutory Auditors of the Company until the conclusion of the 12<sup>th</sup> Annual General Meeting i.e. for the Financial Year ending March 31, 2025.

**22. Details of borrowings of the Company, as on the latest quarter end: -**

**i. Details of Outstanding Secured Loan Facilities as on December 31, 2022: - Nil**

**ii. Details of Outstanding Unsecured Loan Facilities as on December 31, 2022: - Nil**

**iii. Details of Outstanding non-convertible securities as on December 31, 2022:**

Debenture Series	Original Tenor / Period of Maturity (in years)	Coupon (in %)	Amount (in ₹ Crs)	Date of Allotment	Redemption Date/Schedule	Rating	Secured / Unsecured
NIIF IFL PP 7/2018	7 years	7.990%	115.00	28-Nov-17	28-Nov-24	AAA	Secured
NIIF IFL PP 8/2018	5 years 57 days	8.080%	265.00	18-Dec-17	14-Feb-23	AAA	Secured
NIIF IFL PP 9/2018	5 years 15 days	8.480%	50.00	06-Feb-18	21-Feb-23	AAA	Secured
NIIF IFL PP10/2018	5 years 153 days	8.49%	217.00	22-Mar-18	22-Aug-23	AAA	Secured
NIIF IFL PP1/2019 Option I	5 years 30 days	8.37%	60.00	26-Apr-18	26-May-23	AAA	Secured
NIIF IFL PP1/2019 Option II	7 years 31 days	8.415%	44.00	26-Apr-18	27-May-25	AAA	Secured
NIIF IFL PP2/2019	8 years	8.52%	26.00	16-May-18	15-May-26	AAA	Secured
NIIF IFL PP 3/ 2019	6 years 53 days	9.21%	47.00	05-Jul-18	27-Aug-24	AAA	Secured
NIIF IFL PP 4/ 2019	6 years 26 days	9.255%	189.00	19-Jul-18	14-Aug-24	AAA	Secured

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NIIF IFL PP 5/ 2019	5 years 42 days	9.12%	12.00	12-Oct-18	23-Nov-23	AAA	Secured
NIIF IFL PP 1/ 2020	5 years 28 days	9.00%	20.00	30-Apr-19	28-May-24	AAA	Secured
NIIF IFL PP 2/ 2020	5 years 76 days	9.00%	59.00	04-Jun-19	19-Aug-24	AAA	Secured
NIIF IFL PP 3/ 2020	5 years 70 days	9.00%	81.00	20-Jun-19	29-Aug-24	AAA	Secured
NIIF IFL PP 4/ 2020	5 years 41 days	8.60%	390.00	27-Sep-19	07-Nov-24	AAA	Secured
NIIF IFL PP 5/ 2020	5 years 61 days	8.65%	600.00	23-Dec-19	21-Feb-25	AAA	Secured
NIIF IFL PP 6/ 2020	10 years	8.70%	500.00	15-Jan-20	20% Principal 15-January -26 20% Principal 15-January -27 20% Principal 15-January -28 20% Principal 15-January -29 20% Principal 15-January -30	AAA	Secured
NIIF IFL PP 7/ 2020	3 years 317 days	8.15%	150.00	04-March-20	15-Jan-20	AAA	Secured
NIIF IFL PP 1/FY 2020-21	5 years 28 days	8.250%	500.00	23-Apr-20	21-May-25	AAA	Secured
NIIF IFL PP 2/FY 2020-21	5 years 1 days	7.500%	250.00	01-Jun-20	02-Jun-25	AAA	Secured
NIIF IFL PP 3/FY 2020-21	5 years 61 days	7.500%	125.00	12-Jun-20	12-Aug-25	AAA	Secured
NIIF IFL PP 4/FY 2020-21	5 years 60 days	7.250%	245.00	28-Sep-20	28-Nov-25	AAA	Secured
NIIF IFL PP 5/FY 2020-21	5 years	6.450%	105.00	31-Dec-20	31-Dec-25	AAA	Secured
NIIF IFL PP 6/FY 2020-21	1 years 363 days	5.500%	250.00	29-Jan-21	27-Jan-23	AAA	Secured
NIIF IFL PP 7/FY 2020-21	10 years	7.25%	244.00	04-Feb-21	04-Feb-31	AAA	Secured
NIIF IFL PP 8/FY 2020-21	5 years 61 days	7.25%	482.00	22-03-21	22-May-26	AAA	Secured
NIIF IFL PP 9/FY 2020-21	5 years 60 days	7.25%	560.00	30-03-21	29-May-26	AAA	Secured
NIIF IFL PP 1 2021-22	5 years 1 Month	6.720%	650.00	09-Sep-21	09-Oct-26	AAA	Secured

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NIIF IFL PP 2 2021-22 Option-I	5 years 59 days	6.840%	625.00	22-Sep-21	20-Nov-26	AAA	Secured
NIIF IFL PP 2 2021-22 Option-II	9 years 11 Month	7.170%	487.00	22-Sep-21	22-Aug-31	AAA	Secured
NIIF IFL PP 3 2021-22	9 years 2 Month	6.840%	1000.00	28-Sep-21	27-Nov-26	AAA	Secured
NIIF IFL PP 4 2021-22	5 years 40 days	6.750%	1185.00	14-Jan-22	23-Feb-27	AAA	Secured
NIIF IFL PP 5 2021-22	2 years	5.955%	300.00	17-Feb-22	16-Feb-24	AAA	Secured
NIIF IFL PP 6 2021-22	5 years 3 days	7.050%	625.00	22-Feb-22	25-Feb-27	AAA	Secured
NIIF IFL PP 7 2021-22	5 years 2 Month	7.110%	875.00	28-Mar-22	28-May-27	AAA	Secured
NIIF IFL PP 1 2022-23	5 years 3 Month	7.80%	400.00	27-May-22	27-Aug-27	AAA	Secured
NIIF IFL PP 2 2022-23	5 years 1 Month	8.00%	809.00	04-July-22	24-Aug-27	AAA	Secured
NIIF IFL PP 3 2022-23	9 years 10 Month	8.04%	521.00	14-July-22	27-May-31	AAA	Secured
NIIF IFL PP 4/FY 2022-23	5 years 2 Month	7.68%	747.00	13-Sept-22	25-Nov-27	AAA	Secured

**Security details: as stipulated in the section "Security" in this document and in the respective Tranche Documents.**

**iv. List of Top 10 Non-Convertible Securities Holders as on December 31, 2022:**  
**(in ₹ Crs)**

Sr. No.	Name of Debenture Holder	Amount
1.	STATE BANK OF INDIA	2825.00
2.	AXIS BANK LIMITED	850.00
3.	BANK OF BARODA	600.00
4.	CANARA BANK-MUMBAI	525.00
5.	NPS TRUST - A/C SBI PENSION FUND	510.00
6.	IDBI BANK LIMITED	500.00
7.	LIFE INSURANCE CORPORATION OF INDIA	500.00
8.	TATA AIG GENERAL INSURANCE COMPANY LIMITED	455.00
9.	INFOSYS LIMITED EMPLOYEES PROVIDENT FUND TRUST	364.00
10.	UNION BANK OF INDIA	335.00

**v. Details of Commercial Papers as on December 31, 2022: Nil**

**vi. Details of rest of borrowing as on December 31, 2022: Nil**

**vii. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 (three)** Nil



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- viii. **Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not:** Nil
- d. **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:**
- (i) **Statutory dues:** No Default
- (ii) **Debentures and interest thereon:** No Default
- (iii) **Deposits and interest thereon:** No Default
- (iv) **Loan from any bank or financial institution and interest thereon:** No Default
- e. **Details of Promoters of the Company:**

**Details of Promoter / Controlling Stakeholders of Company as on the date**

National Investment and Infrastructure Fund II has acquired controlling stake in the Company during the financial year 2018-19. Aseem Infrastructure Finance Limited is Sponsor for NIIF Infrastructure Finance Limited, in terms of IDF Regulations of Reserve Bank of India.

S. No.	Description	Controlling stakeholder	Sponsor
1.	Name	National Investment and Infrastructure Fund II	Aseem Infrastructure Finance Limited
2.	Address	C/o 3rd Floor, Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi – 110001	4th Floor, UTI Tower, GN Block, South Block, BKC, Bandra (East), Mumbai – 400 051
3.	Experience in the business	<p>NIIFL was incorporated in F.Y. 2015-16. NIIFL is a collaborative investment platform for international and Indian investors, anchored by the Government of India (GoI). NIIFL invests across asset classes such as infrastructure, private equity and other diversified sectors in India, intending to generate attractive risk-adjusted returns for its investors. NIIFL thinks long-term, believes in generating returns through efficiently operating its investments through economic cycles, and is committed to sustainable investing principles.</p> <p>NIIFL manages over USD 4.4 billion of equity capital commitments across its three</p>	<p>Aseem Infrastructure Finance Limited ("AIFL") is an NBFC- IFC (Infrastructure Finance Company). The NIIF Fund II is having 59% of stake in AIFL on fully diluted basis. Presently AIFL has Equity capital base of Rs. 2,380.59 crores (excluding Securities premium). AIFL is registered with Reserve Bank of India ("RBI") as NBFC- IFC and has requisite approvals to act as a Sponsor of the Company. AIFL owns 30.82% equity stake (on fully diluted basis) in NIIF IFL as a Sponsor.</p>

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		funds – Master Fund, Fund of Funds and Strategic Opportunities Fund, each with its distinct investment strategy. NIIF Strategic Opportunities Fund is an India focussed Private Equity fund which aims to build scalable businesses by investing across a range of sectors that offer significant growth potential and enabling policy framework.	
4.	Other ventures	As mentioned in point no. 3	-
5.	Business and financial activities	As mentioned in point no. 3	As mentioned in point no. 3
6.	Permanent Account Number	AACTN8564C	AASCA3238P

- f. Any material event/ development or change having implications on the financials/credit quality (e.g., any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities:** No

**g. Income Tax matters:**

NIIF Infrastructure Finance Limited ("**NIIF IFL**" or "**Company**") is registered as an Infrastructure Debt Fund ("**IDF-NBFC**") with the Reserve Bank of India ("**RBI**"). As per Section 10(47) of the Income Tax Act, 1961 ("**Income Tax Act**"), any income of Infrastructure Debt Funds ("**IDF**") set up in accordance with the guidelines prescribed by the Central Government, is exempt from income tax. The Company had filed an application with the Central Board of Direct Taxes (CBDT) for notification as Infrastructure Debt Fund (IDF) from financial year 2014-15, being the year of receipt of registration from RBI as an 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 April 01, 2019).

The Company in this regard has filed an application with CBDT for review of the said notification with 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 the Company received RBI registration as NBFC-IDF). In the interim, the tax liability from financial year 2014-15 till financial year 2018-19 amounting to Rs. 10,801 lakhs has been provided for in the financials of FY20. This is a one-time provision pertaining to the past period. As per the CBDT notification, the Company is entitled to avail tax exemption from the Financial Year commencing April 01, 2019.

**h. Criminal Proceedings:** NIL

**i. Civil proceedings:** NIL

**j. Litigation by our Company:** NIL

**k. Litigation involving our Directors:** There is no material litigation involving our Directors.

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- l. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given his consent to the Issuer for his appointment along with the copy of the consent letter from the debenture trustee:**

IDBI Trusteeship Services Limited have given consent for their appointment as the Debenture Trustee for the proposed issue under regulation of The Companies (Share Capital and Debentures) Rules 2014, Regulation 8. The copy of the consent letter is attached.

- m. The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed:**

The Company has obtained credit rating from the following agencies, of which the proposed issue forms a part:

ICRA Limited (ICRA) has assigned a rating (for the amount of Rs. 32,000,00,00,000 (Rupees Thirty Two Thousand Crore only) of "**ICRA (AAA)**" including Rs. 1,000,00,00,000 (Rs. One Thousand crore only) for Market Linked Debentures, which denotes the highest credit quality rating for such instruments and indicates the lowest credit risk. (Letter dated August 25, 2022 annexed herewith).

CARE Ratings Limited has assigned a rating (for an amount of Rs. 32,000,00,00,000 (Rupees Thirty Two Thousand Crore only)) of "**CARE AAA**" including Rs. 1,000,00,00,000 (Rs. One Thousand crore only) for Market Linked Debentures which denotes the highest rating assigned in its national rating scale. (Letter dated August 25, 2022 annexed herewith).

- n. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the Shelf Document:**

Not Applicable. There is no guarantee/letter of comfort stipulated as security.

- o. Cash flow with date of interest/ redemption payment as per day count convention:**  
Same shall be provided in the tranche document.

- p. Copy of consent letter from the Debenture Trustee shall be disclosed:**

IDBI Trusteeship Services Limited has given its consent for the issue; (letter dated 17<sup>th</sup> April 2023). Same is enclosed with this shelf prospectus.

- q. Names of all the recognized stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange:**

The Debentures are proposed to be listed on the Negotiated Trade Reporting Platform of National Stock Exchange of India Limited. All applicable listings timelines, as prescribed by SEBI from time to time, shall be adhered to. The Company may choose to list its securities on additional exchanges also.

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**Additional disclosures for NBFCs**
**r. Details with regard to the lending done by the Issuer out of the issue proceeds of debt securities:**

- i. Lending policy (including overview of origination, risk management, monitoring and collections): Please refer Credit Policy of the Company as enclosed herewith as Annexure 13.
- ii. Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc.: Nil
- iii. Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs, from time to time:

51% of total exposure is to top 20 borrowers as on December 31, 2022.

- iv. NPA exposures of the Issuer for the last 3 financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer:

Nil

**s. Details of borrowings made by NBFC**

- i. Portfolio Summary of borrowings made by NBFC –

Borrowing permitted by RBI, for IDF NBFCs is through issuance of secured non-convertible debentures and commercial paper only.

- ii. Quantum and percentage of secured vis-à-vis unsecured borrowings made:

As on December 31, 2022, secured borrowing was Rs.13,810 crore (100% of outstanding borrowings) (through issuance of Non-Convertible Debentures only) and unsecured borrowing was Nil.

- t. **Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:**

NA

- u. **Classification of loans/ advances given according to:**

- i. Type of loans:

<i>Rs. In crore</i>			
Sl. No.	Type of loans	As on December 31, 2022	As on March 31, 2022
1	Secured	16,233	14,201
2	Unsecured	-	-
Total (loan book) assets under management (AUM)^		16,233	14,201

^Issuer is also required to disclose off balance sheet items

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- ii. Portfolio summary as on 31-Dec-2022 and 31-Mar-2022 with regard to industries/ sectors to which borrowings have been made:

<b>Sector</b>	<b>% of total exposure as on 31-Mar-2022</b>	<b>% of total exposure as on 31-Dec-2022</b>
Energy Generation - Solar	31.00%	31.81%
Energy Generation - Other	16.54%	20.54%
Energy Generation - Wind	14.08%	13.73%
Energy Transmission	10.66%	7.36%
Ports, Airports, Railways etc.	8.28%	9.46%
Communication	7.29%	6.12%
Water & Sanitation	0.00%	3.21%
Bulk Material Transportation	3.33%	2.88%
Logistics	2.84%	2.47%
Transport - Roads	2.24%	0.80%
Hospitals	1.76%	1.14%
Other social and commercial infrastructure	1.02%	0.00%
Education Institutions	0.96%	0.46%

- iii. Sectoral exposure:

<b>Sl. No.</b>	<b>Segment-wise break-up of AUM</b>	<b>Percentage of AUM</b>
<b>1</b>	<b>Retail</b>	
A	Mortgages (home loans and loans against property)	0.00%
B	Gold loans	0.00%
C	Vehicle finance	0.00%
D	MFI	0.00%
E	MSME	0.00%
F	Capital market funding (loans against shares, margin funding)	0.00%
G	Others	0.00%
<b>2</b>	<b>Wholesale</b>	
A	Infrastructure	100%
B	Real estate (including builder loans)	0.00%
C	Promoter funding	0.00%
D	Any other sector (as applicable)	0.00%
E	Others	0.00%
	<b>Total</b>	<b>100%</b>

- iv. Denomination of loans outstanding by ticket size\*:

As on 31-Dec-2022 and 31-Mar-2022

<b>Sl. No.</b>	<b>Ticket size (Basis o/s value)</b>	<b>Percentage of AUM as on 31-Mar-22</b>	<b>Percentage of AUM as on 31-Dec-22</b>
1	Upto Rs. 2 lakh	0.00%	0.00%
2	Rs. 2-5 lakh	0.00%	0.00%
3	Rs. 5 - 10 lakh	0.00%	0.00%
4	Rs. 10 - 25 lakh	0.00%	0.00%

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5	Rs. 25 - 50 lakh	0.00%	0.00%
6	Rs. -50 lakh - 1 crore	0.00%	0.00%
7	Rs. 1 - 5 crore	0.00%	0.00%
8	Rs. 5 - 25 crore	0.42%	1.21%
9	Rs. 25 - 100 crore	15.17%	21.12%
10	>Rs. 100 crore	84.41%	77.67%

*\* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);*

v. Outstanding loan book based on loan-to-value ratio:

Sl. No.	Loan to Value Ratio Buckets	Percentage of Loan Book as on 31-Mar-22	Percentage of AUM as on 31-Dec-22
1	0% - 25%	1.64%	2.20%
2	25% - 50%	17.71%	21.77%
3	50% - 75%	53.87%	57.27%
4	75% - 100%	26.78%	18.75%

Note - The loan-to value ratio above is computed basis the book value of asset.

vi. Geographical classification of borrowers as on 31-Dec-2022 and 31-Mar-2022:

Sl. No.	Top 5 states	Percentage of AUM as on 31-Mar-22	Percentage of AUM as on 31-Dec-22
1	Karnataka	19.77%	23.20%
2	Gujarat	13.63%	11.50%
3	Rajasthan	7.66%	6.77%
4	Maharashtra	6.32%	9.18%
5	Tamil Nadu	4.44%	
5	Punjab		4.90%
	Total	51.83%	55.54%

vii. Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:

Movement of gross NPA*	Rs. crore
Opening gross NPA	Nil
- Additions during the year	Nil
- Reductions during the year	Nil
Closing balance of gross NPA	Nil

Movement of provisions for NPA	Rs. crore
Opening balance	Nil
- Provisions made during the year	Nil
- Write-off/ write-back of excess provisions	Nil
Closing balance	Nil

*\*Please indicate the gross NPA recognition policy (Day's Past Due)*

viii. Segment-wise gross NPA:

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Sl. No.	Segment-wise gross NPA	Gross NPA (%)
<b>1</b>	<b>Retail</b>	Nil
A	Mortgages (home loans and loans against property)	Nil
B	Gold loans	Nil
C	Vehicle finance	Nil
D	MFI	Nil
E	MSME	Nil
F	Capital market funding (loans against shares, margin funding)	Nil
G	Others	Nil
<b>2</b>	<b>Wholesale</b>	Nil
A	Infrastructure	Nil
B	Real estate (including builder loans)	Nil
C	Promoter funding	Nil
D	Any other sector (as applicable)	Nil
E	Others	Nil
<b>Total</b>		

ix. Residual maturity profile of assets and liabilities as on 31-Dec-2022 and 31-Mar-2022 (in line with the RBI format):

**As on 31-Mar-2022**

Amt in crs

Category	Up to 30/31 days	>1 month - 2 months	>2 month s - 3 month s	>3 month s - 6 month s	>6 month s - 1 year	>1 years - 3 years	>3 years - 5 years	>5 years	Total
Deposit (Inflows)	1,145.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,145.55
Advances	20.34	23.77	138.98	202.93	415.75	2,322.06	2,264.69	8,769.26	14,157.77
Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Borrowings	214.52	440.85	33.21	438.29	1,050.84	2,240.00	6,622.00	1,283.02	12,322.74
FCA*	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
FCL*	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**As on 31-Dec-22**

Amt in Crs

Category	Up to 30/31 days	>1 month - 2 months	>2 month s - 3 month s	>3 month s - 6 month s	>6 month s - 1 year	>1 years - 3 years	>3 years - 5 years	>5 years	
Deposit (Inflows)	1465.62	0	0	0	0	0	0	0	1,465.62
Advances	19.34	28.02	185.95	234.82	470.96	2467.44	2572.03	10232.25	16,210.82
Investments	0	0	0	0	0	0	0	0	0
Borrowings	381.67	433.40	130.19	139.07	372.51	3,220.00	8,184.00	1,499.67	14,360.50



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FCA*	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
FCL*	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*\*FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities;*

- v. Disclosure of latest ALM statements to stock exchange –** Attached annexure 17
- w. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:**

**Statutory and any other dues:** Nil

**Default in Payment:** Nil

**Delay in listing:** Nil

**Delay in Allotment of securities:** Nil

**x. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**

- i. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons:**

Nil

- ii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action:**

Nil

- iii. Remuneration of directors (during the last three financial years):**

The details of remuneration of Directors pertaining to three preceding financial years is mentioned below:

F.Y. 2021- 22	Rs.16,50,000
F.Y. 2020-21	Rs 11,75,000
F.Y. 2019- 20	Rs. 7,25,000

- iv. Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided:**

The details of related party transaction pertaining to three preceding financial years are mentioned below:

F.Y. 2021-22	For details, please refer to Note 32 to the audited financial statements of the Company FY 21-22 attached (Annexure 7)
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F.Y. 2020- 21	For details, please refer to Note 36 to the audited financial statements of the Company FY 20-21 attached (Annexure 6)
F.Y. 2019-20	For details, please refer to Note 38 to the audited financial statements of the Company FY 19-20 attached (Annexure 5)

- v. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark:**

Nil

- vi. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also, if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries:**

Nil

- vii. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company:**

Nil

**y. Other details:**

**Recovery Expense Fund**

The Company hereby agrees and undertakes that it shall create a recovery expense fund in the manner as may be specified by the SEBI from time to time and shall inform the Debenture Trustee/Debenture Holders of the same, in writing. The Debenture Trustee after obtaining consent of Debenture Holder(s) for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out under relevant circulars and regulations issued by SEBI, for utilisation of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund towards enforcement of Security.

**DRR –creation - relevant regulations and applicability:**

In terms of Rule 18(7)(b)(iv)(A) of The Companies (Share Capital and Debentures) Rules 2014, NBFCs registered with RBI are not required to maintain DRR in case of privately placed debentures.

- i. Issue/instrument specific regulations - relevant details (Companies Act, RBI guidelines, etc):**

The Board at its meeting held on June 15, 2021, had approved an overall gross borrowing limit under Section 180 of the Companies Act, 2013 ("the Act") upto Rs 400,000,000,000

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(Rupees Forty Thousand Crore only). Shareholders of the company had approved the same in the AGM held on September 21, 2021. The Board of Directors, at its meeting held on May 6, 2022 and shareholders at their Extra Ordinary General Meeting held on June 8, 2022 approved borrowing by issue of non-convertible debentures (NCDs) including but not limited to subordinate debentures, bonds, and/or other debt securities, etc. on private placement basis upto Rs. 30,000,00,00,000 (Rupees Thirty Thousand Crore only) within the overall borrowing limits. The Board, at the same meeting also authorized the Finance Committee to issue and allot the non-convertible securities on private placement basis in one or more tranches under the Shelf Document filed from time to time.

The issue to be made under this Shelf Document shall be within the approved limits.

Any two of the following officials are authorized to sign/modify the Shelf Document and addendum(s) for private placement from time to time:

1. Mr. Shiva Rajaraman, Chief Executive Officer;
2. Mr. Dhananjay Yellurkar, Chief Risk Officer;
3. Mr. Debabrata Mukherjee, Chief Business Officer;
4. Mr. Srinivas Upadhyayula, Chief Compliance Officer & General Counsel;
5. Mr. V. Narayanan Iyer, Chief Financial Officer
6. Mr. Amit Ruparelia, Director - Resources;
7. Mr. Atul Kulkarni, Director – Business
8. Mr. Sourabh Shrivastava, Director - Business

Pursuant thereto, the Company proposes to issue Debentures in one or more tranches, with or without the green shoe option, subject to the aggregate amount of all such tranches including green shoe option not exceeding the Shelf Limit specified in this Shelf Placement Memorandum.

The Debentures being offered are being issued on private placement basis and shall be subject, inter alia, to the terms of this Shelf Placement Memorandum, Tranche Document, the Application Form, the Memorandum and Articles of Association of the Company and the provisions of the Companies Act as applicable to issuance on private placement basis. The Debentures are issued pursuant to the RBI guidelines on private placement basis and of non-convertible nature. The Debentures are proposed to be listed on the Negotiated Trade Reporting Platform of NSE and/ or the BSE BOND Platform and issuance shall comply with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as applicable and as may be amended by SEBI from time to time in respect of listing of debt securities issued on private placement basis on recognized stock exchanges and listing agreement applicable thereto. In addition, the Debentures shall be subject to such other terms and conditions to be incorporated in the Debenture Trust Deed / Debenture Certificates / Letter of Allotment, if issued in physical form and to the extent applicable, the provisions of the Depositories Act, the relevant statutory guidelines and regulations for allotment and listing of securities issued from time to time by the Government of India, SEBI, NSE, BSE and the listing agreement (for debt securities) with NSE. Also, the Company may, without being obliged to, purchase Debentures (subject to all necessary approvals, both internal and otherwise), which may or may not be cancelled and reissued or resold.

This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus. This is only an information brochure intended for private use and should not be construed to be a prospectus and/or an invitation, to the public or any person other than the addressee, for subscription to the Debentures under any law for the time being in force. The Company can, at its sole and absolute discretion change the terms of the Issue.

**ii. Application process and Information relating to the terms of offer or purchase:**

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**Nature of Instrument**

The instruments are to be issued in form of Secured Redeemable Non-Convertible Debentures. The Debentures will constitute direct obligation of the Company and rank *pari passu* inter se amongst the Debenture Holders. NIIF IFL may issue debentures on such terms and conditions, as may be described in the respective Tranche Document(s).

The Debentures shall be issued in terms of a registered Debenture Trust Deed executed by the Company in favour of the Trustee for the benefit of the Debenture Holder(s).

**Deemed Date of Allotment**

All the benefits under the Debentures, including the payment of interest/ coupon as may be applicable, will accrue to the Investor(s) from the Deemed Date of Allotment for each respective Tranche.

**Issue of Allotment Letter and Debenture Certificate in Demat Form**

The Company shall issue Debentures in demat form and has made necessary arrangements with National Securities Depository Limited (**NSDL**) and Central Depository Services (India) Limited (**CDSL**) for the same. Debenture Holders shall hold the Debentures in demat form and deal with the same as per the provisions of Depositories Act /rules as notified by NSDL/CDSL from time to time. Debenture Holders should, therefore, fill-in their Depository Participants name, DP-ID and Beneficiary Account Number at the appropriate place in the Application Form. The Company shall take necessary steps to credit the Depository account of the Investor with the amount of Debentures issued.

**Mode of Transfer/Transmission of Debentures**

The Debenture(s) shall be transferred and / or transmitted in accordance with the applicable provisions of the Companies Act, 2013 as amended from time to time ("Act"). The provisions relating to transfer and transmission and other related matters in respect of shares of the Company contained in the Articles and the Act shall apply, *mutatis mutandis* (to the extent applicable to Debentures) to the Debentures as well and the Company undertakes to use the common transfer form as may be applicable in accordance with the extant provisions of the Companies Act, 2013 and SEBI Regulations etc. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL/Depository Participant of the transferor/transferee and any other applicable laws and rules notified in respect thereof.

Transfer of Debentures to and from NRIs / OCBs in case they seek to hold the Debentures and are eligible to do so, will be governed by then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders / Record of the Depository. Claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

**Interest on Application Money**

Interest on Application Money at the rate specified in the respective Tranche Documents (subject to deduction of income tax under the provisions of the Income Tax Act, 1961 (Refer section "Deduction of Tax at Source" below), or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the Applicants on the application money for the Debentures. Such interest shall be paid from the date of realization of Cheque(s) / Demand Draft(s) upto 1 (one) day prior to the Deemed Date of Allotment. Such interest would

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be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the Interest on Application money will be paid along with the Refund Orders (if applicable). Where an Applicant is allotted lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant along with the interest on refunded money.

The Interest Cheque(s)/ Demand Draft(s) for Interest on Application Money shall be dispatched by the Company within 15 (fifteen) days from the Deemed Date of Allotment by registered post to the sole/ first Applicant, at the sole risk of the Applicant. The Company may also choose to pay the Interest on Application Money electronically by using the RTGS or NEFT mode of transfers as per the details received from the Investor on the Application Form.

**Interest Rate**

The Debenture Holders will receive interest at the rate specified in the Tranche Documents.

The debentures shall carry an implicit yield at the rate as mentioned in the Tranche Documents.

The Interest or coupon Rate on the principal amount of Debentures outstanding shall be payable in arrears, (subject to deduction of tax at source - (Refer section "Deduction of Tax at Source" below)) from the Deemed Date of Allotment.

**Computation of Interest / coupon**

Interest for each interest periods, including Interest on Application Money shall be computed on a 365 days-a-year basis on the principal outstanding on the Debentures. However, where the Interest Period (start date to end date) includes 29th February interest shall be computed on 366 days-a-year basis, on the principal outstanding on the Debentures.

**Payment of Interest / coupon**

Payment of interest on the Debenture(s) will be made to those holder(s) of the Debenture(s) ("Debenture Holders"), whose name(s) appear in the Register of Debenture Holder(s) (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and /or as per the list provided by NSDL/CDSL to the Company of the beneficiaries who hold Debentures in demat form on such Record Date, and are eligible to receive interest. Payment will be made by way of cheque(s), which will be dispatched to the Debenture Holder(s) by registered post/ speed post/ courier or hand delivery on or before the interest payment dates. The Company may also choose to pay the Interest electronically by using the RTGS or NEFT mode of transfers as per the details received from the Investor on the Application Form.

Transfer of Debentures to and from NRIs / OCBs in case they seek to hold the Debentures and are eligible to do so, will be governed by then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders / Record of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

**Record Date**

The Record Date will be 15 (fifteen) days prior to each interest payment date or the date of Redemption or put/call option date, as the case may be.

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**Deduction of Tax at Source**

Deduction of Tax at source as applicable will be done on interest payment and/or interest on Application money payments under the Income-Tax Act, 1961, or under any other statutory modification or re-enactment thereof.

Tax exemption certificate/ document, under Income Tax Act, 1961, if any, must be provided in duplicate at the office of the Issuer, at least 15 (fifteen) days prior to the interest payment date. Tax exemption certificate in respect of non-deduction of tax on Interest on Application Money, must be submitted along with the Application Form to the satisfaction of the Issuer.

Regarding deduction of Tax at Source and the requisite declaration forms to be submitted, prospective investor is advised to consult his tax advisor before investing in the Debentures to be issued by NIIF IFL.

**Fictitious applications**

In terms of the Section 38 of the Companies Act, 2013, any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447 of the Companies Act, 2013.

**Market Lot**

The market lot and trading of Debentures will be one Debenture ("**Market Lot**").

**Right to Accept or Reject Applications**

The Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected Applicants will be intimated along with the refund warrant, if applicable, to be sent.

**PAN/GIR Number**

All Applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

**Signatures**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by a Magistrate/ Notary Public under his/her official seal.

**Tax Benefits**

Debenture Holders are advised to consider the tax implications of their respective investment in the Debentures.

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**Security**

The outstanding principal amount of the Debentures to be issued upon the terms contained herein together with all interest, costs, charges, fees, and expenses payable in respect thereof (the "Secured Obligations") shall be secured in favour of the Debenture Trustee in the following manner:

By way of a first floating pari passu charge over the certain receivables of the Company arising out of its:

- (a) investments; and/or
- (b) infrastructure loans; and/or
- (c) current assets, loans and advances,

as appearing in the Company's balance sheet from time to time to the extent of 1.0 times of the outstanding Secured Obligations (the "**Hypothecated Property**"), or as agreed in the respective Tranche Issue.

Provided however that the Hypothecated Property shall not include the following:

- (a) any receivables of the Company arising from:
  - (i) any loan or debt granted by the Company to its subsidiaries and affiliates present or in the future; or
  - (ii) any investments in equity and / or preference share capital or investment through any other instrument made by the Company in, its subsidiaries and affiliates whether presently or in the future); and
- (b) Permitted Liens.

"**Permitted Liens**" for the purpose of the above means security on government securities or corporate bonds of the Company to secure short term debt of less than 365 day duration incurred by the Company under the Collateralized Borrowing and Lending Operations of Clearing Corporation of India Limited or under any repo or repurchase facility as may be permitted for IDF NBFCs.

The charge to be created on the Hypothecated Property is free from encumbrances and shall rank pari passu with the present and future lenders and Debenture Holders of the Company.

The Secured Obligations are also secured by first pari passu registered mortgage over immovable property of the Company being Non Agricultural Plot No. 93 measuring 48 sq. mtrs. equivalent to 516.48 Sq.ft. of Survey/Gut No. 239 as per sanctioned lay out situated at Village Dhakane, Taluka Shahapur in the Registration Sub-District of Shahapur within the limits of village Dhakane Gram Panchayat Taluka Shahapur District Thane, in the state of Maharashtra.

The Company agrees to maintain at all times, till the Debentures are completely redeemed, an asset cover of at least such percentage of the Secured Obligations, as may be notified by the Debenture Trustee.

In terms of RBI extant regulations, the company shall have to maintain certain unencumbered, high quality liquid assets to maintain sufficient liquidity as stipulated from time to time.

**Redemption**



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The Debentures shall be redeemed at such price, at the expiry of the respective tenor or at the exercise of put/call option and at yield on redemption, if any as mentioned in the respective Tranche Documents.

**Procedure for Redemption**

No action is required on the part of the Debenture Holder(s) at the time of Redemption of the Debentures and on the Redemption date, the redemption proceeds would be paid to those Debenture Holder(s) whose name(s) appear on the list of beneficial owners given by the Depositories to the Company. The name(s) would be as per the 'Depositories' records on the Record Date fixed for the purpose of Redemption. All such Debentures will be simultaneously redeemed through appropriate corporate action.

The cheque for redemption proceeds will be dispatched by courier or hand delivery or registered post at the address provided in the Application / at the address as notified by Debenture Holder(s) or at the address with 'Depositories' record. The Company may also use credit through RTGS/NEFT as a mode of transfer of redemption proceeds. Once the cheque for redemption proceeds is dispatched (unless presented and not cleared) to the Debenture Holder(s) at the addresses provided or available from the Depositories record or the credit through RTGS/NEFT mode of transfer is done, the Company's liability to redeem the Debentures on the date of Redemption shall stand extinguished and the Company will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Debenture(s).

**Put/Call Option**

In case the put/call option is available under the terms of the Tranche Document and is exercised by the Investor/Company under such terms as the case may be, the Debentures (proportional to the value of put/ call) shall cease to exist from the put/call option date in all events.

**Procedure for exercise Put/ Call Option (in applicable cases)**

In case of exercise of 'put/call option' by the Investor/Company, it shall notify its intention to do so through notice sent by registered post/ courier/ fax/ email to the Issuer or the sole/ first allottee or sole/ first beneficial owner of the Debentures at least 15 (fifteen) days prior to the put/call option due date at their registered addresses.

In case of exercise of put/call option, any redemption falling on a holiday, such redemption proceeds (as applicable as per the structure of the Debenture) shall be paid on the previous working day along with the interest amount calculated on the outstanding value of Debentures computed on Actual/Actual day count basis

Payment on exercise of 'put/call option' will be made by credit through RTGS/NEFT/Account Transfer or any other electronic mode or by way of DD/Cheque/Warrant in the name of the Debenture Holders whose name appears on the list of beneficial owners given by a Depository to the Company as on the Record Date. On the Company dispatching the redemption warrants to such beneficiary (ies) by registered post/ courier, the liability of the Company shall stand extinguished.

The Debentures shall be taken as discharged on payment of the redemption amount by the Company on exercise of 'put / call Option' to the list of beneficial owners as provided by a Depository to the Company as on the Record Date.

The Company's liability to the Debenture Holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the date of exercise of 'put/call

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option' and due payment by the Company in all events. Further, the Company will not be liable to pay any interest or compensation from the date of exercise of 'put/call option'.

### **Depository Arrangement**

NIIF IFL has entered into depository arrangements with National Securities Depository Limited (**NSDL**) and Central Depository Services Limited. (**CDSL**). The Company reserves the right to appoint any other Depository for a certain Issue.

### **Effect of Holidays**

- (i) In case if the interest payment date as mentioned falls on a holiday, the payment will be made on the following working day. However, the dates of the future coupon payments would be as per the schedule originally stipulated. In the respective tranche documents, the interest amount on the outstanding value of Debentures is calculated on Actual/Actual day count basis. In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days.
- (ii) If any due date for payment of part redemption proceeds/final redemption proceeds of the Debentures, falls on a Sunday or a holiday, the previous Business Day shall be considered as the effective payment date and on such date, the part or full redemption proceeds (as applicable as per the structure of the Debenture) shall be paid along with the interest amount on the outstanding value of Debentures computed on Actual/Actual day count basis.

The Company will not be liable to pay any amount from the date of Redemption of the Debenture(s).

In case of any delay in surrendering the Debenture Certificate(s) for Redemption, the Company will not be liable to pay any interest, income or compensation of any kind for the late redemption due to such delay.

### **Succession**

Where Debentures are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the holder(s) of the said Debentures. It would be sufficient for the Company to delete the name of the deceased Debenture Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on the Company to register his name as successor of the deceased holder after obtaining evidence such as probate of a will for the purpose of proving his title to the Debentures.

In the event of demise of the sole/first holder of the Debenture(s), the Company will recognize the Executors or Administrator of the deceased Debenture holder, or the holder of the Succession Certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of Administration or is the holder of the Succession Certificate or other legal representation, as the case may be, from an appropriate Court in India. The finance committee of the Company in their absolute discretion may, in any case, dispense with production of Probate or Letter of Administration or Succession Certificate or other legal representation in order to recognize such holder being entitled to the Debentures standing in the name of the deceased Debenture holder on production of other sufficient documentary proofs or indemnity.

Where a Non-Resident Indian becomes entitled to the Debenture by way of succession, the following steps have to be complied with:

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- (1) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Debenture was acquired by the NRI as part of the legacy left by the deceased holder.
- (2) Proof that the NRI is an Indian national or is of Indian origin.

Such holding by the NRI will be on a non-repatriation basis.

#### **Register of Debenture Holders**

Register of Debenture Holders refers to the register maintained containing the name of the Debenture holders entitled to receive coupon/redemption amount in respect of the Debentures on the Record Date. A valid Debenture Holder is one whose name appears in the list of Bondholders in the record of beneficial owners maintained by the Depository as the Debentures are issued in demat form only and if the debentures were subsequently rematerialized, the register maintained by the Issuer of the names of the Debenture Holders entitled to receive coupon/redemption amounts on the Record Date, maintained at the registered office of the Issuer under the Companies Act, 2013.

#### **Failure to execute the Debenture Trust Deed**

If the Issuer fails to execute the Debenture Trust Deed within the timeline permitted by SEBI, it shall pay default interest of at least 2% (Two percent) per annum (or such other rate, as specified by SEBI) to the Debenture Holders, and such default interest shall be over and above the Coupon, till the execution of the Debenture Trust Deed.

#### **Amendment of the Terms of the Debentures**

The rights, privileges, terms and conditions attached to the respective Tranche Issue may be varied, modified or abrogated with the consent in writing of the holder(s) who hold(s) at least 3/4<sup>th</sup> (three-fourth) of the outstanding amount of the Debenture(s) or with the sanction accorded pursuant to a Special Resolution, passed at a meeting of the Debenture Holder(s) (by not less than 3/4<sup>th</sup> (three – fourth) of the Debenture Holder(s) present and voting at the meeting); provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debenture(s), if the same are not acceptable to the Company.

In the event of any amendment of any act, rule, regulation, or guideline applicable to the Debentures, the rights, privileges, terms and conditions attached to the Debentures shall be deemed to be approved by the Debenture Holder(s) and no consent shall be required in relation to such amendments.

#### **Future Borrowings**

The Company shall be free to borrow / raise loans or avail financial assistance in whatever form, as also issue Promissory Notes / Debentures / other securities / instruments in any manner having such ranking, pari passu or otherwise and change the capital structure including the issue of shares of any class, subject to the Company maintaining the minimum asset cover of one time as agreed upon and on such terms and conditions as may be deemed appropriate by the Company with an intimation to the Debenture Trustee in this connection.

#### **Purchase**

The Company may, at any time and from time to time purchase Debenture(s) at a discount, at par, or at a premium, in the open market or otherwise. Such Debenture(s) may, at the option of the Company, be cancelled, held or resold at such a price and such terms and conditions as the Company may deem fit and as permitted by law.

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**Re-issue of Debentures**

Where the Company has redeemed any such Debentures, subject to the provisions of the Companies Act, 2013, SEBI regulations and other laws & rules and regulations as may be applicable in this regard, the Company shall have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of re-issue and in exercising such right, the Company shall have and shall be deemed always to have had the power to re-issue such Debentures either by re-issuing the same Debentures or by issuing other Debentures in their place.

**Trustee to the Debenture Holder(s)**

The Company has appointed IDBI Trusteeship Services Limited to act as Trustee for the Debenture Holder(s) (hereinafter referred to as the "**Trustees**"). The Company and the Trustees have entered into a Debenture Trust Deed on August 20, 2015 specifying inter alia, the powers, authorities and obligations of the Trustee and the Company.

By applying for the Debentures, the Debenture Holder(s) shall without further action or deed, be deemed to have irrevocably given their consent to and authorized the Trustee or any of their agents or authorized officials to do inter alia all acts, deeds, matters and things in respect of or relating to the debentures. All the rights and remedies of the Debenture Holder(s) shall vest in and shall be exercised by the Trustee without reference to the Debenture Holder(s). No Debenture Holder shall be entitled to proceed directly against NIIF IFL unless the Trustee, having become so bound to proceed, failed to do so. The Trustee will endeavor to protect the interest of the Debenture Holder(s) in the event of default in regard to timely payment of principal by the Company. Main Events of defaults under the Debenture Trust Deed would be as follows:

**Events of Default**

If default has occurred in the following manner:

- (a) default is committed in payment of the principal amount of the Debentures on the due date(s);
- (b) Two consecutive defaults in payment of any interest/ coupon (as may be applicable) on the Debentures on the due date(s) and not rectified within a period 30 (thirty) days;
- (c) The Company does not perform or comply with one or more of its other material obligations, terms, conditions and covenants in relation to the Debentures under the Shelf Documents or the Debenture Trust Deed which default is incapable of remedy or, if in the opinion of the Debenture Trustee capable of remedy, is not remedied within 30 (thirty) days after written notice of such default shall have been given to the Company by the Debenture Trustee and which has a material adverse effect on the Company;
- (d) The Company is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay (in the opinion of the Debenture Trustee) a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Debenture Trustee) a material part of (or of a particular type of) its debts;
- (e) Any encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or (in the opinion of the Debenture Trustee) any substantial part of the property, assets or revenues of the Company (as the case may be) and is not discharged within 90 (ninety) days;

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- (f) An attachment or distraint has been levied on the Mortgaged Property and/or the Hypothecated Property and such attachment or distraint has not been released within 90 (ninety) days of knowledge thereof by the Company;
- (g) The Company has, voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law, whether or not a liquidator or receiver is appointed;
- (h) The Company ceases or threatens to cease to carry on its business or gives notice of its intentions to do so (save and except any reorganization/demerger of the Company undertaken with prior permission of the Majority Debenture Holders in terms of the Debenture Trust Deed);
- (i) If, without the prior written approval of the Debenture Trustee, the Mortgaged Premises or any part thereof is sold, disposed of, charged, encumbered or alienated or any of the buildings, structures, plant and machinery is removed, pulled down or demolished;
- (j) The Company is unable to or has admitted in writing its inability to pay its debts as they mature;
- (k) The Company has taken or suffered any action to be taken for its reorganization, liquidation or dissolution, or any order has been passed by any competent authority, or any resolution has been passed by the members of the Company, for the winding up of the Company;
- (l) A receiver or a liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company;
- (m) If, any extra-ordinary circumstances have occurred which make it improbable for the Company to fulfill its obligation under these presents and/or the Debentures;
- (n) If in the opinion of the Debenture Trustee the Security is in jeopardy;

And which the majority Debenture Holders otherwise determine has or if, adversely determined, could reasonably be expected to have a material adverse effect.

It is hereby clarified that the percentage of Debenture Holders required to call an Event of Default, shall be calculated in accordance with SEBI Regulations, as may be amended from time to time, notwithstanding that the Debentures are issued under different Shelf Documents or Tranche Documents.

**Powers of the Trustee under the Debenture Trust Deed to be executed shall include:**

**Inspection**

The Trustee or its authorized representatives shall be entitled to carry out inspections of the Company's offices records, registers and accounts upon giving a reasonable notice in writing to the Company at its registered office, to the extent such inspection is necessary for exercising any of the powers or discharging any of its duties of the Trustee hereunder. Any representative of the Trustee shall have free access at all reasonable times to the Company's premises, records, registers and accounts and shall receive full co-operation and assistance from the Company. The cost of inspection, including traveling and other related expenses shall be borne and paid by the Company.

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**Authority to Delegate**

The Trustee may, in the execution or exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Debenture Trust Deed act by any officer or officers for the time being of the Trustee and the Trustee may also, whenever it thinks it expedient, delegate to any such officer (with power to sub delegate) all or any of the Trustees, powers, authorities and discretions vested in it by the Debenture Trust Deed and any such delegation may be made upon such terms and conditions as the Trustee may think fit. Such delegation notwithstanding, the Trustee shall not in the absence of fraud or other gross misconduct or willful neglect be in any way responsible for any loss incurred by reason of any misconduct or default or any mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of any such delegate or sub-delegate.

**Authority to Employ Agents**

The Trustee may, in carrying out the trust hereof, employ and pay any person to transact or concur in transacting any business and do or concur in doing all acts required to be done by the Trustee, including the receipt and payment of monies and shall be entitled to charge and be paid by the Company all professional and other charges incurred in connection therewith.

**Trustee may Contract with the Company**

Nothing contained in the Debenture Trust Deed shall preclude the Trustee or any agent of the Trustee from making any contract or entering into any arrangement or transaction with the Company in the ordinary course of business of the Trustee or from availing or providing any financial or other services from or to the Company or from underwriting or guaranteeing the subscription of or placing or subscribing to or otherwise acquiring, holding or dealing with any of the stocks, shares, debentures, debenture stocks or any other securities whatsoever of the Company/or other entities / persons in which the Company may be interested.

**Limitation on Liability of Trustee**

- (1) The Trustee shall not be bound to give notice to any person of the execution of the Debenture Trust Deed or to seek the performance or the observance of any of the obligations hereby imposed on the Company or in any way to interfere with the conduct of the Company's business, unless and until an event of default has occurred;
- (2) The Trustee shall not be bound to take any steps to ascertain occurrence of any Event of Default.
- (3) Notwithstanding anything contained in the Debenture Trust Deed, the Trustee shall not be bound to risk its own funds in carrying out or performing any of its duties and obligations hereunder and further the Trustee shall not be bound to act at the request or direction of the Debenture Holder(s) under any of the provisions hereof, unless where necessary, the Trustee is put in funds or provision thereof to the satisfaction of the Trustee is made and the Trustee is indemnified to its satisfaction against all costs, charges, expenses and liability which may be incurred in complying with such request or direction.
- (4) With a view to facilitating any dealing under any provision of the Debenture Trust Deed, the Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions generally or conditionally.
- (5) The Trustee shall not be responsible for the monies paid by the Debenture Holder(s) towards subscription to the debentures or be bound to see the application thereof.

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- (6) The Company shall indemnify and keep indemnified the Trustee and every receiver, attorney, manager, agent or other person appointed by them hereunder in respect of all liabilities, damages, costs, actions, charges and expenses incurred, suffered or sustained by them in execution or purported execution of any powers, authorities or discretion vested in them pursuant to the Debenture Trust Deed.
- (7) The Trustee shall not be liable for anything done pursuant to the Debenture Trust Deed except a breach of trust knowingly and intentionally committed by it.
- (8) The Trustee may but shall not be obliged to, incur where appropriate or necessary cost of preservation/ protection of the Scheduled Property and all costs so incurred shall be reimbursed by the Company forthwith or on demand.
- (9) The Trustee shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts under the Debenture Trust Deed unless the Trustees shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the holders, representing not less than 3/4<sup>th</sup> (three-fourth) of the normal amount of Debentures for the time being outstanding or by a special resolution duly passed at a meeting of the Debenture Holder(s) and the Trustee shall not be bound to perform, exercise or do any of such acts, powers or things or to take any such steps unless and until sufficient monies shall have been provided or provision to the satisfaction of the Trustee made for providing the same by or on behalf of the Debenture Holder(s) or some of them in order to provide for any costs, charges and expenses and liabilities which may be incurred in complying with such requests.

### **Removal of Trustee**

#### **Removal**

75% (seventy five percent) of the Debenture Holder(s) may, for sufficient cause but, after giving not less than 2 (two) months' notice in writing, remove the Trustee by passing a Special Resolution to that effect, and by the same resolution nominate an entity competent to act as their Trustee and require the Company to appoint such entity as the Successor Trustee, in terms of Applicable Law. The Company shall within 15 (fifteen) days of receipt of such resolution passed by the Debenture Holders take all necessary steps to appoint the entity named in the resolution as the Successor Trustee and complete all necessary formalities to give effect to such appointment.

#### **Who can apply for the Debentures**

Only those persons, who are specifically addressed through direct communication by or on behalf of the Company, are eligible to apply for the Debentures. No other person may apply.

NIIF IFL will follow applicable SEBI, RBI and other applicable guidelines issued from time to time for its issuance.

The Applications must be accompanied by certified true copies of the following documents (as may be applicable) (1) Memorandum and Articles of Association/Constitution/Bye-laws along with the Certificate of Incorporation (2) resolution authorizing investment and containing operating instructions (3) specimen signatures of authorized signatories along with their identity proof (4) PAN copy of the Applicant (5) necessary forms for claiming exemption from deduction of tax at source on the interest income / interest on application money and (6) any other document as may be required by the Company to comply with the terms of the issue and the applicable internal and external regulations including FATCA and KYC requirements.



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**Applications, under Power of Attorney/Relevant Authority**

In case of an application made under a Power of Attorney or resolution or authority, a certified true copy thereof along with Memorandum and Articles of Association and/or Bye-laws must be attached to the Application Form at the time of making the application, failing which, the Company reserves full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names, identity proofs and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed application.

**How to apply****NIIF IFL will follow all process as applicable under SEBI guidelines.**

This issuance would be as per guidelines of SEBI and under the electronic book mechanism for issuance of debt securities on private placement basis as per the Operational Guidelines.

All applications for the Debenture(s) must be in the prescribed Application Form and is to be completed in block letters in English. Forms must be accompanied by either a Transfer cheque / RTGS Instruction /any other electronic transfer mode or any other mode specifically permitted by the Company. No cash or stock invest will be accepted.

Over and above the aforesaid Terms and Conditions, the said Debenture(s) shall be subject to the **Terms** and Conditions incorporated in the Tranche Document for an individual tranche.

**Notices**

All notices to the Debenture Holder(s) required to be given by the Company or the Trustee shall have and shall be deemed to have been given if published in 1 (one) English and 1 (one) Hindi language daily National newspaper in Mumbai and may, at the sole discretion of the Company or the Trustee, but without any obligation, be sent by ordinary post to the original sole/first allottees of the Debenture(s) or if notification and mandate has been received by the Company, pursuant to the provisions contained herein above, to the sole/first transferees.

All notices to be given by the Debenture Holder(s), including notices referred to under "Payment of Interest" and "Payment on Redemption" shall be sent by Registered Post/Courier / e-mail or by hand delivery to the Registrars to the Issue or to such persons at such address as may be notified by the Company from time to time.

In addition to the provisions contained in this document, the extant regulations of SEBI, RBI, Companies Act & any other regulations as may be applicable shall be applicable to the proposed issue.

In case of any discrepancy between contents of this document and extant applicable regulations, the extant applicable regulations shall prevail over this document.

**B. Issue Details**

- (a) **Summary term sheet containing brief information pertaining to the Secured / Unsecured Non Convertible debt securities (or a series thereof) as follows (where relevant):**

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The following is a summary term sheet containing information that shall be applicable to the Issue. However, respective Tranche Issue related information shall be specified in the respective Tranche Document.

<b>Issuer</b>	NIIF Infrastructure Finance Limited (" <b>NIIF IFL</b> " or the " <b>Issuer</b> " or the " <b>Company</b> ")
<b>Security name/ Series</b>	As may be stipulated in the respective Tranche Issue.
<b>Type of Instrument</b>	Secured Redeemable Non-Convertible Debentures.
<b>Nature of Instrument</b>	Secured Redeemable Non-Convertible Debentures.
<b>Seniority</b>	Pari-passu
<b>Mode of Issue</b>	Private Placement
<b>Eligible Investors</b>	As may be stipulated in the respective Tranche Issue.
<b>Listing</b>	The NCDs would be listed on the Negotiated Trade Reporting Platform ( <i>erstwhile Wholesale Debt Market Segment</i> ) of the National Stock Exchange ( <b>NSE</b> ) and/ or the BSE BOND Platform.*
<b>Rating</b>	" <b>ICRA (AAA)</b> " from ICRA Limited, and " <b>CARE (AAA)</b> " from CARE Ratings Limited.
<b>Issue Amount (at Face Value)</b>	As may be stipulated in the respective Tranche Issue within the overall Shelf Limit.
<b>Minimum Subscription</b>	The Issue is with a minimum subscription of Rs. 1 crore and above per investor.
<b>Manner of bidding</b>	As may be stipulated in the respective Tranche Document
<b>Manner of Allotment</b>	As may be stipulated in the respective Tranche Document
<b>Manner of Settlement in the Issue</b>	As may be stipulated in the respective Tranche Document
<b>Settlement cycle</b>	As may be stipulated in the respective Tranche Document
<b>Option to retain oversubscriptions</b>	As may be stipulated in the respective Tranche Issue within the overall Shelf Limit Issuer can re-issue further NCDs under the above options in future within its overall borrowing limits/program.
<b>Objects of the Issue</b>	<p>The Company has filed this Shelf Placement Memorandum for issuance of debt securities on private placement basis for an amount not exceeding Rs. 1,588 crore to be issued in one or more tranches from time to time. The funds raised through the Issue will be utilized as per the section "<b>Utilisation of Issue Proceeds</b>" below.</p> <p>The main object clause of the Issuer as contained in the Memorandum of Association and Articles of Association of the Issuer enables it to undertake the activities for which the funds are being raised under the present Issue. Also, the main object clause of the Issuer as contained therein adequately covers its existing and proposed activities. The funds raised by way of the Issue will be utilized for various operations of the Issuer as permitted by laws and regulation.</p> <p>The proceeds of the Issue will be utilized more specifically but not restricted to refinancing/lending/investing in infrastructure projects as permissible under applicable RBI's guidelines applicable to IDF NBFCs and policies approved by the Board.</p>

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<b>Utilisation of Issue Proceeds</b>	As mentioned in the respective Tranche Document(s) pertaining to each Tranche Issue.
<b>Coupon Rate</b>	As may be stipulated in the respective Tranche Issue.
<b>Step Up/Step Down Coupon Rate</b>	As may be stipulated in the respective Tranche Issue.
<b>Coupon Payment Frequency</b>	As may be stipulated in the respective Tranche Issue.
<b>Coupon payment dates</b>	As may be stipulated in the respective Tranche Issue.
<b>Coupon Type</b>	As may be stipulated in the respective Tranche Issue.
<b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)</b>	As may be stipulated in the respective Tranche Issue.
<b>Day Count Basis</b>	As may be stipulated in the respective Tranche Issue.
<b>Interest on Application Money</b>	Interest on application money will be paid to investors at Coupon Rate from the date of realization of subscription money upto one day prior to the Deemed Date of Allotment. Such interest shall be payable within fifteen business days from the Deemed Date of Allotment.
<b>Default Interest Rate</b>	As may be stipulated in the respective Tranche Issue. NIIF IFL shall pay interest in connection with any delay in listing, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.
<b>Tenor</b>	As may be stipulated in the respective Tranche Issue.
<b>Redemption Date</b>	As may be stipulated in the respective Tranche Issue.
<b>Redemption Amount</b>	As may be stipulated in the respective Tranche Issue.
<b>Redemption Premium /Discount</b>	As may be stipulated in the respective Tranche Issue.
<b>Issue Price</b>	As may be stipulated in the respective Tranche Issue.
<b>Discount at which security is issued and the effective yield as a result of such discount.</b>	As may be stipulated in the respective Tranche Issue.
<b>Put and Call option</b>	As may be stipulated in the respective Tranche Issue.
<b>Put option Date</b>	As may be stipulated in the respective Tranche Issue.
<b>Put option Price</b>	As may be stipulated in the respective Tranche Issue.
<b>Call Option Date</b>	As may be stipulated in the respective Tranche Issue.
<b>Call Option Price</b>	As may be stipulated in the respective Tranche Issue.
<b>Put Notification Time</b>	As may be stipulated in the respective Tranche Issue.
<b>Call Notification Time</b>	As may be stipulated in the respective Tranche Issue.
<b>Minimum Subscription per investor</b>	The Issue is with a minimum subscription of Rs. 1 crore and above per investor.

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<b>Face Value</b>	As may be stipulated in the respective Tranche Issue.
<b>Minimum Application and in multiples of Debt securities thereafter</b>	As may be stipulated in the respective Tranche Issue.
<b>Issue Timing</b> <b>1. Issue Opening Date</b> <b>2. Issue Closing Date</b> <b>3. Pay in Date</b> <b>4. Deemed Date of Allotment</b>	As may be stipulated in the respective Tranche Issue.
<b>Settlement mode of the Instrument</b>	As may be stipulated in the respective Tranche Issue.
<b>Depository</b>	As may be stipulated in the respective Tranche Issue.
<b>Creation of Recovery Expense Fund</b>	In accordance with the Debenture Trust Deed.
<b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>	As mentioned in the Debenture Trust Deed.
<b>Disclosure of interest/ dividend/ redemption dates</b>	As may be stipulated in the respective Tranche
<b>Record Date</b>	As stipulated in the section " <b>Record Date</b> " in this document.
<b>All covenants of the issue (including side letters, accelerated payment clause, etc.)</b>	As mentioned in the Debenture Trust Deed.
<b>Security Description</b>	As stipulated in the section " <b>Security</b> " in this document and in the respective Tranche Documents.
<b>Transaction Documents</b>	Debenture Trust Deed cum Deed of Hypothecation cum Deed of Mortgage, Shelf Document, each of the Tranche Documents.
<b>Conditions Precedent to Disbursement</b>	As may be stipulated in the respective Tranche Issue.
<b>Condition Subsequent to Disbursement</b>	As may be stipulated in the respective Tranche Issue.
<b>Events of Default</b>	As stipulated in the section " <b>Application process and Information relating to the terms of offer or purchase</b> " in this document.
<b>Provisions related to Cross Default Clause</b>	Not Applicable.
<b>Conditions for breach of covenants</b>	As may be stipulated in the respective Tranche Document
<b>Role and Responsibilities of Debenture Trustee</b>	As stipulated in the section " <b>Application process and Information relating to the terms of offer or purchase</b> " in this document.

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<b>Risk factors pertaining to the Issue</b>	Covered in Section III
<b>Governing Law and Jurisdiction</b>	Laws of India subject to jurisdiction of Mumbai courts.
<b>Anchor Investor</b>	As may be stipulated in the respective Tranche Issue.

\* The Stock Exchange(s) shall list the Debentures only upon receipt of a due diligence certificate as per format specified by SEBI, from Debentures Trustee confirming creation of charge and execution of the Debentures Trust Deed.

**Disclosures pertaining to willful default.**

(A) In case of listing of debt securities made on private placement, the following disclosures shall be made:

- (a) Name of the bank declaring the entity as a willful defaulter; - N. A.
- (b) The year in which the entity is declared as a willful defaulter; - N. A.
- (c) Outstanding amount when the entity is declared as a willful defaulter; - N.A.
- (d) Name of the entity declared as a willful defaulter; - N. A
- (e) Steps taken, if any, for the removal from the list of willful defaulters; - N.A.
- (f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions; - N.A.
- (g) Any other disclosure as specified by the Board: - N.A.

While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of the Shelf Document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the Security.

**UNDERTAKING BY THE ISSUER**

"Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 10 of this document."

"The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

"The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Shelf Placement Memorandum and/or in the Tranche Documents. Any covenants later added and not covered in Shelf Placement Memorandum or Tranche Documents shall be disclosed on the stock exchange website where the Debentures are listed.

**DECLARATION:**

It is hereby declared that this Shelf Placement Memorandum contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time.

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We also declare that PAN and Bank account details of NIIF Fund II, controlling shareholder of the Company and the details of PAN of Directors as enclosed herewith as **Annexure 1** is being submitted to the Stock Exchange with this shelf document.

The Issuer also confirms that this Shelf Placement Memorandum does not omit disclosure of any material fact which may make the statements made therein, in the light of the circumstances under which they are made, misleading. The Shelf Placement Memorandum also does not contain any false or misleading statement. The Issuer accepts no responsibility for the statements made otherwise than in this Shelf Placement Memorandum or in any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

The Issuer declares that all the relevant provisions of the relevant regulations or guidelines issued by SEBI and other Applicable Laws have been complied with and no statement made in this Shelf Placement Memorandum is contrary to the provisions of the regulations or guidelines issued by SEBI and other Applicable Law, as the case may be.

**DECLARATION BY THE DIRECTORS THAT:**

- a. the company has complied with the provisions of the Companies Act, 2013 and the rules made there under, including the compliances in relation to making a private placement of the Debentures, Securities Contracts (Regulation) Act, 1956 and Securities Exchange Board of India Act, 1992;
- b. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- c. the monies received under the offer shall be used only for the purposes and objects indicated in this Tranche Document read together with the Shelf Placement Memorandum;
- d. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.
- e. the securities proposed to be issued does not form a part of non-equity regulatory capital of the Issuer as mentioned under Chapter V of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Operational Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, and any amendment thereto;

We are authorized by the Board of Directors of the Company vide resolution dated May 6, 2022 and June 3, 2022 read with Finance Committee Resolution dated July 4, 2022 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

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**For NIIF Infrastructure Finance Limited**

**Shiva Rajaraman**  
**Chief Executive Officer**

**V. Narayanan Iyer**  
**Chief Financial Officer**

**Place: Mumbai**  
**Date: April 19, 2023**

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**Enclosures:**

- Annexure A: Shelf certification for Placement Memorandum.
- Annexure 1: Details of Controlling Stakeholder Directors
- Annexure 2: Copy of rating rationale/press release from Rating Agency - ICRA Limited.
- Annexure 3: Copy of rating rationale/ press release from Rating Agency - CARE Ratings Limited.
- Annexure 4: Copy of Trustee Consent Letter from IDBI Trusteeship Services Limited.
- Annexure 5: Audited Financials report for 2019-20
- Annexure 6: Audited Financials report for 2020-21
- Annexure 7: Audited Financials report for 2021-22
- Annexure 8: Copy of Auditor Letter from Lodha & Co and M.P Chitale & Co
- Annexure 9: Copy of Rating Agency Consent Letter from CARE Ratings Limited.
- Annexure 10: Copy of Rating Agency Consent Letter from ICRA Limited.
- Annexure 11: Consent Letter from Registrar & Transfer Agent- MCS Share Transfer Agent Limited.
- Annexure 12: Declaration as per the requirements of SEBI NCS Regulations 2021
- Annexure 13: Credit policy of the Company
- Annexure 14: Undertaking by the Company for interest on default
- Annexure 15: Copy of board resolution
- Annexure 16: Copy of shareholders resolution
- Annexure 17: Latest ALM
- Annexure 18: Columnar Representation



## Annexure 1

### Details of Controlling Shareholder

Sr. No	Name of the Controlling Shareholder	Address	Permanent Account Number	Bank Account details
1	National Investment and Infrastructure Fund II	3 <sup>rd</sup> Floor, Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi - 110001	AACTN8564C	Bank Name: Kotak Mahindra Bank Branch Address: Ground Floor, Deenar Bhavan, 44, Nehru Place, New Delhi-110019  Account number: 1612974093 IFSC code: KKBK0000201 Account type: Current Account

### Details of Directors

Sr. No.	Name	Designation	Permanent Account Number
1	Mr. Surya Prakash Rao Pendyala Age: 63 years	Chairman and Nominee director of National Investment and Infrastructure Fund II	AFAPP8409F
2	Mr. Rajiv Dhar Age: 60 years	Nominee Director of National Investment and Infrastructure Fund II	AADPD2221P
3	Mr. A K T Chari Age: 82 years	Nominee Director of National Investment and Infrastructure Fund II	ABJPC5571E
4	Mr. Ashwini Kumar Age: 64 years	Independent Director	AGSPK8448A
5	Ms. Rosemary Sebastian Age: 63 years	Independent Director	AABPS1500J
6	Mr. Prashant Kumar Ghose Age: 72 Years	Independent Director	ACLPG2397M

### For NIIF Infrastructure Finance Limited

**Shiva Rajaraman**  
Chief Executive Officer

**V. Narayanan Iyer**  
Chief Financial Officer

August 02, 2022

## NIIF Infrastructure Finance Limited: Ratings reaffirmed and rated amount enhanced

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Market linked debenture programme	0	1,000	PP-MLD[ICRA]AAA(Stable); assigned
Non-convertible debenture programme (zero coupon bonds)	0	2,000	[ICRA]AAA(Stable); assigned
Non-convertible debenture programme	0	8,809	[ICRA]AAA(Stable); assigned
Commercial paper programme	600	1,000	[ICRA]A1+; reaffirmed/assigned
Non-convertible debenture programme (zero coupon bonds)	5,000	5,000	[ICRA]AAA(Stable); reaffirmed
Non-convertible debenture programme	15,191	15,191	[ICRA]AAA(Stable); reaffirmed
Non-convertible debenture programme^	1,004	0	[ICRA]AAA(Stable); reaffirmed and withdrawn
<b>Total</b>	<b>21,795</b>	<b>33,000</b>	

\*Instrument details are provided in Annexure-1

^The withdrawal is at the request of the company since the rated instruments have matured and fully repaid

### Rationale

The ratings reflect NIIF Infrastructure Finance Limited's (NIIF IFL) demonstrated track record of zero NPAs and Nil stage 2 and stage 3 loan assets since commencement of its operations in 2015 and its parentage. The ratings also reflect the strength of NIIF IFL's diversified portfolio spread across the power, transmission, and other infrastructure sectors. The ratings also consider the relatively tighter regulatory framework necessitating investment/lending only to operational infrastructure projects, the company's comfortable liquidity profile supported by regulatory restrictions on the proportion of short-term debt in the overall borrowing mix, limited interest rate risk and the good capitalisation profile. Company's capitalisation profile also remains comfortable with capital adequacy ratio of 23.5% as against regulatory requirement of 15.0% and gearing of 4.0 times as on March 31, 2022. The ratings also draw comfort from NIIF IFL's experienced management team with expertise in infra finance, stringent underwriting norms reflected in good asset quality indicators and healthy profitability indicators. Further, strength of the company is also reflected in the investors i.e. National Investment and Infrastructure Fund II (NIIF II; Strategic Opportunities Fund) acting through its investment manager National Investment and Infrastructure Limited (NIIFL), which held 39.7% stake in NIIF IFL, 30.8% stake by Aseem Infrastructure Finance Limited, which is the sponsor as per RBI guidelines (AIFL; portfolio company of NIIF II) and ~25.1% stake by GoI as on June 30, 2022 on a fully diluted basis. ICRA expects NIIF IFL to continue to report good asset quality indicators while growing its business volumes. Going forward, the company's ability to grow its loan book while maintaining prudent capitalisation levels and strict underwriting standards and hence good asset quality indicators would be a key monitorable.

### Key rating drivers and their description

#### Credit strengths

**Strong parentage and experienced management team** - National Investment and Infrastructure Fund II holds significant shareholding in NIIF IFL, both directly and through portfolio company AIFL. As on 30<sup>th</sup> June 2022 NIIF II holds a 39.7%, AIFL holds 30.8%, the GoI holds 25.1% and Housing Development Finance Corporation Limited holds 4.4% on a fully diluted basis. NIIFL is an investor-owned fund manager, anchored by the GoI in collaboration with leading global and domestic institutional

investors. NIIFL is a collaborative investment platform for International and Indian investors who are looking for investment opportunities in infrastructure and other high-growth sectors of the country. GoI's strategic focus on private sector participation in infrastructure funding is also evident from its Rs.20,000 crore capital commitment to NIIF platform across 3 funds currently managed namely, Master Fund, Fund of Funds and Strategic Opportunities Fund (SOF). A similar amount is expected to be raised from external investors. Further, ICRA takes note of the committed equity infusion to the tune of Rs. 6,000 crore by GoI to the - NIIF Debt Financing Platform comprising of NIIF IFL and AIFL, to enable them to catalyse more investments into the infrastructure sector. Out of the proposed Rs. 6000 crore, around Rs. 1,700 crore has been infused till March 31, 2022 across both debt platforms. Given the strong financial flexibility and sovereign linked nature of NIIF, ICRA expects timely growth capital raise by NIIF IFL, as and when required. The rating also draws comfort from NIIF IFL's experienced senior management team with considerable experience in the infrastructure financing space.

**Regulatory framework necessitates lending to operational projects supporting overall business risk** - NIIF IFL's portfolio grew to Rs. 14,201 crore on March 31, 2022 from Rs. 8,461 crore as on March 31, 2021, registering a healthy YoY growth of ~68% in line with the increase in net worth (67%) and consequently the regulatory exposure limits. NIIF IFL's portfolio is spread across the power, transmission, and other infrastructure sectors. The energy generation segment had the highest share of 62% in the portfolio as on March 31, 2022 followed by transport and logistics (17%), power transmission (11%), communication (7%) and other infrastructure sectors (4%). Within the power sector also, the exposure is diversified (solar constituted around 31% of the total exposure as on March 31, 2022, wind - 14%, captive/open access power ~16% and transmission ~11%) and a large part of the exposure has strong off takers like central government owned entities. As per Board approved Risk and ESG policy, NIIF IFL does not refinance any grid connected thermal power projects. The growth in the loan book was largely driven by the growth in the solar power segment over the past few years, while the share of the road segment has gradually declined. The regulatory framework for Infra Debt Funds (IDFs) necessitates lending/investment only in infrastructure projects with at least one year of satisfactory commercial operations. Hence, construction and execution risks are nil and operating risk is low given the track record of operations, though ICRA notes that the absence of tripartite agreements (post widening of scope in FY2016) would expose the IDFs to the risk associated with the project in the event of termination. Nevertheless, asset quality of these operational projects (including projects without tripartite agreements) is expected to be stable, given lower risks as compared to under construction projects. ICRA notes that NIIF IFL has not witnessed any slippages in its loan portfolio till date as reflected by nil stage 2 and stage 3 assets. However, given the wholesale nature of the loan book, the portfolio remains vulnerable to lumpy slippages in the asset quality.

**Good capitalisation profile** - The company's capitalisation profile remains comfortable with net worth of Rs. 3,115 crore as on March 31, 2022 and capital adequacy ratio (CRAR) of 23.5% (Tier I – 22.8%) as against the regulatory requirement of 15% (Tier I – 7.5%) and gearing of 4.0 times as on March 31, 2022. The capitalisation profile supported by capital infusion by AIFL worth Rs. 312 crore and ~ Rs. 700 crore by Government of India (GoI) in March 2022. In November 2020, the GoI had approved the infusion of funds up to Rs 6,000 crore in NIIF's Infrastructure Debt Financing Platform comprising NIIF IFL and its sponsor company, AIFL (of which around Rs. 1,700 crore had been infused till March 31, 2022). In ICRA's opinion, prudent capitalisation levels are one of the key risks mitigants and a monitorable for a portfolio that has relatively high concentration risks. In this regard, ICRA expects NIIF IFL to maintain prudent capitalisation levels and believes support from investors/sponsors will be forthcoming if required.

**Profitability supported by tax exemption status enjoyed by IDFs** - The net interest margins for NIIF IFL have remained rangebound (2.3%-2.5%) with an upward bias in FY2022 due to more than commensurate decline in cost of funds as compared to decline in yield. Further, due to the wholesale nature of operations, the company's operating expenses remain low at 0.2% of average total assets in FY2022 (0.3% in FY2021); and the provisioning costs continue to be low as the loan portfolio hasn't witnessed delinquencies/slippages. The net profits for NIIF IFL increased to Rs. 233 crore in FY2022 from Rs. 132 crore in FY2021 consequently resulting in improvement in return on assets (RoA) to 1.9% in FY2022 from 1.7% on in FY2021, while RoE remained broadly stable at 9.4% in FY2022 from 9.7% on in FY2021 due to base effect from capital infusion of Rs. 1,012 crore in the month of March 2022. ICRA notes that subject to compliance with the conditions stipulated by the CDBT, an IDF-NBFC's

income is exempt from tax, which supports its profitability. ICRA notes that any regulatory changes with respect to tax exemption could have an adverse impact on the profitability of IDF-NBFCs.

### Credit challenges

**Relatively high concentration risk** - Regulations require all IDFs to take exposure only in operational projects with at least one year of commercial operations, which mitigates the construction and execution risk. However, the inherent nature of business of infrastructure financing means that company is exposed to project risks and the exposures are concentrated. Hence, the portfolio of NIIF IFL would remain vulnerable to asset quality shocks in case of slippages in few key exposures, which in turn may adversely affect its profitability. The concentration risk is high, with its top 10 borrowers accounting for ~ 29% of the total portfolio as on March 31, 2022 as against ~26% as on March 31, 2021. Going forward, the company's ability to maintain strict underwriting standards while growing the portfolio would be a key monitorable.

### Liquidity position: Strong

The liquidity profile is comfortable as IDFs can raise resources only through issue of bonds of minimum five-year maturity in line with the maturity profile of the assets; shorter tenure bonds and commercial papers are not allowed beyond 10% of the outstanding debt. Since an IDF-NBFC can invest only in projects that have completed at least one year of commercial operations, loan repayments start immediately after disbursement, thereby supporting the ALM profile. The company's ALM as on March 31, 2022 reflected marginal positive cumulative mismatch (including future interest inflows and outflows from assets and liabilities) across all buckets up to 6 months and marginal negative mismatch for one year. As of March 31, 2022, the company had available liquidity in the form of cash and liquid investments up to ~Rs. 1,240 crore, providing comfortable liquidity cover over the principal debt repayments of Rs. 1,855 crore which are due over the next one year. Further, liquidity is supported by expected cash inflow of ~Rs. 802 crore from the advances in the above-mentioned period (excluding prepayments). ICRA also derives comfort from the good financial flexibility of the company and demonstrated support of the sponsors.

### Rating sensitivities

**Positive factors** - Not applicable.

**Negative factors** - Pressure on NIIF IFL's ratings could emerge on account of increase in leverage to 9 times on sustained basis and/or weakening of the asset quality leading to a deterioration in solvency on a sustained basis. Any significant change in the regulatory framework leading to an increase in portfolio vulnerability and/or a change in the likelihood of support from the sponsors or key shareholders or a deterioration in the credit profile of the sponsors or key shareholders could warrant a rating revision for NIIF IFL

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">Rating approach - Implicit support from parent or group</a> <a href="#">Policy on withdrawal of credit ratings</a>
Parent/Group Support	While the ratings reflect NIIF IFL demonstrated track record of zero NPAs and Nil stage 2 and stage 3 loan assets since commencement of its operations in 2015 and its parentage, the ratings also derive significant strength from NIIF IFL's parentage with 39.7% of the shares held by NIIF II, 30.8% held by AIFL and ~25.1% by GoI as on June 30, 2022 on a fully diluted basis. With the Quasi sovereign ownership of NIIF, which is an investor-owned fund manager anchored by the GoI in collaboration with global and domestic institutional investors, ICRA expects timely growth capital and liquidity support to NIIF IFL either directly or indirectly, if needed.
Consolidation/Standalone	Standalone

## About the company

NIIF Infrastructure Finance Limited (NIIF IFL; erstwhile IDFC Infrastructure Finance Limited (IDFC IFL) is an infrastructure debt fund (IDF) under the non-banking finance company (NBFC) structure, set up in March 2014 and operating after the receipt of RBI approval on September 22, 2014. It provides long-term financial assistance for various infrastructure projects which have completed at least one year of satisfactory commercial operations.

While NIIF IFL was incorporated as IDFC IFL, its name was changed to NIIF IFL post the change in ownership in March 2019. On March 12, 2019, IDFC Financial Holding Company Limited (IDFC FHCL) transferred 51.48% of shareholding in IDFC IFL to NIIF Fund II. Further, on March 15, 2019, SBI Life Insurance Company Limited transferred its entire holding in IDFC IFL to NIIF Fund II. On March 30, 2020, NIIF IFL announced that AIFL, an NBFC Infrastructure Company (NBFC-IFC), acquired 30% equity stake of NIIF IFL from IDFC FHCL, upon consummation of the 2nd tranche of the transaction in terms of the Share Purchase Agreement (SPA) entered between IDFC FHCL, IDFC Limited and NIIF Fund II on October 30, 2018. Pursuant to the acquisition of 30% stake by AIFL, sponsor of NIIF IFL had been changed from IDFC FHCL to AIFL. As on March 31, 2022 NIIF Fund II holds 39.7% shareholding in the company, while AIFL holds 30.8%, Government of India (GoI) holds 25.1%<sup>1</sup> and HDFC Limited holds 4.4% stake in NIIF IFL.

In FY2022, the company reported a net profit of Rs. 233 crore vis-à-vis Rs. 132 crore reported in FY2021. Its net worth stood at Rs. 3,115 crore as on March 31, 2022. The company's capital structure is characterized by a gearing of 4.0x with a portfolio size of Rs. 14,201 crore as on March 31, 2022 (3.9x gearing with a portfolio of Rs. 8,432 crore as on March 31, 2021).

### Aseem Infrastructure Finance Limited

AIFL, portfolio company of NIIF II (SOF) managed by NIIF is registered as NBFC-IFC (Infrastructure Finance Company). AIFL received IFC license from RBI in January 2020 and commenced business in August 2020. It plans to fund infrastructure projects across various phases with a mix of operating, brownfield and greenfield assets within regulatory guidelines. As on March 31, 2022 the company has a book size of Rs. 7,002 crore at a gearing level of 2.2 times.

### National Investment & Infrastructure Fund

National Investment and Infrastructure Fund Limited (NIIFL) is a collaborative investment platform for international and Indian investors, anchored by the Government of India, which manages funds with investments in different asset classes and diversified sectors that generate attractive risk-adjusted returns. NIIFL manages over \$4.3 billion of equity capital commitments across its three funds – Master Fund, Fund of Funds, and Strategic Opportunities Fund (SOF), each with a distinct

<sup>1</sup> Fully diluted basis

investment strategy committed to support the country's growth needs. GoI's aggregate contribution to NIIF is Rs. 20,000 crore and it is proposed that a similar amount will be raised from third party investors such that GoI contribution will be 49% in each fund managed by NIIFL.

#### Key financial indicators (audited)

NIIF Infrastructure Finance Limited (Rs. crore)	FY2020	FY2021	FY2022
	Ind AS	Ind AS	Ind AS
Net interest income	132	171	300
Profit before tax (PBT)	113	132	233
Profit after tax (PAT)	5	132	233
AUM	6,389	8,432	14,158
Net worth	833	1,870	3,115
Total assets	6,715	9,253	15,453
% Tier I	19.0%	22.7%	22.8%
% CRAR	19.6%	23.4%	23.5%
Gearing <sup>2</sup> (times)	7.0	3.9	4.0
PBT / Average total assets	1.9%	1.7%	1.9%
PAT/Average total assets	0.1%	1.7%	1.9%
PBT/ Average net worth	13.5%	9.8%	9.4%
PAT/ Average net worth	0.5%	9.8%	9.4%
% Gross stage 3	0%	0%	0%
% Net stage 3	0%	0%	0%
Net Stage 3/ Net worth (%)	0%	0%	0%

Source: Company, ICRA Research; All ratios as per ICRA calculations

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

<sup>2</sup> Debt equity ratio

## Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of rating history for the past 3 years		
		Type	Amount rated (Rs. crore)	Amount outstanding as on Mar-31-22 (Rs. crore)	Date and rating in FY2023	Date and rating in FY2022	Date and rating in FY2021	Date and rating in FY2020
					Aug-2-22			
1	Non-convertible debenture programme (Zero coupon bonds)	Long Term	5,000.00	0.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)		
2	Non-convertible debenture programme	Long Term	15,191.00	11,783.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
3	Non-convertible debenture programme	Long Term	1,004.00	0.00	[ICRA]AAA (Stable); reaffirmed and withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
4	Commercial paper programme	Short Term	1,000.00	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
5	Non-convertible debenture programme (Zero coupon bonds)	Long Term	2,000.00	-	[ICRA]AAA (Stable)			
6	Non-convertible debenture programme	Long Term	8,809.00	-	[ICRA]AAA (Stable)			
7	Market linked debenture programme	Long Term	1,000.00	-	PP-MLD[ICRA]AAA (Stable)			

Source: Company data

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-convertible debenture programme	Simple
Market linked debenture programme	Moderately Complex
Commercial paper programme	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or the complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: [www.icra.in](http://www.icra.in)



**Annexure-1: Instrument details as on March 31, 2022**

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE246R07061	Non-convertible debenture	Mar-22-16	8.88%	Apr-22-21	103	[ICRA]AAA (stable); reaffirmed and withdrawn
INE246R07079	Non-convertible debenture	Jul-14-16	8.75%	Jul-27-21	209	[ICRA]AAA (stable); reaffirmed and withdrawn
INE246R07087	Non-convertible debenture	Aug-09-16	8.60%	Aug-25-21	141	[ICRA]AAA (stable); reaffirmed and withdrawn
INE246R07095	Non-convertible debenture	Aug-29-16	8.5050%	Aug-31-21	136	[ICRA]AAA (stable); reaffirmed and withdrawn
INE246R07103	Non-convertible debenture	Sep-01-16	8.5050%	Sep-07-21	25	[ICRA]AAA (stable); reaffirmed and withdrawn
INE246R07111	Non-convertible debenture	Sep-27-16	8.3850%	Oct-12-21	255	[ICRA]AAA (stable); reaffirmed and withdrawn
INE246R07129	Non-convertible debenture	Nov-17-16	8.10%	Nov-30-21	25	[ICRA]AAA (stable); reaffirmed and withdrawn
INE246R07137	Non-convertible debenture	Nov-30-16	7.35%	Jan-12-22	60	[ICRA]AAA (stable); reaffirmed and withdrawn
INE246R07145	Non-convertible debenture	Dec-06-16	7.35%	Jan-18-22	25	[ICRA]AAA (stable); reaffirmed and withdrawn
INE246R07335	Non-convertible debenture	Jan-10-19	9.05%	Feb-22-22	25	[ICRA]AAA (stable); reaffirmed and withdrawn
INE246R07152	Non-convertible debenture	Feb-01-17	8.00%	Apr-13-22	150	[ICRA]AAA (stable)
INE246R07160	Non-convertible debenture	Mar-22-17	8.25%	May-24-22	81	[ICRA]AAA (stable)
INE246R07186	Non-convertible debenture	Apr-26-17	8.01%	May-26-22	101	[ICRA]AAA (stable)
INE246R07178	Non-convertible debenture	Apr-19-17	8.04%	Jul-19-22	85	[ICRA]AAA (stable)
INE246R07202	Non-convertible debenture	Jul-12-17	7.9350%	Aug-11-22	100	[ICRA]AAA (stable)
INE246R07194	Non-convertible debenture	May-31-17	7.9650%	Aug-18-22	101	[ICRA]AAA (stable)
INE246R07228	Non-convertible debenture	Sep-19-17	7.73%	Nov-10-22	340	[ICRA]AAA (stable)
INE246R07210	Non-convertible debenture	Aug-31-17	7.73%	Nov-24-22	82	[ICRA]AAA (stable)
INE246R07475	Non-convertible debenture	Jan-29-21	5.50%	Jan-27-23	250	[ICRA]AAA (stable)
INE246R07244	Non-convertible debenture	Dec-18-17	8.08%	Feb-14-23	265	[ICRA]AAA (stable)
INE246R07251	Non-convertible debenture	Feb-06-18	8.48%	Feb-21-23	50	[ICRA]AAA (stable)
INE246R07277	Non-convertible debenture	Apr-26-18	8.37%	May-26-23	60	[ICRA]AAA (stable)
INE246R07269	Non-convertible debenture	Mar-22-18	8.49%	Aug-22-23	217	[ICRA]AAA (stable)
INE246R07327	Non-convertible debenture	Oct-12-18	9.12%	Nov-23-23	12	[ICRA]AAA (stable)
INE246R07418	Non-convertible debenture	Mar-04-20	8.15%	Jan-15-24	150	[ICRA]AAA (stable)
INE246R07350	Non-convertible debenture	Apr-30-19	9.00%	May-28-24	20	[ICRA]AAA (stable)
INE246R07319	Non-convertible debenture	Jul-19-18	9.2550%	Aug-14-24	189	[ICRA]AAA (stable)
INE246R07368	Non-convertible debenture	Jun-04-19	9.00%	Aug-19-24	59	[ICRA]AAA (stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE246R07301	Non-convertible debenture	Jul-05-18	9.21%	Aug-27-24	47	[ICRA]AAA (stable)
INE246R07376	Non-convertible debenture	Jun-20-19	9.00%	Aug-29-24	81	[ICRA]AAA (stable)
INE246R07384	Non-convertible debenture	Sep-27-19	8.60%	Nov-07-24	390	[ICRA]AAA (stable)
INE246R07236	Non-convertible debenture	Nov-28-17	7.99%	Nov-28-24	115	[ICRA]AAA (stable)
INE246R07392	Non-convertible debenture	Dec-23-19	8.65%	Feb-21-25	600	[ICRA]AAA (stable)
INE246R07426	Non-convertible debenture	Apr-23-20	8.25%	May-21-25	500	[ICRA]AAA (stable)
INE246R07285	Non-convertible debenture	Apr-26-18	8.4150%	May-27-25	44	[ICRA]AAA (stable)
INE246R07434	Non-convertible debenture	Jun-01-20	7.50%	Jun-02-25	250	[ICRA]AAA (stable)
INE246R07442	Non-convertible debenture	Jun-12-20	7.50%	Aug-12-25	125	[ICRA]AAA (stable)
INE246R07459	Non-convertible debenture	Sep-29-20	7.25%	Nov-28-25	245	[ICRA]AAA (stable)
INE246R07467	Non-convertible debenture	Dec-31-20	6.45%	Dec-31-25	105	[ICRA]AAA (stable)
INE246R07293	Non-convertible debenture	May-16-18	8.52%	May-15-26	26	[ICRA]AAA (stable)
INE246R07491	Non-convertible debenture	Mar-23-21	7.25%	May-22-26	482	[ICRA]AAA (stable)
INE246R07509	Non-convertible debenture	Mar-30-21	7.25%	May-29-26	560	[ICRA]AAA (stable)
INE246R07400	Non-convertible debenture	Jan-15-20	8.70%	Jan-15-30	500	[ICRA]AAA (stable)
INE246R07483	Non-convertible debenture	Feb-04-21	7.25%	Feb-04-31	244	[ICRA]AAA (stable)
INE246R07517	Non-convertible debenture	Sep-09-21	6.72%	Oct-09-26	650	[ICRA]AAA (stable)
INE246R07525	Non-convertible debenture	Sep-22-21	6.84%	Nov-20-26	625	[ICRA]AAA (stable)
INE246R07533	Non-convertible debenture	Sep-22-21	7.17%	Aug-22-31	255	[ICRA]AAA (stable)
INE246R07541	Non-convertible debenture	Sep-28-21	6.84%	Nov-27-26	1000	[ICRA]AAA (stable)
INE246R07558	Non-convertible debenture	Jan-14-22	6.75%	Feb-23-27	300	[ICRA]AAA (stable)
INE246R07558	Non-convertible debenture	Jan-14-22	6.75%	Feb-23-27	885	[ICRA]AAA (stable)
INE246R07566	Non-convertible debenture	Feb-17-22	5.955%	Feb-16-24	300	[ICRA]AAA (stable)
INE246R07574	Non-convertible debenture	Feb-22-22	7.05%	Feb-25-27	625	[ICRA]AAA (stable)
INE246R07533	Non-convertible debenture	Sep-22-21	7.17%	Aug-22-31	142	[ICRA]AAA (stable)
INE246R07582	Non-convertible debenture	Mar-28-22	7.11%	May-28-27	375	[ICRA]AAA (stable)
NA^	Commercial Paper	NA	NA	7-365 days	1,000	[ICRA]A1+
NA^	Market linked debenture	NA	NA	NA	1,000	PP-MLD[ICRA]AAA (stable)
NA^	Non-convertible debenture	NA	NA	NA	3,408	[ICRA]AAA (stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA^	Non-convertible debenture	NA	NA	NA	8,809	[ICRA]AAA (stable)
NA^	Non-convertible debenture (zero coupon bonds)	NA	NA	NA	5,000	[ICRA]AAA (stable)
NA^	Non-convertible debenture (zero coupon bonds)	NA	NA	NA	2,000	[ICRA]AAA (stable)

Source: Company; ^Yet to be placed/unutilised

#### Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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For more information, visit [www.icra.in](http://www.icra.in)

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### Branches



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## NIIF Infrastructure Finance Limited

August 02, 2022

### Ratings

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Market linked debentures	1,000.00	CARE PP-MLD AAA; Stable (Principal Protected-Market Linked Debentures Triple A; Outlook: Stable)	Assigned
Non-convertible debentures	8,809.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Assigned
Non-convertible debentures	691.00 (Reduced from 1,000.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Non-convertible debentures	1,500.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Non-convertible debentures	1,700.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Non-convertible debentures	2,300.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Non-convertible debentures	4,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Non-convertible debentures	5,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Zero coupon bonds	2,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Assigned
Zero coupon bonds	5,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Non-convertible debentures	-	-	Withdrawn
<b>Total long-term instruments</b>	<b>32,000.00</b> <b>(₹ Thirty-two thousand crore only)</b>		
Commercial paper	1,000.00 (Enhanced from 600.00)	CARE A1+ (A One Plus)	Reaffirmed
<b>Total short-term instruments</b>	<b>1,000.00</b> <b>(₹ One thousand crore only)</b>		

Details of instruments/facilities in Annexure-1.

### Detailed rationale and key rating drivers

The ratings assigned to the various debt instruments of NIIF Infrastructure Finance Limited (NIIF IFL, or the Company) continue to factor in the strength of its diversified portfolio, experienced management, strong underwriting and risk management systems reflected in sound asset quality with demonstrated track record of zero non-performing assets (NPAs) and Nil stage 2 and stage 3 loan assets since commencement of its operations in 2015, healthy capitalization, and adequate liquidity supported by fund raising flexibility.

The ratings also take into consideration a well-defined regulatory framework for infrastructure debt funds (IDFs; primarily allowing IDFs to lend only to operational projects, thereby reducing execution risks), synergies from NIIF ecosystem consisting of Master Fund, Strategic Opportunities Fund (SOF), and Fund of Funds, NIIF IFL's linkages with the Government of India (GoI) directly & through National Investment and Infrastructure Fund Limited (NIIFL), which is anchored by GoI and sponsorship by Aseem Infrastructure Finance Limited (AIFL), a debt platform company owned by NIIFL. Diversified business growth with maintenance of good asset quality and profitability, however, remain key rating monitorables.

### Rating sensitivities

#### Positive factors – Factors that could lead to positive rating action/upgrade:

Not applicable

#### Negative factors – Factors that could lead to negative rating action/downgrade:

- Any regulatory change resulting in increased portfolio vulnerability.
- Increase in gearing (defined as borrowings as per balance sheet/tangible net worth) beyond 9 times on a sustained basis.
- Significant and/or sustained deterioration in the asset quality materially impacting profitability, hence capitalisation.
- Substantial dilution, direct or indirect, in strategic linkages from the sponsors and/or key shareholders.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications



## Detailed description of the key rating drivers

### Key rating strengths

**Strong shareholders:** As on March 31, 2022, on a fully diluted basis, NIIFL SOF holds 39.73% stake in NIIF IFL followed by AIFL (30.83%), the GoI (25.09%), and Housing Development Finance Corporation Limited (4.36%). NIIFL is a fund manager, anchored by the GoI in collaboration with leading global and domestic institutional investors. It currently manages three funds and holds stake in NIIF IFL from its SOF. SOF is one of the largest India-focused growth equity fund and targets to invest in the sectors that benefit from the changing business landscape in India, as well as demonstrating intrinsic structural growth. Furthermore, on November 25, 2020, as a part of the Aatmanirbhar Bharat 3.0, the GoI had approved the infusion of funds up to ₹6,000 crore in NIIFL's debt financing platform comprising NIIF IFL and AIFL. The capital infusion from the GoI in NIIF IFL has come in FY21 (refers to the period April 1 to March 31) and FY22 to the tune of ₹185 crore and ₹700 crore, respectively. Given the quasi-sovereign nature of NIIFL, it is expected that NIIF IFL will be able to raise growth capital, as and when required. Moreover, given the role of NIIF IFL in bridging the financing gap in the capital-intensive infrastructure projects, CARE Ratings Limited (CARE Ratings) expects GoI's support to be forthcoming either directly or through the NIIF ecosystem.

**Strong and experienced management team:** Post the retirement of Sadashiv Rao, the company's operations are headed by Shiva Rajaraman as the Chief Executive Officer (CEO), effective July 01, 2022. Shiva Rajaraman has an experience of over 26 years in infrastructure finance, innovative and sustainable funding, and advisory, and has served as the CEO and whole-time director of L&T Infra Debt Fund Limited before taking over as the CEO of NIIF IFL. He is supported by Debabrata Mukherjee (Chief Business Officer), Dhananjay Yellurkar (Chief Risk Officer), Srinivas Upadhyayula (Head – Legal & Compliance) and V Narayanan Iyer (Chief Financial Officer), each of whom have over 25 years of experience in their respective fields.

**Well-defined regulatory framework for IDF-NBFCs mitigating construction and execution risks and enabling diversification:** The Reserve Bank of India (RBI) guidelines provide a well-defined framework for IDF-NBFCs and support sectoral diversification. Under the RBI guidelines, in addition to investments in PPP infrastructure projects with project authority secured against tripartite agreements, IDF-NBFCs are allowed to undertake investments in non-PPP infrastructure projects, which have completed at least one year of satisfactory commercial operation, and PPP infrastructure projects without project authority, which have completed at least one year of satisfactory commercial operation. Even in the absence of a tripartite agreement, investment in the projects, which have completed at least one year of satisfactory commercial operations reduce the construction and execution risks, which are otherwise inherent in any greenfield infrastructure project. Furthermore, the guidelines require IDF-NBFCs to raise funds through long tenor debt (having maturity of minimum of 5 years) and restricts short tenor borrowing to the extent of up to 10% of their total outstanding borrowings. CARE Ratings believes that these regulatory guidelines are a credit positive to the overall structure of the IDF-NBFCs, thereby constraining the level of risk that are otherwise inherent in the infrastructure financing space.

**Comfortable capital adequacy with low gearing levels:** The company's capitalisation levels are comfortable with reported total CRAR of 23.49% (P.Y.: 23.38%) and Tier-1 capital adequacy ratio (CAR) of 22.76% (P.Y.: 22.73%) as on March 31, 2022, well above the regulatory requirement of 15%. The gearing stood at 3.96x and is expected to increase going forward in line with expected growth in the loan portfolio. Following the capital infusion in March 2022, NIIF IFL's net-owned funds increased substantially to ₹3,114.94 crore as on March 31, 2022 from ₹1,869.98 crore as on March 31, 2021. On November 25, 2020, as a part of the Aatmanirbhar Bharat Package 3.0, the Union Cabinet had announced an equity infusion of ₹6,000 crore into NIIF debt financing platform comprising NIIF IFL and AIFL. Pursuant to this, GoI and AIFL infused ₹1,012 crore in NIIF IFL in Q4FY22. This is in addition to ₹655.94 crore infused in Q4FY21 by GoI, SOF and AIFL and ₹250.00 crore infused in Q1FY21 by SOF and AIFL. Given the demonstrated track record of equity infusion from shareholders, overall capital profile is expected to remain comfortable, going forward.

**Tax exempt status and low credit costs owing to cautious underwriting and mandate to invest in operational projects expected to support profitability:** During FY22, the company reported profit after tax (PAT) of ₹233.25 crore as compared with PAT of ₹131.75 crore during FY21. The company achieved 37.53% y-o-y growth in the total income of ₹984.31 crore during FY22 as compared with the total income of ₹715.68 crore during FY21. The interest income increased to ₹954.66 crore in FY22 from ₹682.37 crore during FY21 as a result of 68% increase in the loan book to ₹14,201 crore as on March 31, 2022, from ₹8,461 crore as on March 31, 2021. The credit costs remained relatively range-bound at 0.7% of closing loan book and are expected to be in sub 1% territory in the near term, as per the management's expectations. The company reported return on total assets (ROTA) and return on net worth (RONW) of 1.89% and 9.36%, respectively, as on March 31, 2022, as against 1.65% and 9.75%, respectively, as on March 31, 2021. The Central Board of Direct Taxes (CBDT) issued notification to NIIF IFL stating that the company is entitled to avail tax exemption from April 01, 2019. The company has filed an application with CBDT to review this notification, which if decided in the company's favour, may result in reversal of this tax provision amounting to ₹108.01 crore in the future. In CARE Ratings' view, the regulatory mandate to invest in the operational projects is expected to largely offset the other inherent risks idiosyncratic to infrastructure funding. Nevertheless, the company's ability to scale up business while sustaining moderate to good level of profitability remain key credit sensitivities.

**Sound asset quality parameters:** The company has strong internal credit risk grading framework and risk management systems. According to the company's policy, it does not finance projects with internal rating below 'BBB-'. As on March 31, 2022, around 76% of the outstanding portfolio has an internal rating of 'A-' or higher. The company continues to report Nil NPAs. CARE Ratings also understands from the management that the company's clearly defined negative sectors' list serves as



a deterrent towards lending to riskier projects. As the company continues its growth trajectory, both in terms of the book size and lending to newer sectors, demonstration of sound asset quality on a sustained basis remains a key rating monitorable.

### **Key rating weaknesses**

**Concentration risk:** The company being an IDF-NBFC, as per the regulatory requirements, it can only invest in operational projects, which mitigates the execution and cash flow risks to a considerable extent. However, the company is naturally exposed to the concentration risk in the infrastructure sector. As on March 31, 2022, the company had sizeable concentration of top 20 accounts at 48.66% of the loan portfolio and 221.22% of the tangible net worth. Furthermore, the company's book remains considerably concentrated on solar sector spread across Independent Power Producers (IPPs), captive and open access (40.57% of the book as on March 31, 2022). However, CARE Ratings believes that various contours of the regulatory framework prescribed by RBI for an IDF-NBFC, such as restricting lending to individual non-PPP projects to 25% of net owned funds, and to PPP projects with project authority to 50% of the capital funds (an additional exposure of 10% only at the discretion of the Board, and up to 15% only with RBI's approval), mitigate the concentration risk to a large extent. Nevertheless, the company's ability to withstand the sectoral concentration risks inherent to its nature of business with sustained profitable growth will be the key rating sensitivities going forward.

### **Liquidity: Adequate**

The liquidity profile of the company is comfortable. The company had cash and liquid investments of around ₹1,240 crore as on March 31, 2022. As on March 31, 2022, the asset liability management (ALM) profile of NIIF IFL had marginally negative cumulative mismatch in over 6 months and up to 1-year bucket, owing primarily to commercial paper borrowings. However, according to the ALM profile as of July 2022, there were no negative mismatches in the buckets up to 1 year.

### **Analytical approach**

CARE Ratings has analysed the standalone credit profile of NIIF IFL factoring support from the strong key shareholders comprising GoI and NIIFL, which is a GoI-anchored fund.

### **Applicable criteria**

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Financial ratios – Financial sector](#)

[Criteria for Short term Instruments](#)

[Criteria for Non-Banking Financial Companies](#)

[Consolidation and Factoring Linkages in Ratings](#)

[Policy on withdrawal of ratings](#)

[Rating Methodology-Market Linked Notes](#)

### **About the company**

NIIF Infrastructure Finance Limited (NIIF IFL) was incorporated as an infrastructure debt fund (IDF) under the non-banking finance company (NBFC) category. NIIF IFL was created on March 7, 2014 (originally incorporated as "IDFC Infra Debt Fund Limited") as a new infrastructure financing entity under the NBFC format as per the Reserve Bank of India (RBI) guidelines issued in this regard. The RBI granted Certificate of Registration (COR) to NIIF IFL on September 22, 2014, permitting the company to carry on the business of IDF-NBFC. The company commenced its business on January 16, 2015. The company changed its name from IDFC Infra Debt Fund Limited to IDFC Infrastructure Finance Limited with effect from January 10, 2017. In March 2019, National Investment and Infrastructure Fund (NIIF) Strategic Opportunities Fund (SOF) acquired 58.89% equity stake in IDFC Infrastructure Finance Limited. Thereafter, the name of the company was changed to NIIF Infrastructure Finance Limited with effect from July 11, 2019, to reflect the change in the ownership of the company. The RBI granted fresh COR to the company consequent to the name change. On March 30, 2020, Aseem Infrastructure Finance Limited (AIFL), an NBFC Infrastructure Finance Company (NBFC-IFC), acquired 30% equity stake of NIIF IFL from IDFC Financial Holding Company Limited (IDFC FHCL). Following capital raising of ₹1,012 crore in March 2022, the shareholding pattern on a fully diluted basis has undergone a change. The stake of SOF, acting through its investment manager, NIIF, has reduced to 39.73% (P.Y.: 54.4%), GOI's stake has increased to 25.09% on fully diluted basis (P.Y.: 8.8%), AIFL stake remained stable at 30.83%, and HDFC Limited's stake has reduced to 4.36% (P.Y.: 6.00%). As on March 31, 2022, NIIF IFL had a loan book of around ₹14,200.55 crore and tangible net worth of ₹3,114.09 crore.

### **AIFL (Sponsor)**

AIFL was incorporated in May 2019 to function as an NBFC-IFC with the objective of lending across phases of infrastructure projects with a mix of operating brownfield and greenfield assets. The RBI granted COR to AIFL on January 28, 2020. The management of AIFL is guided by an experienced Board of Directors, which comprises three nominees of NIIF Fund II and two independent directors. Although the Board has the primary responsibility for the establishment and review of the overall strategy, it does not involve itself in the investment or operational decisions.

### **NIIF - SOF (Key Shareholder)**

NIIFL is an investor-owned fund manager, anchored by the GoI in collaboration with the leading global and domestic institutional investors. NIIFL has received around ₹20,000 crore of capital commitments from GOI across three funds (each of

which is registered with SEBI as Category II AIFs) encompassing the Master Fund, Fund of Funds and SOF, and similar amount will be raised from external strategic investors such that the GoI's contribution to the corpus of the three funds will reach 49%. The objective of these funds is to generate attractive risk-adjusted returns through economic cycles by investing in infrastructure, and other businesses. NIIF manages assets over USD 4.3 billion through its three funds.

**Brief Financials of NIIF IFL:**

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23
Total operating income	715.68	984.31	NA
PAT	131.75	233.25	NA
Interest coverage (times)	1.25	1.34	NA
Total assets	9,253.38	15,452.25	NA
Net NPA (%)	0.00	0.00	NA
ROTA (%)	1.65	1.89	NA

A: Audited

**Status of non-cooperation with previous CRA:**

None

**Any other information:**

Not applicable

**Rating history for the last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non-convertible debentures	INE246R07152	01-Feb-17	8.00%	13-Apr-22	150.00*	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07160	22-Mar-17	8.25%	24-May-22	81.00*	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07186	26-Apr-17	8.01%	26-May-22	101.00*	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07178	19-Apr-17	8.040%	19-Jul-22	85.00*	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07194	31-May-17	7.965%	18-Aug-22	101.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07202	12-Jul-17	7.935%	11-Aug-22	100.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07210	31-Aug-17	7.730%	24-Nov-22	82.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07228	19-Sep-17	7.730%	10-Nov-22	340.00	CARE AAA; Stable

Debentures-Non-convertible debentures	INE246R07236	28-Nov-17	7.990%	28-Nov-24	115.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07244	18-Dec-17	8.080%	14-Feb-23	265.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07251	06-Feb-18	8.480%	21-Feb-23	50.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07269	22-Mar-18	8.490%	22-Aug-23	217.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07277	26-Apr-18	8.370%	26-May-23	60.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07285	26-Apr-18	8.415%	27-May-25	44.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07293	16-May-18	8.520%	15-May-26	26.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07301	05-Jul-18	9.210%	27-Aug-24	47.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07319	19-Jul-18	9.255%	14-Aug-24	189.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07327	12-Oct-18	9.120%	23-Nov-23	12.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07350	30-Apr-19	9.000%	28-May-24	20.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07368	04-Jun-19	9.000%	19-Aug-24	59.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07376	20-Jun-19	9.000%	29-Aug-24	81.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07384	27-Sep-19	8.600%	07-Nov-24	390.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07392	23-Dec-19	8.650%	21-Feb-25	600.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07400	15-Jan-20	8.700%	15-Jan-30	500.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07418	04-Mar-20	8.150%	15-Jan-24	150.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07426	23-Apr-20	8.250%	21-May-25	500.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07434	01-Jun-20	7.500%	02-Jun-25	250.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07442	12-Jun-20	7.500%	12-Aug-25	125.00	CARE AAA; Stable

Debentures-Non-convertible debentures	INE246R07459	29-Sep-20	7.250%	28-Nov-25	245.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07467	31-Dec-20	6.450%	31-Dec-25	105.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07475	29-Jan-21	5.500%	27-Jan-23	250.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07483	04-Feb-21	7.250%	04-Feb-31	244.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07491	22-Mar-21	7.250%	22-May-26	482.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07509	30-Mar-21	7.250%	29-May-26	560.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07517	09-Sep-21	6.720%	09-Oct-26	650.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07525	22-Sep-21	6.840%	20-Nov-26	625.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07533	22-Sep-21	7.170%	22-Aug-31	397.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07541	28-Sep-21	6.840%	27-Nov-26	1000.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07558	14-Jan-22	6.750%	23-Feb-27	1185.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07566	17-Feb-22	5.955%	16-Feb-24	300.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07574	22-Feb-22	7.050%	25-Feb-27	625.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07582	28-Mar-22	7.110%	28-May-27	875.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07590	27-May-22	7.800%	27-Aug-27	400.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07608	04-Jul-22	7.995%	24-Aug-27	809.00	CARE AAA; Stable
Debentures-Non-convertible debentures	INE246R07616	14-Jul-22	8.04%	27-May-32	241.00	CARE AAA; Stable
Debentures-Non-convertible debentures (Proposed)	-	-	-	-	1,458.00	CARE AAA; Stable
Debentures-Non-Convertible Debentures (Proposed)	-	-	-	-	8809.00	CARE AAA; Stable
Bonds-Zero coupon bonds (Proposed)	-	-	-	-	5000.00	CARE AAA; Stable

Bonds-Zero coupon bonds (Proposed)	-	-	-	-	2000.00	CARE AAA; Stable
Debentures-Market linked debentures (Proposed)	-	-	-	-	1000.00	CARE PP-MLD AAA; Stable
Debentures-Non-convertible debentures	-	27-Mar-19	8.68%	27-May-20	0.00	Withdrawn
Debentures-Non-convertible debentures	INE246R07079	14-Jul-16	8.75%	27-Jul-21	0.00	Withdrawn
Debentures-Non-convertible debentures	INE246R07087	09-Aug-16	8.60%	25-Aug-21	0.00	Withdrawn
Debentures-Non-convertible debentures	INE246R07095	29-Aug-16	8.50%	31-Aug-21	0.00	Withdrawn
Debentures-Non-convertible debentures	INE246R07103	01-Sep-16	8.50%	07-Sep-21	0.00	Withdrawn
Debentures-Non-convertible debentures	INE246R07111	27-Sep-16	8.38%	12-Oct-21	0.00	Withdrawn
Debentures-Non-convertible debentures	INE246R07129	17-Nov-16	8.10%	30-Nov-21	0.00	Withdrawn
Debentures-Non-convertible debentures	INE246R07137	30-Nov-16	7.35%	12-Jan-22	0.00	Withdrawn
Debentures-Non-convertible debentures	INE246R07145	06-Dec-16	7.35%	18-Jan-22	0.00	Withdrawn
Debentures-Non-convertible debentures	INE246R07335	10-Jan-19	9.05%	22-Feb-22	0.00	Withdrawn
Commercial paper-Commercial paper (Standalone)	INE246R14299	24-May-22	5.65%	22-Aug-22	250.00	CARE A1+
Commercial paper-Commercial paper (Standalone)	INE246R14307	31-May-22	5.65%	25-Aug-22	350.00	CARE A1+
Commercial paper-Commercial paper (Standalone) (Proposed)	-	-	-	-	50.00	CARE A1+

\*The amount for these NCDs (totalling to Rs.417 crore) will be adjusted during the next surveillance cycle (as requested by the company)

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Debentures-Non-convertible debentures	LT	-	-	-	1)CARE AAA; Stable (03-Aug-21)	1)CARE AAA; Stable (06-Oct-20)	1)CARE AAA; Stable (07-Oct-19)
2	Debentures-Non-convertible debentures	LT	691.00	CARE AAA; Stable	-	1)CARE AAA; Stable (03-Aug-21)	1)CARE AAA; Stable (06-Oct-20)	1)CARE AAA; Stable (07-Oct-19)
3	Debentures-Non-convertible debentures	LT	1500.00	CARE AAA; Stable	-	1)CARE AAA; Stable (03-Aug-21)	1)CARE AAA; Stable (06-Oct-20)	1)CARE AAA; Stable (07-Oct-19)
4	Commercial paper-Commercial paper (Standalone)	ST	1000.00	CARE A1+	-	1)CARE A1+ (03-Aug-21)	1)CARE A1+ (06-Oct-20)	1)CARE A1+ (07-Oct-19)
5	Debentures-Non-convertible debentures	LT	1700.00	CARE AAA; Stable	-	1)CARE AAA; Stable (03-Aug-21)	1)CARE AAA; Stable (06-Oct-20)	1)CARE AAA; Stable (07-Oct-19)
6	Debentures-Non-convertible debentures	LT	2300.00	CARE AAA; Stable	-	1)CARE AAA; Stable (03-Aug-21)	1)CARE AAA; Stable (06-Oct-20)	1)CARE AAA; Stable (07-Oct-19)
7	Debentures-Non-convertible debentures	LT	4000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (03-Aug-21)	1)CARE AAA; Stable (06-Oct-20)	-
8	Debentures-Non-convertible debentures	LT	5000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (03-Aug-21)	-	-
9	Bonds-Zero coupon bonds	LT	5000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (03-Aug-21)	-	-
10	Bonds-Zero coupon bonds	LT	2000.00	CARE AAA; Stable	-	-	-	-
11	Debentures-Non-convertible debentures	LT	8809.00	CARE AAA; Stable	-	-	-	-
12	Debentures-Market linked debentures	LT	1000.00	CARE PP-MLD AAA; Stable	-	-	-	-

\*Long term/Short term.

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: NA****Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Bonds-Zero Coupon Bonds	Simple
2	Commercial paper-Commercial paper (Standalone)	Simple
3	Debentures-Market linked debentures	Highly Complex
4	Debentures-Non-convertible debentures	Simple

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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**About us:**

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

**Disclaimer:**

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information, please visit [www.careedge.in](http://www.careedge.in)**



No. 48915/ITSL/OPR/CL/15-16/DEB/332/76

Date: 17<sup>th</sup> April, 2023

To,

**NIIF Infrastructure Finance Limited**North Wing, 3<sup>rd</sup> Floor,

UTI Tower, GN Block,

Bandra Kurla Complex, Mumbai- 400 051

**Kind Attn: Mr. V. Narayanan Iyer / Mr. Amit Ruparelia**

Dear Sir,

**Consent to act as Debenture Trustee for the issue of Secured, Redeemable, Listed, Non-Convertible Debentures (NCDs) aggregating up to Rs.1588 crores under umbrella debenture trust deed dated 25<sup>th</sup> August, 2015 executed for umbrella limit of Rs. 20,000 crores.**

This has reference to our discussion regarding the appointment of IDBI Trusteeship Services Limited ("ITSL") as Debenture Trustee for the issue of NCDs aggregating upto Rs. 1588 crores umbrella debenture trust deed dated 25<sup>th</sup> August, 2015 executed for umbrella limit of Rs. 20,000 crores. In this connection, we confirm our acceptance of the assignment.

We are agreeable for inclusion of our name as trustees in the Disclosure document/ listing application/ any other document to be filed with the Stock Exchange(s) subject to the following conditions.

- 1) The Company hereby agree and undertake to execute, the Debenture Trust Deed/ Debenture Trustee Agreement and other necessary documents on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document as approved by the Debenture Trustee, within a period as per applicable law.
- 2) The Company hereby agree & undertake to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as mutually agreed for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
- 3) The Company hereby agrees and undertakes to comply with the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, SEBI Circular on Uniform Listing Agreement dated October 13<sup>th</sup>, 2015; SEBI (Debenture Trustees) Regulations, 1993, SEBI Circular bearing ref. no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/230 dated 12<sup>th</sup> November, 2020 and SEBI Circular bearing ref. no. SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2022/67 dated May 19, 2022, Companies Act, 2013, as may be amended from time to time and such other applicable provisions as may be applicable from time to time and the Company agree to furnish to Debenture Trustee such information as may be required by Trustee on regular basis.

Looking forward to a fruitful association with you and assuring you of our best services at all times.  
Yours faithfully,

**For IDBI Trusteeship Services Limited**

GAURAV

Digitally signed by

BHARATKUMA

GAURAV

R MODY

BHARATKUMAR

MODY

**Authorized Signatory**

# Price Waterhouse & Co Chartered Accountants LLP

## Independent auditor's report

### To the Members of NIIF Infrastructure Finance Limited

### Report on the audit of the financial statements

#### Opinion

1. We have audited the accompanying financial statements of NIIF Infrastructure Finance Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw your attention to Note 39 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of NIIF Infrastructure Finance Limited

Report on audit of the Financial Statements

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### Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

Key audit matter	How our audit addressed the key audit matter
<p><b>I. Impairment of loans and advances:</b> (Refer to Note 36.3 to the financial statements)</p> <p>The loan balances and the associated impairment allowances are significant to the financial statements and also involves judgement around the calculation of the impairment allowance.</p> <p>Impairment allowances represent management's estimate of the losses incurred within the loan portfolios at the balance sheet date and are inherently judgmental. Impairment, based on Expected Credit Loss (ECL) model, is calculated using two main variables viz. 'Probability of Default' and 'Loss Given Default' as specified under the related Accounting Standard (Ind AS 109). Quantitative factors like days past due and macro-economic data points and qualitative factors like deterioration in credit quality, reduction in the value of security, uncertainty over realisability of security, nature of loan etc. and related RBI notifications have been taken into account in the ECL computation.</p> <p>There is an inherent risk that qualitative triggers relating to impairment may not be identified on a timely basis.</p> <p>Given the inherent judgmental nature and the complexity of audit procedures involved, we determined this to be a key audit matter.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"><li>• We understood and tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions into the impairment models, the identification of impaired loans and advances and key systems reconciliations.</li><li>• We, along with the help of the auditor's expert, evaluated the appropriateness of the Company's impairment methodologies used to derive significant variables viz. probability of Default, Loss Given Default, Exposure at default and Staging of Loan etc.</li><li>• We also checked the completeness and accuracy of source data used and tested the reasonableness of the key assumptions.</li><li>• We recomputed the impairment provision for sample of loans across the portfolio, to ensure arithmetical accuracy and compliance with the requirements of related accounting standard (Ind AS 109) used in the ECL computation.</li><li>• We evaluated the adequacy of the presentation and disclosures in this regard</li></ul> <p>Based on the procedures performed above, we considered the credit impairment charge and provision recognized by the management in respect of loans and advances to be reasonable.</p>

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# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of NIIF Infrastructure Finance Limited

Report on audit of the Financial Statements

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Key audit matter	How our audit addressed the key audit matter
<p><b>II. Tax exemption under section 10(47) of Income Tax Act 1961.</b></p> <p>(Refer to note 26(c) to the financial statements)</p> <p>The Company had filed an application with the Central Board of Direct Taxes (CBDT) seeking exemption under section 10(47) of Income-tax Act, 1961 (the "IT Act") on March 17, 2015, contending that it is exempt under the said section being an Infrastructure Debt Fund Non-Banking Financial Company (IDF-NBFC) registered with the Reserve Bank of India (RBI). The Company had been claiming tax exemption under Section 10(47) read with Rule 2F of the Income Tax Act, 1961 from FY 2014-15.</p> <p>The CBDT has issued a notification dated October 21, 2019 notifying the Company under Section 10(47) of the IT Act w.e.f. financial year 2019-20 (i.e., from the financial year starting April 1, 2019).</p> <p>Based on the facts and tax consultant's advice obtained, the Management has provided for and paid Rs. 10,801 lakhs as tax liability for the years 2014-15 to 2018-19. Moreover, the Company has written to CBDT for review of the said notification with a request to notify it under Section 10(47) from FY 2014-15 and onwards.</p> <p>We considered this as a key audit matter given the notification of tax exemption under section 10(47) is received from only in respect of FY 2019-20 and review application for FY 2014-15 to FY 2018-19 is pending and consequential impact on the financial impact is likely to be material</p>	<p>The audit procedures performed by us to check the exemption under section 10(47) and application to CBDT for notification:</p> <ul style="list-style-type: none"> <li>• We understood, assessed and tested the design and operating effectiveness of internal controls around assessment of tax position with respect to application of section 10(47).</li> <li>• We along with our auditor's expert, : <ul style="list-style-type: none"> <li>▪ analysed, the management representation and the external tax consultant's opinions obtained by the management;</li> <li>▪ evaluated the rational provided by the Company and by the assessing authority against the Company, the similar tax legislation, the verdict of the tax court in similar matters and existing jurisprudence to assess the appropriateness of the tax position;</li> <li>▪ evaluated the income tax assessment orders received by the Company for earlier assessment years.</li> </ul> </li> <li>• We also assessed the independence, objectivity, competence and capabilities of the tax consultant engaged by the management.</li> <li>• We assessed the adequacy of the disclosures in the financial statements.</li> </ul> <p>Based on the above procedures performed, we did not identify any significant exceptions to the management's assessment in respect tax exemption under section 10(47) of the IT Act.</p>

## Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report and Secretarial Report, but does not include the financial statements 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 in the audit or otherwise appears to be

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# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of NIIF Infrastructure Finance Limited

Report on audit of the Financial Statements

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materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the financial statements**

7. 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, changes in equity and cash flows 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.
8. In preparing the financial statements, 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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.

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# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of NIIF Infrastructure Finance Limited

Report on audit of the Financial Statements

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- 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 controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.
11. 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.
  12. 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.
  13. 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.

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# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of NIIF Infrastructure Finance Limited

Report on audit of the Financial Statements

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### Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. 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.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement 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.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with 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, if any, of pending litigations as at March 31, 2020 on its financial position in its financial statements – Refer Note 31 of the Financial statement.
    - (ii). The Company has made provision as at March 31, 2020, as required under the applicable law or accounting standards, for material foreseeable losses, on long- term contracts. The Company did not have any derivative contracts as at March 31, 2020.
    - (iii). There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - (iv). The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

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# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of NIIF Infrastructure Finance Limited

Report on audit of the Financial Statements

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16. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009



Russell I Parera

Partner

Membership Number: 042190

UDIN: 20042190AAAABK7697

Mumbai

May 21, 2020

# **Price Waterhouse & Co Chartered Accountants LLP**

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of NIIF Infrastructure Finance Limited on the financial statements for the year ended March 31, 2020

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

1. We have audited the internal financial controls with reference to financial statements of NIIF Infrastructure Finance Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

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# Price Waterhouse & Co Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of NIIF Infrastructure Finance Limited on the financial statements for the year ended March 31, 2020

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statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E-300009



Russell I Parera  
Partner  
Membership Number: 042190

UDIN: 20042190AAAABK7697

Mumbai  
May 21, 2020

# Price Waterhouse & Co Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph of the Independent Auditors' Report of even date to the members of NIIF Infrastructure Finance Limited on the financial statements for the year ended March 31, 2020

Page 1 of 2

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - (c) The title deeds of immovable properties, as disclosed in Note 8 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are 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. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company. The Company is registered as a Non-Banking Financial Company – Infra Debt Fund with the RBI. Thus, the provision of Section 186 except sub-section (1) of the Act is not applicable to the Company. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of investment companies as mentioned in sub-section (1) of section 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Income Tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 31 to the financial statements regarding management's assessment on certain matters relating to provident fund.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs and excise duty, value added tax or goods and service tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

# Price Waterhouse & Co Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph of the Independent Auditors' Report of even date to the members of NIIF Infrastructure Finance Limited on the financial statements for the year ended March 31, 2020  
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- x. 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review<sup>39</sup>. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Company.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E-300009



Russell I Parera  
Partner

Membership Number: 042190

UDIN: 20042190AAAABK7697

Mumbai  
May 21, 2020

**NIIF INFRASTRUCTURE FINANCE LIMITED**  
(Formerly known as IDFC Infrastructure Finance Limited)

Balance sheet as at March 31, 2020


₹ in lakhs

	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>1 Financial assets</b>			
(a) Cash and cash equivalents	3	25,719	3,400
(b) Loans	4	6,36,360	4,66,608
(c) Investments	5	-	6,107
(d) Other financial assets	6	4,406	2,398
		6,66,485	4,78,513
<b>2 Non Financial assets</b>			
(a) Current tax assets (Net)	7	4,243	7,499
(b) Property, plant and equipment	8	620	127
(c) Other non-financial assets	9	103	87
		4,966	7,713
<b>Total assets</b>		<b>6,71,451</b>	<b>4,86,226</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial liabilities</b>			
(a) Payables			
(i) Trade payables	10	-	-
(ii) total outstanding dues of micro enterprises and small enterprises		47	19
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			
(II) Other payables	11	-	-
(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	12	5,67,203	3,87,334
(c) Borrowings (Other than Debt securities)	13A	416	-
(d) Other financial liabilities	13B	19,320	14,802
		5,86,986	4,02,155
<b>2 Non-Financial liabilities</b>			
(a) Provisions	14	19	9
(b) Other non-financial liabilities	15	1,101	1,169
		1,120	1,178
<b>EQUITY</b>			
(a) Equity share capital	16A	54,000	54,000
(b) Other equity	16B	29,345	28,893
		83,345	82,893
<b>Total liabilities and equity</b>		<b>6,71,451</b>	<b>4,86,226</b>

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


This is the Balance Sheet referred to in our report of even date

**For Price Waterhouse & Co Chartered Accountant LLP**  
Firm Registration Number: 304026E/E-300009

  
**Russell I Parera**

Partner  
Membership Number : 42190

**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

  
**Sanjay Ajgaonkar**

Chief Financial Officer

  
**Amol Ranade**

Company Secretary

Date: May 21, 2020

**NIIF INFRASTRUCTURE FINANCE LIMITED**  
(Formerly known as IDFC Infrastructure Finance Limited)

**Statement of profit and loss for the year ended March 31, 2020**

	Notes	For year ended March 31, 2020	For the year ended March 31, 2019
<b>₹ in lakhs</b>			
<b>Revenue from operations</b>			
Interest income	17	51,254	43,275
Net gain on fair value changes	18	941	778
<b>I Total revenue from operations</b>		<b>52,195</b>	<b>44,053</b>
II Other income	19	-	12
(i) Interest on income tax refund			
<b>III Total income (I+II)</b>		<b>52,195</b>	<b>44,065</b>
<b>Expenses</b>			
Finance costs	20	38,029	31,625
Fees and commission expense	21	41	42
Impairment on financial instruments	22	683	192
Employee benefits expenses	23	1,152	1,262
Depreciation, amortisation and impairment	8 & 24	277	54
Other expenses	25	759	577
<b>IV Total expenses</b>		<b>40,941</b>	<b>33,752</b>
<b>V Profit before tax (III - IV)</b>		<b>11,254</b>	<b>10,313</b>
<b>VI Income Tax expense</b>		-	-
Current tax	26	10,801	-
Deferred tax		-	-
<b>Total tax expenses</b>		<b>10,801</b>	-
<b>VII Profit for the year (V - VI)</b>		<b>453</b>	<b>10,313</b>
<b>VIII Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		(1)	(20)
(ii) 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		-	-
<b>Other comprehensive income (A+B)</b>		<b>(1)</b>	<b>(20)</b>
<b>IX Total comprehensive income for the year (VII + VIII) (Comprising profit and other comprehensive income for the year)</b>		<b>452</b>	<b>10,293</b>
<b>X Earnings per equity share (nominal value of share- ₹10 each)</b>			
Basic (₹)		0.08	1.91
Diluted (₹)		0.08	1.91

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

This is the Statement of Profit and Loss account referred in our report of even date

**For Price Waterhouse & Co Chartered Accountant LLP**  
Firm Registration Number: 304026E/E-300009  
Chartered Accountants



**Russell I Parera**  
Partner  
Membership Number : 42190

Date: May 21, 2020

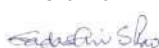
**For and on behalf of the Board of Directors of  
NIIF Infrastructure Finance Limited**



**Surya Prakash Rao Pendyala**  
Chairman



**Rajiv Dhar**  
Director



**Sadashiv S Rao**  
Chief Executive Officer



**Sanjay Ajaonkar**  
Chief Financial Officer



**Amol Ranade**  
Company Secretary



**NIF INFRASTRUCTURE FINANCE LIMITED**  
(Formerly known as IDFC Infrastructure Finance Limited)

**Statement of changes in equity**

**A1 Equity share capital**

	Note	Number	₹ in lakhs Amount
As At March 31, 2018	16A	54,00,00,000	54,000
Issued during the year			
As At March 31, 2019		54,00,00,000	54,000
Issued during the year	16A		
As At March 31, 2020		54,00,00,000	54,000

**A2 Other equity**

Other equity


₹ in lakhs

Reserves and surplus							
	Special reserve u/s. 45- IC of the RBI A t, 1934	Impairment Reserve	Surplus in the statement of profit and loss	General Reserve	Share options outstanding account	ESOP contribution from parent	Total
As At March 31, 2018	3,990	-	14,522	-	126	99	18,737
Profit for the year	-	-	10,313	-	-	-	10,313
Other comprehensive income	-	-	(20)	-	-	-	(20)
Total Comprehensive Income for the year	-	-	10,293	-	-	-	10,293
Share based payments	-	-	-	-	-	-	-
i) Employee stock option expense for the year	-	-	-	-	23	(11)	12
ii) Vested options cancelled during the year	-	-	-	-	-	-	-
iii) Options exercised during the year	-	-	-	-	-	-	-
iv) Options lapsed during the year	-	-	-	-	-	-	-
v) Options cancelled during the year	-	-	-	-	(149)	-	(149)
Transfers to Special reserve u/s. 45-IC of the RBI Act, 1934	2,060	-	(2,060)	-	-	-	-
As At March 31, 2019	6,050	-	22,755	-	-	88	28,893
Profit for the year	-	-	453	-	-	-	453
Other comprehensive income	-	-	(1)	-	-	-	(1)
Total Comprehensive Income for the year	-	-	452	-	-	-	452
Share based payments	-	-	-	-	-	-	-
i) Employee stock option expense for the year	-	-	-	-	-	-	-
ii) Vested options cancelled during the year	-	-	-	-	-	-	-
iii) Options exercised during the year	-	-	-	-	-	-	-
iv) Options lapsed during the year	-	-	-	-	-	-	-
v) Options cancelled during the year, reversed to reserves	-	-	-	88	-	(88)	-
Transfers to Special reserve u/s. 45-IC of the RBI Act, 1934	91	-	(91)	-	-	-	-
Transfers to Impairment Reserve	-	4	(4)	-	-	-	-
As At March 31, 2020	6,141	4	23,112	88	-	-	29,345

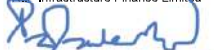
The accompanying notes are an integral part of these financial statements (See notes 1 to 45)


This is the statement of changes in equity referred to in our report of even date.


For Price Waterhouse & Co Chartered Accountant LLP  
(Firm Registration Number : 304026E/E-300009)

  
**Russell I Parera**  
Partner  
Membership Number : 42190

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

  
**Sury Prakash Rao Pendyala**  
Chairman

  
**Sadashiv S Rao**  
Chief Executive Officer

  
**Rajiv Dhar**  
Director

  
**Sanjay Ajgaonkar**  
Chief Financial Officer

  
**Amol Ranade**  
Company Secretary

Date: May 21, 2020

**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Statement of cash flow for the year ended March 31, 2020**

		₹ in lakhs	
	Notes	For year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities</b>			
Profit before tax		11,254	10,293
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation, amortisation and impairment	8 & 24	277	54
Impairment on financial instruments	22	683	192
Employee share based payment expense		-	82
Employee stock options settled in cash		-	(219)
Interest expense accrued on debt securities	20	37,844	31,486
Interest expense accrued on borrowings (Other than Debt securities)	20	33	-
Interest paid on debt securities		(33,359)	(29,046)
Interest income	17	(50,633)	(43,264)
Interest received		48,625	42,754
<b>Operating profit before working capital changes</b>		<b>14,724</b>	<b>12,332</b>
<b>Adjustments for (increase)/ decrease in operating assets:</b>			
Loans		(1,70,435)	(47,702)
Investments at fair value through profit and loss		6,107	9,716
<b>Adjustments for increase/ (decrease) in operating liabilities:</b>			
Trade payables		28	5
(Increase) in other non financial assets		(16)	2
Increase/(Decrease) in other non-financial liabilities		(58)	519
<b>CASH GENERATED FROM OPERATIONS</b>		<b>(1,49,650)</b>	<b>(25,128)</b>
Less : Income taxes paid (net of refunds)		(7,546)	(2,850)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES (A)</b>		<b>(1,57,196)</b>	<b>(27,978)</b>
<b>B. Cash flow from investing activities</b>			
Purchase of property, plant and equipments	8	(770)	(70)
<b>NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES (B)</b>		<b>(770)</b>	<b>(70)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from debt securities issued		1,79,869	85,747
Repayment of debt securities		-	(57,500)
Borrowings (Other than Debt securities)		416	-
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>		<b>1,80,285</b>	<b>28,247</b>
<b>Net (decrease)/increase in Cash and Bank Balances (A+B+C)</b>		<b>22,319</b>	<b>199</b>
Cash and cash equivalents as at the beginning of the year	3	3,400	3,201
Cash and cash equivalents as at the end of the year	3	25,719	3,400
		<b>22,319</b>	<b>199</b>

This is the Cash flow statement referred to in our report of even date

**For Price Waterhouse & Co Chartered Accountant LLP**  
Firm Registration Number: 304026E/E-300009



**Russell I Parera**  
Partner  
Membership Number : 42190



**Sadashiv S Rao**  
Chief Executive Officer

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



**Surya Prakash Rao Pendyala**  
Chairman



**Rajiv Dhar**  
Director



**Sanjay Ajaonkar**  
Chief Financial Officer



**Amol Ranade**  
Company Secretary

Date: May 21, 2020

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

#### **1 Corporate information**

NIIF 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) 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) 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. re-financing existing debt of infrastructure companies, thereby creating fresh headroom for banks to lend to new infrastructure projects.

#### **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 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

###### **(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; and
- share-based payments.

###### **(iii) Amended standards adopted by the Company**

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 01, 2019:

- Ind AS 116, Lease accounting

###### **(iv) 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 34.

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

#### **B Policy on segment**

The Company is a NBFC and undertakes infrastructure debt fund activities i.e. re-financing existing debt of infrastructure companies.

The Company's Chief Operating Decisions Maker (CODM), who has the ability to evaluate performance and allocates resources, 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 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.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### 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 Equipment (Others)	5 years
Leasehold property	Tenure of lease
Buildings	Tenure of lease
Server/networking equipment	6 years
Furniture and fixtures	10 years

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).

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

#### **D Leases**

Until FY 2018-19, leases of property, plant and equipment were classified as either finance leases or operating leases. From April 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

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:

#### **E Impairment of non-financial asset**

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

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

#### **F Taxes on Income**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the provision of Income Tax Act, 1961 and other applicable tax laws adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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. 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 filed a letter with 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 Rs. 10,801 lakhs has been provided for in the financials of current year.

This is one time provision pertaining to the past period and given the CBDT notification, the Company is entitled to avail tax exemption from the Financial Year commencing April 01, 2019. no provision for tax & deferred tax asset / liabilities have been recognised.

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

#### **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 Principle 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.



## **NIIF INFRASTRUCTURE FINANCE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

#### **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. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

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

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

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

##### **Equity instruments**

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

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

#### **Interest Income**

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. When the Company revises the estimates of future cash flows, the carrying amount of the respective financial asset is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit and loss.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

#### **Modification of loans**

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

- (i) if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- (ii) whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- (iii) significant extension of the loan term when the borrower is not in financial difficulty.
- (iv) significant change in the interest rate.
- (v) change in the currency the loan is denominated in.
- (vi) insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

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

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

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

#### **De-recognition of financial assets**

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either

- (i) the Company transfers substantially all the risks and rewards of ownership, or
- (ii) the company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

#### **Financial liabilities and equity instruments**

##### **Classification as debt or equity:**

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

##### **Equity instruments:**

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

#### **Classification and subsequent measurement**

##### **Financial liabilities are measured at amortised cost.**

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

#### **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.

#### **Derivative financial instruments**

The Company enters into derivative financial instruments viz. interest rate swaps to manage its exposure to interest rate risks. The Company does not hold derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit and loss immediately.

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

#### **Offsetting financial instruments**

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

#### **Fair Value Measurement**

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

#### **H Impairment - Expected Credit Loss Measurement**

The Company assesses on a forward looking basis the expected credit losses associated with loans and debentures carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 36 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.

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

#### **K Employee benefits**

##### **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**

Based on the leave rules of the group companies, employees are not permitted to accumulate leave. Any unavailed privilege leave to the extent encashable is paid to the employees and charged to the Statement of Profit and Loss for the year. Short term compensated absences are provided based on estimates of availment / encashment of leaves.

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

#### **Share-based payments**

Share-based compensation benefits are provided to employees via Employee Stock Option Scheme (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / 2014 ('the Guidelines') to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

The fair value of options granted under the ESOS is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of non-market performance vesting conditions (e.g., sales and profitability growth targets)

Fair value is determined by using option valuation models, which take into account the exercise price of the option, the current share price, the risk free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity are credited to common shares.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the stock options outstanding reserve.

#### **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 /value added taxes paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the goods and services tax/value added taxes 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.

#### **N Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

Notes forming part of financial statements as at and for the year ended March 31, 2020

₹ In lakhs

**3 Cash and cash equivalents**

	As at March 31, 2020	As at March 31, 2019
Balance with bank:		
In current account	2,419	3,400
In deposit account	23,300	-
<b>Total</b>	<b>25,719</b>	<b>3,400</b>

The Company has not taken bank overdraft, therefore the cash and cash equivalents for the cash flow statement is same as cash and cash equivalents given above.

**4 Loans  
(At amortised costs)**

	As at March 31, 2020	As at March 31, 2019
Term loans	4,65,281	3,41,431
Debentures and Bonds	1,73,642	1,27,057
<b>Total- Gross</b>	<b>6,38,923</b>	<b>4,68,488</b>
Less: Impairment loss allowance	(2,563)	(1,880)
<b>Total- Net</b>	<b>6,36,360</b>	<b>4,66,608</b>
<b>(a) The above amount includes:</b>		
(i) Secured by tangible assets	6,00,766	3,64,951
(ii) Secured by intangible assets	32,336	94,387
(iii) Covered by Bank / Government guarantees	5,821	8,752
(iv) Unsecured	-	398
<b>Total- Gross</b>	<b>6,38,923</b>	<b>4,68,488</b>
Less: Impairment loss allowance	(2,563)	(1,880)
<b>Total- Net</b>	<b>6,36,360</b>	<b>4,66,608</b>



**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes forming part of financial statements as at and for the year ended March 31, 2020**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>(b)(I) Loans in India</b>		
(i) Public Sector	-	-
(ii) Others		
Electricity Generation	3,53,477	1,78,166
Roads	75,378	81,705
Hospitals	76,686	70,090
Electricity Transmission	63,364	57,206
IT Parks, SEZ	9,078	27,979
Airport cargo handling terminal	22,967	24,803
Oil & Gas Pipelines	15,116	-
Telecom Towers	11,286	12,732
Telecom Services	-	7,444
Education Institutions	11,571	8,363
<b>Total- Gross</b>	<b>6,38,923</b>	<b>4,68,488</b>
Less: Impairment loss allowance	(2,563)	(1,880)
<b>Total- Net</b>	<b>6,36,360</b>	<b>4,66,608</b>
<b>(b)(II) Loans outside India</b>	-	-
Less: Impairment loss allowance	-	-
<b>Total- Net</b>	-	-
<b>Total [b(I)+b(II)]</b>	<b>6,36,360</b>	<b>4,66,608</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes forming part of financial statements as at and for the year ended March 31, 2020****5 Investments (at fair value through profit and loss account)**

	₹ in lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Investment in mutual funds (unquoted)</b>		
Nil units of IDFC Cash Fund-Direct Plan-Growth (previous year- 269,429.79 units) (Face value per unit -₹ 1,000)	-	6,107
<b>Total Gross</b>	-	6,107
Less: Allowance for Impairment loss	-	-
<b>Total Net</b>	-	6,107
(i) Investments outside India	-	-
(ii) Investments in India	-	6,107
<b>Total Gross</b>	-	6,107
Less: Allowance for Impairment loss	-	-
<b>Total Net</b>	-	6,107

Market value of investments in unquoted mutual funds represents the repurchase price of the units issued by the mutual funds  
More information regarding the valuation methodologies are disclosed in Note 35

**6 Other financial assets**

	₹ in lakhs	
	As at March 31, 2020	As at March 31, 2019
Interest accrued on loans	1,935	438
Interest accrued on debentures	2,449	1,933
Fees receivable	-	27
Interest accrued on Bank deposits	11	-
Others	11	-
<b>Total</b>	<b>4,406</b>	<b>2,398</b>

**7 Current tax assets (Net)**

	₹ in lakhs	
	As at March 31, 2020	As at March 31, 2019
Advance payment of income tax (net of provision for tax of ₹ 10,801 lakhs ,Previous year: Mar19 ₹ 122 lakhs)	4,243	7,299
Income tax demand paid under protest	-	200
<b>Total</b>	<b>4,243</b>	<b>7,499</b>

As at March 31, 2020											₹ in lakhs
	Gross block				Accumulated depreciation			Net block			
	Balance as at April 1, 2019	Additions	Disposals	Balance as at March 31, 2020	Balance as at April 1, 2019	Depreciation charge for the year	On disposals	Balance as at March 31, 2020	Balance as at March 31, 2020	Balance as at March 31, 2019	
Freehold Land (Refer note below)	4	-	-	4	-	-	-	-	4	4	
(Previous year)	(4)	-	-	(4)	-	-	-	-	(4)	-	
Building (Right-of-use asset)	-	537	-	537	-	135	-	135	403	-	
(Previous year)	-	-	-	-	-	-	-	-	-	-	
Vehicles (owned)	135	14	7	142	93	21	7	107	35	42	
(Previous year)	(124)	(11)	-	(135)	(65)	(28)	-	(93)	(42)	-	
Computers	10	40	-	50	6	7	-	13	37	4	
(Previous year)	(8)	(2)	-	(10)	(4)	(2)	-	(6)	(4)	-	
Office Equipments	6	5	-	10	4	2	-	6	5	2	
(Previous year)	(4)	(1)	-	(6)	(3)	(1)	-	(4)	(2)	-	
Leasehold Improvements	84	176	84	176	22	48	28	42	134	62	
(Previous year)	-	(84)	-	(84)	-	(22)	-	(22)	(62)	-	
Furniture	14	-	10	4	1	1	1	1	3	13	
(Previous year)	-	(14)	-	(14)	-	(1)	-	(1)	(13)	-	
<b>Total tangible assets</b>	<b>253</b>	<b>771</b>	<b>101</b>	<b>923</b>	<b>126</b>	<b>212</b>	<b>35</b>	<b>303</b>	<b>620</b>	<b>127</b>	
<b>(previous year)</b>	<b>(140)</b>	<b>(113)</b>	<b>-</b>	<b>(253)</b>	<b>(72)</b>	<b>(54)</b>	<b>-</b>	<b>(126)</b>	<b>(127)</b>	<b>-</b>	

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

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes forming part of financial statements as at and for the year ended March 31, 2020****₹ in lakhs****9 Other non-financial assets**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Prepaid expenses	77	71
Supplier Advance	26	1
Balances with government authorities - cenvat credit receivable	-	15
	<b>103</b>	<b>87</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes forming part of financial statements as at and for the year ended March 31, 2020****10 Trade payables****₹ in lakhs**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	47	19
<b>Total</b>	<b>47</b>	<b>19</b>

**11 Other payables**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	-	-

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:

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
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.	-	-

**12 Debt Securities****₹ in lakhs**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>At Amortised cost</b>		
Debentures (Secured, non convertible)	5,67,203	3,87,334
<b>Total (A)</b>	<b>5,67,203</b>	<b>3,87,334</b>
Debt securities in India	5,67,203	3,87,334
Debt securities outside India	-	-
<b>Total (B)</b>	<b>5,67,203</b>	<b>3,87,334</b>
Face value per debenture	10,00,000	

In terms of the RBI circular (Ref No. DNBR .PD. 008 / 03.10.119 / 2016-17 dated September 01, 2016) no borrowings remained overdue as on March 31, 2020.

## Notes forming part of financial statements as at and for the year ended March 31, 2020

(a) Interest and repayment terms of debenture and bonds (non convertible) (secured):

₹ in lakhs

Series Name	Issuance date	Maturity date	As at March 31, 2020	As at March 31, 2019	No. of NCD (units)	Coupon rate	Payment frequency-Interest	Payment frequency-Principal
NIIF IFL PP 7/2019	27-Mar-2019	27-May-2020	10,000	10,000	1,000	8.68%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 1/2016	29-Sep-2015	29-Oct-2020	15,000	15,000	1500	8.85%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 2/2016	21-Oct-2015	20-Nov-2020	15,500	15,500	1550	8.65%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 3/2016	18-Nov-2015	1-Dec-2020	7,500	7,500	750	8.64%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 4/2016	9-Dec-2015	8-Jan-2021	7,500	7,500	750	8.55%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 5/2016	8-Jan-2016	28-Jan-2021	25,000	25,000	2500	8.65%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 6/2016	22-Mar-2016	22-Apr-2021	10,300	10,300	1030	8.88%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 1/2017	14-Jul-2016	27-Jul-2021	20,900	20,900	2090	8.75%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 2/2017	9-Aug-2016	25-Aug-2021	14,100	14,100	1410	8.60%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 3/2017	29-Aug-2016	31-Aug-2021	13,600	13,600	1360	8.51%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 4/2017	1-Sep-2016	7-Sep-2021	2,500	2,500	250	8.51%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 5/2017	27-Sep-2016	12-Oct-2021	25,500	25,500	2550	8.39%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 6/2017	17-Nov-2016	30-Nov-2021	2,500	2,500	250	8.10%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 7/2017	30-Nov-2016	12-Jan-2022	6,000	6,000	600	7.35%	Annually and on maturity	Bullet repayment at maturity
NIIF IDF PP 8/2017	6-Dec-2016	18-Jan-2022	2,500	2,500	250	7.35%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 6/2019	10-Jan-2019	22-Feb-2022	2,500	2,500	250	9.050%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 9/2017	1-Feb-2017	13-Apr-2022	15,000	15,000	1500	8.00%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 10/2017	22-Mar-2017	24-May-2022	8,100	8,100	810	8.25%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 2/2018	26-Apr-2017	26-May-2022	10,100	10,100	1010	8.01%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 4/2018	19-Apr-2017	19-Jul-2022	8,500	8,500	850	8.04%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 1/2018	12-Jul-2017	11-Aug-2022	10,000	10,000	1000	7.94%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 3/2018	31-May-2017	18-Aug-2022	10,100	10,100	1010	7.97%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 6/2018	19-Sep-2017	10-Nov-2022	34,000	34,000	3400	7.73%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 5/2018	31-Aug-2017	24-Nov-2022	8,200	8,200	820	7.73%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 8/2018	18-Dec-2017	14-Feb-2023	26,500	26,500	2650	8.08%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 9/2018	6-Feb-2018	21-Feb-2023	5,000	5,000	500	8.48%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 1/2019-Option I	28-Apr-2018	26-May-2023	6,000	6,000	600	8.37%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 10/2018	22-Mar-2018	22-Aug-2023	21,700	21,700	2170	8.49%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 5/2019	12-Oct-2018	23-Nov-2023	1,200	1,200	120	9.120%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 7/2020	4-Mar-2020	15-Jan-2024	15,000		1500	8.150%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 1/2020	30-Apr-2019	28-May-2024	2,000		200	9.000%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 4/2019	19-Jul-2018	14-Aug-2024	18,900	18,900	1890	9.255%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 2/2020	4-Jun-2019	19-Aug-2024	5,900		590	9.000%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 3/2019	5-Jul-2018	27-Aug-2024	4,700	4,700	470	9.21%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 3/2020	20-Jun-2019	29-Aug-2024	8,100		810	9.00%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 4/2020	27-Sep-2019	7-Nov-2024	39,000		3900	8.60%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 7/2018	28-Nov-2017	28-Nov-2024	11,500	11,500	1150	7.99%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 5/2020	23-Dec-2019	21-Feb-2025	60,000		6000	8.65%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 1/2019-Option II	26-Apr-2018	27-May-2025	4,400	4,400	440	8.415%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 6/2020	15-Jan-2020	15-Jan-2030	50,000		5000	8.700%	Annually and on maturity	20% annually starting 15-Jan-26
NIIF IFL PP 2/2019	16-May-2018	15-May-2026	2,600	2,600	260	8.52%	Annually and on maturity	Bullet repayment at maturity
Total NCDs issued			5,67,400	3,87,400				
Less: Unamortised arranger fees			197	66				
Net outstanding NCDs			5,67,203	3,87,334				

(b) Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	As at March 31, 2020		As at March 31, 2019	
	CARE Rating Limited	ICRA Limited	CARE Rating Limited	ICRA Limited
Rating assigned	AAA	AAA	AAA	AAA
Date of rating	September 30, 2019	September 23, 2019	August 14, 2018	August 03, 2018
Rating valid upto	September 29, 2020	September 22 2020	August 13, 2019	August 02, 2019

The validity of the rating is subject to periodical revalidation by rating agencies.

(c) There is no Debenture Redemption Reserve (DRR) created as the Non Banking Financial Companies registered with Reserve Bank of India are not required to create DRR for the privately placed debentures.

(d) Details about the nature of the security

The above debt securities are secured by way of mortgage of freehold land and a first floating pari passu charge by way of hypothecation of receivables of the company arising out of its investments, loans, current assets, loans and advances, both present and future, excluding investments in and other receivables from subsidiaries and affiliates of the group and lien marked assets.

In terms of the RBI circular (Ref No. DNBR .PD. 008 / 03.10.119 / 2016-17 dated September 01, 2016) no borrowings remained overdue as on March 31, 2020 (previous year - Nil).



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₹ in lakhs

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	25,719	3,400
Liquid investments	-	6,107
Debt securities	(5,67,203)	(3,87,334)
<b>Net debt</b>	<b>(5,41,484)</b>	<b>(3,77,827)</b>

Particulars	Cash and cash equivalents	Liquid investments	Debt securities	Total
<b>Net debt as at March 31, 2018</b>	<b>3,201</b>	<b>15,823</b>	<b>(3,59,309)</b>	<b>(3,40,285)</b>
Cash flows	199	(9,716)	(25,585)	(35,102)
Interest expense			(31,486)	(31,486)
Interest paid			29,046	29,046
Other non-cash movements				-
- Fair value adjustments				-
- Acquisitions/disposals				-
<b>Net debt as at March 31, 2019</b>	<b>3,400</b>	<b>6,107</b>	<b>(3,87,334)</b>	<b>(3,77,827)</b>
Cash flows	22,319	(6,107)	(1,75,384)	(1,59,172)
Interest expense			(37,844)	(37,844)
Interest paid			33,359	33,359
Other non-cash movements				-
- Fair value adjustments				-
- Acquisitions/disposals				-
<b>Net debt as at March 31, 2020</b>	<b>25,719</b>	<b>-</b>	<b>(5,67,203)</b>	<b>(5,41,484)</b>

**13A. Borrowings (other than Debt Securities)**

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Finance Lease Obligations	416	-
<b>Total</b>	<b>416</b>	<b>-</b>

**13B. Other financial liabilities**

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on debt securities	19,320	14,802
<b>Total</b>	<b>19,320</b>	<b>14,802</b>

**14. Provisions**

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefit		
Provision for expenses	19	9
<b>Total</b>	<b>19</b>	<b>9</b>

**15. Other non-financial liabilities**

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Advance receipts from borrowers	594	774
Statutory dues ( PF, Assets GST)	122	45
Payable to gratuity fund	32	-
Other liabilities	353	350
<b>Total</b>	<b>1,101</b>	<b>1,169</b>

**Notes forming part of financial statements as at and for the year ended March 31, 2020**

**16A Share capital**

	As at March 31, 2020		As at March 31, 2019	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Authorised shares</b>				
Equity shares of ₹ 10 each	80,00,00,000	80,000	80,00,00,000	80,000
<b>Issued, subscribed &amp; fully paid-up shares</b>				
Equity shares of ₹ 10 each	54,00,00,000	54,000	54,00,00,000	54,000
<b>Total</b>		<u>54,000</u>		<u>54,000</u>

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

	As at March 31, 2020		As at March 31, 2019	
	Number	₹ in lakhs	Number	₹ in lakhs
Outstanding at the beginning of the year	54,00,00,000	54,000	54,00,00,000	54,000
Outstanding at the end of the year	<u>54,00,00,000</u>	<u>54,000</u>	<u>54,00,00,000</u>	<u>54,000</u>

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

- i The Company has only one class of 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. However, no such preferential amounts exists currently. 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.

**(c) Shares reserved for issue under options**

Information relating to the Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 37.

**(d) Details of shares held by the holding entity**

	As at March 31, 2020		As at March 31, 2019	
	Number	% of Holding	Number	% of Holding
National Investment & Infrastructure Fund II and its nominees	31,80,00,000	58.89%	31,80,00,000	58.89%

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

	As at March 31, 2020		As at March 31, 2019	
	Number	% of Holding	Number	% of Holding
National Investment & Infrastructure Fund II and its nominees	31,80,00,000	58.89%	31,80,00,000	58.89%
Aseem Infrastructure Finance Limited	16,20,00,000	30.00%	-	0.00%
IDFC Financial Holding Company Limited and its nominees	-	0.00%	16,20,00,000	30.00%
Housing Development Finance Corporation Limited	6,00,00,000	11.11%	6,00,00,000	11.11%

**(f) Movement in stock options granted under the ESOS is as under:**

	As at March 31, 2020		As at March 31, 2019	
	Number		Number	
Outstanding as at beginning of the period/year	-		40,43,000	
Add: Granted during the period/year	-		-	
Less: Exercised during the period/year	-		-	
Less: Lapsed / forfeited during the period/year	-		25,500	
Less: Cancelled during the period/year	-		40,17,500	
<b>Outstanding as at the end of the year</b>	<b>-</b>		<b>-</b>	

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Notes forming part of financial statements as at and for the year ended March 31, 2020

**16B Other Equity**

	As at March 31, 2020	₹ In lakhs As at March 31, 2019
Surplus in the statement of profit and loss	23,113	22,755
Special reserve u/s. 45-IC of the RBI Act, 1934	6,141	6,050
Impairment Reserve	4	-
Share options outstanding account	-	0
ESOP contribution from parent	88	88
<b>Total</b>	<b>29,345</b>	<b>28,893</b>
	<b>As at March 31, 2020</b>	<b>₹ In lakhs As at March 31, 2019</b>
<b>(a) Special Reserve u/s. 45-IC of RBI Act, 1934</b>		
Opening balance	6,050	3,990
Appropriations during the period/year	91	2,060
<b>Closing balance</b>	<b>6,141</b>	<b>6,050</b>
	<b>As at March 31, 2020</b>	<b>₹ In lakhs As at March 31, 2019</b>
<b>(b) Impairment Reserve</b>		
Opening balance	-	-
Appropriations during the period/year	4	-
	<b>4</b>	<b>-</b>
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>(c) Surplus in the Statement of Profit and Loss</b>		
Opening balance	22,755	14,522
Net profit for the year	453	10,313
Items of other comprehensive income recognised directly in retained earnings	-	-
- Remeasurements of post-employment benefit obligations, net of tax	(1)	(20)
Transfer to Special Reserve u/s. 45-IC of RBI Act, 1934	(91)	(2,060)
Transfer to Impairment Reserve	(4)	-
ESOP cost reversed to reserves	-	-
<b>Closing balance</b>	<b>23,113</b>	<b>22,755</b>
<b>(d) General Reserve</b>		
Opening balance	-	-
ESOP cost reversed to reserves	88	-
<b>Closing balance</b>	<b>88</b>	<b>-</b>
	<b>As at March 31, 2020</b>	<b>₹ In lakhs As at March 31, 2019</b>
<b>(e) Share options outstanding account</b>		
Opening balance	-	126
Employee stock option expense	-	23
Options vested during the year	-	-
Vested options cancelled during the year	-	(149)
Options cancelled during the year	-	0
<b>Closing balance</b>	<b>-</b>	<b>0</b>
<b>(f) ESOP contribution from parent</b>		
Opening balance	88	99
Employee stock option expense	-	(11)
Options vested during the year	-	-
Vested options cancelled during the year	(88)	-
<b>Closing balance</b>	<b>0</b>	<b>88</b>
<b>Total</b>	<b>29,345</b>	<b>28,893</b>

**16C. Nature and purpose of reserve**

**a) 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.

**b) Share options outstanding account**

The share options outstanding account is used to recognise the grant date fair value of options issued to employees by the Company under Employee Stock Option Scheme (ESOS) over the vesting period. All options granted under this scheme have been settled during year ending March 31, 2019 and no options are outstanding under this scheme. (Refer Note 37)

**c) ESOP contribution from parent**

The account is used to recognise the grant date fair value of options issued to the employees of the Company by IDFC Limited (ultimate parent company till March 11, 2019) under the group share based payment arrangement administered by IDFC Limited. ESOP charge has been written back as the IDFC Limited transferred its entire stake in the Company on March 30, 2020.

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**17 Interest Income**

	For the year ended March 31, 2020	₹ in lakhs For the year ended March 31, 2019
<b>On financial assets measured at amortised costs</b>		
Interest on loans	50,633	43,264
Interest on deposit	621	11
<b>Total</b>	<b>51,254</b>	<b>43,275</b>

**18 Net gain on fair value changes**

	For the year ended March 31, 2020	₹ in lakhs For the year ended March 31, 2019
<b>Net gain on financial instruments at FVTPL</b>		
On trading portfolio		
- Investments	941	778
Others		
Derivatives	-	-
<b>Total</b>	<b>941</b>	<b>778</b>
<b>Fair value changes:</b>		
Realised	948	771
Unrealised	(7)	7
<b>Total</b>	<b>941</b>	<b>778</b>

**19 Other Income**

	For the year ended March 31, 2020	₹ in lakhs For the year ended March 31, 2019
Interest on Income Tax refund	-	12
<b>Total</b>	<b>-</b>	<b>12</b>

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**Notes forming part of financial statements as at and for the year ended March 31, 2020****20 Finance Costs****On financial liabilities measured at amortised costs**

	For the year ended March 31, 2020	₹ in lakhs For the year ended March 31, 2019
Interest expense		
(i) Debt securities	37,844	31,486
(ii) Borrowings (Other than debt securities)	33	-
Other borrowing cost	152	140
<b>Total</b>	<b>38,029</b>	<b>31,625</b>

**21 Fees and commission expense**

	For the year ended March 31, 2020	₹ in lakhs For the year ended March 31, 2019
Guarantee Commission to paid project authorities	41	42
	<b>41</b>	<b>42</b>

**22 Impairment on financial instruments**

	For the year ended March 31, 2020	₹ in lakhs For the year ended March 31, 2019
<b>On financial instruments measured at amortised costs</b>		
Loans	683	192
<b>Total</b>	<b>683</b>	<b>192</b>

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**Notes forming part of financial statements as at and for the year ended March 31, 2020****23 Employee benefits expense**

	₹ in lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	1,015	1,055
Contribution to gratuity fund {Refer note 27(b)}	31	30
Contribution to provident and other funds {Refer note 27(a)}	75	71
Employee share based payment expense	-	82
Staff welfare expenses	30	24
<b>Total</b>	<b>1,152</b>	<b>1,262</b>

**24 Depreciation, amortisation and impairment**

	₹ in lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment	212	54
Loss on Retirement of Fixed Assets	65	-
<b>Total</b>	<b>277</b>	<b>54</b>

**25 Other expenses**

	₹ in lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Professional fees	134	50
Rates and taxes	99	53
Repairs & maintenance	40	35
Insurance charges	4	0
Electricity charges	14	-
Travelling and conveyance	51	31
Printing and stationery	2	1
Communication costs	6	3
Stamp duty and registration fees	0	1
Directors' sitting fees	7	18
Shared service cost [see note (a) below]	96	239
Contribution towards corporate social responsibility (CSR) {Refer note (c) below}	218	106
Donations	-	5
Auditor's remuneration {Refer note (b) below}	30	29
Advertising & publicity	12	3
Miscellaneous expenses	46	3
<b>Total</b>	<b>759</b>	<b>577</b>

(a) Shared service costs includes amount paid to fellow associates ` 96 lakhs towards a Service Level Agreement (previous year amount ` 107 lakhs) and amount paid (net of recovery) to ultimate holding company ` Nil (previous year amount ` 132 lakhs) towards a Service Level Agreement.

**(b) Breakup of Auditors' remuneration**

Audit fees	22	13
Tax audit fees	1	1
Other Services	6	14
Out-of-pocket expenses	1	1
	<b>30</b>	<b>29</b>

**(c) Contribution for corporate social responsibility (CSR)**

Amount required to be spent by the Group on Corporate Social Responsibility (CSR) related activities during the year Rs. 183 lakhs (previous year Rs. 141 lakhs). Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is Rs. 183 lakhs (previous year Rs. 106 lakhs), which comprise of following:

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	For the year ended March 31, 2020	₹ in lakhs For the year ended March 31, 2019
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above FY 2019-20	183	106
(iii) On purposes other than (i) above- unspent balance for FY 2018-19	35	-
<b>Total</b>	<b>218</b>	<b>106</b>

Rs. Nil (previous year Rs. 35.2 lakhs) is outstanding to be paid in cash out of total amount spent on Corporate Social Responsibility (CSR) related activities.

**26 Income tax****a) The components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:**

	For the year ended March 31, 2020	₹ in lakhs For the year ended March 31, 2019
Current tax {Refer note (c) below}	10,801	-
Deferred tax	-	-
<b>Total</b>	<b>10,801</b>	<b>-</b>

**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, 2020 and March 31, 2019 is, as follows:

	For the year ended March 31, 2020	₹ in lakhs For the year ended March 31, 2019
Accounting profit before tax	11,254	10,313
Tax at India's statutory income tax rate of 29.12% (previous year 34.608%)		
Tax effect of the amount which are not taxable in calculating taxable income :		
- Income exempted under section 10(47) of Income Tax Act, 1961 {Refer note (c) below}	11,254	10,313
- Other	-	-
<b>Income tax expense at effective tax rate</b>	<b>-</b>	<b>-</b>
<b>Effective tax rate</b>	<b>0%</b>	<b>0%</b>

- (c) 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. 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 filed a letter with 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 Rs. 10,801 lakhs has been provided for in the financials of current year.

This is one time provision pertaining to the past period and given the CBDT notification, the Company is entitled to avail tax exemption from the Financial Year commencing April 01, 2019, no provision for tax & deferred tax asset / liabilities have been recognised.

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Notes forming part of financial statements as at and for the year ended March 31, 2020

**27. Employee benefit obligations****a) 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	For the year ended March 31, 2020	For the year ended March 31, 2019
Provident fund	47	41
Pension fund	1	5
Superannuation fund	27	25

**b) 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.

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
<b>As at March 31, 2018</b>	279	284	(4)
Current service cost	29	-	29
Interest expense/(income)	21	-	21
Return on plan assets	-	22	(22)
Remeasurements due to actual return on plan assets less interest on plan assets		(1)	1
Actuarial loss / (gain) arising from change in financial assumptions	22	-	22
Actuarial loss / (gain) arising from change in demographic assumptions			-
Actuarial loss / (gain) arising on account of experience changes	(2)		(2)
Reversal of the liability		-	-
Employer contributions	1	45	(44)
Benefit payments	(5)	(5)	-
Assets acquired			-
<b>As at March 31, 2019</b>	345	345	0
Current service cost	33	-	33
Interest expense/(income)	18	-	18
Return on plan assets		19	(19)
Remeasurements due to actual return on plan assets less interest on plan assets	-	23	(23)
Actuarial loss / (gain) arising from change in financial assumptions	11	-	11
Actuarial loss / (gain) arising from change in demographic assumptions			-
Actuarial loss / (gain) arising on account of experience changes	12	-	12
Reversal of the liability	(1)		(1)
Employer contributions	-	-	-
Benefit payments	(2)	(2)	-
Assets acquired	-	-	-
<b>As at March 31, 2020</b>	416	384	32



Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Present value of plan liabilities	416	345
Fair value of plan assets	384	345
<b>Plan liability net of plan assets</b>	<b>32</b>	<b>-</b>

ii) **Statement of profit and loss**

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employee benefit expense	-	1
Losses on acquisition	-	-
Current service cost	33	29
<b>Total</b>	<b>33</b>	<b>30</b>
Finance costs	(1)	(1)
<b>Net impact on the profit before tax</b>	<b>33</b>	<b>29</b>

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Remeasurements of the net defined benefit liability:</b>		
Opening amount recognized in OCI outside profit and loss account	10	(10)
Return on plan assets excluding amounts included in interest expense/income	(23)	1
Actuarial loss / (gain) arising from change in financial assumptions	11	22
Actuarial loss / (gain) arising from change in demographic assumptions	(1)	-
Actuarial loss / (gain) arising on account of experience changes	12	(2)
Actuarial gains/(losses) arising from changes in experience		
<b>Net impact on the other comprehensive income before tax</b>	<b>10</b>	<b>10</b>

iii) **Defined benefit plan assets**

Category of assets (% allocation)	For the year ended March 31, 2020	For the year ended March 31, 2019
Insurer managed funds	384	345
<b>Total</b>	<b>384</b>	<b>345</b>

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	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	6.50%	7.20%
Salary escalation rate*	9.00%	9.00%

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

**v) Sensitivity**

₹ in lakhs

As at March 31, 2020	Change in assumption	Impact on defined benefit	
		Increase	Decrease
Discount rate	0.50%	(8)	9
Salary escalation rate	0.50%	8	(8)

As at March 31, 2019	Change in assumption	Impact on defined benefit	
		Increase	Decrease
Discount rate	0.50%	(7)	7
Salary escalation rate	0.50%	7	(7)

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	For the year ended March 31, 2020	For the year ended March 31, 2019
Within the next 12 months (next annual reporting period)	190	192
Between 2 and 5 years	92	69
Between 5 and 10 years	132	113
Beyond 10 years	168	123
Total expected payments	582	497

The weighted average duration of the defined benefit obligation is 4.02 years (previous year - 4.03 years)

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes forming part of financial statements as at and for the year ended March 31, 2020****28. 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. The Company does not have any geographical segment.

**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, 2020	Year ended March 31, 2019
Segment revenue		
- India	52,195	44,053
- Outside India	-	-
<b>Total</b>	<b>52,195</b>	<b>44,053</b>

\* 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, 2020	As at April 1, 2019
Segment assets - India		6,71,451	4,86,226
Segment liabilities - India		6,71,451	4,86,226

**29. Earnings per share (EPS)****a) The basic earnings per share has been calculated based on the following:****₹ in lakhs**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit after tax available for equity shareholders	453	10,313
Weighted average number of equity shares	54,00,00,000	54,00,00,000

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Basic & diluted earnings per share	0.08	1.91

30. Contingent liabilities

₹ in lakhs

Particulars	As at March 31, 2020	As at April 1, 2019
<b>Claims not acknowledged as debts in respect of:</b>		
- Income-tax demands under appeal (net of provision)	-	1,188
<b>Total</b>	-	<b>1,188</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**

Notes forming part of financial statements as at and for the year ended March 31, 2020

**31. Capital commitments**

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	-
Undisbursed commitments	-	18,649
<b>Total</b>	<b>-</b>	<b>18,649</b>

Contingent liabilities	For the year ended March 31, 2020	For the year ended March 31, 2019
Claims not acknowledged as debts in respect of :		
Income-tax demands under appeal (net of amounts provided)-FY15	-	149
Income-tax demands under appeal (net of amounts provided)-FY16	-	1,039

**Provident Fund:** The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

**32. Events occurring after the reporting period**

The Company has received ₹ 25,000 lakhs towards equity share capital & share premium (Equity capital of ₹ 15,235 lakhs with share premium of ₹ 9,765 lakhs) by way of rights issue which was allotted on May 21, 2020.

**33. 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, 2020	For the year ended March 31, 2019
Tier I capital	83,345	82,893
Tier II capital	2,563	1,880
<b>Total capital</b>	<b>85,908</b>	<b>84,773</b>
Risk weighted assets		
CRAR (%)	19.56%	20.88%
CRAR - Tier I capital (%)	18.97%	20.42%
CRAR - Tier II capital (%)	0.59%	0.46%
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.

**34. Maturity analysis of assets and liabilities**

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, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	25,719	-	25,719	3,400	-	3,400
Loans	44,091	5,94,832	6,38,923	32,762	4,35,726	4,68,488
Investments	-	-	-	6,107	-	6,107
Other financial assets	4,406	-	4,406	2,398	-	2,398
<b>Non-financial assets</b>						
Income tax assets (Net)	-	4,243	4,243	-	7,499	7,499
Property, plant and equipment	-	620	620	-	127	127
Other non-financial assets	103	-	103	87	-	87
<b>Total assets</b>	<b>74,318</b>	<b>5,99,695</b>	<b>6,74,014</b>	<b>44,754</b>	<b>4,43,352</b>	<b>4,88,106</b>
<b>Financial liabilities</b>						
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	47	-	47	19	-	19
(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	80,500	4,86,703	5,67,203	-	3,87,334	3,87,334
Borrowings (Other than debt securities)	175	242	416	-	-	-
Other financial liabilities	19,320	-	19,320	14,802	-	14,802
<b>Non-financial Liabilities</b>						
Provisions	19	-	19	9	-	9
Other non-financial liabilities	1,101	-	1,101	1,169	-	1,169
<b>Total liabilities</b>	<b>1,01,161</b>	<b>4,86,944</b>	<b>5,88,106</b>	<b>15,999</b>	<b>3,87,334</b>	<b>4,03,333</b>
<b>Net</b>	<b>(26,843)</b>	<b>1,12,751</b>	<b>85,908</b>	<b>28,755</b>	<b>56,018</b>	<b>84,773</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes to financial statement for the year ended March 31, 2020**
**35. Fair value measurement**
**a) Financial Instruments by Category**

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.

<b>As at March 31, 2020</b>	<b>At FVTPL</b>	<b>At FVOCI</b>	<b>Amortised Cost</b>
<b>Financial Assets</b>			
Investments			
- Mutual fund units	-	-	-
Loans			
- Term loans	-	-	4,65,281
- Debentures and bonds	-	-	1,73,642
Cash and Cash Equivalents	-	-	25,719
Other financial assets	-	-	4,406
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>6,69,048</b>
<b>Financial Liabilities</b>			
Debt Securities			
- Debentures and bonds	-	-	5,67,203
- Commercial paper	-	-	-
Borrowings (Other than Debt securities)	-	-	-
Trade payables	-	-	47
Other financial liabilities	-	-	19,320
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,86,570</b>
<b>As at March 31, 2019</b>	<b>At FVTPL</b>	<b>At FVOCI</b>	<b>Amortised Cost</b>
<b>Financial Assets</b>			
Investments			
- Mutual fund units	6,107	-	-
Loans			
- Term loans	-	-	3,41,431
- Debentures and bonds	-	-	1,27,057
Cash and Cash Equivalents	-	-	3,400
Other financial assets	-	-	2,398
<b>Total financial assets</b>	<b>6,107</b>	<b>-</b>	<b>4,74,286</b>
<b>Financial Liabilities</b>			
Debt Securities			
- Debentures and bonds	-	-	3,87,334
- Commercial paper	-	-	-
Borrowings (Other than Debt securities)	-	-	-
Trade payables	-	-	19
Other financial liabilities	-	-	14,802
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,02,155</b>

**Note:** There are no other categories of financial instruments other than those mentioned above

**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes to financial statement for the year ended March 31, 2020**
**b) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**As at March 31, 2020**
**₹ in lakhs**

<b>Assets and liabilities measured at fair value - recurring fair value measurements</b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
Financial Investments at FVTPL					
- Mutual fund units	5	-	-	-	-
<b>Total financial assets</b>		-	-	-	-

**As at March 31, 2020**
**₹ in lakhs**

<b>Assets and liabilities measured at amortised cost for which fair values are disclosed</b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
Loans					
- Term loans	4	-	-	4,65,281	4,65,281
- Debentures and bonds	4	-	-	1,73,642	1,73,642
<b>Total financial assets</b>		-	-	<b>6,38,923</b>	<b>6,38,923</b>
<b>Financial liabilities</b>					
Debt securities					
- Debentures and bonds	12	-	-	5,67,203	5,67,203
- Commercial papers	12	-	-	-	-
<b>Total financial liabilities</b>		-	-	<b>5,67,203</b>	<b>5,67,203</b>

**As at March 31, 2019**
**₹ in lakhs**

<b>Assets and liabilities measured at fair value - recurring fair value measurements</b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
Financial Investments at FVTPL					
- Mutual fund units	5	6,107	-	-	6,107
<b>Total financial assets</b>		<b>6,107</b>	-	-	<b>6,107</b>

**As at March 31, 2019**
**₹ in lakhs**

<b>Assets and liabilities measured at amortised cost for which fair values are disclosed</b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
Loans					
- Term loans	4	-	-	3,41,431	3,41,431
- Debentures and bonds	4	-	-	1,27,057	1,27,057
<b>Total financial assets</b>		-	-	<b>4,68,488</b>	<b>4,68,488</b>
<b>Financial liabilities</b>					
Debt securities					
- Debentures and bonds	12	-	-	3,87,334	3,87,334
- Commercial papers	12	-	-	-	-
<b>Total financial liabilities</b>		-	-	<b>3,87,334</b>	<b>3,87,334</b>



**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020**

- 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

**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, 2020		As at March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
<b>Loans</b>				
Rupee loans	4,65,281	4,65,281	3,41,431	3,41,431
Debentures and Bonds	1,73,642	1,73,642	1,27,057	1,27,057
<b>Total financial assets</b>	<b>6,38,923</b>	<b>6,38,923</b>	<b>4,68,488</b>	<b>4,68,488</b>
<b>Financial liabilities</b>				
<b>Loans</b>				
<b>Debt securities</b>				
Debentures	5,67,203	5,67,203	3,87,334	3,87,334
Commercial papers	-	-	-	-
<b>Total financial liabilities</b>	<b>5,67,203</b>	<b>5,67,203</b>	<b>3,87,334</b>	<b>3,87,334</b>

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.

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****36. Financial risk management****36.1. 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.

**36.2. 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.

**36.3. 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.

**36.3.1. 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,	As at March 31, 2019	As at March 31, 2020	As at March 31,
Energy Generation - Wind	25%	40%	22.40%	28.21%
Energy Generation - Solar	40%	25%	28.11%	5.80%
Energy Generation - Hydro	25%	25%	2.13%	3.23%
Energy Generation - Captive	25%	25%	1.87%	3.16%
Energy Transmission	40%	40%	9.56%	11.74%
Transport - Roads	-	-	11.37%	16.77%
IT Parks & SEZs	40%	40%	1.37%	5.74%
Hospitals	25%	25%	13.30%	14.39%
Education Institutions	25%	25%	1.85%	1.72%
Telecom Towers & Broadband network	15%	25%	1.70%	4.14%
Other Infra Sub-Sector	25%	25%	6.33%	5.09%
<b>Total</b>			<b>100.00%</b>	<b>100.00%</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
iAAA	1%	2%	0%	0%
iAA+, iAA, iAA-	28%	12%	26%	13%
iA+, iA, iA-	44%	41%	44%	39%
iBBB+	14%	36%	19%	39%
iBBB	9%	7%	11%	8%
iBBB-	2%	3%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

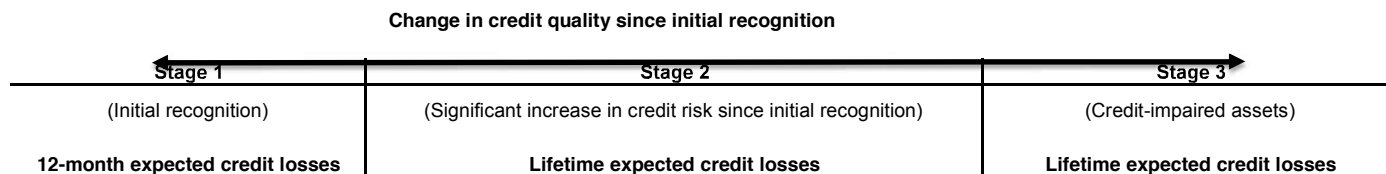
**b) Expected credit loss measurement**

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 36(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 36(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 36(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.

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020**

The following diagram summarises the impairment requirements under Ind AS 109:

**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 30 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been more than 30 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:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans

The assessment of SICR incorporates forward-looking information and is performed on a regular basis for all financial instruments held by the Company. In relation to financial instruments, where a watch list is used to monitor credit risk, this assessment is performed at the counterparty level and on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the risk committee.

**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 30 days past due on its contractual payments.

The Company has not used the low credit risk exemption for any financial instruments in the period ended March 31, 2019.

**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 unlikelihood 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 borrower is in breach of financial covenant(s)
- concessions have been made by the lender relating to the borrower's financial difficulty
- it is becoming probable that the borrower will enter bankruptcy

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 30 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.

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****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%	0.27%
High Safety	iAA+	0.03%	0.03%	0.27%
	iAA	0.03%	0.03%	0.27%
	iAA-	0.03%	0.03%	0.27%
Adequate Safety	iA+	0.11%	0.03%	1.29%
	iA	0.11%	0.03%	1.29%
	iA-	0.11%	0.03%	1.29%
Moderate Safety	iBBB+	0.93%	0.10%	5.32%
	iBBB	0.93%	0.10%	5.32%
	iBBB-	0.93%	0.10%	5.32%
Moderate Risk	iBB+	4.29%	1.01%	13.30%
	iBB	4.29%	1.01%	13.30%
	iBB-	4.29%	1.01%	13.30%
High Risk	iB	10.19%	3.36%	23.83%
Very High Risk	iC	24.47%	10.65%	44.54%
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 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.

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****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).

The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days and 14 days across the country to contain the spread of virus.

The Indian Government, the Reserve Bank of India and other regulators have announced various measures and relaxations acknowledging the current situation to ensure that there is enough liquidity in the hands of market participants and provided moratoriums to the borrowers in terms of their repayments to the financial institutions.

The Company, being a IDF-NBFC, is in the business of providing loans to operating infrastructure projects. The Company has made an assessment of its liquidity position applying stress scenarios. The Company believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. The Company has further assessed the recoverability and carrying value of its assets comprising Loans and advances, Property, Plant and Equipment, Intangible assets and Investments as at balance sheet date, and has concluded that there are no material adjustments required in the financial statements, other than those already considered. All employees are working from home during the lock down period and the Company has taken necessary measures to ensure continuity of business and operations in a seamless manner, including timely servicing of debt instruments. The internal financials controls are in place to take care of current situation. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

**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.

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, 2020**

ECL Scenario	Assigned probabilities %	2021	2022	2023	2024	2025
Base case	50%	1.90%	7.40%	8.20%	9.00%	9.00%
Best case	20%	4.40%	10.00%	10.70%	11.50%	11.50%
Worst case	30%	-0.66%	4.89%	5.65%	6.47%	6.47%

**Year ended March 31, 2019**

ECL Scenario	Assigned probabilities %	2020	2021	2022	2023	2024
Base case	50%	7.50%	7.70%	7.70%	7.70%	7.70%
Best case	20%	10.00%	10.20%	10.20%	10.20%	10.20%
Worst case	30%	5.04%	5.24%	5.24%	5.24%	5.24%

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.

	Year ended March 31, 2020			Year ended March 31, 2019		
	Base case	Best case	Worst case	Base case	Best case	Worst case
Assigned probabilities %	50%	20%	30%	50%	20%	30%
ECL (Rs. in lakhs)	1,002.64	154.80	6,756.67	352.62	20.05	1,507.10

Scenario weighted ECL as on March 31, 2020 is ₹ 2,559 lakhs ( March 31, 2019 ₹1,880 lakhs, April 1, 2018 ₹ 1,688 lakhs).

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****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, 2020	As at March 31, 2019
Less than 1 year		17.76%	32.15%
More than 1 year		82.24%	67.85%

**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, 2020			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
Highest Safety	424	-	-	424
High Safety	1,66,860	-	-	1,66,860
Adequate Safety	2,82,528	-	-	2,82,528
Moderate Safety	1,89,111	-	-	1,89,111
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>6,38,923</b>	<b>-</b>	<b>-</b>	<b>6,38,923</b>

Term loans and debentures	As at March 31, 2019			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
Highest Safety	1,848	-	-	1,848
High Safety	60,647	-	-	60,647
Adequate Safety	1,84,875	-	-	1,84,875
Moderate Safety	2,21,118	-	-	2,21,118
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>4,68,488</b>	<b>-</b>	<b>-</b>	<b>4,68,488</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**

Notes to financial statement for the year ended March 31, 2020

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

The Company is exposed to credit risk from investments held in debt-oriented mutual fund units. These investments are measured at fair value through profit and loss. The following table contains an analysis of the maximum credit risk exposure from investment in mutual funds not subject to impairment (i.e. measured at FVTPL):

₹ in lakhs		
Particulars	As at March 31, 2020	As at March 31, 2019
Investment in mutual fund units	-	6,107
<b>Total</b>	<b>-</b>	<b>6,107</b>

**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 to credit risk	Impairment allowance	Carrying amount	Fair value of collateral held
<b>As at March 31, 2020</b>				
<b>Loans to corporate entities/individuals:</b>				
- Term loans	4,65,281	1,867	4,63,415	4,65,281
- Debentures and bonds	1,73,642	697	1,72,945	1,73,642
<b>Total</b>	<b>6,38,923</b>	<b>2,563</b>	<b>6,36,360</b>	<b>6,38,923</b>
<b>As at March 31, 2019</b>				
<b>Loans to corporate entities/individuals:</b>				
- Term loans	3,41,431	1,370	3,40,061	3,41,140
- Debentures and bonds	1,27,057	510	1,26,548	1,26,950
<b>Total</b>	<b>4,68,488</b>	<b>1,880</b>	<b>4,66,608</b>	<b>4,68,090</b>

**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.



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes to financial statement for the year ended March 31, 2020**
**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:

Term loans and debentures	Year ended March 31, 2020			₹ in lakhs
	Stage 1	Stage 2	Stage 3	Total
Opening balance	6,38,913	-	-	6,38,913
New assets originated or purchased	2,49,110	-	-	2,49,110
Assets derecognised or repaid	(78,685)	-	-	(78,685)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>8,09,338</b>	<b>-</b>	<b>-</b>	<b>8,09,338</b>

Term loans and debentures	Year ended March 31, 2019			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	4,68,488	-	-	4,68,488
New assets originated or purchased	2,48,530	-	-	2,48,530
Assets derecognised or repaid	(78,105)	-	-	(78,105)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>6,38,913</b>	<b>-</b>	<b>-</b>	<b>6,38,913</b>

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:

Term loans and debentures	Year ended March 31, 2020			₹ in lakhs
	Stage 1	Stage 2	Stage 3	Total
Opening balance	1,880	-	-	1,880
New assets originated or purchased	995	-	-	995
Assets derecognised or repaid	(313)	-	-	(313)
Net remeasurement of loss allowance	1	-	-	1
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>2,563</b>	<b>-</b>	<b>-</b>	<b>2,563</b>

Term loans and debentures	Year ended March 31, 2019			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	1,688	-	-	1,688
New assets originated or purchased	607	-	-	607
Assets derecognised or repaid	(88)	-	-	(88)
Net remeasurement of loss allowance	(327)	-	-	(327)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>1,880</b>	<b>-</b>	<b>-</b>	<b>1,880</b>

The origination of new loan assets is the primary factor that contributed to the change in the loss allowance during the period.

**36.3.2. 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.

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****36.4. 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**

Category	Limits
Limits on cumulative negative gaps, as a % of cumulative outflows [maximum]	-10% of cumulative outflows [for 0 to 14 days, -20% over 14 days to 1 month and till 1 year buckets]
Capital adequacy ratio (CRAR) [minimum]	15%
Capital Classification	Tier II Capital shall not exceed Tier I Capital
Borrowings through shorter tenor bonds and commercial papers (CPs)	Up to 10% of total outstanding borrowings
Credit rating [minimum]	A
Liquidity coverage ratio (LCR) [minimum]	1.1
Earnings at risk (EaR) [maximum]	Rs. 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.

**NIIF Infrastructure Finance Limited**  
**Notes to financial statement for the year ended March 31, 2020**

₹ in lakhs

As at March 31, 2020	One to 30/31 days	One 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
<b>Financial assets</b>									
Loans	2,174	1,452	6,990	11,758	21,717	1,02,767	1,25,358	3,66,707	6,38,923
Other financial assets	5,509	5,682	5,205	13,892	28,731	1,03,354	81,258	1,52,244	3,95,875
<b>Total undiscounted financial assets</b>	<b>7,683</b>	<b>7,134</b>	<b>12,195</b>	<b>25,650</b>	<b>50,448</b>	<b>2,06,121</b>	<b>2,06,616</b>	<b>5,18,951</b>	<b>10,34,798</b>
<b>Financial liabilities</b>									
Debt securities	-	10,000	-	-	70,500	2,35,900	1,94,000	56,803	5,67,203
Other financial liabilities	2,545	367	2,064	17,468	25,242	72,808	39,353	13,894	1,73,741
<b>Total undiscounted financial liabilities</b>	<b>2,545</b>	<b>10,367</b>	<b>2,064</b>	<b>17,468</b>	<b>95,742</b>	<b>3,08,708</b>	<b>2,33,353</b>	<b>70,697</b>	<b>7,40,944</b>

As at March 31, 2019	One to 30/31 days	One 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
<b>Financial assets</b>									
Loans	1,665	636	5,524	9,151	15,786	77,669	80,975	2,77,082	4,68,488
Investments	6,107	-	-	-	-	-	-	-	6,107
Other financial assets	4,472	3,387	3,640	10,816	21,536	81,876	66,413	1,20,748	3,12,888
<b>Total undiscounted financial assets</b>	<b>12,244</b>	<b>4,023</b>	<b>9,164</b>	<b>19,967</b>	<b>37,322</b>	<b>1,59,545</b>	<b>1,47,388</b>	<b>3,97,830</b>	<b>7,87,483</b>
<b>Financial liabilities</b>									
Debt securities	-	-	-	-	-	1,80,900	1,64,400	42,034	3,87,334
Other financial liabilities	2,365	1,026	-	14,123	14,930	57,055	25,780	844	1,16,123
<b>Total undiscounted financial liabilities</b>	<b>2,365</b>	<b>1,026</b>	<b>-</b>	<b>14,123</b>	<b>14,930</b>	<b>2,37,955</b>	<b>1,90,180</b>	<b>42,878</b>	<b>5,03,457</b>

**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 fraework for NBFCs is provided below-

(i) Funding concentration based on significant counterparty

Sr no	No of significant counterparties	Amount (₹ in lakhs)	% of Total deposits	% of Total Liabilities
1	20	3,63,840	Not Applicable	62%

(ii) Top 20 large deposits - Nil

(iii) Top 10 borrowings: Rs. 281,110 lakhs (represent 50% 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	5,67,203	96%

**NIIIF Infrastructure Finance Limited**  
**Notes to financial statement for the year ended March 31, 2020**

₹ in lakhs

(v) **Stock ratios:**

<u>Sr no</u>	<u>Instrument</u>	<u>As a % of total public funds</u>	<u>As a % of total liabilities</u>	<u>As a % of total assets</u>
(a)	Commercial papers	Nil	Nil	Nil
(b)	Non Convertible Debentures (original maturity <1 year)	Nil	Nil	Nil
(c)	Other short term liabilities	18%	17%	15%

- (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 Head Business. 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 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.

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****36.5. 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, 2020 and March 31, 2019, the Company's lending portfolio at variable rate are mainly denominated in Indian rupees (Rs.).

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****Rs. 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, 2020	As at March 31, 2019
Variable rate lending portfolio	1,13,471	1,29,315
Fixed rate loans	5,25,452	3,39,173
<b>Total</b>	<b>6,38,923</b>	<b>4,68,488</b>

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

As at March 31, 2020	Weighted average interest rate	Balance	% of total loans
Loans	10.04%	1,13,471	17.8%
<b>Net exposure interest rate risk</b>	<b>10.04%</b>	<b>1,13,471</b>	<b>17.8%</b>

As at March 31, 2019	Weighted average interest rate	Balance	% of total loans
Loans	9.76%	1,29,315	27.6%
<b>Net exposure interest rate risk</b>	<b>9.76%</b>	<b>1,29,315</b>	<b>27.6%</b>

An analysis by maturities is provided in note 36.4. 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, 2020	Year ended March 31, 2019
Interest rates – increase by 100 basis points	1,135	1,293
Interest rates – decrease by 100 basis points	(1,135)	(1,293)

\* The sensitivity is derived holding all other variables constant

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****b) Interest rate risk-investments in debt oriented mutual funds**

The Company is exposed to interest rate risk from investments held in debt oriented mutual funds in de units. These funds invests in debt securities. The exposure to interest rate risk in case of units backed by debt securities is measured using sensitivity analysis as follows:

Sensitivity	Impact on profit after tax*	
	Year ended March 31, 2020	Year ended March 31, 2019
91 days T-bill : Increase 100 bps (previous year 100 bps)	-	55.7
91 days T-bill : Decrease 100 bps (previous year 100 bps)	-	(55.7)

**c) Price risk**

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

**d) 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.

**36.6. 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.

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****37. Employee share based payments****a) Employee stock option scheme (equity settled)**

Pursuant to the resolution passed by the members at the EGM held on February 01, 2016, NIIF Infrastructure Finance Limited had introduced Employee Stock Option Scheme ("the ESOS- 2016") to enable the employees of NIIF Infrastructure Finance Limited to participate in the future growth and financial success of the Company. The Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The ESOS provides for grant of stock options to employees to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

Further, certain grants under ESOS - 2016 will vest only upon the fulfilment of performance conditions as specified in the scheme of the grant. The performance conditions specified are not based upon market conditions and therefore at every reporting date entity revises its estimate of the number of options expected to vest in order to determine the share based payment charge for the year.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share.

All options granted under this scheme have been settled during year ending March 31, 2019 and no options are outstanding under this scheme.

Set out below is a summary of options granted under the plan:

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Average exercise price	Number of options	Average exercise price	Number of options
Opening balance		-	10	40,43,000
Granted during the year		-		-
Exercised during the year		-		-
Cancelled during the year		-	10	40,43,000
Lapsed/expired during the year		-		-
<b>Closing balance</b>		-	10	-
Vested and exercisable		-		-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2020	Outstanding as at March 31, 2019	Outstanding as at April 1, 2018
14-Mar-16	14-Mar-21	10	-	-	9,75,250
14-Mar-16	14-Mar-22	10	-	-	9,75,250
14-Mar-16	14-Mar-23	10	-	-	9,75,250
14-Mar-16	14-Mar-24	10	-	-	9,75,250
09-May-16	09-May-21	10	-	-	2,125
09-May-16	09-May-22	10	-	-	2,125
09-May-16	09-May-23	10	-	-	2,125
09-May-16	09-May-24	10	-	-	2,125
31-May-16	31-May-21	10	-	-	-
31-May-16	31-May-22	10	-	-	-
31-May-16	31-May-23	10	-	-	-
31-May-16	31-May-24	10	-	-	-
31-May-16	31-May-25	10	-	-	-
15-Jun-16	15-Jun-21	10	-	-	31,250
15-Jun-16	15-Jun-22	10	-	-	31,250
15-Jun-16	15-Jun-23	10	-	-	31,250
15-Jun-16	15-Jun-24	10	-	-	31,250
14-Jul-16	14-Jul-21	10	-	-	2,125
14-Jul-16	14-Jul-22	10	-	-	2,125
14-Jul-16	14-Jul-23	10	-	-	2,125
14-Jul-16	14-Jul-24	10	-	-	2,125
<b>Total</b>			-	-	40,43,000
Weighted average remaining contractual life of options outstanding at end of period			-	-	4.47

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****i) Fair value of options granted**

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options granted for no consideration and will vest upon the completion of service condition and performance condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

There are no options granted during the year ended March 31, 2020 & March 31, 2019

**b) Group share based payment scheme (equity settled)**

IDFC Limited (erstwhile ultimate holding company) has introduced IDFC Employee Stock Option Scheme, 2007 ("IDFC ESOS - 2007") to enable the employees of the group companies to participate in the future growth and financial success of the IDFC Group. The scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The ESOS provides for grant of stock options to employees (including employees of group companies) to acquire equity shares of the IDFC Limited, that will vest in a graded manner and that are to be exercised within a specified period.

Options granted under the plan to the employees of NIIF Infrastructure Finance Limited are without any consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share of NIIF Limited. Since the NIIF Infrastructure Finance Limited does not have an obligation to settle the award granted to its employees, the award is treated as an equity-settled share-based payment in the Company's accounts.

Set out below is a summary of options granted under the plan:

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Average exercise price	Number of options	Average exercise price	Number of options
Opening balance	-	-	69.40	14,22,680
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	60.35	(4,200)
Lapsed/expired during the year	-	-	-	-
<b>Closing balance</b>	-	-	<b>69.49</b>	<b>14,18,480</b>
Vested and exercisable	-	-	69.49	14,18,480

No options were exercised during the year ended Mar 31, 2020 & March 31, 2019



**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020**

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2020	Outstanding as at March 31, 2019	Outstanding as at April 1, 2018
06-06-11	01-04-19	81.96	-	6,00,000	6,00,000
10-05-10	10-05-17	70.22	-	-	-
05-Oct-18	21-12-18	60.35	-	-	4,200
05-Oct-18	05-Oct-21	60.35	-	2,44,662	2,44,662
05-Oct-18	05-Oct-22	60.35	-	2,45,922	2,45,922
05-Oct-18	05-Oct-23	60.35	-	3,27,896	3,27,896
<b>Total</b>			-	14,18,480	14,22,680
Weighted average remaining contractual life of options outstanding at end of period			-	2.09	3.08

**c) Fair value of options granted**

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options granted for no consideration and will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

There are no options granted during the year ended March 31, 2020 & March 31, 2019

**d) Expense arising from share based payment transaction**

Total expense arising from share-based payment transactions recognised in profit and loss as part of employee benefit expense were as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employee stock option expense (ESOS- 2016)	-	93
Group share based payment expense	-	(11)
<b>Total</b>	-	<b>82</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****38. Related party transactions****a) Holding entity**

National Investment and Infrastructure Fund II (from March 12, 2019)

**b) Associate companies**

IDFC Financial Holding Company Limited ( till March 29, 2020)

IDFC Limited (till March 29, 2019)

Aseem Infrastructure Finance Limited (Sponsor from March 30, 2020)

**c) Key management personnel**

Sadashiv S. Rao - Chief Executive Officer

Sanjay Ajgaonkar - Chief Financial Officer

Amol Ranade - Company Secretary

**d) Transactions with related parties**

The nature and volume of transactions carried out with the above related parties in the ordinary course of business is as follows:

**Name of related party , nature of relationship and particulars**

	₹ in lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>A Holding entity</b>		
<b>1 National Investment and Infrastructure Fund II</b>		
<b>i Liabilities/Transactions</b>		
Outstanding equity share capital	31800	31,800
<b>2 IDFC Financial Holding Company Limited (till March 11, 2019)</b>		
<b>i Liabilities/Transactions</b>		
Outstanding equity share capital	-	44,000
<b>B Ultimate Holding Company</b>		
<b>1 IDFC Limited (till March 11, 2019)</b>		
<b>i Expense</b>		
Shared services cost expense (*)	-	138
Shared services cost recovery (*)	-	(14)
Interest expenses on Non Convertible Debentures issued	-	378
Charges paid for use of hardware (*)	-	-
<b>ii Assets/Transactions</b>		
Shared service cost recoverable (*)	-	-
<b>iii Liabilities/Transactions</b>		
Non Convertible Debentures issued and outstanding	-	4,950
Interest on Non Convertible Debentures issued	-	92

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020****C Fellow Subsidiaries**

	Year ended March 31, 2020	₹ in lakhs Year ended March 31, 2019
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**1 IDFC Bank Limited (till January 04, 2019)****i Income**

Interest on Fixed deposits	-	11
Processing fees on loan reimbursed	-	14

**ii Expense**

Shared services cost expense (*)	-	6.2
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**iii Assets/Transactions**

Purchase of fixed assets	-	14
Fixed deposits placed	-	9,300
Fixed deposits matured	-	9,300
Balance in current account (as of January 04, 2019)	-	25

**2 IDFC Foundation (till March 11, 2019 )****i Expense**

Contribution towards corporate social responsibility (CSR)	-	106
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**3 IDFC Asset Management Company Limited (till March 11, 2019 )****Expense**

Shared services cost expense (*)	-	93
Charges paid for use of hardware/server (*)	-	4

**4 IDFC Securities Limited (till March 11, 2019 )****i Assets/Transactions**

Purchase of fixed assets	-	18
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**D Associate****1 IDFC Limited (from March 12, 2019 till March 29, 2020)****i Expense**

Shared services cost expense (*)	70	8.0
Interest expenses on Non Convertible Debentures issued	-	22

**ii Liabilities/Transactions**

Non Convertible Debentures issued and outstanding	-	4,950
Interest on Non Convertible Debentures issued	-	22

**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes to financial statement for the year ended March 31, 2020**

	Year ended March 31, 2020	₹ in lakhs Year ended March 31, 2019
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**2 IDFC Financial Holding Company Limited (from March 12, 2019 till March 29, 2020)****i Liabilities/Transactions**

Outstanding equity share capital	-	16,200
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**3 IDFC Bank Limited (from January 05, 2019 till March 31, 2019)****i Expense**

Shared services cost expense (*)	-	2
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**ii Assets/Transactions**

Balance in current account	-	3,399
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**4 IDFC Asset Management Company Limited (from March 12, 2019 till March 29, 2020)****i Expense**

Shared services cost expense (*)	26	5
Charges paid for use of hardware/server (*)	-	1

**5 Aseem Infrastructure Finance Limited (from March 30, 2020)****i Liabilities/Transactions**

Outstanding equity share capital	16,200	-
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**ii Assets/Transactions**

Dues against reimbursement of costs (*)	7	-
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(\*) The amounts exclude Goods and Services tax /service tax expensed out in the statement of profit and Loss

**E Remuneration to Key management personnel:**

- (i) Sadashiv S Rao - Chief Executive Officer  
(ii) Sanjay Ajgaonkar - Chief Financial Officer  
(iii) Amol Ranade - Company Secretary

₹ in lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short-term employee benefit	333	437
Post-employment benefit	38	39
Long-term employee benefit	-	-
Share based payment	-	135
Termination benefit	-	-
<b>Total</b>	<b>371</b>	<b>611</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**

**Notes to financial statement for the year ended March 31, 2020**

- 39 The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days and 14 days across the country to contain the spread of virus.

The Indian Government, the Reserve Bank of India and other regulators have announced various measures and relaxations acknowledging the current situation to ensure that there is enough liquidity in the hands of market participants and provided moratoriums to the borrowers in terms of their repayments to the financial institutions.

The Company, being a IDF-NBFC, is in the business of providing loans to operating infrastructure projects. The Company has made an assessment of its liquidity position applying stress scenarios. The Company believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. The Company has further assessed the recoverability and carrying value of its assets comprising Loans and advances, Property, Plant and Equipment, Intangible assets and Investments as at balance sheet date, and has concluded that there are no material adjustments required in the financial Statements, other than those already considered. All employees are working from home during the lock down period and the company has taken necessary measures to ensure continuity of business and operations in a seamless manner, including timely servicing of debt instruments. The Internal Financials Controls are in place to take care of current situation. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes forming part of financial statements as at and for the year ended March 31, 2020**

**40** 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, 2020	As at March 31, 2019
i) CRAR (%)	19.56%	20.88%
ii) CRAR - Tier I Capital (%)	18.97%	20.42%
iii) CRAR - Tier II Capital (%)	0.59%	0.46%
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, 2020	As at March 31, 2019
<b>1 Value of Investments</b>		
(i) Gross Value of Investments		
(a) In India	-	6,107
(b) Outside India	-	-
(A)	-	6,107
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(B)	-	-
(iii) Net Value of Investments		
(a) In India	-	6,107
(b) Outside India	-	-
(A-B)	-	6,107
<b>2 Movement of provisions held towards depreciation on investments.</b>		
(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, 2020		As at March 31, 2019	
	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
<b>1 Related parties</b>	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	6,107	6,107
<b>2 Other than related parties</b>	-	-	-	-
<b>Total</b>	-	-	6,107	6,107

**NIIF INFRASTRUCTURE FINANCE LIMITED**

Notes forming part of financial statements as at and for the year ended March 31, 2020

**(d) Disclosure on Risk exposure on derivatives**

**(A) Qualitative disclosures:**

Structure and organisation for management of risk in derivatives trading, the scope and nature of risk measurement, risk reporting and risk monitoring systems, policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

(a) The Company had undertaken transactions in interest rate swaps for hedging the interest rate risks on the balance sheet. These include the hedging of interest rate on fixed rate rupee denominated liabilities.

The Company's derivative transactions are governed by the foreign exchange and interest rate risk management policy, as approved by the Board. The risk limits are set up and reviewed periodically and the actual exposures are monitored against the limits allocated to the various counterparties. These limits are set up taking into account counterparty assessment and market factors.

The derivative transactions are originated by Resources Group in compliance with the limits as per the Company's policy and the RBI guidelines. The Risk team independently monitors the risk limits associated with the derivative transactions and appraises the Asset Liability Management Committee (ALCO) and the Risk Management Committee of the Board (RMC) for the compliance with the policy on derivatives. The Finance team undertakes the activities of trade confirmation, settlement and accounting.

(b) Accounting policy for recording hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts:

Interest rate swaps are booked with the objective of managing the interest rate risk on liabilities. Interest rate swaps in the nature of hedge are recorded on accrual basis and these transactions are not marked-to-market. Any resultant profit and loss on termination of the hedge swaps is amortised over the life of the swap or underlying liability, whichever is shorter.

**(B) Quantitative disclosures:**

(a) **Disclosure in respect of Interest Rate Swaps (IRS) is set out below:**

	As at March 31, 2020	As at March 31, 2019
(i) Notional principal of swap agreement	-	-
(ii) Losses which could be incurred if counterparty failed to fulfil their obligations under the agreement	-	-
(iii) Collateral required by the Company upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) Fair value of the swap book	-	-

**(b) Disclosure on risk exposure in Derivatives**

	As at March 31, 2020	As at March 31, 2019
(i) Quantitative disclosure on risk exposure in derivatives		
1 Derivatives (Notional Principal Amount)		
(a) For Hedging	-	-
2 Marked to Market positions		
(a) Asset (+)	-	-
(b) Liability (-)	-	-
3 Credit exposure	-	-
4 Unhedged exposure	-	-

**(e) 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.

**(f) 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

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

Please refer note 36.4 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.

(h) **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, 2020 and as at March 31, 2019.

(i) **Exposures to Capital Market**

This disclosure is not applicable to the Company as there are no exposures to capital market as at March 31, 2020 and as at March 31, 2019.

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

During the years ended March 31, 2020 and March 31, 2019, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

(k) **Borrower group-wise classification of assets financed:**

	As at March 31, 2020 net of provision (*)	As at March 31, 2019 net of provision (*)
<b>1 Related parties</b>		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
<b>2 Other than related parties</b>		
<b>Total</b>	<b>6,36,360</b>	<b>4,66,608</b>
(*) Net of provision for standard assets	<b>6,36,360</b>	<b>4,66,608</b>

(l) **Unsecured advances**

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

(m) **Registration obtained from other financial regulators**

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

(n) **Penalties / fines imposed by the RBI**

During the year ended March 31, 2020 there was no penalty imposed by the RBI and other regulators (Previous Year ₹ Nil).



Notes forming part of financial statements as at and for the year ended March 31, 2020

(o) Provisions and Contingencies

	As at March 31, 2020	₹ in lakhs As at March 31, 2019
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	2,563	1,880
	<b>2,563</b>	<b>1,880</b>

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:-

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	₹ in lakhs Difference between Ind AS 109 provision under IRACP norms
1	2	3	4	5=3-4	6	7=4-6
<b>Performing Assets</b>						
Standard	Stage 1	6,38,923	2,559	6,36,364	2,563	(4)
	Stage 2	-	-	-	-	-
Subtotal		6,38,923	2,559	6,36,364	2,563	(4)
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1-3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Loss		-	-	-	-	-
Subtotal		-	-	-	-	-
Other items such as guarantees, loan commitments, etc which are in the scope of Ind AS 109 but not covered under Current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	Stage 1	6,38,923	2,559	6,36,364	2,563	(4)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	6,38,923	2,559	6,36,364	2,563	(4)

**NIF INFRASTRUCTURE FINANCE LIMITED**

Notes forming part of financial statements as at and for the year ended March 31, 2020

**(p) 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.

**(q) Concentration of Advances**

	As at March 31, 2020	As at March 31, 2019
Total A	3,06,032	2,61,547
Percentage of Advances to twenty largest borrowers / customers	.9%	55.8%

**(r) Concentration of Exposures**

	As at March 31, 2020	As at March 31, 2019
Total Exposure to twenty largest borrowers / customers	3,06,032	2,69,972
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	47.9%	55.4%

**(s) 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.

**(t) The information on Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) is given below:**

	For the year ended March 31, 2020	Country	Total Assets
Name of the Joint Venture/ Subsidiary	Other Partner in the JV		
	NI	NI	NI

	For the year ended March 31, 2019	Country	Total Assets
Name of the Joint Venture/ Subsidiary	Other Partner in the JV		
	NI	NI	NI

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
	NI	NI

**(v) Debentureholder' complaints :**

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

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

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

42 There is no Debenture Redemption Reserve (DRR) created as the Non Banking Financial Companies registered with Reserve Bank of India are not required to create DRR for the privately placed debentures.

43 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 (Refer note 26)

44 Frauds reported during the year- NI

45 There are no contingent liabilities as of March 31, 2020.

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



Surya Prakash Rao Dewiyala  
Chairman



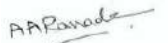
Rajiv Dhar  
Director



Sadashiv S. Rao  
Chief Executive Officer



Sanjay Algaonkar  
Chief Financial Officer



Amol Ranade  
Company Secretary

Date: May 21, 2020

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of NIIF Infrastructure Finance Limited

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of NIIF Infrastructure Finance Limited (formerly known as IDFC Infrastructure Finance Limited) (the "Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of 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, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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 of the financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 we have obtained 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, 2021. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to

address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<b><u>Impairment of financial instruments including provision for expected credit losses):</u></b> (Refer notes 2 (H) to accounts of the financial statements and note 35.3 of the notes to the financial statements)	
<p>Loans and Investments amount to Rs. 842,342 lacs (net of expected credit loss) at March 31, 2021 as disclosed in the accompanying financial statements.</p> <p>Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortised cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the standard. In the process of applying such principles and other requirements of the standard, a significant degree of judgement has been applied by the management in respect of following matters:</p> <ol style="list-style-type: none"> <li>Determining the staging of loans.</li> <li>Determining probability of default (PD) using history of default for long term rated loans by leading credit rating agencies and considering the impact of macroeconomic factors.</li> <li>Estimation of management overlay to determines the forecasted PD</li> <li>Estimation of loss given default (LGD) based on haircuts and recovery percentages as suggested in Basel regulations</li> </ol> <p>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 abovementioned financial assets. The management using certain assumptions and estimates, applied management overlays to arrive at a probable impact of COVID-19 on the ECL</p>	<ul style="list-style-type: none"> <li>- Our audit procedures included considering the Company's board approved policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109.</li> <li>- We understood the ECL estimation process and tested the design and operating effectiveness of key controls around data extraction and validation.</li> <li>- We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status.</li> <li>- We, along with the help of auditor's expert, tested the assumptions used by the Company along with testing of inputs for staging of loan portfolio and default buckets for determining the PD and LGD rates.</li> <li>- We have checked the completeness and accuracy of the source data used and tested the reasonableness of the key assumptions used along with appropriateness of collateral values basis the latest financial statements available.</li> </ul> <p>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.</p> <ul style="list-style-type: none"> <li>- Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic) and assessed the reasonableness thereof.</li> <li>- We tested the arithmetical accuracy of the computation of ECL provision performed by the Company in spreadsheets.</li> <li>- We assessed the disclosures included in the financial statements with respect to the ECL</li> </ul>

<p>provision. These assumptions and estimates used have an inherent uncertainty of the actual impact of COVID-19 and the actual impact may be different from these estimates.</p> <p>Given the complexity and significant judgements involved and the uncertain impact of the COVID-19 pandemic in the estimation of ECL on loans and investments, we have considered this area as a key audit matter.</p>	<p>estimate in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures.</p>
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### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report (which includes the Board's report, CSR report and Secretarial audit report), but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual 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 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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, 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.

Those 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 as a whole 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 controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

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 for the financial year ended March 31, 2021 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 Matter**

The financial statements of the Company for the year ended March 31, 2020, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 21, 2020.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (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 I" 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;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of 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 representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;

- (g) The provision of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 position in its financial statements- refer Note 31 to the financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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per Rutushtra Patell  
Partner  
Membership No.: 123596  
UDIN: 21123596AAAACL3958  
Place: Mumbai  
Date: May 19, 2021



Annexure I referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements on our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the "Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (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. Therefore, the provisions of this clause are not applicable to the Company. The Company is registered as a Non-Banking Financial Company - Infra Debt Fund with the RBI. Thus, the provision of Section 186 except sub-section (1) of the Act is not applicable to the Company. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of investment companies as mentioned in sub-section (1) of section 186 of the Act.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.
- (vii)(a) Undisputed statutory dues including provident fund, income-tax, good and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in one instance.
- (b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to employees' state insurance, service tax, sales-tax, duty of custom, duty of excise, value added tax, are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to debenture holders. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government during the year.
- (ix) In our opinion and according to the information and explanations given by the management and audit procedures performed by 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. According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money way of initial public offer or further public offer
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) 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 and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management and audit procedures performed by us, the Company has complied with provisions of section 42 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.
- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

- (xvi) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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per Rutushtra Patell  
Partner  
Membership No.: 123596  
UDIN: 21123596AAAACL3958  
Place: Mumbai  
Date: May 19, 2021

**ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NIIF INFRASTRUCTURE FINANCE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to financial statements of NIIF Infrastructure Finance Limited (formerly known as IDFC Infrastructure Finance Limited) (the "Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls with Reference to these Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies

and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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per Rutushtra Patell  
Partner  
Membership Number: 123596  
UDIN: 21123596AAAACL3958  
Place of Signature: Mumbai  
Date: May 19, 2021

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Balance Sheet as at March 31, 2021**

(₹ in lakhs)

	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>I Financial assets</b>			
(a) Cash and cash equivalents	3	74,006	25,730
(b) Loans	4	8,42,342	6,40,744
(c) Other financial assets	5	52	11
		9,16,400	6,66,485
<b>II Non Financial assets</b>			
(a) Current tax assets (Net)	6	8,475	4,243
(b) Property, plant and equipment	7	338	620
(c) Other non-financial assets	8	125	103
		8,938	4,966
<b>Total assets</b>		<b>9,25,338</b>	<b>6,71,451</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>I Financial liabilities</b>			
(a) Payables			
(I) Trade payables	9		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		60	47
(II) Other payables	10		
(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	11	7,36,993	5,86,523
(c) Borrowings (Other than debt securities)	12	242	416
(d) Other financial liabilities	13	440	594
		7,37,735	5,87,580
<b>II Non-Financial liabilities</b>			
(a) Provisions	14	87	19
(b) Other non-financial liabilities	15	518	507
		605	526
<b>EQUITY</b>			
(a) Equity share capital	16A	91,573	54,000
(b) Instruments Entirely Equity in Nature	16A	18,465	-
(c) Other equity	16B	76,960	29,345
		1,86,998	83,345
<b>Total liabilities and equity</b>		<b>9,25,338</b>	<b>6,71,451</b>

The accompanying notes are an integral part of these financial statements (See notes 1 to 44)

This is the Balance Sheet referred to in our report of even date

**For S.R. Battliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**For and on behalf of the Board of Directors of**

NIIF Infrastructure Finance Limited

**per Rutushtra Patell**

Partner

Membership Number : 123596

**Surya Prakash Rao Pendyala**

Chairman

**Rajiv Dhar**

Director

Place : Mumbai

Date : May 19, 2021

**Sadashiv S Rao**

Chief Executive Officer

**Sanjay Ajgaonkar**

Chief Financial Officer

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Statement of Profit and Loss for the year ended March 31, 2021**

	Notes	For year ended March 31, 2021	(₹ in lakhs) For year ended March 31, 2020
<b>Revenue from operations</b>			
Interest income	17	70,445	51,254
Net gain on fair value changes	18	-	941
Net gain on derecognition of financial instruments under amortised cost category	19	1,030	-
<b>I Total revenue from operations</b>		<b>71,475</b>	<b>52,195</b>
II Other income	20	93	(65)
<b>III Total income (I+II)</b>		<b>71,568</b>	<b>52,130</b>
<b>Expenses</b>			
Finance costs	21	53,278	38,029
Fees and commission expense	22	38	41
Impairment on financial instruments	23	2,764	683
Employee benefits expenses	24	1,368	1,139
Depreciation, amortisation and impairment	7 & 25	281	212
Other expenses	26	664	772
<b>IV Total expenses</b>		<b>58,393</b>	<b>40,876</b>
<b>V Profit before tax (III - IV)</b>		<b>13,175</b>	<b>11,254</b>
<b>VI Income Tax expense</b>			
Current tax		-	10,801
Deferred tax		-	-
<b>Total tax expenses</b>		<b>-</b>	<b>10,801</b>
<b>VII Profit for the year (V - VI)</b>		<b>13,175</b>	<b>453</b>
<b>VIII Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		35	(1)
(ii) 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		-	-
<b>Other comprehensive income (A+B)</b>		<b>35</b>	<b>(1)</b>
<b>IX Total comprehensive income for the year (VII + VIII) (Comprising profit and other comprehensive income for the year)</b>		<b>13,210</b>	<b>452</b>
<b>X Earnings per equity share (nominal value of share ₹ 10 each)</b>			
Basic (₹)		<b>1.96</b>	<b>0.08</b>
Diluted (₹)		<b>1.96</b>	<b>0.08</b>

The accompanying notes are an integral part of these financial statements (See notes 1 to 44)

This is the Statement of Profit and Loss referred to in our report of even date

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

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

**per Rutushtra Patell**  
Partner  
Membership Number : 123596

**Surya Prakash Rao Pendyala**  
Chairman

**Rajiv Dhar**  
Director

Place : Mumbai  
Date : May 19, 2021

**Sadashiv S Rao**  
Chief Executive Officer

**Sanjay Ajgaonkar**  
Chief Financial Officer

**Statement of Changes in Equity for year ended March 31, 2021**

**A1 Equity Share Capital**

(₹ in lakhs)

	Note	Number	Amount
<b>As At March 31, 2019</b>	16A	54,00,00,000	54,000
Issued during the year		-	-
<b>As At March 31, 2020</b>		54,00,00,000	54,000
Issued during the year	16A	37,57,30,161	37,573
<b>As At March 31, 2021</b>		91,57,30,161	91,573

**A2 Compulsorily Convertible Preference Share Capital**

(₹ in lakhs)

	Note	Number	Amount
<b>As At March 31, 2020</b>		-	-
Issued during the year	16A	8,79,27,757	18,465
<b>As At March 31, 2021</b>		8,79,27,757	18,465

**A3 Other Equity**

(₹ in lakhs)

	Reserves and surplus						Total
	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	ESOP contribution from parent	
<b>As At March 31, 2019</b>	-	6,050	-	22,755	-	88	28,893
Profit for the year	-	-	-	453	-	-	453
Other comprehensive income	-	-	-	(1)	-	-	(1)
<b>Total Comprehensive Income for the year</b>	-	-	-	452	-	-	452
Share based payments:	-	-	-	-	-	-	-
i) Employee stock option expense for the year	-	-	-	-	-	-	-
ii) Vested options cancelled during the year	-	-	-	-	-	-	-
iii) Options exercised during the year	-	-	-	-	-	-	-
iv) Options lapsed during the year	-	-	-	-	-	-	-
v) Options cancelled during the year	-	-	-	-	88	(88)	-
Transfers to Special reserve u/s. 45-IC of the RBI Act, 1934	-	91	-	(91)	-	-	-
Transfers to Impairment Reserve	-	-	4	(4)	-	-	-
<b>As At March 31, 2020</b>	-	6,141	4	23,112	88	-	29,345
Profit for the period/year	-	-	-	13,175	-	-	13,175
Other comprehensive income	-	-	-	35	-	-	35
<b>Total Comprehensive Income for the period/year</b>	-	-	-	13,210	-	-	13,210
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)
Transfers to Impairment Reserve	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	34,437	8,783	4	33,648	88	-	76,960

The accompanying notes are an integral part of these financial statements (See notes 1 to 44)

This is the Statement of Changes in Equity referred to in our report of even date

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

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

**per Rutushtra Patell**  
Partner  
Membership Number : 123596

**Surya Prakash Rao Pendyala**  
Chairman

**Rajiv Dhar**  
Director

Place : Mumbai  
Date : May 19, 2021

**Sadashiv S Rao**  
Chief Executive Officer

**Sanjay Ajgaonkar**  
Chief Financial Officer



**NIIF INFRASTRUCTURE FINANCE LIMITED**  
(Formerly known as IDFC Infrastructure Finance Limited)

**Cash Flow Statement for the year ended 31st March, 2021**

		(₹ in lakhs)	
	Notes	For year ended March 31, 2021	For year ended March 31, 2020
<b>A. Cash flow from operating activities</b>			
Profit before tax		13,175	11,254
Adjustments for:			
Depreciation and amortisation	7 & 25	281	212
Interest on Debt Security - EIR Adjustments		105	30
Interest on Loan - EIR adjustment		(379)	(401)
Net (gain) / loss on sale of property, plant and equipments	20	(2)	65
Interest on Borrowings other than debt securities (Ind AS 116 impact)		42	33
Impairment on financial instruments	23	2,764	683
<b>Operating profit before working capital changes</b>		<b>15,986</b>	<b>11,876</b>
<b>Changes in working capital:</b>			
(Decrease)/Increase in trade payables	9	(15)	28
(Increase)/Decrease in other financial assets	5	(41)	(11)
(Decrease)/Increase in other financial liabilities	13	(154)	(180)
Increase/(Decrease) in Provision	14	68	10
Increase/(Decrease) in other non financial liabilities	15	11	112
Interest/(Decrease) accrual on debt securities	11	5,031	4,518
(Increase)/Decrease in non-financial assets	8	12	(16)
(Increase)/Decrease in loans	4	(2,03,983)	(1,72,020)
Decrease/(Increase) in Investments at fair value through profit and loss	3	-	6,107
<b>Cash flow generated from/(used in) operations</b>		<b>(1,83,085)</b>	<b>(1,49,576)</b>
(Payment) of tax (net)	6	(4,232)	(7,546)
<b>Net Cash flow generated from/(used in) operations (A)</b>		<b>(1,87,317)</b>	<b>(1,57,122)</b>
<b>B. Cash flows from investing activities</b>			
Purchase of property, plant and equipment/intangible assets	8	(10)	(234)
Sale of property, plant and equipments		2	-
<b>Net cash flow generated from/(used in) investing activities (B)</b>		<b>(8)</b>	<b>(234)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from issuance of equity share capital		72,000	-
Proceeds from issuance of CCPS	16A-16B	18,500	-
Share Issue expense		(29)	-
Proceeds from debt securities issued (Net of arranger fees)		2,25,835	1,79,840
Repayment of debt securities		(80,500)	
Cash payment for the lease liability	12	(205)	(154)
<b>Net cash generated from/(used in) financing activities (C)</b>		<b>2,35,601</b>	<b>1,79,686</b>
<b>Net Increase in cash and cash equivalents (D) = (A + B + C)</b>		<b>48,276</b>	<b>22,330</b>
Cash and cash equivalents at the beginning of the period (E)	3	25,730	3,400
<b>Cash and cash equivalents at the end of the period (F) = (D) + (E)</b>		<b>74,006</b>	<b>25,730</b>
Cash and cash equivalents include the following			
<b>Balances with banks in current account</b>	3	1,003	2,419
<b>Fixed deposits with maturity less than 3 months</b>	3	73,003	23,311
<b>Total cash and cash equivalents</b>		<b>74,006</b>	<b>25,730</b>

The accompanying notes are an integral part of these financial statements (See notes 1 to 44)

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

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

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

**per Rutushtra Patell**  
**Partner**  
**Membership Number : 123596**

**Surya Prakash Rao Pendyala**  
Chairman

**Rajiv Dhar**  
Director

Place : Mumbai  
Date : May 19, 2021

**Sadashiv S Rao**  
Chief Executive Officer

**Sanjay Ajgaonkar**  
Chief Financial Officer

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021**

#### **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) 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) 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. re-financing existing debt of infrastructure companies, thereby creating fresh headroom for banks to lend to new infrastructure projects.

The financial statement for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the directors on May 19, 2021.

As per RBI regulations, the Sponsor of the Company is M/s Aseem Infrastructure Finance Limited, which is NBFC-Infrastructure Finance Company registered 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.

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021****B Policy on segment**

The Company operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company 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 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 fixtures	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).

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021**

#### **D Leases**

Until FY 2018-19, leases of property, plant and equipment were classified as either finance leases or operating leases. From April 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

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. Short-term 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 of each reporting period.

#### **F Taxes on Income**

The Company is an Infra Debt Fund - Non Banking Finance Company (IDF - NBFC) registered with the Reserve Bank of India on September 22, 2014. 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. 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 filed a letter with 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 Rs. 10,801 lakhs was provided for in the financials of year ended March 31, 2020.

This is one time provision pertaining to the past period and given the CBDT notification, the Company is entitled to avail tax exemption from the Financial Year commencing April 01, 2019. No provision for tax & deferred tax asset / liabilities have been recognised since that date.

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021**

#### **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 Principle 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.

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021**

#### **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 amortised costs are not traded/sold, except for management of concentration risk or for any such similar exigency to protect the value of asset. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

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

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

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

#### **Equity instruments**

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

#### **Interest Income**

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial asset is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit and loss.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest Income from Fixed Deposits placed with banks is recognised on accrual basis by the Company.

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021**

#### **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). 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.

## **NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021**

#### **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.



**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021****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.

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021****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 eligible input tax credit in line with applicable Goods and Services Tax laws.

**NIIF INFRASTRUCTURE FINANCE LIMITED**

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**Notes forming part of financial statements as at and for the year ended March 31, 2021**

(₹ in lakhs)

<b>3</b>	<b>Cash and cash equivalents</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	Balance with bank:		
	In current account	1,003	2,419
	In deposit account	73,003	23,311
	<b>Total</b>	<b>74,006</b>	<b>25,730</b>
	Bank fixed deposit (Maturity exceeding three month)	-	-
	<b>Total</b>	<b>74,006</b>	<b>25,730</b>
	The Company has not taken bank overdraft, therefore the cash and cash equivalents for the cash flow statement is same as cash and cash equivalents given above.		
<b>4</b>	<b>Loans (At amortised costs)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	Term loans	6,60,864	4,65,281
	Debentures and Bonds	1,82,311	1,73,642
	<b>Total Loans (*)</b>	<b>8,43,175</b>	<b>6,38,923</b>
	Interest accrued on loans	499	1,935
	Interest accrued on debentures	3,996	2,449
	Receivable on loans	-	-
	<b>Total Gross Loans</b>	<b>8,47,670</b>	<b>6,43,307</b>
	Less: Impairment loss allowance	(5,328)	(2,563)
	<b>Total Net Loans</b>	<b>8,42,342</b>	<b>6,40,744</b>
	(*) The loans outstanding before adjustment of Effective Interest Rate, Premium Amortisation and Discount Accretion	8,46,120	6,40,722
	<b>(a) The above amount includes:</b>		
	(i) Secured by tangible assets	7,69,710	6,04,719
	(ii) Secured by intangible assets	77,960	32,696
	(iii) Covered by Bank / Government guarantees	-	5,892
	<b>Total- Gross</b>	<b>8,47,670</b>	<b>6,43,307</b>
	Less: Impairment loss allowance	(5,328)	(2,563)
	<b>Total- Net</b>	<b>8,42,342</b>	<b>6,40,744</b>
	<b>(b)(I) Loans in India</b>		
	(i) Public Sector	-	-
	(ii) Others		
	Electricity Generation	5,05,517	3,54,939
	Roads	73,018	76,488
	Hospitals	62,350	77,048
	Electricity Transmission	88,860	64,462
	Other social and commercial infrastructure	14,761	9,128
	Ports, Airports, Railways etc. (without tripartite)	40,640	23,164
	Bulk Material Transportation	7,468	15,120
	Communication	24,264	11,289
	Education Institutions	30,792	11,669
	<b>Total- Gross</b>	<b>8,47,670</b>	<b>6,43,307</b>
	Less: Impairment loss allowance	(5,328)	(2,563)
	<b>Total- Net</b>	<b>8,42,342</b>	<b>6,40,744</b>
	<b>(b)(III) Loans outside India</b>	-	-
	Less: Impairment loss allowance	-	-
	<b>Total- Net</b>	-	-
	<b>Total [b(I)+b(II)]</b>	<b>8,42,342</b>	<b>6,40,744</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

Notes forming part of financial statements as at and for the year ended March 31, 2021

(₹ in lakhs)

**5 Other financial assets**

	As at March 31, 2021	As at March 31, 2020
Receivables from Group Company	52	11
<b>Total</b>	<b>52</b>	<b>11</b>

**6 Current tax assets (Net)**

	As at March 31, 2021	As at March 31, 2020
Advance payment of income tax	8,475	4,243
(Net of current year provision for tax is ₹ 10,924 lakhs, Previous year: March 31, 2020 ₹ 10,924 lakhs)		
<b>Total</b>	<b>8,475</b>	<b>4,243</b>

**Notes forming part of financial statements as at and for the year ended March 31, 2021**

**7 Property, plant and equipment**

As at March 31, 2021									(₹ in lakhs)	
	Gross block			Balance as at March 31, 2021	Accumulated depreciation			Balance as at March 31, 2021	Net block	
	Balance as at April 1, 2020	Additions	Disposals		Balance as at April 1, 2020	Depreciation charge for the year	On disposals		Balance as at March 31, 2021	Balance as at March 31, 2020
Freehold Land (Refer note below)	4	-	-	4	-	-	-	-	4	4
(Previous year)	(4)	-	-	(4)	-	-	-	-	(4)	-
Right of use Assets	537	-	12	525	135	189	-	324	201	402
(Previous year)	-	(537)	-	(537)	-	(135)	-	(135)	(403)	-
Vehicles (owned)	142	-	47	95	107	20	47	80	15	35
(Previous year)	(135)	(14)	(7)	(142)	(93)	(21)	(7)	(107)	(35)	-
Computers	50	8	-	58	13	10	-	23	35	37
(Previous year)	(10)	(40)	-	(50)	(6)	(7)	-	(13)	(37)	-
Office Equipments	10	3	-	13	6	2	-	8	5	5
(Previous year)	(6)	(5)	-	(10)	(4)	(2)	-	(6)	(5)	-
Leasehold Improvements	176	-	-	176	42	59	-	101	75	134
(Previous year)	(84)	(176)	(84)	(176)	(22)	(48)	(28)	(42)	(134)	-
Furniture and Fixtures	4	-	-	4	1	0	-	1	3	3
(Previous year)	(14)	-	(10)	(4)	(1)	(1)	(1)	(1)	(3)	-
<b>Total tangible assets</b>	<b>923</b>	<b>11</b>	<b>59</b>	<b>875</b>	<b>303</b>	<b>281</b>	<b>47</b>	<b>537</b>	<b>338</b>	<b>620</b>
<b>(previous year)</b>	<b>(253)</b>	<b>(771)</b>	<b>(101)</b>	<b>(923)</b>	<b>(126)</b>	<b>(212)</b>	<b>(35)</b>	<b>(303)</b>	<b>(620)</b>	

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

**NIIF INFRASTRUCTURE FINANCE LIMITED**

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**Notes forming part of financial statements as at and for the year ended March 31, 2021****(₹ in lakhs)****8 Other non-financial assets**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Prepaid expenses	61	77
Supplier Advance	32	26
Deposits	25	-
Other Advance	7	-
	<b>125</b>	<b>103</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**

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**Notes forming part of financial statements as at and for the year ended March 31, 2021****9 Trade payables**

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	60	47
<b>Total</b>	<b>60</b>	<b>47</b>

**10 Other payables**

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	-	-

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006

**Particulars**

	As at March 31, 2021	As at March 31, 2020
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.	-	-

**11 Debt Securities**

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>At Amortised cost</b>		
Debentures (Secured, non convertible) (*)	7,12,642	5,67,203
Interest accrued but not due on debt securities	24,351	19,320
<b>Total (A)</b>	<b>7,36,993</b>	<b>5,86,523</b>
(*) The borrowings outstanding before adjustment of unamortised fees under Effective Interest Rate	7,13,300	5,67,400
Debt securities in India	7,36,993	5,86,523
Debt securities outside India	-	-
<b>Total (B)</b>	<b>7,36,993</b>	<b>5,86,523</b>
Face value per debenture	10,00,000	10,00,000

**NIIF INFRASTRUCTURE FINANCE LIMITED**

Notes forming part of financial statements as at and for the year ended March 31, 2021

**(a) Interest and repayment terms of debenture and bonds (non convertible) (secured):**

(₹ in lakhs)

Series Name	Issuance date	Maturity date	As at March 31, 2021	As at March 31, 2020	No. of NCD (units)	Coupon rate	Payment frequency-Interest	Payment frequency-Principal
IDFC IFL PP 7/2019	27-Mar-2019	27-May-2020	-	10,000	-	8.68%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 1/2016	29-Sep-2015	29-Oct-2020	-	15,000	-	8.85%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 2/2016	21-Oct-2015	20-Nov-2020	-	15,500	-	8.65%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 3/2016	16-Nov-2015	1-Dec-2020	-	7,500	-	8.64%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 4/2016	9-Dec-2015	8-Jan-2021	-	7,500	-	8.55%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 5/2016	8-Jan-2016	28-Jan-2021	-	25,000	-	8.65%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 6/2016	22-Mar-2016	22-Apr-2021	10,300	10,300	1030	8.88%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 1/2017	14-Jul-2016	27-Jul-2021	20,900	20,900	2090	8.75%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 2/2017	9-Aug-2016	25-Aug-2021	14,100	14,100	1410	8.60%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 3/2017	29-Aug-2016	31-Aug-2021	13,600	13,600	1360	8.51%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 4/2017	1-Sep-2016	7-Sep-2021	2,500	2,500	250	8.51%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 5/2017	27-Sep-2016	12-Oct-2021	25,500	25,500	2550	8.39%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 6/2017	17-Nov-2016	30-Nov-2021	2,500	2,500	250	8.10%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 7/2017	30-Nov-2016	12-Jan-2022	6,000	6,000	600	7.35%	Annually and on maturity	Bullet repayment at maturity
IDFC IDF PP 8/2017	6-Dec-2016	18-Jan-2022	2,500	2,500	250	7.35%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 6/2019	10-Jan-2019	22-Feb-2022	2,500	2,500	250	9.050%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 9/2017	1-Feb-2017	13-Apr-2022	15,000	15,000	1500	8.00%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 10/2017	22-Mar-2017	24-May-2022	8,100	8,100	810	8.25%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 2/2018	26-Apr-2017	26-May-2022	10,100	10,100	1010	8.01%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 1/2018	19-Apr-2017	19-Jul-2022	8,500	8,500	850	8.04%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 4/2018	12-Jul-2017	11-Aug-2022	10,000	10,000	1000	7.94%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 3/2018	31-May-2017	18-Aug-2022	10,100	10,100	1010	7.97%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 6/2018	19-Sep-2017	10-Nov-2022	34,000	34,000	3400	7.73%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 5/2018	31-Aug-2017	24-Nov-2022	8,200	8,200	820	7.73%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 6 / 2021	29-Jan-2021	27-Jan-2023	25,000		2500	5.50%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 8/2018	18-Dec-2017	14-Feb-2023	26,500	26,500	2650	8.08%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 9/2018	6-Feb-2018	21-Feb-2023	5,000	5,000	500	8.48%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 1/2019-Option I	26-Apr-2018	26-May-2023	6,000	6,000	600	8.37%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 10/2018	22-Mar-2018	22-Aug-2023	21,700	21,700	2170	8.49%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 5/2019	12-Oct-2018	23-Nov-2023	1,200	1,200	120	9.120%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 7/2020	4-Mar-2020	15-Jan-2024	15,000	15,000	1500	8.150%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 1/2020	30-Apr-2019	28-May-2024	2,000	2,000	200	9.000%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 4/2019	19-Jul-2018	14-Aug-2024	18,900	18,900	1890	9.255%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 2/2020	4-Jun-2019	19-Aug-2024	5,900	5,900	590	9.000%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 3/2019	5-Jul-2018	27-Aug-2024	4,700	4,700	470	9.21%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 3/2020	20-Jun-2019	29-Aug-2024	8,100	8,100	810	9.00%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 4/2020	27-Sep-2019	7-Nov-2024	39,000	39,000	3900	8.60%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 7/2018	28-Nov-2017	28-Nov-2024	11,500	11,500	1150	7.99%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 5/2020	23-Dec-2019	21-Feb-2025	60,000	60,000	6000	8.65%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 1 / 2021	23-Apr-2020	21-May-2025	50,000		5000	8.25%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 1/2019-Option II	26-Apr-2018	27-May-2025	4,400	4,400	440	8.415%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 2 / 2021	1-Jun-2020	2-Jun-2025	25,000		2500	7.50%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 3 / 2021	12-Jun-2020	12-Aug-2025	12,500		1250	7.50%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 4 / 2021	29-Sep-2020	28-Nov-2025	24,500		2450	7.25%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 5 / 2021	31-Dec-2020	31-Dec-2025	10,500		1050	6.45%	Annually and on maturity	Bullet repayment at maturity
IDFC IFL PP 6/2020	15-Jan-2020	15-Jan-2026	50,000	50,000	5000	8.700%	Annually and on maturity	20% annually starting 15-Jan-26
IDFC IFL PP 2/2019	4-May-2018	15-May-2026	2,600	2,600	260	8.52%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 8 / 2021	22-Mar-2021	22-May-2026	12,500		1250	7.25%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 9 / 2021	30-Mar-2021	29-May-2026	56,000		5600	7.25%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 7 / 2021	4-Feb-2021	4-Feb-2031	7,500		750	7.25%	Annually and on maturity	Bullet repayment at maturity
NIIF IFL PP 7 / 2021-reissuance	18-Feb-2021	18-Feb-2031	2,900		290	7.25%	Annually and on maturity	Bullet repayment at maturity
<b>Total NCDs issued</b>			<b>7,13,300</b>	<b>5,67,400</b>				
<b>Less: Unamortised arranger fees</b>			<b>658</b>	<b>197</b>				
<b>Net outstanding NCDs</b>			<b>7,12,642</b>	<b>5,67,203</b>				



**(b) Ratings assigned by credit rating agencies and migration of ratings during the year**

Particulars	As at March 31, 2021		As at March 31, 2020	
	CARE Rating Limited	ICRA Limited	CARE Rating Limited	ICRA Limited
Rating assigned	AAA	AAA	AAA	AAA
Date of rating	October 06, 2020	September 04, 2020	September 30, 2019	September 23, 2019
Rating valid upto	October 06, 2021	September 03 2021	September 29, 2020	September 22 2020

The validity of the rating is subject to periodical revalidation by rating agencies.

**(c)** There is no Debenture Redemption Reserve (DRR) created as the Non Banking Financial Companies registered with Reserve Bank of India are not required to create DRR for the privately placed debentures.

**(d) Details about the nature of the security**

The above debt securities are secured by way of mortgage of freehold land and a first floating pari passu charge by way of hypothecation of receivables of the company arising out of its investments, loans, current assets, loans and advances, both present and future, excluding investments in and other receivables from subsidiaries and affiliates of the IDFC group and lien marked assets.

In terms of the RBI circular (Ref No. DNBR .PD. 008 / 03.10.119 / 2016-17 dated September 01, 2016) no borrowings remained overdue as on March 31, 2021 (previous year - Nil).

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes forming part of financial statements as at and for the year ended March 31, 2021****(₹ in lakhs)****12 Borrowings (other than Debt Securities)**

Particulars	As at March 31, 2021	As at March 31, 2020
Finance Lease Obligations	242	416
<b>Total</b>	<b>242</b>	<b>416</b>

**13 Other financial liabilities****(₹ in lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Advance receipts from borrowers	440	594
<b>Total</b>	<b>440</b>	<b>594</b>

**14 Provisions****(₹ in lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for expenses	18	19
Provision for compensated absences	35	-
Provision for long term incentive plan	34	-
<b>Total</b>	<b>87</b>	<b>19</b>

**15 Other non-financial liabilities****(₹ in lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	165	122
Payable to gratuity fund	-	32
Payable to NPS/Superannuation fund	2	-
Other liabilities	351	353
<b>Total</b>	<b>518</b>	<b>507</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes forming part of financial statements as at and for the year ended March 31, 2021****16A Share capital****Authorised shares**

Equity shares of ₹ 10 each

Compulsorily convertible preference shares of ₹ 21 each

**Issued, subscribed & fully paid-up shares**

Equity shares of ₹ 10 each

Compulsorily convertible preference shares of ₹ 21 each

**Total**

As at March 31, 2021		As at March 31, 2020	
Number	(₹ in lakhs)	Number	(₹ in lakhs)
1,81,50,00,000	1,81,500	80,00,00,000	80,000
8,80,95,238	18,500	-	-
91,57,30,161	91,573	54,00,00,000	54,000
8,79,27,757	18,465	-	-
	1,10,038		54,000

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

Outstanding at the beginning of the year

Issued during the year (\*)

Outstanding at the end of the period/year

As at March 31, 2021		As at March 31, 2020	
Number	(₹ in lakhs)	Number	(₹ in lakhs)
54,00,00,000	54,000	54,00,00,000	54,000
37,57,30,161	37,573	-	-
91,57,30,161	91,573	54,00,00,000	54,000

**(b) Movements in preference share capital.**

Outstanding at the beginning of the year

Issued during the year (\*)

Outstanding at the end of the year

As at March 31, 2021		As at March 31, 2020	
Number	(₹ in lakhs)	Number	(₹ in lakhs)
-	-	-	-
8,79,27,757	18,465	-	-
8,79,27,757	18,465	-	-

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

- 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.
- 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.
- 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)**

- The Company has issued Compulsorily Convertible Preference Shares (CCPS) having a par value of ₹ 21 per share.
- 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.
- The Company has issued Compulsorily Convertible Preference Shares (CCPS). 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.
- Subject to Section 47(2) of the Companies Act, 2013, the CCPS do not carry any voting rights.
- 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 holding entity**

National Investment and Infrastructure Fund II and its nominees

As at March 31, 2021		As at March 31, 2020	
Number	% of Holding	Number	% of Holding
54,63,50,979	59.66%	31,80,00,000	58.89%

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

National Investment and Infrastructure Fund II and its nominees

Aseem Infrastructure Finance Limited

Housing Development Finance Corporation Limited

As at March 31, 2021		As at March 31, 2020	
Number	% of Holding	Number	% of Holding
54,63,50,979	59.66%	31,80,00,000	58.89%
30,93,79,182	33.79%	16,20,00,000	30.00%
6,00,00,000	6.55%	6,00,00,000	11.11%

**0.001% Compulsorily Convertible Preference Shares**

President of India (\*)

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

8,79,27,757	100.00%	-	0.00%
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**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes forming part of financial statements as at and for the year ended March 31, 2021****16B Other Equity**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(a) Surplus in the statement of profit and loss	33,648	23,112
(b) Securities premium (*)	34,437	-
(c) General Reserves	88	88
(d) Special reserve u/s. 45-IC of the RBI Act, 1934	8,783	6,141
(e) Impairment Reserve	4	4
<b>Total</b>	<b>76,960</b>	<b>29,345</b>
<b>(a) Surplus in the Statement of Profit and Loss</b>		
Opening balance	23,112	22,755
Net profit for the year	13,175	453
Items of other comprehensive income recognised directly in retained earnings	-	-
- Remeasurements of post-employment benefit obligations, net of tax	35	(1)
Transfer to Special Reserve u/s. 45-IC of RBI Act, 1934	(2,642)	(91)
Transfer to Impairment Reserve	-	(4)
ESOP cost reversed to reserves	-	-
Share capital issue expenses	(32)	-
<b>Closing balance</b>	<b>33,648</b>	<b>23,112</b>
<b>(b) Securities Premium</b>		
Opening balance	-	-
Changes during the year (*)	34,462	-
Share capital issue expenses	(25)	-
<b>Closing balance</b>	<b>34,437</b>	<b>-</b>
<b>(c) General Reserve</b>		
Opening balance	88	88
ESOP cost reversed to reserves	-	-
<b>Closing balance</b>	<b>88</b>	<b>88</b>
<b>(d) Special Reserve u/s. 45-IC of RBI Act, 1934</b>		
Opening balance	6,141	6,050
Appropriations during the period/year	2,642	91
<b>Closing balance</b>	<b>8,783</b>	<b>6,141</b>
<b>(e) Impairment Reserve</b>		
Opening balance	4	-
Appropriations during the period/year	-	4
<b>Closing balance</b>	<b>4</b>	<b>4</b>
<b>Total</b>	<b>76,960</b>	<b>29,345</b>

(\*) During the year, the Company has received equity share capital of ₹ 72,000 lakhs (including securities premium) from existing shareholders and compulsorily convertible preference shares capital (CCPS) of ₹ 18,500 lakhs (including securities premium) from President of India (Represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India). The CCPS infusion from Government of India is the first tranche subscribed against its commitment to make direct investment in the Company as announced in the Union Budget for FY 2020-21 and Atmanirbhar Bharat Scheme 3.0.

**16C Nature and purpose of reserve****a) Securities premium**

Securities premium represents the excess of issue price over face value of equity shares & compulsorily convertible preference shares (CCPS) issue during the year. As per section 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 Statement of Profit and Loss and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company.

**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', also refer Note 38(o).

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes forming part of financial statements as at and for the year ended March 31, 2021****17 Interest Income**

	(₹ in lakhs)
For the year ended March 31, 2021	For the year ended March 31, 2020

**On financial assets measured at amortised costs**

Interest on loans ( refer note no.41)

68,237

50,633

Interest on deposit

2,208

621

**Total****70,445****51,254****18 Net gain on fair value changes**

	(₹ in lakhs)
For the year ended March 31, 2021	For the year ended March 31, 2020

**Net gain on financial instruments at FVTPL**

On trading portfolio

- Investments

-

941

**Total****-****941****19 Net gain on derecognition of financial instruments under amortised cost category**

(₹ in lakhs)

	(₹ in lakhs)
For the year ended March 31, 2021	For the year ended March 31, 2020

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

- Loans

1,030

-

**1,030****-****20 Other Income**

	(₹ in lakhs)
For the year ended March 31, 2021	For the year ended March 31, 2020

Shared Service Cost Recovery

91

-

Profit/(loss) on sale of asset

2

(65)

**Total****93****(65)****21 Finance Costs****On financial liabilities measured at amortised costs**

	(₹ in lakhs)
For the year ended March 31, 2021	For the year ended March 31, 2020

Interest expense

(i) Debt securities

53,114

37,874

(ii) Borrowings (Other than debt securities)

43

33

Other borrowing cost (Rating fee &amp; Other expenses)

121

122

**Total****53,278****38,029**

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes forming part of financial statements as at and for the year ended March 31, 2021****22 Fees and commission expense**

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Guarantee Commission paid to NHAI	38	41
	<b>38</b>	<b>41</b>

**23 Impairment on financial instruments**

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>On financial instruments measured at amortised costs</b>		
Term loans	2,364	496
Debentures and Bonds	400	187
<b>Total</b>	<b>2,764</b>	<b>683</b>

**24 Employee benefits expense**

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	1,257	1,016
Contribution to gratuity fund {Refer note 28(c)}	28	31
Contribution to provident and other funds {Refer note 28(b)}	78	75
Staff welfare expenses	5	17
<b>Total</b>	<b>1,368</b>	<b>1,139</b>

**25 Depreciation, amortisation and impairment**

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	281	212
<b>Total</b>	<b>281</b>	<b>212</b>

**26 Other expenses**

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Professional fees	125	134
Rates and taxes	114	99
Repairs & maintenance	48	40
Insurance charges	23	17
Electricity charges	13	14
Travelling and conveyance	-	51
Printing and stationery	1	2
Communication costs	8	6
Stamp duty and registration fees	7	0
Directors' sitting fees	12	7
Shared service cost [see note (a) below]	-	96
Contribution towards corporate social responsibility (CSR) [see note (c) below]	211	218
Donations	-	-
Auditor's remuneration [see note (b) below]	29	30
Advertising & publicity	12	12
Miscellaneous expenses	61	46
<b>Total</b>	<b>664</b>	<b>772</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes forming part of financial statements as at and for the year ended March 31, 2021**

- (a) Shared service cost includes amount paid to fellow associates towards a Service Level Agreement - Nil (previous year amount ₹ 96 lakhs).

**(b) Breakup of Auditors' remuneration**

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit fees	18	22
Tax audit fees	1	1
Other Services	9	6
Out-of-pocket expenses	1	1
	<b>29</b>	<b>30</b>

**(c) Contribution for corporate social responsibility (CSR)**

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year ₹ 211 lakhs (previous year ₹ 183 lakhs). Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is ₹ 211 lakhs (previous year ₹ 183 lakhs), which comprise of following:

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	211	183
(iii) On purposes other than (i) above- unspent balance for FY 2018-19	-	35
<b>Total</b>	<b>211</b>	<b>218</b>

**27 Income tax**

- a) The components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	-	10,801
Deferred tax	-	-
<b>Total</b>	<b>-</b>	<b>10,801</b>

**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, 2021 and March 31, 2020 is, as follows:

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Accounting profit before tax	13,175	11,254
Tax at India's statutory income tax rate of 29.12% (previous year 29.12%)		
Tax effect of the amount which are not taxable in calculating taxable income :		
- Income exempted under section 10(47) of Income Tax Act, 1961 {Refer note (c) below}	13,175	11,254
- Other	-	-
<b>Income tax expense at effective tax rate</b>	<b>-</b>	<b>-</b>
<b>Effective tax rate</b>	<b>0%</b>	<b>0%</b>

- c) 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. 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 filed a letter with 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 was provided for in the financial statements for the year ended March 31, 2020.

This is one time provision pertaining to the past period and given the CBDT notification, the Company is entitled to avail tax exemption from the Financial Year commencing April 01, 2019, no provision for tax & deferred tax asset / liabilities have been recognised since that date.

**NIIF INFRASTRUCTURE FINANCE LIMITED**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes forming part of financial statements as at and for the year ended March 31, 2021****28. Employee benefit obligations****(₹ in lakhs)****a) Labour Law**

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become 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	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident fund	49	47
Pension fund	-	1
Superannuation fund	28	27

**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
<b>As at March 31, 2019</b>	<b>345</b>	<b>345</b>	<b>-</b>
Current service cost	33	-	33
Interest expense/(income)	18	-	18
Return on plan assets	-	19	(19)
Remeasurements due to actual return on plan assets less interest on plan assets	-	23	(23)
Actuarial loss / (gain) arising from change in financial assumptions	11	-	11
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	12	-	12
Reversal of the liability	(1)	-	(1)
Employer contributions	-	-	-
Benefit payments	(2)	(2)	-
Assets acquired	-	-	-
<b>As at March 31, 2020</b>	<b>416</b>	<b>384</b>	<b>32</b>
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)
<b>As at March 31, 2021</b>	<b>434</b>	<b>441</b>	<b>(7)</b>

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of plan liabilities	434	416
Fair value of plan assets	441	384
<b>Plan liability net of plan assets</b>	<b>(7)</b>	<b>32</b>



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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employee benefit expense	-	-
Losses on acquisition	-	-
Current service cost	33	33
<b>Total</b>	<b>33</b>	<b>33</b>
Finance costs	1	(1)
Gains/(losses) on settlements	(6)	-
<b>Net impact on the profit before tax</b>	<b>28</b>	<b>33</b>
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Remeasurements of the net defined benefit liability:</b>		
Opening amount recognized in OCI outside profit and loss account	10	10
Return on plan assets excluding amounts included in interest expense/income	(5)	(23)
Actuarial loss / (gain) arising from change in financial assumptions	2	11
Actuarial loss / (gain) arising from change in demographic assumptions	-	(1)
Actuarial loss / (gain) arising on account of experience changes	(32)	12
Actuarial gains/(losses) arising from changes in experience	-	-
<b>Net impact on the other comprehensive income before tax</b>	<b>(25)</b>	<b>10</b>

iii) **Defined benefit plan assets**

Category of assets (% allocation)	As at March 31, 2021	As at March 31, 2020
Insurer managed funds	441	384
<b>Total</b>	<b>441</b>	<b>384</b>

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, 2021	As at March 31, 2020
Discount rate	6.35%	6.50%
Salary escalation rate*	9.00%	9.00%

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

v) **Sensitivity** (₹ in lakhs)

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

As at March 31, 2020	Change in assumption	Impact on defined benefit	
		Increase	Decrease
Discount rate	0.50%	(8)	9
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** (₹ in lakhs)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within the next 12 months (next annual reporting period)	198	190
Between 2 and 5 years	160	92
Between 5 and 10 years	83	132
Beyond 10 years	148	168
<b>Total expected payments</b>	<b>589</b>	<b>582</b>

The weighted average duration of the defined benefit obligation is 3.75 years (previous year - 4.03 years)

vii) **Provision for long term incentive plan (LTIP)** (₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Liability for long term incentive plan	34	-

viii) **Provision for leave encashment** (₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Liability for compensated absences	35	-

**NIIF INFRASTRUCTURE FINANCE LIMITED**

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**Notes forming part of financial statements as at and for the year ended March 31, 2021****29. 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, 2021	Year ended March 31, 2020
Segment revenue		
- India	71,475	52,195
- Outside India	-	-
<b>Total</b>	<b>71,475</b>	<b>52,195</b>

\* 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, 2021	As at March 31, 2020
Segment assets		
- India	9,25,338	6,71,451
- Outside India	-	-
Segment liabilities		
- India	9,25,338	6,71,451
- Outside India	-	-

**30. Earnings per share (EPS)****a) The basic earnings per share has been calculated based on the following:**

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit after tax available for equity shareholders	13,210	452
Weighted average number of ordinary shares for basic earnings per share	67,27,00,820	54,00,00,000
Effect of dilution on account of compulsorily convertible preference shares (CCPS)	4,81,796	-
Weighted average number of ordinary shares adjusted for the effect of dilution	67,31,82,616	54,00,00,000

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Basic earnings per share	1.96	0.08
Diluted earnings per share	1.96	0.08

There is no impact of dilution of no of shares on account of compulsorily convertible preference shares (CCPS) on net profit after tax available for equity shareholders.

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**Notes forming part of financial statements as at and for the year ended March 31, 2021****31. Capital commitments****(₹ in lakhs)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	-
Undisbursed commitments	41,738	-
<b>Total</b>	<b>41,738</b>	<b>-</b>
<b>Contingent liabilities</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Claims not acknowledged as debts in respect of :		
Income-tax demands under appeal (Refer note 27( c ) & note (i) below)	-	-
	-	-

(i) The Company has filed two appeals with Commissioner of Income Tax (Appeals) against disallowance of income from liquid investments involving tax demand of ₹ 149 lakhs for Financial year 2014-2015 & ₹ 1,039 lakhs for Financial year 2015-2016, as the income of Company was considered as exempt under Section 10(47) of the Income Tax Act. However, subsequently, on October 21, 2019, the Company was notified as Infrastructure Debt Fund (IDF) with prospective effect, from the period starting Financial year 2019-2020. As such all the income of Company (including income from liquid investments) from Financial year 2014-2015 till Financial year 2018-2019 became taxable. The Company has filed an application with 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). As such the appeal filed against disallowance of income from liquid investments for Financial year 2014-2015 and Financial year 2015-2016 is subject to the outcome of the application for revision of the CBDT notification from prospective effect to retrospective effect. In the interim, the entire tax liability from Financial year 2014-15 till financial year 2018-19 amounting to ₹ 10,801 lakhs was provided for in the financial statements for the year ended March 31, 2020 & paid off and as such there is no contingent liability required to be disclosed.

**Provident Fund:** The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C- I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

**32 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)**

<b>Capital to risk assets ratio (CRAR):</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Tier I capital	1,86,994	83,341
Tier II capital	5,328	2,563
<b>Total capital</b>	<b>1,92,322</b>	<b>85,904</b>
Risk weighted assets		
CRAR (%)	23.38%	15.06%
CRAR - Tier I capital (%)	22.73%	14.61%
CRAR - Tier II capital (%)	0.65%	0.45%
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.

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**Notes forming part of financial statements as at and for the year ended March 31, 2021****Maturity analysis of assets and liabilities****33** 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, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	74,006	-	74,006	25,730	-	25,730
Loans	64,911	7,77,431	8,42,342	48,298	5,92,446	6,40,744
Investments	-	-	-	-	-	-
Other financial assets	52	-	52	11	-	11
<b>Non-financial assets</b>						
Income tax assets (Net)	-	8,475	8,475	-	4,243	4,243
Property, plant and equipment	-	338	338	-	620	620
Other non-financial assets	100	25	125	103	-	103
<b>Total assets</b>	<b>1,39,069</b>	<b>7,86,269</b>	<b>9,25,338</b>	<b>74,142</b>	<b>5,97,309</b>	<b>6,71,451</b>
<b>Financial liabilities</b>						
Derivative financial instruments	-	-	-	-	-	-
Pavables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	60	-	60	47	-	47
(II) Other payables						
(i) total outstanding dues of micro enterprises and small	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Debt securities	1,24,751	6,12,242	7,36,993	99,820	4,86,703	5,86,523
Borrowings (Other than debt securities)	191	51	242	175	241	416
Other financial liabilities	440	-	440	594	-	594
<b>Non-financial Liabilities</b>						
Provisions	28	59	87	19	-	19
Other non-financial liabilities	518	-	518	507	-	507
<b>Total liabilities</b>	<b>1,25,988</b>	<b>6,12,352</b>	<b>7,38,340</b>	<b>1,01,162</b>	<b>4,86,944</b>	<b>5,88,106</b>
<b>Net</b>	<b>13,081</b>	<b>1,73,917</b>	<b>1,86,998</b>	<b>(27,020)</b>	<b>1,10,365</b>	<b>83,345</b>

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**Notes to financial statement for the year ended March 31, 2021****34 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.

<b>As at March 31, 2021</b>	<b>At FVTPL</b>	<b>At FVOCI</b>	<b>Amortised Cost</b>
<b>Financial Assets</b>			
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
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>9,21,728</b>
<b>Financial Liabilities</b>			
Debt Securities			
- Debentures and bonds	-	-	7,12,642
- Commercial paper	-	-	-
- Accrued interest on borrowings	-	-	24,351
Borrowings (Other than Debt securities)	-	-	242
Trade payables	-	-	60
Other financial liabilities	-	-	440
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>7,37,735</b>
<b>As at March 31, 2020</b>	<b>At FVTPL</b>	<b>At FVOCI</b>	<b>Amortised Cost</b>
<b>Financial Assets</b>			
Investments			
- Mutual fund units	-	-	-
Loans			
- Term loans	-	-	4,65,281
- Debentures and bonds	-	-	1,73,642
- Accrued interest on loans, debentures and bonds	-	-	4,384
Cash and Cash Equivalents	-	-	25,730
Other financial assets	-	-	11
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>6,69,048</b>
<b>Financial Liabilities</b>			
Debt Securities			
- Debentures and bonds	-	-	5,67,203
- Commercial paper	-	-	-
- Accrued interest on borrowings	-	-	19,320
Borrowings (Other than Debt securities)	-	-	416
Trade payables	-	-	47
Other financial liabilities	-	-	594
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,87,580</b>

**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.

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**Notes to financial statement for the year ended March 31, 2021****b) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**As at March 31, 2021****(₹ in lakhs)**

<b>Assets and liabilities measured at amortised cost for which fair values are disclosed</b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
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
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>8,42,342</b>	<b>8,42,342</b>
<b>Financial liabilities</b>					
Debt securities					
- Debentures and bonds	11	-	-	7,12,642	7,12,642
- Commercial papers	11	-	-	-	-
- Accrued interest on borrowings	11	-	-	24,351	24,351
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>7,36,993</b>	<b>7,36,993</b>

**As at March 31, 2020****(₹ in lakhs)**

<b>Assets and liabilities measured at amortised cost for which fair values are disclosed</b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
Loans					
- Term loans	4	-	-	4,63,413	4,63,413
- Debentures and bonds	4	-	-	1,72,947	1,72,947
- Accrued interest on loans, debentures and bonds	4			4,384	4,384
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>6,40,744</b>	<b>6,40,744</b>
<b>Financial liabilities</b>					
Debt securities					
- Debentures and bonds	11	-	-	5,67,203	5,67,203
- Commercial papers	11	-	-	-	-
	11			19,320	19,320
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>5,86,523</b>	<b>5,86,523</b>

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**Notes to financial statement for the year ended March 31, 2021**

- 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, 2021		As at March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
<b>Loans</b>				
Rupee loans	6,56,632	6,56,632	4,63,413	4,63,413
Debentures and Bonds	1,81,215	1,81,215	1,72,947	1,72,947
Accrued interest on loans, debentures and bonds	4,495	4,495	4,384	4,384
<b>Total financial assets</b>	<b>8,42,342</b>	<b>8,42,342</b>	<b>6,40,744</b>	<b>6,40,744</b>
<b>Financial liabilities</b>				
<b>Loans</b>				
<b>Debt securities</b>				
Debentures	7,12,642	7,60,363	5,67,203	5,67,203
Commercial papers	-	-	-	-
<b>Total financial liabilities</b>	<b>7,12,642</b>	<b>7,60,363</b>	<b>5,67,203</b>	<b>5,67,203</b>

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.

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**Notes to financial statement for the year ended March 31, 2021****35 Financial risk management****35.1. 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.

**35.2. 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.

**35.3. 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.

**35.3.1. 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Energy Generation - Wind	25%	25%	12.11%	19.21%
Energy Generation - Solar	45%	40%	33.94%	17.16%
Energy Generation - Hydro	15%	25%	0.97%	2.20%
Energy Generation - Other	25%	25%	14.52%	16.67%
Energy Transmission	25%	40%	9.97%	10.02%
Transport - Roads	-	-	8.20%	11.85%
Ports, Airports, Railways etc. (without tripartite)	25%	25%	4.59%	5.95%
Bulk Material Transportation	15%		0.84%	
Other social and commercial infrastructure	25%	40%	1.66%	1.42%
Hospitals	25%	25%	7.02%	11.97%
Education Institutions	25%	25%	3.46%	1.79%
Communication	15%	15%	2.73%	1.76%
<b>Total</b>			<b>100.00%</b>	<b>100.00%</b>



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**Notes to financial statement for the year ended March 31, 2021****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+	
3.81 - 3.90	iAA	
3.71 - 3.80	iAA-	High Safety
3.61 - 3.70	iA+	
3.51 - 3.60	iA	
3.41 - 3.50	iA-	Adequate Safety
3.11 - 3.40	iBBB+	
2.81 - 3.10	iBBB	
2.61 - 2.80	iBBB-	Moderate Safety
2.25 - 2.60	iBB+, iBB & iBB-	
1.00 - 2.25	iB, iC & iD	
		Moderate Risk
		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.

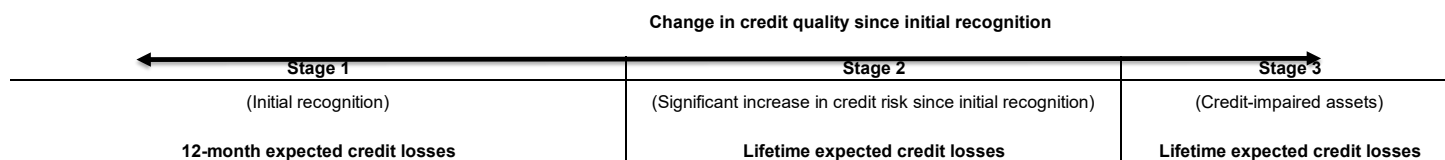
Internal rating grades	% of total customer		% of total outstanding	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
iAAA	0%	1%	0%	0%
iAA+, iAA, iAA-	40%	28%	36%	26%
iA+, iA, iA-	35%	44%	35%	44%
iBBB+	14%	15%	19%	19%
iBBB	6%	9%	9%	11%
iBBB-	4%	2%	1%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**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:



**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, 2021.

**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 unlikelihood 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.

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**Notes to financial statement for the year ended March 31, 2021****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	0.07%	0.03%	0.28%
	iAA+	0.10%	0.03%	0.37%
High Safety	iAA	0.10%	0.03%	0.37%
	iAA-	0.10%	0.03%	0.37%
Adequate Safety	iA+	0.39%	0.11%	1.23%
	iA	0.39%	0.11%	1.23%
	iA-	0.39%	0.11%	1.23%
Moderate Safety	iBBB+	2.09%	0.79%	4.85%
	iBBB	2.09%	0.79%	4.85%
	iBBB-	2.09%	0.79%	4.85%
Moderate Risk	iBB+	7.98%	4.37%	13.47%
	iBB	7.98%	4.37%	13.47%
	iBB-	7.98%	4.37%	13.47%
High Risk	iB	16.23%	10.30%	24.02%
Very High Risk	iC	34.10%	24.62%	44.72%
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.

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**Notes to financial statement for the year ended March 31, 2021****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.

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, 2021**

ECL Scenario	Assigned probabilities %	2020	2021	2022	2023	2024
Base case	50%	-10.30%	8.80%	8.00%	7.60%	7.40%
Best case	20%	-8.80%	10.30%	9.40%	9.10%	8.90%
Worst case	30%	-11.75%	7.30%	6.50%	6.20%	5.90%

**Year ended March 31, 2020**

ECL Scenario	Assigned probabilities %	2019	2020	2021	2022	2023
Base case	50%	1.90%	7.40%	8.20%	9.00%	9.00%
Best case	20%	4.40%	10.00%	10.70%	11.50%	11.50%
Worst case	30%	-0.66%	4.89%	5.65%	6.47%	6.47%

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 calendar years & not financials years

	Year ended March 31, 2021			Year ended March 31, 2020		
	Base case	Best case	Worst case	Base case	Best case	Worst case
Assigned probabilities %	50%	20%	30%	50%	20%	30%
ECL (₹ in lakhs)	3,558.24	1,267.13	9,052.90	1,002.64	154.80	6,756.67

Scenario weighted ECL as on March 31, 2021 is ₹ 4,748 lakhs ( March 31, 2020 ₹ 2,559 lakhs ).

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**Notes to financial statement for the year ended March 31, 2021****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, 2021	As at March 31, 2020
Less than 1 year	7.73%	17.76%
More than 1 year	92.27%	82.24%

**viii) Overview of modified and forbore loan**

All the loan assets of the Company are categorised under Stage 1 and there are no modified or forbore 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, 2021			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
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
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>8,92,170</b>	<b>-</b>	<b>-</b>	<b>8,92,170</b>

Term loans and debentures	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
Highest Safety	426	-	-	426
High Safety	1,69,258	-	-	1,69,258
Adequate Safety	2,83,714	-	-	2,83,714
Moderate Safety	1,89,909	-	-	1,89,909
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>6,43,307</b>	<b>-</b>	<b>-</b>	<b>6,43,307</b>

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**Notes to financial statement for the year ended March 31, 2021****ii) Maximum exposure to credit risk - Financial instruments not subject to impairment**

The Company does not have any exposure to Financial instruments not subjected to impairment.

**iii) Collateral and other credit enhancement**

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Company prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types are:

- charges over tangible assets such as property, plant and equipment; and
- charges over book debts, inventories, bank deposits, and other working capital items; and
- charges over financial instruments such as debt securities and equities.

The fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a regular basis.

(₹ in lakhs)

Particulars	Gross Exposure	Impairment allowance	Undrawn amount	EIR Adjustment	Carrying amount	Fair value of collateral held
<b>As at March 31, 2021</b>						
<b>Loans to corporate entities/individuals:</b>						
- Term loans	7,05,364	4,212	41,738	2,661	6,56,752	12,29,665
- Debentures and bonds	1,82,311	1,089	-	101	1,81,122	3,23,625
- Accrued interest on loans, debentures and bonds	4,495	27	-	-	4,468	4,495
<b>Total</b>	<b>8,92,170</b>	<b>5,328</b>	<b>41,738</b>	<b>2,762</b>	<b>8,42,342</b>	<b>15,57,785</b>
<b>As at March 31, 2020</b>						
<b>Loans to corporate entities/individuals:</b>						
- Term loans	4,65,281	1,854	-	-	4,63,427	9,39,047
- Debentures and bonds	1,73,642	692	-	-	1,72,950	3,09,120
- Accrued interest on loans, debentures and bonds	4,384	17	-	-	4,366	4,384
<b>Total</b>	<b>6,43,307</b>	<b>2,563</b>	<b>-</b>	<b>-</b>	<b>6,40,744</b>	<b>12,52,551</b>

**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.

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**Notes to financial statement for the year ended March 31, 2021****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:

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	-	-	-	-
<b>Closing balance</b>	<b>8,47,670</b>	<b>-</b>	<b>-</b>	<b>8,47,670</b>

(₹ in lakhs)

Term loans and debentures	Year ended March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	4,72,313	-	-	4,72,313
New assets originated or purchased	2,49,110	-	-	2,49,110
Assets derecognised or repaid	(78,116)	-	-	(78,116)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>6,43,307</b>	<b>-</b>	<b>-</b>	<b>6,43,307</b>

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:

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	-	-	-	-
<b>Closing balance</b>	<b>5,328</b>	<b>-</b>	<b>-</b>	<b>5,328</b>

(₹ in lakhs)

Term loans and debentures	Year ended March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	1,880	-	-	1,880
New assets originated or purchased	995	-	-	995
Assets derecognised or repaid	(313)	-	-	(313)
Net remeasurement of loss allowance	1	-	-	1
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>2,563</b>	<b>-</b>	<b>-</b>	<b>2,563</b>

The origination of new loan assets is the primary factor that contributed to the change in the loss allowance during the period.

**35.3.2. 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.

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**Notes to financial statement for the year ended March 31, 2021****35.4. 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
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]	0.30
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.



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**Notes to financial statement for the year ended March 31, 2021**

(₹ in lakhs)

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
<b>Financial assets</b>									
Loans	4,723	3,788	10,142	16,335	29,923	1,43,524	1,40,583	4,93,324	8,42,342
<b>Total undiscounted financial assets</b>	<b>4,723</b>	<b>3,788</b>	<b>10,142</b>	<b>16,335</b>	<b>29,923</b>	<b>1,43,524</b>	<b>1,40,583</b>	<b>4,93,324</b>	<b>8,42,342</b>
<b>Financial liabilities</b>									
Debt securities	16,558	866	3,322	60,662	43,343	2,04,400	2,87,000	1,20,842	7,36,993
<b>Total undiscounted financial liabilities</b>	<b>16,558</b>	<b>866</b>	<b>3,322</b>	<b>60,662</b>	<b>43,343</b>	<b>2,04,400</b>	<b>2,87,000</b>	<b>1,20,842</b>	<b>7,36,993</b>

As at March 31, 2020	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
<b>Financial assets</b>									
Loans	5,418	2,462	6,975	11,769	21,674	1,02,355	1,24,855	3,65,236	6,40,744
<b>Total undiscounted financial assets</b>	<b>5,418</b>	<b>2,462</b>	<b>6,975</b>	<b>11,769</b>	<b>21,674</b>	<b>1,02,355</b>	<b>1,24,855</b>	<b>3,65,236</b>	<b>6,40,744</b>
<b>Financial liabilities</b>									
Debt securities	2,389	10,207	1,685	10,289	75,250	2,35,900	1,94,000	56,803	5,86,523
<b>Total undiscounted financial liabilities</b>	<b>2,389</b>	<b>10,207</b>	<b>1,685</b>	<b>10,289</b>	<b>75,250</b>	<b>2,35,900</b>	<b>1,94,000</b>	<b>56,803</b>	<b>5,86,523</b>

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(₹ in lakhs)

**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 deposits	% of Total Liabilities
1	22	5,18,480	Not Applicable	70.22%

(ii) Top 20 large deposits - Nil

(iii) Top 10 borrowings: ₹ 3,72,810 lakhs (represent 52.00% 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	7,36,993	99.82%

(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	Nil	Nil	Nil
(b)	Non Convertible Debentures (original maturity <1 year)	Nil	Nil	Nil
(c)	Other short term liabilities	18%	17%	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 Head Business. 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 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.

**NIIF Infrastructure Finance Limited**

(Formerly known as IDFC Infrastructure Finance Limited)

**Notes to financial statement for the year ended March 31, 2021**

(₹ 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-21		31-Dec-20		30-Sep-20		30-Jun-20	
1 Total High Quality Liquid Assets (HQLA):	21,061	21,061	27,622	27,622	45,374	45,374	50,922	50,922
Cash Outflows								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	-	-	-	-	-	-	-	-
4 Secured wholesale funding	9,502	10,928	22,675	26,076	9,743	11,204	5,743	6,604
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	14,159	16,282	5,240	6,026	4,755	5,468	127	146
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total Cash Outflows	23,661	27,210	27,915	32,102	14,498	16,672	5,870	6,750
Cash Inflows								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	28,048	21,036	16,597	12,448	10,925	8,194	8,235	6,176
11 Other cash inflows	23	17	22	17	33	25	50	38
12 Total Cash Inflows	28,071	21,054	16,619	12,464	10,958	8,219	8,285	6,214
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13 Total HQLA		21,061		27,622		45,374		50,922
14 Total Net Cash Outflows (Higher of inflow less outflows or 25% of outflows)		6,803		19,638	3,624	8,453		1,688
15 LIQUIDITY COVERAGE RATIO (%)		310%		141%		537%		3017%

\*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

**NIIF INFRASTRUCTURE FINANCE LIMITED**

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**Notes to financial statement for the year ended March 31, 2021****35.5. 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, 2021 and March 31, 2020, 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, 2021	As at March 31, 2020
Variable rate lending portfolio	65,189	1,13,471
Fixed rate loans	7,77,985	5,25,452
<b>Total</b>	<b>8,43,175</b>	<b>6,38,923</b>

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

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

As at March 31, 2020	Weighted average interest rate	Balance	% of total loans
Loans	9.76%	1,13,471	17.8%
<b>Net exposure interest rate risk</b>	<b>9.76%</b>	<b>1,13,471</b>	<b>17.8%</b>

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, 2021	Year ended March 31, 2020
Interest rates – increase by 100 basis points	652	1,135
Interest rates – decrease by 100 basis points	(652)	(1,135)

\* 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.

**35.6. 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.

**NIIF INFRASTRUCTURE FINANCE LIMITED**

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**Notes to financial statement for the year ended March 31, 2021****36 Related party transactions****a) Holding entity**

National Investment and Infrastructure Fund II

**b) Associate companies**

IDFC Asset Management Company Limited ( till March 29, 2020)

IDFC Limited (till March 29, 2020)

Aseem Infrastructure Finance Limited (Sponsor from March 30, 2020)

**c) Key management personnel**

Sadashiv S. Rao - Chief Executive Officer

Sanjay Ajgaonkar - Chief Financial Officer

Amol Ranade - Company Secretary (till February 12, 2021)

**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

Mr. Suresh Menon - Nominee Director, HDFC Ltd (till March 30, 2021)

Mr. Gautam Kaji - Independent Director (till July 16, 2020)

**e) Transactions with related parties**

The nature and volume of transactions carried out with the above related parties in the ordinary course of business is as follows:

**Name of related party , nature of relationship and particulars**

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>A Holding entity</b>		
<b>1 National Investment and Infrastructure Fund II</b>		
<b>i Liabilities/Transactions</b>		
Outstanding equity share capital	54,635	31,800
Outstanding equity share premium	20,537	-
Proceeds from issue of equity share capital during year	22,835	-
Proceeds from issue of equity share premium during year	20,537	-
		(₹ in lakhs)
	Year ended March 31, 2021	Year ended March 31, 2020
<b>B Associate</b>		
<b>1 IDFC Limited (from March 12, 2019 till March 29, 2020)</b>		
<b>i Expense</b>		
Shared services cost expense (*)	-	70

**NIIF INFRASTRUCTURE FINANCE LIMITED**

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**Notes to financial statement for the year ended March 31, 2021**

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>2 IDFC Asset Management Company Limited (from March 12, 2019 till March 29, 2020)</b>		
<b>i Expense</b>		
Shared services cost expense (*)	-	26
<b>3 Aseem Infrastructure Finance Limited (from March 30, 2020)</b>		
<b>i Income</b>		
Shared services cost recovery (*)	91	-
<b>ii Reimbursement</b>		
Deputation Cost (*)	15	
<b>iii Liabilities/Transactions</b>		
Outstanding equity share capital	30,938	16,200
Outstanding equity share premium	13,890	-
Proceeds from issue of equity share capital during year	14,738	-
Proceeds from issue of equity share premium during year	13,890	-
<b>iv Assets/Transactions</b>		
Dues against reimbursement of costs (*)	5	7
Recovery against Shared Service Cost (*)	41	-

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

**C Remuneration to Key management personnel:**

(₹ in lakhs)

Particulars of Remuneration to Key management	Year ended March 31, 2021	Year ended March 31, 2020
Sadashiv S Rao - Chief Executive Officer	325	243
Sanjay Ajgaonkar - Chief Financial Officer	101	100
Amol Ranade - Company Secretary (till February 12, 2021)	36	28
<b>Total</b>	<b>462</b>	<b>371</b>

**D Director sitting fees:**

(₹ in lakhs)

Particulars of Director sitting fees	Year ended March 31, 2021	Year ended March 31, 2020
Ms. Ritu Anand - Independent Director	7	5
Mr. Ashwini Kumar - Independent Director	3	-
Mr. Gautam Kaji - Independent Director (till July 16, 2020)	2	2
<b>Total</b>	<b>12</b>	<b>7</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**

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**Notes to financial statement for the year ended March 31, 2021**

- 37 The outbreak of COVID-19 virus which was declared a global pandemic by the World Health Organisation on March 11, 2020 continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities.

The pandemic has impacted lending business, fee income, collection efficiency etc. which in turn may impact customer defaults and consequently impairment allowance. Amongst the various measures announced to mitigate the economic impact arising from the pandemic, the Reserve Bank of India issued circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer a moratorium to borrowers on payment of instalments falling due between March 01, 2020 and August 31, 2020. The Company's Board of Directors approved a policy to offer moratorium to its borrowers in accordance with RBI circular dated August 06, 2020 - "Resolution Framework for Covid-19 related stress". 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 as the Company has not experienced any significant disruptions due to this pandemic and has considered any 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, results of operations, financial position and cash flows will depend on future developments which remains highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the financial assets.. The Company is closely monitoring any material changes to future economic conditions and resultant impacts, if any, on the expected credit loss provisions.

In order to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses, RBI through its circulars dated March 27, 2020 and April 17, 2020, permitted lending institutions to grant a moratorium, on the payment of instalments and / or interest, falling due between March 1, 2020 and May 31, 2020, to their borrowers classified as standard even if overdue, as on February 29, 2020. This period was extended by RBI till August 31, 2020 through its circular dated May 23, 2020. The Company accordingly extended the moratorium option to its borrowers in accordance with its Board approved policies. For all such accounts where the moratorium is granted, the asset classification shall remain standard during the moratorium period .

Particulars	As at March 31, 2021
Amounts in SMA/overdue categories, where the moratorium/deferment was extended	-
Amount where asset classification benefits are	-
Provision created*	-
Less: Provisions adjusted against slippages*	-
Residual provisions*	-

(\*) As per Ind AS 109

38 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, 2021	As at March 31, 2020
i) CRAR (%)	23.38%	15.06%
ii) CRAR - Tier I Capital (%)	22.73%	14.61%
iii) CRAR - Tier II Capital (%)	0.65%	0.45%
iv) Amount of Subordinated Debt considered as Tier-II Capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

Capital adequacy as of 31 March 2020 has been restated based on the revised classification of PPP loan assets

**(b) Details of investments are set out below:**

	As at March 31, 2021	As at March 31, 2020
<b>1 Value of Investments</b>		
(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)	-	-
<b>2 Movement of provisions held towards depreciation on investments.</b>		
(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, 2021		As at March 31, 2020	
	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
<b>1 Related parties</b>	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
<b>2 Other than related parties</b>	-	-	-	-
<b>Total</b>	-	-	-	-

**(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, 2021 and as at March 31, 2020.

**(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, 2021 and as at March 31, 2020.

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

During the years ended March 31, 2021 and March 31, 2020, 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, 2021 net of provision (*)	As at March 31, 2020 net of provision (*)
<b>1 Related parties</b>		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
<b>2 Other than related parties</b>	8,42,342	6,40,744
<b>Total</b>	<b>8,42,342</b>	<b>6,40,744</b>
(*) 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, 2021 there was no penalty imposed by the RBI and other regulators (Previous Year ₹ Nil).



**NIIF INFRASTRUCTURE FINANCE LIMITED**  
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**Notes to financial statement for the year ended March 31, 2021**

	As at March 31, 2021	(₹ in lakhs) As at March 31, 2020
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	5,328	2,563
	<b>5,328</b>	<b>2,563</b>

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
<b>Performing Assets</b>						
Standard	Stage 1	8,47,670	5,328	8,42,342	3,391	1,937
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		<b>8,47,670</b>	<b>5,328</b>	<b>8,42,342</b>	<b>3,391</b>	<b>1,937</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful- up to 1 year	Stage 3	-	-	-	-	-
1-3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for Doubtful</b>		-	-	-	-	-
Loss		-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc which are in the scope of Ind AS 109 but not covered under Current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	<b>8,47,670</b>	<b>5,328</b>	<b>8,42,342</b>	<b>3,391</b>	<b>1,937</b>
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	-	-	-	-	-
	<b>Total</b>	<b>8,47,670</b>	<b>5,328</b>	<b>8,42,342</b>	<b>3,391</b>	<b>1,937</b>

(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, 2021	As at March 31, 2020
Total Advances to twenty largest borrowers/ customers	3,74,942	3,06,032
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	44.23%	47.9%

**(g) Concentration of Exposures**

		(₹ in lakhs)
	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers / customers	3,82,989	3,06,032
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	42.92%	47.9%

(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:

		For the year ended March 31, 2021	
Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
	Nil	Nil	Nil

(₹ in lakhs)

## For the year ended

Name of the Joint Venture/ Subsidiary	March 31, 2020			
	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):

	For the year ended March 31, 2021	For the year ended March 31, 2020
Nil	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.

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

**40** Comparative numbers of March 2020 is audited by another firm of Chartered Accountants.

41 In accordance with the instructions as per RBI circular dated April 07, 2021, the Company shall refund/adjust "Interest on interest" to all borrowers during the moratorium period, irrespective of whether moratorium has been fully or partially availed, or not availed. Pursuant to this instructions, and as per the methodology for calculation of the amount such "interest on interest", the Company has recognised a charge in its Statement of Profit and Loss for the year ended March 31, 2021 and provided for amount of ₹ 45.24 lakhs to be credited or adjusted against customer balance, in case customers account has been closed with the Company, the same shall be refunded to the customers in due course of time.

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

**43** There are no contingent liabilities as of March 31, 2021 ( Previous year Nil)

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

**For S.R. Battiboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

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

**per Rutushttra Patell**  
Partner  
Membership Number : 123596

**Surya Prakash Rao Pendyala**  
Chairman

**Rajiv Dhar**  
Director

Place : Mumbai  
Date : May 19, 2021

**Sadashiv S Rao**  
Chief Executive Officer

**Sanjay Ajgaonkar**  
Chief Financial Officer

**Independent Auditor's Report****To The Members of  
NIIF Infrastructure Finance Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of NIIF Infrastructure Finance Limited ("the Company"), which comprises of Balance Sheet as at March 31, 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 31st March 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.	<p><b>Impairment of financial assets –</b></p> <p>Provision for expected credit losses as on March 31, 2022 for loans and investments carried at amortised cost amounts to Rs. 9,940 lakhs (As at March 31, 2021 – Rs. 5,328 lakhs).</p> <p>[Refer Note no. 2 &amp; 31 to the Financial Statements]</p> <p>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.</p> <p>The recognition and measurement of ECL on financial instrument involves significant judgement and estimates.</p> <p>(i) Data Input – The application of ECL model requires several data inputs to calculate Probability of Default ("PDs") and Loss Given Default ("LGD"). The increased risk relating to the completeness and accuracy of the data considered to create assumptions in the model.</p> <p>(ii) 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).</p> <p>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.</p> <p>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</p>	<p><b>Audit Procedure performed:</b></p> <p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>✓ Performed process walkthroughs to identify the key systems, applications and controls used in the impairment allowance processes.</li> <li>✓ 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.</li> <li>✓ Testing the Company's Controls over authorization and calculations of management overlays.</li> <li>✓ 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.</li> <li>✓ 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.</li> <li>✓ We tested the arithmetical accuracy of the computation of ECL provision performed by the Company in spreadsheets.</li> <li>✓ Assessing whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in financial statements are appropriate and sufficient.</li> </ul>



**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 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 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 of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of and 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:**

- (i) 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 have expressed an unmodified opinion on those statements on May 19, 2021.
- (ii) We draw your attention to the Note 33 to the financial statements 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 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 their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement. [Refer note 34(g) and (h) to the financial statements.]
  - v. 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.

Place: Mumbai  
Date: May 06, 2022



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

*R. P. Baradiya*

**R. P. Baradiya**  
Partner  
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 (PPE) and Intangible Assets:
  - A. The Company has maintained proper records, showing full particulars, including quantitative details and situation of PPE and relevant details of right-of-use assets.
  - B. The Company did not hold any intangible assets during the year and as on March 31, 2022 and hence reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- b. During the year the management has carried out physical verification of all the PPE. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its PPE. No material discrepancies were noticed on such verification.
- c. 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 PPE (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 PPE (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 note no. 34(c) to 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)(a) 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 limits in excess of Rs. 5 crores on the basis of security of current assets by banks and financial institutions during the year and hence reporting under 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) and hence reporting under 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. However, in respect of the loans granted during the year, the terms and conditions thereof are not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as stipulated.
- (d) 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 and hence reporting under clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence reporting under clause 3(iv) of the Order is not applicable to the Company.
- 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 explanations 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 any subsidiaries, associates or joint venture and hence reporting under clause 3(ix)(e) and 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 (by way of issuance of non-convertible debentures) for the purposes for which they were raised. The Company has not raised any money by way of Initial public offer or further public offer during the year.
- (b) 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 other than those temporarily parked in the fixed deposits with banks. 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, partly or optionally 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 financial statements as required by the applicable Accounting Standards. (Refer 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 and hence reporting under 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 and hence 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 in the immediately preceding financial year.
- xviii. There has been a resignation of the statutory auditors of the Company during the year and 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 and hence reporting under clause 3(xx) (a) and (b) of the Order is not applicable to the Company.
- xxi. Since the Company did not have any subsidiary, joint venture or an associate, it is not required to prepare consolidated financial statements and hence reporting under Clause 3(xxi) of the Order is not applicable to the Company.

Place: Mumbai  
Date: May 06, 2022

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

*R. P. Baradiya*

R. P. Baradiya  
Partner  
Membership No. 44101  
UDIN: 22044101AIMTCG5690





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

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of the NIIF Infrastructure Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



**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 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 (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

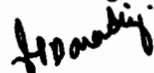
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, to the best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system 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.

Place: Mumbai  
Date: May 06, 2022

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



R. P. Baradiya  
Partner  
Membership No. 44101  
UDIN: 22044101AIMTCG5690



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Balance Sheet as at March 31, 2022**

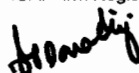
(₹ in lakhs)

	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>I Financial assets</b>			
(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
		<b>15,33,480</b>	<b>9,16,425</b>
<b>II Non Financial assets</b>			
(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
		<b>11,830</b>	<b>8,913</b>
<b>Total assets</b>		<b>15,45,310</b>	<b>9,25,338</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>I Financial liabilities</b>			
(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
		<b>12,33,423</b>	<b>7,38,106</b>
<b>II Non-Financial liabilities</b>			
(a) Provisions	11	200	69
(b) Other non-financial liabilities	12	193	165
		<b>393</b>	<b>234</b>
<b>EQUITY</b>			
(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
		<b>3,11,494</b>	<b>1,86,998</b>
<b>Total liabilities and equity</b>		<b>15,45,310</b>	<b>9,25,338</b>

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: 6<sup>th</sup> May, 2022

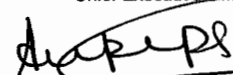
 For and on behalf of the Board of Directors of  
NIIF Infrastructure Finance Limited

  
Surya Prakash Rao Pendyala  
Chairman

  
Rajiv Dhar  
Director

  
Sadashiv S Rao  
Chief Executive Officer

  
Narayan Iyer  
Chief Financial Officer

  
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
<b>Revenue from operations</b>			
Interest income	14	97,719	70,445
Net gain on derecognition of financial instruments under amortised cost category	15	-	1,030
<b>I Total revenue from operations</b>		<b>97,719</b>	<b>71,475</b>
<b>II Other income</b>	16	712	93
<b>III Total income (I+II)</b>		<b>98,431</b>	<b>71,568</b>
<b>Expenses</b>			
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
<b>IV Total expenses</b>		<b>75,106</b>	<b>58,393</b>
<b>V Profit before tax (III - IV)</b>		<b>23,325</b>	<b>13,175</b>
<b>VI Income Tax expense</b>	23	-	-
Current tax		-	-
Deferred tax		-	-
<b>Total tax expenses</b>		-	-
<b>VII Profit for the year (V - VI)</b>		<b>23,325</b>	<b>13,175</b>
<b>VIII Other comprehensive income</b>			
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		-	-
<b>Other comprehensive income (A+B)</b>		<b>(15)</b>	<b>35</b>
<b>IX Total comprehensive income for the year (VII + VIII) (Comprising profit and other comprehensive income for the year)</b>		<b>23,310</b>	<b>13,210</b>
<b>X Earnings per equity share (nominal value of share- ₹10 each)</b>			
Basic (₹)		2.54	1.96
Diluted (₹)		2.31	1.96

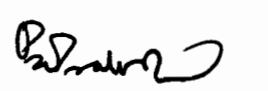
The accompanying notes are an integral part of these financial statements (See notes 1 to 40)  
As per our attached report of even date

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

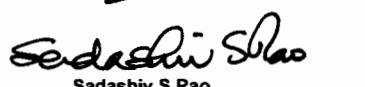
For and on behalf of the Board of Directors of  
NIIF Infrastructure Finance Limited

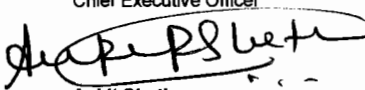
  
R. P. Baradiya  
Partner



  
Surya Prakash Rao Pendyala  
Chairman

  
Rajiv Dhar  
Director

  
Sadashiv S Rao  
Chief Executive Officer

  
Ankit Sheth  
Company Secretary

  
Narayanan Iyer  
Chief Financial Officer

Place: Mumbai  
Date: 6th May, 2022

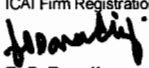


**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Cash Flow Statement for the year ended March 31, 2022**

(₹ in lakhs)

	For year ended March 31, 2022	For year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
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 adjustment	(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
<b>Operating profit before working capital changes</b>	<b>27,159</b>	<b>15,986</b>
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)
<b>Cash flow generated from/(used in) operations</b>	<b>(5,35,056)</b>	<b>(1,83,085)</b>
(Payment) of tax (net)	(3,047)	(4,232)
<b>Net Cash flow generated from/(used in) operations (A)</b>	<b>(5,38,103)</b>	<b>(1,87,317)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment/intangible assets	(97)	(10)
Sale of property, plant and equipments	2	2
<b>Net cash flow generated from/(used in) investing activities (B)</b>	<b>(95)</b>	<b>(8)</b>
<b>C. Cash flows from financing activities</b>		
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 liability	(62)	(205)
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>5,88,347</b>	<b>2,35,601</b>
<b>Net Increase in cash and cash equivalents (D) = (A + B + C)</b>	<b>50,149</b>	<b>48,276</b>
Cash and cash equivalents at the beginning of the Year (E)	74,006	25,730
<b>Cash and cash equivalents at the end of the Year (F) = (D) + (E)</b>	<b>1,24,155</b>	<b>74,006</b>
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	-	-
<b>Total cash and cash equivalents</b>	<b>1,24,155</b>	<b>74,006</b>

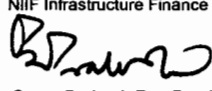
The accompanying notes are an integral part of these financial statements (See notes 1 to 40)  
As per our attached report of even date

For Lodha & Co.  
Chartered Accountants  
ICAI Firm Registration No. 301051E  
  
R. P. Baradiya  
Partner

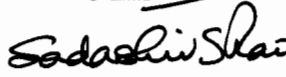



Place: Mumbai  
Date: 6th May, 2022

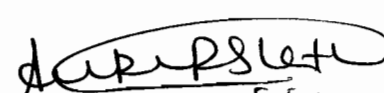
For and on behalf of the Board of Directors of  
NIIF Infrastructure Finance Limited

  
Surya Prakash Rao Pendyala  
Chairman

  
Rajiv Dhar  
Director

  
Sadashiv S Rao  
Chief Executive Officer

  
Narayan Narver  
Chief Financial Officer

  
Ankit Sheth  
Company Secretary



# NIF INFRASTRUCTURE FINANCE LIMITED

Statement of changes in equity as at Mar 31, 2022

## A1 Equity share capital

	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

	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

	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	-	5,141	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	52,286	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. Baradliya  
Partner

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

Surya Prakash Rao Pendyala  
Chairman

Sadashiv S Rao  
Chief Executive Officer

Narayan Iyer  
Chief Financial Officer

Ankit Sheth  
Company Secretary



**NIIF INFRASTRUCTURE FINANCE LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2022**

**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 registered 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**

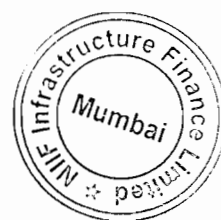
The financial statements have been prepared on a historical cost basis, except for the following:

- 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:**

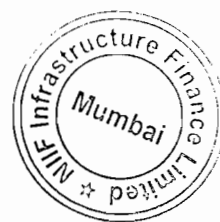
The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

**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).



## NIIF INFRASTRUCTURE FINANCE LIMITED

### 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 fixtures	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.

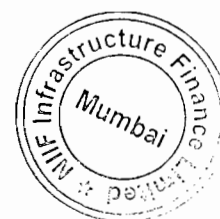
To determine the incremental borrowing rate, the Company uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

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. Short-term 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 of each reporting period.

**F Taxes on Income**

The Company is an Infra Debt Fund - Non Banking Finance Company (IDF - NBFC) registered with the Reserve Bank of India on September 22, 2014. 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.

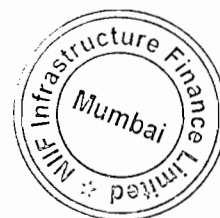
The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- 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 amortised costs are not traded/sold, except for management of concentration risk or for any such similar exigency to protect the value of asset. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

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

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

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

### Equity instruments

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

### Interest Income

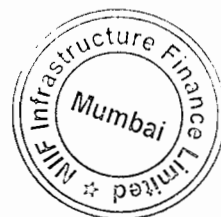
The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial asset is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit and loss.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest Income from Fixed Deposits placed with banks is recognised on accrual basis by the Company.





### 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.

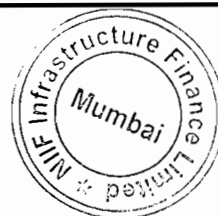
Financial liabilities (including borrowings and debt securities) are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross 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

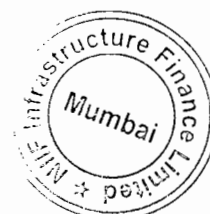
The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit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



## NIIF INFRASTRUCTURE FINANCE LIMITED

### 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 eligible input tax credit in line with applicable Goods and Services Tax laws.

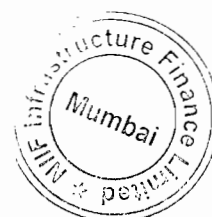
## N New Accounting Pronouncements

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.

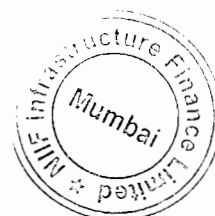
**Ind AS 16 – Property Plant and equipment** - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, 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.



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes forming part of financial statements as at and for the year ended March 31, 2022**

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
	<b>Total</b>	<b>1,24,155</b>	<b>74,006</b>
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
	<b>Total Loans (*)</b>	<b>14,15,777</b>	<b>8,43,175</b>
	Interest accrued on loans	946	499
	Interest accrued on debt securities	2,517	3,996
	<b>Total Gross Loans</b>	<b>14,19,240</b>	<b>8,47,670</b>
	Less: Impairment loss allowance	(9,940)	(5,328)
	<b>Total Net Loans</b>	<b>14,09,300</b>	<b>8,42,342</b>
	(*) The loans outstanding before adjustment of Effective Interest Rate, Premium Amortisation and Discount Accretion	<b>14,20,055</b>	<b>8,46,120</b>
	(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		
	<b>Total- Gross</b>	<b>14,19,240</b>	<b>7,69,710</b>
	Less: Impairment loss allowance	(9,940)	(5,328)
	<b>Total- Net</b>	<b>14,09,299</b>	<b>7,64,382</b>
	(b) Loans in India	<b>14,09,299</b>	<b>7,64,382</b>



**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes forming part of financial statements as at and for the year ended March 31, 2022****3 Other financial assets (₹ in lakhs)**

	As at March 31, 2022	As at March 31, 2021
Receivables from Group Company	-	52
Deposits	25	25
<b>Total</b>	<b>25</b>	<b>77</b>

**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)		
<b>Total</b>	<b>11,522</b>	<b>8,475</b>

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		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	Balance as at Mar 31, 2022	Balance as at Mar 31, 2021
4	-	-	4	-	-	4	4
(Previous year)	(4)	-	(4)	-	-	(4)	-
Vehicles (owned)	94	-	56	80	8	50	7
(Previous year)	(142)	-	(95)	(107)	(20)	(80)	(15)
Computers	58	9	67	23	12	35	35
(Previous year)	(50)	(8)	(58)	(13)	(10)	(23)	(35)
Office Equipments	13	3	15	8	2	10	5
(Previous year)	(10)	(3)	(13)	(6)	(2)	(8)	(5)
Leasehold Improvements	176	-	176	101	59	161	15
(Previous year)	(176)	-	(176)	(42)	(59)	(101)	(75)
Furniture	4	-	4	1	0	1	3
(Previous year)	(4)	-	(4)	(1)	(0)	(1)	(3)
<b>Total tangible assets (previous year)</b>	<b>348</b>	<b>12</b>	<b>39</b>	<b>213</b>	<b>82</b>	<b>257</b>	<b>136</b>
	(386)	(10)	(47)	(168)	(92)	(213)	(136)

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

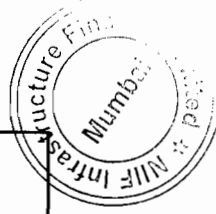
5 b Right of use assets

As at March 31, 2022		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	Balance as at Mar 31, 2022	Balance as at Mar 31, 2021
525	-	41	485	323	161	485	202
(Previous year)	(537)	(12)	(525)	(135)	(189)	(324)	(202)
<b>Total Right of use Assets (Buildings)</b>	<b>525</b>	<b>41</b>	<b>485</b>	<b>323</b>	<b>161</b>	<b>485</b>	<b>202</b>
(previous year)	(537)	(12)	(525)	(135)	(189)	(324)	(202)

5 c Intangible assets under development  
Loan Management Software

March 31, 2022	March 31, 2021
85	-
86	-

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



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes forming part of financial statements as at and for the year ended March 31, 2022**
**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
<b>Total</b>	<b>158</b>	<b>100</b>

**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	381	431
<b>Total</b>	<b>381</b>	<b>431</b>

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	-	-	-	-	-

**8 Other 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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

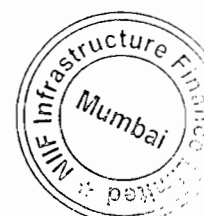
\*Refer note 34 (c)

**9 Debt Securities**

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>At Amortised cost</b>		
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
<b>Total (A)</b>	<b>12,32,274</b>	<b>7,36,993</b>
(*) 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	-	-
<b>Total (B)</b>	<b>12,32,274</b>	<b>7,36,993</b>
Face value per debenture	10,00,000	10,00,000

\*Refer note 31 for maturity pattern



**NIIF INFRASTRUCTURE FINANCE LIMITED**

Notes forming part of financial statements as at and for the year ended March 31, 2022

**10 Other financial liabilities** (₹ in lakhs)

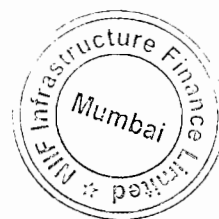
Particulars	As at March 31, 2022	As at March 31, 2021
Finance Lease Obligations	-	242
Advance receipts from borrowers	768	440
<b>Total</b>	<b>768</b>	<b>682</b>

**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
<b>Total</b>	<b>200</b>	<b>69</b>

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

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	193	165
<b>Total</b>	<b>193</b>	<b>165</b>





Notes forming part of financial statements as at and for the year ended March 31, 2022

## 13 A Share capital

	As at March 31, 2022		As at March 31, 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Authorised shares</b>				
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	-	-
<b>Issued, subscribed &amp; fully paid-up shares</b>				
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	-	-
<b>Total</b>		<u>1,90,902</u>		<u>1,10,038</u>

## (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	<u>1,03,02,83,466</u>	<u>1,03,028</u>	<u>91,57,30,161</u>	<u>91,573</u>

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

	As at March 31, 2022		As at March 31, 2021	
	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	<u>8,79,27,757</u>	<u>18,465</u>	<u>8,79,27,757</u>	<u>18,465</u>

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

	As at March 31, 2022		As at March 31, 2021	
	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	<u>25,70,69,408</u>	<u>69,409</u>	<u>-</u>	<u>-</u>

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

- 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.
- 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.
- 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.
- 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

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

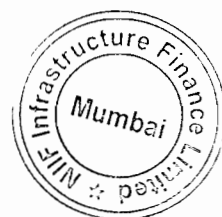
- The Company has issued Compulsorily Convertible Preference Shares (CCPS) having a par value of ₹ 21 (Series I) & 27 (Series II) per share.
- The CCPS shall carry a pre-determined cumulative dividend rate of 0.001% per annum. In addition to the same, if the holders of Equity Shares are paid dividend 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.
- 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.
- Subject to Section 47(2) of the Companies Act, 2013, the CCPS do not carry any voting rights.
- 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

	As at March 31, 2022		As at March 31, 2021	
	Number	% of Holding	Number	% of Holding
<b>Equity shares</b>				
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%
<b>0.001% Compulsorily Convertible Preference Shares (Series I)</b>				
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				
<b>0.001% Compulsorily Convertible Preference Shares (Series II)</b>				
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				



Notes forming part of financial statements as at and for the year ended March 31, 2022

## 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
<b>Total</b>	<b>1,20,592</b>	<b>76,960</b>
<b>(a) Surplus in the Statement of Profit and Loss</b>		
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)
<b>Closing balance</b>	<b>52,296</b>	<b>33,648</b>
<b>(b) Securities Premium</b>		
Opening balance	34,437	-
Changes during the year (*)	20,329	34,462
Share capital issue expenses	(7)	(25)
<b>Closing balance</b>	<b>54,759</b>	<b>34,437</b>
<b>(c) General Reserve</b>		
Opening balance	88	88
addition	-	-
<b>Closing balance</b>	<b>88</b>	<b>88</b>
<b>(d) Special Reserve u/s. 45-IC of RBI Act, 1934</b>		
Opening balance	8,783	6,141
Appropriations during the year	4,662	2,642
<b>Closing balance</b>	<b>13,445</b>	<b>8,783</b>
<b>(e) Impairment Reserve</b>		
Opening balance	4	4
Appropriations during the year	-	-
<b>Closing balance</b>	<b>4</b>	<b>4</b>
<b>Total</b>	<b>1,20,592</b>	<b>76,960</b>

## Nature and purpose of reserve

## a) Securities premium

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

## b) General Reserves

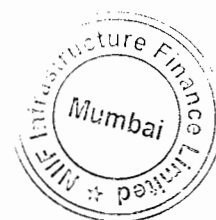
General Reserve represents appropriation of retained earnings and are available for distribution to shareholders. General reserve are created upon cancellation of Employee Stock Options (ESOPs).

## 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 annually 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'.



**NIIF INFRASTRUCTURE FINANCE LIMITED**

Notes forming part of financial statements as at and for the year ended March 31, 2022

**14 Interest Income**

	For the year ended March 31, 2022	(₹ in lakhs) For the year ended March 31, 2021
<b>On financial assets measured at amortised costs</b>		
Interest on loans	95,466	68,237
Interest on deposit	2,253	2,208
<b>Total</b>	<b>97,719</b>	<b>70,445</b>

**15 Net gain on derecognition of financial instruments under amortised**

	For the year ended March 31, 2022	(₹ in lakhs) For the year ended March 31, 2021
<b>Net gain on derecognition of financial instruments under amortised cost category</b>		
- Loans	-	1,030
<b>Total</b>	<b>-</b>	<b>1,030</b>

**16 Other Income**

	For the year ended March 31, 2022	(₹ in lakhs) 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	-
<b>Total</b>	<b>712</b>	<b>93</b>

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

**17 Finance Costs****On financial liabilities measured at amortised costs**

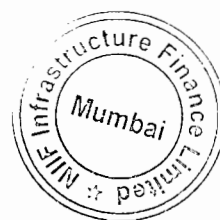
	For the year ended March 31, 2022	(₹ in lakhs) For the year ended March 31, 2021
Interest expense		
(i) Debt securities	67,519	53,114
(ii) Lease Liabilities	14	42
Other borrowing cost (Rating fee & Other expenses)	164	122
<b>Total</b>	<b>67,697</b>	<b>53,278</b>

**18 Fees and commission expense**

	For the year ended March 31, 2022	(₹ in lakhs) For the year ended March 31, 2021
Commission paid to project authorities	36	38
	<b>36</b>	<b>38</b>

**19 Impairment on financial instruments**

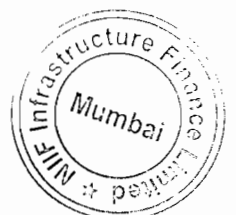
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>On financial instruments measured at amortised costs</b>		
Term loans & Debentures	4,613	2,764
<b>Total</b>	<b>4,613</b>	<b>2,764</b>



**NIIF INFRASTRUCTURE FINANCE LIMITED**

Notes forming part of financial statements as at and for the year ended March 31, 2022

<b>20 Employee benefits expense</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
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
<b>Total</b>	<b>1,481</b>	<b>1,368</b>
<b>21 Depreciation, amortisation and impairment</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Depreciation of property, plant and equipment	82	92
Amortisation of right of use	161	189
<b>Total</b>	<b>243</b>	<b>281</b>
<b>22 Other expenses</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
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
<b>Total</b>	<b>1,036</b>	<b>664</b>
<b>(a) Breakup of Auditors' remuneration</b>		
Audit fees	27	18
Tax audit fees	2	1
Other Services	2	9
Out-of-pocket expenses	-	1
	<b>31</b>	<b>29</b>
<b>(b) Contribution for corporate social responsibility (CSR)</b>		
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:		
	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
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	-	-
<b>Total</b>	<b>256</b>	<b>211</b>



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes forming part of financial statements as at and for the year ended March 31, 2022**

(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:**

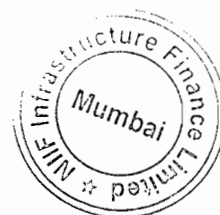
	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	-	-
Deferred tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**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
<b>Income tax expense at effective tax rate</b>	<b>-</b>	<b>-</b>
<b>Effective tax rate</b>	<b>0%</b>	<b>0%</b>

^Refer note 4 on Current tax assets



**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes forming part of financial statements as at and for the year ended March 31, 2022****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

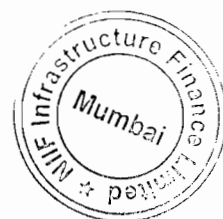
**c) Defined benefit plans**

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
<b>As at March 31, 2020</b>	<b>416</b>	<b>384</b>	<b>32</b>
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)
<b>As at March 31, 2021</b>	<b>434</b>	<b>441</b>	<b>(7)</b>
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	-	-	-
<b>As at March 31, 2022</b>	<b>425</b>	<b>383</b>	<b>43</b>



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
<b>Plan liability net of plan assets</b>	<b>43</b>	<b>(7)</b>

**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
<b>Total</b>	<b>36</b>	<b>33</b>
Finance costs	(1)	1
Gains/(losses) on settlements	-	(6)
<b>Net impact on the profit before tax</b>	<b>34</b>	<b>28</b>

Particulars	March 31, 2022	March 31, 2021
<b>Remeasurements of the net defined benefit liability:</b>		
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	-	-
<b>Net impact on the other comprehensive income before tax</b>	<b>15</b>	<b>(35)</b>

**iii) Defined benefit plan assets**

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

**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
<b>Total expected payments</b>	<b>500</b>	<b>589</b>

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)**

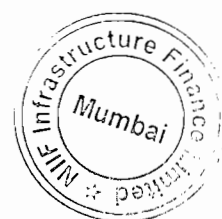
(₹ in lakhs)

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





**NIIF INFRASTRUCTURE FINANCE LIMITED****Notes forming part of financial statements as at and for the year ended March 31, 2022****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	-	-
<b>Total</b>	<b>97,719</b>	<b>71,475</b>

\* 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	-	-

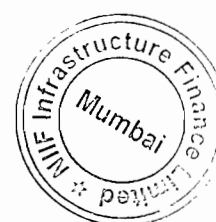
**26. Earnings per share (EPS)****a) The basic earnings per share has been calculated based on the following:**

(₹ 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



**NIIF INFRASTRUCTURE FINANCE LIMITED**

Notes forming part of financial statements as at and for the year ended March 31, 2022

**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
<b>Total</b>	<b>81,322</b>	<b>41,738</b>
<b>Contingent liabilities</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
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.

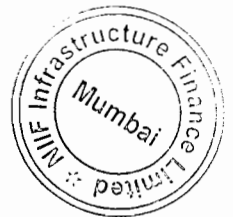
The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital 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
<b>Total capital</b>	<b>3,21,430</b>	<b>1,92,321</b>
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.



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes forming part of financial statements as at and for the year ended March 31, 2021**
**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.

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
	(₹ in lakhs)					
<b>Financial assets</b>						
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
<b>Non-financial assets</b>						
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
<b>Total assets</b>	<b>2,07,953</b>	<b>13,37,357</b>	<b>15,45,310</b>	<b>1,39,069</b>	<b>7,86,269</b>	<b>9,25,338</b>
<b>Financial liabilities</b>						
Derivative financial instruments	-	-	-	-	-	-
Payables						
(i) Trade payables	-	-	-	-	-	-
(ii) total outstanding dues of micro enterprises and small enterprises other than micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Other payables	381	-	381	60	-	60
(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
<b>Non-financial Liabilities</b>						
Provisions	200	-	200	28	59	87
Other non-financial liabilities	193	-	193	518	-	518
<b>Total liabilities</b>	<b>2,19,314</b>	<b>10,14,502</b>	<b>12,33,816</b>	<b>1,25,988</b>	<b>6,12,352</b>	<b>7,38,340</b>
<b>Net</b>	<b>(11,361)</b>	<b>3,22,855</b>	<b>3,11,494</b>	<b>13,080</b>	<b>1,73,917</b>	<b>1,86,998</b>



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes to financial statement for the year ended March 31, 2022**
**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.

<b>As at March 31, 2022</b>	<b>At FVTPL</b>	<b>At FVOCI</b>	<b>Amortised Cost</b>
<b>Financial Assets</b>			
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
<b>Total financial assets</b>	-	-	<b>15,43,420</b>
<b>Financial Liabilities</b>			
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
<b>Total financial liabilities</b>	-	-	<b>12,33,423</b>
<b>As at March 31, 2021</b>	<b>At FVTPL</b>	<b>At FVOCI</b>	<b>Amortised Cost</b>
<b>Financial Assets</b>			
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
<b>Total financial assets</b>	-	-	<b>9,21,728</b>
<b>Financial Liabilities</b>			
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
<b>Total financial liabilities</b>	-	-	<b>7,37,734</b>

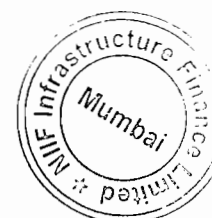
**Note:** There are no other categories of financial instruments other than those mentioned above. The financial assets are shown gross of provision for Expected Credit Loss.

**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 underneath the table.

**As at March 31, 2022**
**(₹ in lakhs)**

<b>Assets and liabilities measured at amortised cost for which fair values are disclosed</b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
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
<b>Total financial assets</b>		-	-	<b>14,09,300</b>	<b>14,09,300</b>
<b>Financial liabilities</b>					
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
<b>Total financial liabilities</b>		-	-	<b>12,32,274</b>	<b>12,32,274</b>



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes to financial statement for the year ended March 31, 2022**
**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
<b>Financial assets</b>					
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
<b>Total financial assets</b>		-	-	<b>8,42,342</b>	<b>8,42,342</b>
<b>Financial liabilities</b>					
Debt securities					
- Debentures and bonds	11	-	-	7,12,642	7,12,642
- Commercial papers	11	-	-	-	-
- Accrued interest on borrowings	11	-	-	24,351	24,351
<b>Total financial liabilities</b>		-	-	<b>7,36,993</b>	<b>7,36,993</b>

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**

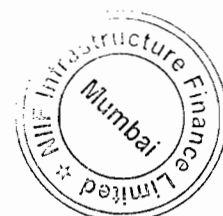
**(₹ in lakhs)**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
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
<b>Total financial assets</b>	<b>14,09,300</b>	<b>14,09,300</b>	<b>8,42,342</b>	<b>8,42,342</b>
<b>Financial liabilities</b>				
Loans				
Debt securities				
Debentures	11,75,337	11,75,337	7,12,642	7,12,642
Commercial papers	24,820	24,820	-	-
<b>Total financial liabilities</b>	<b>12,00,156</b>	<b>12,00,156</b>	<b>7,12,642</b>	<b>7,12,642</b>

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 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.

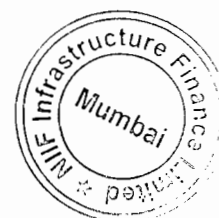
The exposures are subjected to regular monitoring of (i.e. cash flows of the projects, security cover is regularly monitored). The Company manages and controls credit risk by setting limits on the amount of exposure at each sector/sub-sector level it is willing to accept the concentration of risk and 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%
<b>Total</b>			<b>100.00%</b>	<b>100.00%</b>



**Notes to financial statement for the year ended March 31, 2022**
**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+	
3.51 - 3.60	iA	Adequate Safety
3.41 - 3.50	iA-	
3.11 - 3.40	iBBB+	
2.81 - 3.10	iBBB	Moderate Safety
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.

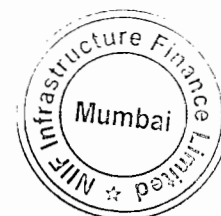
An annual review of the loans / debentures (credit substitutes) would be conducted to determine the credit migration and rating of the portfolio. The analysis below summarises the credit quality of the Company's debt portfolio at March 31.

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%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

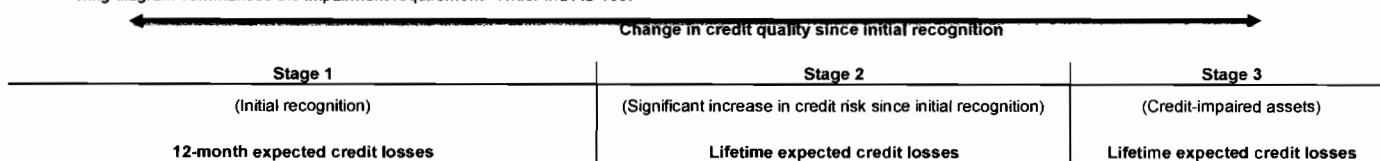
**b) Expected credit loss measurement**

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:



**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 unlikelihood 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**

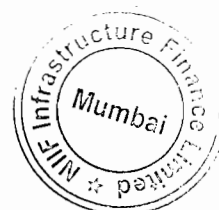
For upgradation from higher stage to lower stage (i.e. to have cured):

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%
	iAA+	0.03%	0.03%	0.30%
High Safety	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.



## Notes to financial statement for the year ended March 31, 2022

**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**

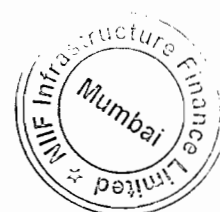
ECL Scenario	Assigned probabilities %	FY22	FY23	FY24	FY25	FY26
Base case	50%	8.80%	8.00%	7.60%	7.40%	7.18%
Best case	20%	10.30%	9.40%	9.10%	8.90%	8.64%
Worst case	30%	7.30%	6.50%	6.20%	5.90%	5.72%

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 ).



**NIIF INFRASTRUCTURE FINANCE LIMITED**

Notes to financial statement for the year ended March 31, 2022

**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	
<b>Performing</b>				
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
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>14,23,105</b>	<b>-</b>	<b>-</b>	<b>14,23,105</b>

Term loans and debentures	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
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
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>8,92,170</b>	<b>-</b>	<b>-</b>	<b>8,92,170</b>



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes to financial statement for the year ended March 31, 2022**
**ii) Maximum exposure to credit risk - Financial instruments not subject to impairment**

The Company does not have any exposure to Financial instruments not subjected to impairment.

**iii) Collateral and other credit enhancement**

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Company prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types are:

- charges over tangible assets such as property, plant and equipment; and
- charges over book debts, inventories, bank deposits, and other working capital items; and
- charges over financial instruments such as debt securities and equities.

The fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a regular basis.

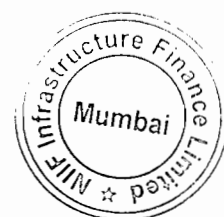
(₹ in lakhs)

Particulars	Gross Exposure	Impairment allowance	Undrawn amount	EIR Adjustment	Carrying amount
<b>As at March 31, 2022</b>					
<b>Loans to corporate entities/individuals:</b>					
- 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
<b>Total</b>	<b>14,19,241</b>	<b>9,944</b>	<b>81,300</b>	<b>4,893</b>	<b>14,09,297</b>
<b>As at March 31, 2021</b>					
<b>Loans to corporate entities/individuals:</b>					
- 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
<b>Total</b>	<b>8,47,670</b>	<b>5,328</b>	<b>41,738</b>	<b>2,762</b>	<b>8,42,342</b>

**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.



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes to financial statement for the year ended March 31, 2022**
**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	-	-	-	-
<b>Closing balance</b>	<b>14,19,240</b>	<b>-</b>	<b>-</b>	<b>14,19,240</b>

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	-	-	-	-
<b>Closing balance</b>	<b>8,47,670</b>	<b>-</b>	<b>-</b>	<b>8,47,670</b>

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)

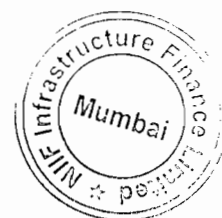
Term loans and debentures	Year ended March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	5,328	-	-	5,328
New assets originated or purchased	6,550	-	-	6,550
Assets derecognised or repaid	(2,785)	-	-	(2,785)
Net remeasurement of loss allowance	848	-	-	848
Transfers to Stage 1	-	-	-	-
Transfers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

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	-	-	-	-
<b>Closing balance</b>	<b>5,328</b>	<b>-</b>	<b>-</b>	<b>5,328</b>

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.



## Notes to financial statement for the year ended March 31, 2022

**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.



**NIIF Infrastructure Finance Limited**

Notes to financial statement for the year ended March 31, 2022

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
<b>Financial assets</b>									
Loans	5,497	2,377	13,898	20,293	41,575	2,32,206	2,26,469	8,66,986	14,09,300
<b>Total undiscounted financial assets</b>	<b>5,497</b>	<b>2,377</b>	<b>13,898</b>	<b>20,293</b>	<b>41,575</b>	<b>2,32,206</b>	<b>2,26,469</b>	<b>8,66,986</b>	<b>14,09,300</b>
<b>Financial liabilities</b>									
Debt securities	21,452	44,085	3,321	43,829	1,05,084	2,24,000	6,82,200	1,28,302	12,32,274
<b>Total undiscounted financial liabilities</b>	<b>21,452</b>	<b>44,085</b>	<b>3,321</b>	<b>43,829</b>	<b>1,05,084</b>	<b>2,24,000</b>	<b>6,82,200</b>	<b>1,28,302</b>	<b>12,32,274</b>
<b>As at March 31, 2021</b>									
<b>Financial assets</b>									
Loans	4,723	3,788	10,142	16,335	29,923	1,43,524	1,40,583	4,93,324	8,42,342
<b>Total undiscounted financial assets</b>	<b>4,723</b>	<b>3,788</b>	<b>10,142</b>	<b>16,335</b>	<b>29,923</b>	<b>1,43,524</b>	<b>1,40,583</b>	<b>4,93,324</b>	<b>8,42,342</b>
<b>Financial liabilities</b>									
Debt securities	16,558	866	3,322	60,662	43,343	2,04,400	2,87,000	1,20,842	7,36,993
<b>Total undiscounted financial liabilities</b>	<b>16,558</b>	<b>866</b>	<b>3,322</b>	<b>60,662</b>	<b>43,343</b>	<b>2,04,400</b>	<b>2,87,000</b>	<b>1,20,842</b>	<b>7,36,993</b>



**NIF Infrastructure Finance Limited**

Notes to financial statement for the year ended March 31, 2022

**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-

<b>(i) Funding concentration based on significant counterparty</b>			
<b>Sr no</b>	<b>No of significant counterparties</b>	<b>Amount (₹ in lakhs)</b>	<b>% of Total Borrowings</b>
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)**

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

<b>(v) Stock ratios:</b>			
<b>Sr no</b>	<b>Instrument</b>	<b>As a % of total public funds</b>	<b>As a % of total liabilities</b>
(a)	Commercial papers	NA	2%
(b)	Non Convertible Debentures (original maturity <1 year)	NA	Nil
(c)	Other short term liabilities	NA	18%
			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.





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								
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	29,987
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



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes to financial statement for the year ended March 31, 2022**
**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
<b>Total</b>	<b>14,20,055</b>	<b>8,43,175</b>

\*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%
<b>Net exposure interest rate risk</b>	<b>8.81%</b>	<b>30,130</b>	<b>2.1%</b>

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

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**

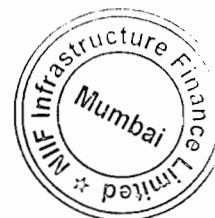
Since the Company does not hold any equity instruments, it is not exposed to price risk.

**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.



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes to financial statement for the year ended March 31, 2022**
**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

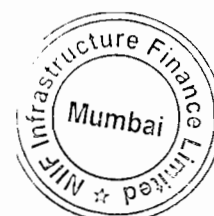
**e) Transactions with related parties**

	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
<b>A Holding entity</b>		
<b>1 National Investment and Infrastructure Fund II</b>		
<b>i Liabilities/Transactions</b>		
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>B Associate</b>		
<b>1 Aseem Infrastructure Finance Limited</b>		
<b>i Income</b>		
Shared services cost recovery (*)	67	91
<b>ii Reimbursement</b>		
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	-
<b>iii Liabilities/Transactions</b>		
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
<b>iv Assets/Transactions</b>		
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)

<b>C Remuneration to Key management personnel:</b>	March 31, 2022	March 31, 2021
Sadashiv S Rao - Chief Executive Officer	355	325
<b>Total</b>	<b>355</b>	<b>325</b>
<b>D Director sitting fees:</b>	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
<b>Total</b>	<b>16</b>	<b>12</b>



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes to financial statement for the year ended March 31, 2022**

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**

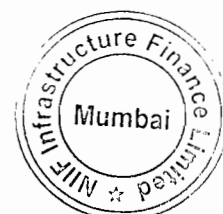
Ratios	Description	March 31, 2022	March 31, 2021
Debt-Equity Ratio	Total Debt / Total Equity	3.96	3.94
Current Ratio	NA	NA	NA
Long Term Debt to Working Capital	NA	NA	NA
Bad Debts to Account Receivable Ratio	NA	NA	NA
Current Liability Ratio	NA	NA	NA
Total Debts to Total Assets	Total Debt / Total Asset	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/Debt 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.	-	-



**Notes to financial statement for the year ended March 31, 2022**

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
<b>1 Value of Investments</b>		
(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)	-	-
<b>2 Movement of provisions held towards depreciation on investments.</b>		
(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
<b>1 Related parties</b>	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
<b>2 Other than related parties</b>	-	-	-	-
<b>Total</b>	-	-	-	-

**(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
<b>1 Related parties</b>		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
<b>2 Other than related parties</b>	14,09,300	8,42,342
<b>Total</b>	14,09,300	8,42,342
(*) Net of provision for standard assets		

**(k) Unsecured advances**

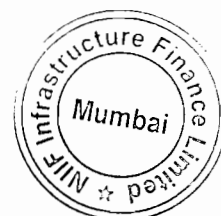
The Company has not given any unsecured advances in the current year and in the previous year.

**(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).



**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Notes to financial statement for the year ended March 31, 2022**

	(₹ in lakhs)
	As at March 31, 2022
(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
	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:-

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 provisions under IRACP norms
1	2	3	4	5=3-4	6	7=4-6
<b>Performing Assets</b>						
Standard	Stage 1	14,19,240	4,613	14,14,627	5,677	(1,064)
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		<b>14,19,240</b>	<b>4,613</b>	<b>14,14,627</b>	<b>5,677</b>	<b>(1,064)</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful- up to 1 year	Stage 3	-	-	-	-	-
1-3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for Doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss		-	-	-	-	-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items such as guarantees, loan commitments, etc which are in the scope of Ind AS 109 but not covered under Current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	<b>14,19,240</b>	<b>4,613</b>	<b>14,14,627</b>	<b>5,677</b>	<b>(1,064)</b>
	<b>Stage 2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Stage 3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>14,19,240</b>	<b>4,613</b>	<b>14,14,627</b>	<b>5,677</b>	<b>(1,064)</b>

**(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**

Total Advances to twenty largest borrowers/ customers

Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC

	(₹ in lakhs)
	As at March 31, 2022
	6,86,649
	48.50%
	3,74,942
	44.47%

**(q) Concentration of Exposures**

Total Exposure to twenty largest borrowers / customers

Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers

	(₹ in lakhs)
	As at March 31, 2022
	7,36,292
	47.02%
	3,82,989
	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
	Nil
	Nil
	Nil

	(₹ in lakhs)
	For the year ended March 31, 2021
Name of the Joint Venture/ Subsidiary	Other Partner in the JV
	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
	Nil
	For the year ended March 31, 2021
	Nil

**(u) Debentureholder complaints :**

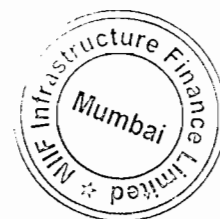
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

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/IDMD/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)



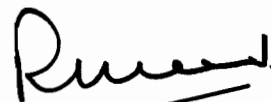
39 There are no contingent liabilities as of March 31, 2022 ( Previous year Nil)

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  
NIF Infrastructure Finance Limited



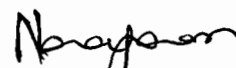
Surya Prakash Rao Pendyala  
Chairman



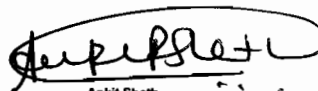
Raju Bhat  
Director



Sadashiv S Rao  
Chief Executive Officer



Narayanankhyer  
Chief Financial Officer



Ankit Sheth  
Company Secretary

Place: Mumbai  
Date: 6th May, 2022





CHARTERED ACCOUNTANTS

6, Karim Chambers, 40, A, Doshi Marg, (Hamam Street),  
Mumbai 400 001 INDIA.

Telephone : 0091-22-2269 1414 / 2269 1515  
0091-22-4002 1140 / 4002 1414

Fax : 0091-22-2265 0126

E-mail : [mumbai@lodhaco.com](mailto:mumbai@lodhaco.com)

Date: April 18<sup>th</sup>, 2023

To,

**The Board of Directors**

**NIIF Infrastructure Finance Limited**

3<sup>rd</sup> Floor, UTI Tower, North Wing,  
GN Block, Bandra Kurla Complex,  
Mumbai - 400 051

Dear Sirs,

**Sub: Consent Letter for proposed debt issue of secured, redeemable, non-convertible debentures (NCD) through Private Placement by NIIF Infrastructure Finance Limited (the "Company" or the "issuer"), not exceeding Rs. 1,988 crores to be issued in one or more tranches from time to time [hereinafter to be referred as "Self Placement Memorandum"].**

We, Lodha and Company, Chartered Accountants (Firm's Registration No:301051E), hereby consent to use in the Shelf prospectus to be prepared by NIIF Infrastructure Finance Limited (the "Company") and to be filed with National Stock Exchange of India Limited in respect of the proposed debt issue, our audit report dated May 06, 2022 on the audited financial statements for year ended 31st March, 2022, which appear in the Shelf Prospectus.

We also agree to the references to us as "Statutory Auditors" of the Company in the Shelf Prospectus.

The following information in relation to us may be disclosed:

Statutory Auditors' Name	Lodha & Company
Address	6, Karim Chambers, 40 Ambalal Doshi Marg, Fort, Mumbai 400 001
Telephone Number	+91 22 22691414
Email ID	<a href="mailto:mumbai@lodhaco.com">mumbai@lodhaco.com</a>
Firm Registration Number	301051E

This consent letter has not been prepared in connection with, nor is it intended for use in any connection with, any offer or sale of securities outside India. We will accept no duty or responsibility to and deny any liability to any party in respect of any use of this consent letter in connection with an offer or sale of the Bonds outside India. This consent is not to be reproduced in any document used in the marketing or sale of securities.



The above consents are subject to the condition that we do not Accept any responsibility for any matters or letters included in the Shelf Placement Memorandum pursuant to this consent letter. Neither we nor our affiliates, shall be liable to any investor or any other third party in respect of the proposed offering. Further, the Issuer agrees to indemnify us and our affiliates and hold harmless from all third party (including investors) claims, damages, liabilities and costs arising consequent to our giving consent.

Nothing in the preceding paragraph shall be construed to:

- (i) limit our responsibility for or liability in respect of, the reports we have issued, covered by our consent above and are included in the Shelf Disclosure Document; or
- (ii) limit our liability to any person which cannot be lawfully limited or excluded under applicable laws or regulations or guidelines issued by applicable regulatory authorities.

We authorise you to deliver a copy of this letter of consent to National Stock Exchange of India Limited or any regulatory authorities.

**Restriction on use:**

This Consent has been issued at the specific request of NIIF Infrastructure Finance Limited for onward submission to National Stock Exchange of India Limited or any other regulatory authority as required by law and should not be used by any other person or for any other purpose other than for what is stated above. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**For Lodha & Company**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 301051E**  
**Rajendra**  
**Parasmal**  
**Baradiya**  
**R. P. Baradiya**  
**Partner**  
**Membership No.: 44101**

Digitally signed by  
Rajendra Parasmal  
Baradiya  
Date: 2023.04.18  
12:18:39 +05'30'

Place: Mumbai

# **M. P. Chitale & Co.**

## **Chartered Accountants**

Hamam House, Ambalal Doshi Marg, Fort, Mumbai - 400 001 • Tel : 22651186/ 22653023 / 24 • Fax : 2265 5334 • E-mail : office@mpchitale.com

### **CONSENT LETTER**

**Dated : March 30, 2023**

**To,  
The Board of Directors,  
NIIF Infrastructure Finance Limited.**

Dear Sirs,

**Sub: Proposed debt issue through Private Placement of secured, redeemable, non-convertible debentures (“NCDs”) not exceeding Rs. 1,988 crores to be issued in one or more tranches from time to time (the “Issue”) by NIIF Infrastructure Finance Limited (the “Company”).**

We, M.P. Chitale & Co., Chartered Accountants (Firm’s Registration Number: 101851W), one of the independent joint statutory auditors of the Company, appointed in the Extra Ordinary General Meeting held on June 08, 2022, hereby consent to use the following in the shelf prospectus prepared by the Company in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the “SEBI Debt Regulations”) and Companies Act, 2013 and to be filed with Register of Companies, Maharashtra at Mumbai (“RoC”) and to be submitted to the National Stock Exchange of India Limited (the “Stock Exchange”), and Securities and Exchange Board of India (“SEBI”) for record purpose (the “Shelf Prospectus”); and (ii) the tranche prospectus prepared by the Company and to be filed with RoC and to be submitted to the Stock Exchange and SEBI, to be prepared by the Company in accordance with SEBI Debt Regulations and Companies Act, 2013 (the “Tranche Prospectus”).

This consent letter has not been prepared in connection with, nor is it intended for use in any connection with, any offer or sale of securities outside India. We will accept no responsibility or duty to and deny any liability to any party in respect of any use of this consent letter in connection with an offer or sale of the Bonds outside India. This consent is not to be reproduced in any document used in the marketing or sale of securities.

We also consent to the references to us as “Statutory Auditors” of the Company under the headings “Definitions and Abbreviations”, “General Information” and in other sections of Shelf Prospectus and/ or the Tranche Prospectus.

The following information in relation to us may be disclosed:

Name	M.P Chitale & Co., Chartered Accountants
Address	1st Floor, Hamam House, Ambalal Doshi Marg, Fort, Mumbai – 400 001
Telephone	022 – 22651186
Email	<a href="mailto:office@mpchitale.com">office@mpchitale.com</a>
Firm Registration No.	101851W
Contact Person	Shraddha Jathar

We confirm that neither we, nor our affiliates have been engaged in or interested in the formation or promotion, or in the management, of the Company, and neither we nor any of our affiliates have any material pecuniary interest in the Company.

We also authorize you to deliver a copy of this letter of consent pursuant to the provisions of the Companies Act, 2013 to the SEBI, the Registrar of Companies, Mumbai, the Stock Exchange or any other regulatory authority as required by law.

The above consents are subject to the condition that we do not accept any responsibility for any reports or matters (including information sent to Lead Managers) or letters included in the Shelf Prospectus and/ or Tranche Prospectus. Neither we nor our affiliates shall be liable to any investor or merchant bankers or any other third party in respect of the proposed offering. Further, the Company agrees to indemnify us and our affiliates and hold harmless from all third party (including investors and Lead Managers) claims, damages, liabilities and costs arising consequent to our giving consent.

**For M.P. Chitale & Co.,**

**Chartered Accountants**

**Firm Regn. No - 101851W**

**SHRADDHA**

**ANIKET JATHAR**

**Shraddha Jathar**

**Partner**

**Membership No. – 136908**

**Place: Mumbai**

**Date: March 30, 2023**

Digitally signed by SHRADDHA ANIKET JATHAR  
DN: c=IN, o=PERSONAL,  
pseudoym=45c8845cfa1445bbee096a91fa88191,  
2.5.4.2b=578b798e10484ed70541566059576402c26ac96  
e9251b56b4ff06454b33e42d, postalCode=400012,  
te=MAHARASHTRA,  
serialNumber=u9f952413a80b6c0aef6bd3c9240364ed4c4  
cb1821cf610a9a841350b6504c3, cn=SHRADDHA ANIKET  
JATHAR  
Date: 2023.03.30 13:55:07 +05'30'

## Consent letter from the Credit Rating Agency

Date: April 18, 2023

**NIIF Infrastructure Finance Limited**

UTI Tower, 3rd Floor, North Wing,  
GN Block, Bandra Kurla Complex,  
Bandra (E), Mumbai,  
Maharashtra 400051

Dear Ma'am/Sir,

**Sub: Shelf Prospectus for Issuance of Non-convertible Debentures on private placement basis, in terms of SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations 2012 for an issue size of Rs.1,588 crore**

We, the undersigned, hereby consent to be named as the Credit Rating Agency to the Issue and to our name being inserted as the Credit Rating Agency to the Issue in the Shelf Prospectus to be filed with the NSE Limited ("**Stock Exchange**") in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Name: CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited)  
Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022.  
Tel: +91-22-6754 3456  
Fax: +91-22-6754 3457  
Email: Shweta.Agrawal@careedge.in  
Website: <https://www.careratings.com>  
Contact Person: Shweta Agrawal  
SEBI Registration No: **IN/CRA/004/1999**



Logo: RATINGS

1. We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate is attached as **Annexure A** and a declaration regarding our registration with SEBI in the required format is annexed as **Annexure B** hereto.
2. We also confirm that we have not been prohibited by SEBI to act as an intermediary including, without limitation, in capital market issues, nor we have been debarred by any regulatory authority. We hereby authorize you/ your representatives to deliver this letter of consent and make disclosures in relation to the same to Stock Exchange, SEBI or any other statutory/regulatory authority, if required by such authority pursuant to the provisions of

**CARE Ratings Limited**

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East),  
Mumbai - 400 022  
Phone: +91-22-6754 3456 • Email: [care@careedge.in](mailto:care@careedge.in) • [www.careedge.in](http://www.careedge.in)

CIN-L67190MH1993PLC071691

applicable laws, and to share, as necessary, with the advisors and intermediaries duly appointed in this regard for their reliance, in respect of the Issue.

3. We hereby confirm that there are no disciplinary actions or any enforcement action/ adjudication taken by SEBI or any regulatory authority against CARE Ratings Ltd. other than as disclosed in Annexure B hereto, which impacts our capacity or authorization to undertake rating exercise.
4. In issuing and maintaining its ratings, CARE relies on factual information it receives from issuers and underwriters and from other sources CARE believes to be credible. Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. CARE is not your advisor, nor is CARE providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find CARE ratings to be important information, and CARE notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.
5. The offer letter and all other communications where CARE is proposed or retained as a rating agency shall mandatorily contain the disclaimer which shall read as *"The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information."*
6. CARE shall keep strictly confidential, until such time as the proposed transaction is publicly announced by the Issuer in the form of a press release, however such obligation shall not restrict the publication of press release of the rated instrument by CARE as per regulatory guidelines (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Issuer.
7. We undertake that we shall immediately intimate the Issuer and the merchant bankers to the Issue of any changes in the aforementioned details until the listing and trading of the Bonds on the Stock Exchange. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of Bonds on the Stock Exchange.
8. This letter may be relied upon by the Issuer and the merchant bankers and the legal advisors to the Issue.

## CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East),  
Mumbai - 400 022  
Phone: +91-22-6754 3456 • Email: care@careedge.in • www.careedge.in

CIN-L67190MH1993PLC071691

9. Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between CARE and you or between CARE and any user of the ratings.

Sincerely,

For CARE Ratings Limited

*Shweta Agrawal*

**Name:** Shweta Agrawal

**Designation:** Associate Director

CARE Ratings Limited

---

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East),  
Mumbai - 400 022  
Phone: +91-22-6754 3456 • Email: [care@careedge.in](mailto:care@careedge.in) • [www.careedge.in](http://www.careedge.in)

CIN-L67190MH1993PLC071691

**Annexure A**  
**[Copy of Registration Certificate to be provided]**

प्ररूप ख  
FORM B

भारतीय प्रतिभूति और विनियम बोर्ड (साख निर्धारण एजेंसियों) विनियम, 1999  
SECURITIES AND EXCHANGE BOARD OF INDIA  
(CREDIT RATING AGENCIES) REGULATIONS, 1999

[ विनियम 8 (1) / विनियम 8 क(6) ]  
[ REGULATION 8 (1) / REGULATION 8 A(6) ]

साख निर्धारण एजेंसी के रूप में ~~अस्थायी~~ / स्थायी रजिस्ट्रीकरण प्रमाणपत्र  
CERTIFICATE OF ~~INITIAL~~ / PERMANENT REGISTRATION AS CREDIT RATING AGENCY

I. बोर्ड भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992, के अधीन बनाए गए विनियमों के साथ पठित उस अधिनियम की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए  
In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the regulations made thereunder the Board hereby grants a certificate of ~~initial~~ / permanent registration to

**क्रेडिट एनेलिसिस एण्ड रिसर्च लिमिटेड**  
CREDIT ANALYSIS & RESEARCH LIMITED

को साख निर्धारण एजेंसी के क्रियाकलाप करने के लिए विनियमों में शर्तों के अनुसार और के अध्यक्षीन साख निर्धारण एजेंसी के रूप में ~~अस्थायी~~ / स्थायी रजिस्ट्रीकरण प्रमाणपत्र एतद्वारा प्रदान करता है।  
as a credit rating agency in accordance with and subject to the conditions in the regulations to carry out the activity of the credit rating agency.


II. साख निर्धारण एजेंसी के लिए रजिस्ट्रीकरण सं. आईएन/सानिए/004/1999 है।  
Registration Number for the Credit Rating Agency is IN/CRA/004/1999.

III. यह रजिस्ट्रीकरण प्रमाणपत्र ..... से ..... तक / स्थायी रूप से विधिमान्य होगा, जब तक कि बोर्ड द्वारा निलंबित या रद्द न कर दिया जाये।  
This certificate of registration shall be valid from ..... to ..... / for permanent, unless suspended or cancelled by the Board.

स्थान : मुम्बई  
Place : Mumbai

तारीख : 30 दिसम्बर, 2011  
Date : December 30, 2011

आदेश द्वारा  
भारतीय प्रतिभूति और विनियम बोर्ड के लिए और की ओर से  
By order for and on behalf of  
SECURITIES AND EXCHANGE BOARD OF INDIA

  
(प्रशांत महापात्र Prasanta Mahapatra)  
प्रभाग मुख्य / Division Chief

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East),  
Mumbai - 400 022  
Phone: +91-22-6754 3456 • Email: care@careedge.in • www.careedge.in

CIN-L67190MH1993PLC071691

## Annexure B

Date: April 18, 2023

### **NIIF Infrastructure Finance Limited**

UTI Tower, 3rd Floor, North Wing,  
GN Block, Bandra Kurla Complex,  
Bandra (E), Mumbai,  
Maharashtra 400051

Dear Ma'am/Sir,

**Sub: Shelf Prospectus for Issuance of Non-convertible Debentures on private placement basis, in terms of SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations 2012 for an issue size of Rs.1,588 crore**

1. We refer to our consent letter dated April 18, 2023 ("**Consent Letter**"). We hereby confirm that as on date of our Consent Letter, the following details in relation to our registration with the Securities and Exchange Board of India ("**SEBI**") as a Credit Rating Agency are true and correct:

S. No.	Particulars	Details
1.	Registration Number	IN/CRA/004/1999
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	30.12.2011
3.	Date of expiry of registration	Permanent Registration
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NIL
5.	Details of any pending inquiry/ investigation being conducted by SEBI	There are no pending proceedings that adversely affects our capacity or authorization to undertake the exercise of rating of this long-term debt programme.
6.	Details of any penalty imposed by SEBI	a) SEBI had conducted adjudication proceeding, in relation to credit rating assigned to one of the Company's customers and imposed a penalty of Rs. 1 crore under Section 15HB of SEBI Act, 1992 to which the Company filed an appeal before the Securities Appellate

### CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East),  
Mumbai - 400 022  
Phone: +91-22-6754 3456 • Email: care@careedge.in • www.careedge.in

CIN-L67190MH1993PLC071691



S. No.	Particulars	Details
		<p>Tribunal (SAT). SAT on hearing the facts, surrounding circumstances and justification provided by the Company, concluded the case by reducing the penalty to Rs. 10 lacs and the said penalty was affirmed by the Hon'ble Supreme Court in the appeal filed by SEBI.</p> <p>b) SEBI initially imposed a penalty of Rs. 25 lakhs and subsequently enhanced it to Rs. 1 crore in respect of an adjudication proceeding initiated by it in relation to the credit ratings assigned to one of the Company's Customers and the customer's subsidiaries under Section 15HB of SEBI Act, 1992 to which the Company filed an appeal before the SAT. The said case is pending, as on date.</p> <p>c) SEBI has imposed a penalty of Rs. 2 lakhs in respect of an adjudication proceeding initiated by it in relation to the credit ratings assigned to one of the Company's Customers and the customer's subsidiaries under Section 15HB of SEBI Act, 1992. Company has paid the said amount within the stipulated time.</p>

2. We shall immediately intimate the Issuer of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant stock exchange, where the Bonds are proposed to be listed ("**Stock Exchange**"). In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Bonds on the Stock Exchange.

Sincerely  
For CARE Ratings Limited



**Name:** Shweta Agrawal  
**Designation:** Associate Director

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East),  
Mumbai - 400 022  
Phone: +91-22-6754 3456 • Email: care@careedge.in • www.careedge.in

CIN-L67190MH1993PLC071691

**Consent letter from the Credit Rating Agency**

17<sup>th</sup> April 2023

To,  
NIIF Infrastructure Finance Limited  
4<sup>th</sup> Floor, Naman Chambers  
C-32, G- Block,  
Bandra-Kurla Complex, Bandra East  
Mumbai - 400051  
Maharashtra

**Sub: Proposed private placement of Non-Convertible Debentures Rating Programme of Rs. 1588 crores**

Dear Sir/ Ma'am,

With reference to the captioned matter, we, ICRA Limited, do hereby give our consent to our name and contents of the Press Release dated "2<sup>nd</sup> August 2022" ("Press Release") or any extracts thereof being included in the draft offer document, the offer document and the final offer document ("Offer Documents") intended to be filed by the Company with any relevant stock exchanges where the Units are proposed to be listed ("Stock Exchanges") and the Securities and Exchange Board of India ("SEBI") and any other correspondence and necessary documents which the Company intends to issue in respect of the proposed Issue and in any publicity material, research reports, presentations or press releases, including, in connection with the Issue and in any material documents available for inspection by the public.

We hereby authorize you to deliver this letter of consent to concerned Stock Exchanges, SEBI or any other regulatory authorities as required by law.

We hereby confirm that as on date, we have not been debarred from functioning as a Credit Rating Agency in terms of the SEBI (Credit Rating Agencies) Regulations, 1999 and any amendments made therein and thus, are duly registered with SEBI and such registration is valid as on the date of this letter.

The following details with respect to us may be disclosed in the Offer Documents accordingly.

Name:	ICRA Limited
Address:	Electric Mansion, 3 <sup>rd</sup> Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025
Tel:	+91-22-61143406
Fax:	+91-22-24331390
Email:	shivakumar@icraindia.com





Website: [www.icra.in](http://www.icra.in)  
Contact Person: L Shivakumar  
SEBI Registration No: IN/CRA/008/15

We further give our consent to include the credit rating, and use the extracts of the Press Release thereof, if any with respect to the Issue proposed to be issued under the Issue in the Offer Documents to be filed with the Stock Exchanges or SEBI and any other regulatory authority as required under law and in any publicity material, research reports, presentations or press releases, including, in connection with the Issue and in any material documents available for inspection by the public.

We represent that our execution, delivery, and performance of this consent have been duly authorized by all necessary actions (corporate or otherwise).

We will immediately intimate you of any changes, additions, or deletions in respect of the above details till the date when the Units commence trading on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and commencement of trading of the Units on the Stock Exchanges.

All information contained in the Press Release has been obtained by ICRA from sources believed by ICRA to be accurate and reliable. Although reasonable care has been taken to ensure that the information therein is true, such information is provided 'as is' without any warranty of any kind, and in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained therein must be construed solely as statements of opinion and not any recommendation for investment. ICRA shall not be liable for any losses incurred by users from any use of the Press Release or its contents. Also, ICRA may provide other permissible services to the Company at arms-length basis.

This letter does not impose any obligation on the Company to include in any Offer Document all or any part of the information with respect to which consent for disclosure is being granted pursuant to this letter.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by you in the form of a press release (i) the nature and scope of this transaction and (ii) our knowledge of the proposed transaction to be done by you.

This certificate may be relied upon by the book running lead managers and the legal advisors to each of the Company, the Sponsor and book running lead managers in relation to the Issue.




Kind regards,  
For **ICRA Limited**

L Shivakumar  
Executive Vice President  
Head – Institutional Corporates Group  
ICRA Limited  
Electric Mansion, 3 F  
Appasaheb Marathe Marg,  
Prabhadevi,  
Mumbai – 400025

Tel: +91-22-61693304[D]  
+91-22-61693300[B]  
Fax: +91-22-24331390







# MCS Share Transfer Agent Limited

3B3 3<sup>rd</sup> FLOOR GUNDECHA ONCLAVE KHERANI ROAD

SAKINAKA ANDHERI EAST MUMBAI 400072

PhoneNo: 022-28516021-22, 022-46049717, Email: [helpdeskmm@mcsregistrars.com](mailto:helpdeskmm@mcsregistrars.com)

Website: [www.mcsregistrars.com](http://www.mcsregistrars.com), CIN NO. U67120WB2011PLC16872



## CONSENT LETTER FROM THE REGISTRARS & TRANSFER AGENTS TO THE ISSUE

To

Date: - April 14, 2023

### NIIF Infrastructure Finance Limited

3<sup>rd</sup> Floor, UTI tower, North Wing,  
G N Block, Bandra Kurla Complex,  
Bandra East, Mumbai - 400051

**Attn: Mr. Narayanan Iyer**

Dear Sir,

"principal protected market linked debt securities on private placement basis, in terms of SEBI (Issue and Listing of debt securities ) (Amendment) Regulations 2012 for an issue size of 1588 crores.

We, the undersigned, do hereby NIIF Infrastructure Finance Limited consent to include our name and address as Registrars & Transfer Agents to the Issue in Niif Infrastructure Finance Limited principal protected market linked debt securities on private placement basis in terms of SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations 2012 proposed to be filed with the National Stock Exchange ("NSE") for an issue size of **Rs.1588 Crores** to be done in tranches from time to time..

We hereby authorise you to deliver this letter of consent to the Stock Exchanges or other regulatory authorities as required by law.

The following details with respect to us may be disclosed:

NAME	MCS Share Transfer Agent Limited
Address	3B3, 3 <sup>RD</sup> FLOOR, GUNDECHA ONCLAVE, KHERANI ROAD, SAKINAKA, ANDHERI EAST , MUMBAI- 400 072
Telephone number	022-28476021-22
Fax number	022-46049707
Website	<a href="http://www.mcsregistrars.com">www.mcsregistrars.com</a>
SEBI Registration No	INR000004108

We confirm that we are registered with SEBI and that such registration is valid as on date of this letter. We also agree to keep strictly confidential, until such time the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this respect; and (ii) our knowledge of the proposed transaction of the Company.

Thanking You,  
Yours faithfully,

**For MCS Share Transfer Agent Limited**

**Chandrakant Prabhu**  
Manager

**DECLARATION**

- a) The issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;
- b) The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;
- c) The monies received under the offer shall be used only for the purposes and objects indicated in the offer document;
- d) Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained.

We confirm that Board of Directors of the Company vide its resolution dated May 6, 2022 and June 3, 2022, Shareholders of the Company vide its resolution dated June 8, 2022 and Finance Committee of the Company vide its resolution dated July 4, 2022 have authorized us to provide above declarations and other details, as may be required

**For NIIF Infrastructure Finance Limited**

**Shiva Rajaraman**  
**Chief Executive Officer**

**V. Narayanan Iyer**  
**Chief Financial Officer**

# **NIIF INFRASTRUCTURE FINANCE LIMITED**

## **CREDIT POLICY**

### **Applicable Regulation**

Reserve Bank of India Master Directions Systemically Important Non-Deposit Taking Non-Banking Financial Companies dated September 01, 2016, as amended and updated from time to time.

### **Reviewing & Approving Authority**

<b>Authority</b>	<b>Designation</b>
Prepared By	Chief Business Officer
Reviewed By	Chief Executive Officer
Approved By	Board of Directors
Last Reviewed	November - 2022

### **NIIF INFRASTRUCTURE FINANCE LIMITED**

**Regd. Office:** 3<sup>rd</sup> Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra, Mumbai-400051, Maharashtra

**CIN:** U67190MH2014PLC253944 | **Phone:** +91- 022 6859 1300 | Website: [www.niiffl.in](http://www.niiffl.in)

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## NIIF IFL – Credit Policy

### 1. Introduction

#### 1.1. Preamble

The Credit Policy of NIIF Infrastructure Finance Limited (the “Company”) outlines the broad governing principles for the lending function, setting out the risk limits and the boundary parameters. It was initially approved by the Board during its meeting held in January 2015 and thereafter, has been reviewed by the Board on a periodic basis or as and when deemed necessary, and changes, if any, have been duly incorporated in the Credit Policy.

Apart from the Credit Policy, a Credit Operations Manual has been formulated which documents the operational details of the processes, systems, controls, delegation of powers on operational matters relating to the lending function. It has been established within the framework of the Credit Policy that has been previously approved and implemented.

In addition, there are other policy documents, aimed at guiding the operations of various functions of the Company, and adopted with due approval of the Board of Directors. An illustrative list of such other applicable policy documents is presented below:

Sr No	Policies
1	KYC and Anti-Money Laundering Policy
2	Interest Rate Policy
3	Policy for Early Recognition and Resolution of Distressed Assets
4	Delegation of Powers
5	Fair Practices Code
6	Asset Liability Management Policy
7	Risk Management Policy

#### 1.2. Regulatory Guidelines

The operations of the Company are governed by the guidelines/circulars issued by the Reserve Bank of India (RBI) from time to time and extant Government policies on Infrastructure Debt Funds (IDFs) registered as NBFCs. The policies and operating parameters adopted by the Company shall always be compliant with these guidelines/circulars.

#### 1.3. Applicability of this Document

This document is applicable for lending including investments in debt, financing, and/ or refinancing of/ investment in eligible assets by the Company as per the extant guidelines of RBI and Government policies.

## 2. Review and Approval

This policy document shall be approved by the Board of Directors of the Company. It shall be reviewed and updated on a periodic basis (at least annually) or as and when deemed necessary, in order to ensure continuous alignment with the internal and external environments and the applicable regulatory guidelines and Government policies.

The Board of Directors may delegate monitoring and implementation of the policy document to the Chief Executive Officer.

## 3. Harmonized List of Infrastructure sub-sectors

In terms of the RBI circular No. RBI/2016-17/242 DNBR.PD.CC.No.085/03.10.001/2016-17 | March 2, 2017, for the purpose of definition of 'Infrastructure Lending', NBFCs may henceforth be guided by the latest Gazette Notifications issued by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India, updated from time to time.

## 4. Definition of Borrower Group

"Group" would be borrowers having the commonality of shareholding, board representation, and effective management control. The Company would decide the identification of borrowers belonging to specific groups based upon the following parameters in the order of priority as given below:

1. Effective Management control: This will be based on specific management control which shall include (but not be limited to) the right to appoint the majority of the directors or to control the management or policy decisions being given to a group as per the shareholder's agreement. In cases where there is no majority on the board with any single group or no management control has been given to one particular group, it will be based on the right of a group to appoint the managing director/ CEO to the board.
2. Board Representation: This will be based on a right to appoint a majority of the directors on the board.
3. Shareholding: This will be based on which group has the majority shareholding in the borrower.
4. Disclosure: The most recent disclosures made by the borrower or any of its group company to any of the regulators, e.g. SEBI, NSE, RBI etc. will be considered.

In case any Group identification requires clarity on the above parameters, the specific case would be referred to the Board. With respect to exposure limits for Groups and single borrowers, the Company will follow applicable RBI guidelines.

## 5. Guidelines for extending facilities

The Company can only extend financial assistance to entities operating in the various infrastructure sub-sectors outlined in paragraph 3 above under the definition of “Infrastructure Loans”.

The financial assistance by the Company to any entity in the infrastructure sector shall be as per the prevailing RBI guidelines and Government policies. As per the extant guidelines issued by RBI, IDF-NBFCs can invest in post commercial operations date (COD) infrastructure projects which have completed at least one year of satisfactory commercial operation that are:

- I. PPP projects and are a party to a Tripartite Agreement with the Concessionaire and the Project Authority for ensuring a compulsory buyout with termination payment; and
- II. Non-PPP projects and PPP projects without a Project Authority, in sectors where there is no Project Authority.

### 5.1 Products

#### 5.1.1 Rupee Debt Assistance

##### 5.1.1.1 For PPP projects

The Company shall invest by way of Rupee Debt (RD) for those PPP projects which are post COD infrastructure projects and have completed at least one year of satisfactory commercial operation and are a party to a Tripartite Agreement with the Concessionaire and the Project Authority for ensuring a compulsory buyout with termination payment. This will inter alia include refinancing of debt, payment of capex creditors, discounting of future project receivables, refinancing of sponsor contribution, transaction expenses, funded DSRA, etc.

As per extant Government policy/guidelines, the amount of RD will be limited to 85% (in case of PPP projects with a Project Authority) of the quantum of Debt Due forming part of the total project cost and specified in the Tripartite Agreement. This quantum will stand revised sector-wise with changes in policy/guidelines.

Rupee Debt Assistance shall be in the form of:

- a) Rupee Term Loans (RTLs) and /or
- b) Bonds or Non – Convertible Debentures (NCDs) and other permitted instruments as per RBI regulations

As per the current provisions of the Model Tripartite Agreement (MTA) approved by the Government for IDF NBFC participation in PPP projects, IDF-NBFCs may invest in NCD/ bonds to the Concessionaire for an amount of at least 50% (fifty percent) of IDF’s total exposure to the Concessionaire, in case of PPP Projects with Project Authority.

#### **5.1.1.2 For non- PPP projects and PPP projects without a Project Authority:**

The Company shall invest by way of Rupee Debt (RD) for those non-PPP projects and PPP projects without a Project Authority, which are post-COD infrastructure projects and has completed at least one year of satisfactory commercial operation. This will *inter alia* include refinancing of debt, payment of capex creditors, discounting of future project receivables, refinancing of sponsor contribution, transaction expenses, funded DSRA, etc.

Rupee Debt Assistance for non-PPP projects and PPP projects without a Project Authority shall be in the form of:

- a) Rupee Term Loans (RTLs) and /or
- b) Bonds or Non – Convertible Debentures (NCDs) and/or other permitted instruments as per RBI regulations.

##### **a) Rupee Term Loans (RTLs)**

- RTLs can have a fixed rate or floating rate of interest linked to a benchmark permitted by regulation. There may be a reset of spreads after defined intervals.
- The interest payable may be monthly/ quarterly/semi-annually/annually and in the form of regular, step-up or accrued interest rate structure.

Prepayment shall be usually subject to payment of prepayment charge/premium except on interest resets and/or mandatory prepayment events, unless commercially agreed otherwise for competitive reasons.

- The repayment schedules of principal and interest shall be linked to the expected cash flows (from operating, investment or financing activities) of the borrower.
- Instruments can be either secured or unsecured. Generally, for secured instruments, a time period will be specified for the creation of security, and delays, if any, would lead to levy of additional interest. Depending on the reason for the delay, the time period allowed for the creation of security may be extended as per the approved delegation of powers.

##### **b) Non-Convertible Debentures / Bonds (NCDs)**

The Company may subscribe to or invest in listed / unlisted NCDs/ permitted instruments of the borrowers for similar purposes as detailed above. NCDs may have fixed or floating rates and shall comply with the guideline issued by regulatory authorities for issuance of Non - Convertible Debentures.

The repayment schedules, prepayments, security, interest rate structures and resets, etc. shall generally be similar to RTLs described above.

#### 6.1.1. Prudential Credit Exposure Norms for PPP projects

- i. The maximum exposure that an IDF-NBFC can take on individual projects will be at 50 percent of its Total Capital Funds (Tier I plus Tier II as defined in RBI regulations).
- ii. An additional exposure of up to 10 percent could be taken at the discretion of the Board of the IDF-NBFC.
- iii. RBI may, upon receipt of an application from an IDF-NBFC and on being satisfied that the financial position of the IDF-NBFC is satisfactory, permit additional exposure up to 15 percent (over 60 percent) subject to such conditions as it may deem fit to impose regarding additional prudential safeguards.
- iv. Exposure<sup>1</sup> will include credit exposure (funded and non-funded credit limits) and investment exposure (including underwriting and similar commitments). The sanctioned limits or outstanding, whichever are higher, shall be reckoned for arriving at the exposure limit. However, in the case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit, the outstanding shall be reckoned as exposure.

#### 6.1.2. Prudential Credit Exposure Norms for non - PPP projects and PPP Projects without a Project Authority ("non-PPP projects")

The maximum exposure for non-PPP projects shall be:

- For Single Borrower: 25% of Tier I Capital
- For Single Group of Borrowers: 40% of Tier I Capital

These norms are as per the extant RBI guidelines with regard to credit concentration norms for exposure by IDF NBFCs to assets which are non-PPP projects.

As per RBI guidelines "Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15 per cent of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.

As per RBI guidelines, "Owned Funds" means paid up equity capital,

<sup>1</sup> Exposure shall be reckoned only after limits are approved / sanctioned by the designated approval authorities. Any proposed limits pending sanction by the approval authorities shall not be reckoned as exposure. If any approval is for an exposure to be disbursed /utilized subject to/for prepayment /repayment/satisfaction of existing exposure to the group/borrower, the cumulative exposure shall not include the exposure which is subject to/for prepayment/repayment/satisfaction of existing exposure.

preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any;

At any point of time, exposure to Single Group of Borrowers with both non-PPP Projects and PPP projects shall not exceed 100% of Total Capital Funds.

As per RBI guidelines, Tier II Capital for an IDF NBFC shall not exceed Tier I.

### 6.1.3. Restructured Assets

- a) The Company may participate in financing a Project which in the past has been a restructured asset due to shift in DCCO, provided the Project is classified as Standard Asset as on date of disbursement.

The Company may participate in financing a project which is classified as restructured asset/NPA, in case there is change in ownership of the Borrower which makes it eligible for being classified as a standard asset as per extant RBI guidelines/regulations in this regard.

Restructuring would normally involve modification of the terms of advances which would generally include alteration of repayment period/security/ amount of instalments/ rate of interest etc., due to stress and for reasons other than competitive reasons.

## 6.2. Financial Ratios

### 6.2.1 Debt : Equity Ratio

In general Debt: Equity ratio of 70:30 shall be permitted. However, this may vary on case to case basis keeping in view the risk profile of the sector, and merits of the specific project as approved by the Credit Committee.

### 6.2.2 Debt Service Coverage Ratio

In general Debt Service Coverage Ratio (DSCR) in any year should not be less than 1.10. However, this may vary on case to case basis keeping in view the risk profile of the sector and the specific project as approved by the Credit Committee.

### 6.2.3 Loan Life Ratio

In general, Loan Life Coverage Ratio (LLCR) should not be less than 1.10. However, this may vary on case to case basis keeping in view the risk profile of the sector and the specific project as approved by the Credit Committee.

### 6.3. Pricing of Rupee Debt

The pricing of Rupee Debt must take into account the duration of the facility, and the credit rating of the facility. In turn, the rating of the facility will depend on the quality of sponsors and their track record, borrower's track record, project risk analysis, the financial projections (including coverage ratios), the strength of underlying contracts, credit worthiness of counterparties, extent of sponsor support, security against the loan, etc.

All projects shall be priced with reference to the rating score. However, competition, the breakthrough in new relationships, and strategic/balance sheet/ regulatory considerations may impact the pricing of the product. The pricing shall be guided by a Policy on "Interest Rate Policy" as approved by the Board.

## 7. Credit Rating Framework

The internal credit rating framework shall broadly comprise of the credit rating scales for Project Loans which shall include

- (i) Promoter Risk (including Financial Capability, Management Capability, Credit Track Record etc)
- (ii) Project Risk (including Operating Risk, Regulatory Risk, Market Risk, Financial Risk, ESG risk, Financing Risk etc)

Each category and sub-category of risk shall have a weightage, illustratively as shown below:

Particulars	Weightage	Sub-Weightage	Score	Comments
<b>Promoter</b>	<b>35%</b>			
Financial capability		30%	4	
Management capability		30%	4	
Credit track record		40%	4	
<b>Project</b>	<b>65%</b>			
Operating risk		25%	4	
Regulatory risk		10%	4	

Market risk		25%	4	
Financials		25%	4	
Other		15%	4	
<b>Total score</b>	<b>100%</b>		4	

Each proposal shall be assigned rating scores and the weighted average score shall be linked to internal credit ratings, as illustrated below:

<b>Score</b>	<b>Internal Rating</b>
>4.0	iAAA
3.91-4.0	iAA+
3.81-3.90	iAA
3.71-3.80	iAA-
3.61-3.70	iA+
3.51-3.60	iA
3.41-3.50	iA-
3.11-3.40	iBBB+
2.81-3.10	iBBB
2.61-2.80	iBBB-
2.25-2.60	iBB+, iBB & iBB-
<2.25	iB, iC & iD

The Company shall not finance Projects below iBBB- rating arrived as per our Board approved rating framework (mapped with an external rating of BBB-). In case of a difference between the Internal Credit rating and the External Credit rating (if available), then the lower out 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 investment grade, but is expected to improve due to various factors (including refinance loan terms), the Credit Committee may approve 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 would be conducted to determine the credit migration and rating of the portfolio.

## 8. Documentation and Disbursement

### 8.1 Documentation

The objective of the documentation process is to ensure that the contractual obligations between the Company and the client are established in line with the terms approved by the Board.

Disbursement of the assistance to the client shall be as per the disbursement process to be laid down in the Credit Operations Manual. The primary objective of this process is to ensure compliance with all pre-disbursement conditions, covenants and



security creation as mentioned in the Loan agreement.

## 9. Monitoring & Post-disbursement

### 9.1 Portfolio Monitoring

Proper monitoring and supervision of the facilities extended by the Company is an activity of vital importance with the following broad objectives:

- Ensuring compliance with covenants in the financing documents.
- Collection of data relating to the physical and financial performance of assisted companies;
- Analysis of the data/information to assess the performance vis-à-vis appraisal estimates;
- Watch for early signs of improvement/ deterioration in credit quality;
- Work on an early action plan to preserve credit quality and prevent slippage of accounts;

Usually, all transactions approved by the Company shall be subject to the following supervision/monitoring requirements.

- Annual site visits - Site visits in respect of all the outstanding loans should be done in the periodicity of once every year (either by IFL or by the Lenders Agent/Lead Lender/ Lenders' Engineer). In respect of cases where the quality of loan asset is deteriorated, an immediate site visit should be done by IFL. However certain projects, due to dispersed operations over a vast area/length, may not be amenable to site visits. These could include inter-alia projects such as transmission lines, pipelines, power distribution networks, city gas distribution networks, broadband networks, telecom towers. etc.

Site visits may not be considered mandatory for such projects.

- For loans, where the exposures have been sanctioned for multi-location facilities, site visits to be conducted to the extent of 10% of the assets held by the respective borrower(s).
- Progress reports, including those from the borrower/lenders' engineer.
- Auditors'/ Chartered Accountant's certificate for end-use of funds.
- Quarterly / Semi-annual financials / Annual Reports.
- Trust and Retention mechanism as applicable.
- Concurrent Auditor, wherever required.
- Nominee Director, wherever required.

An annual review of all borrowers shall be carried out for monitoring purposes covering inter alia the operational performance (highlighting significant deviations from projections, payment track record, outstanding issues, compliances of covenants) and presented to the Credit Committee.

## **9.2 Post-disbursement**

The activities, post disbursement include the following activities, but not limited to:

- Recovery of dues.
- Ceding of charge over security in favour of other lenders.
- Reset of interest rates.
- Merger/amalgamation /demerger of assisted companies; change of sponsor.
- Cancellation of undisbursed assistance.
- Prepayment of loans.
- Closure of loan and release of security.
- Recall of loan in case of default.

These activities shall be carried out as per the procedures laid out in the Credit Operations Manual.

## **9.3 Down selling of exposures and syndication**

All cases, wherever NIIF IFL intends to sell down part of its exposure, shall be informed to CC and the necessary approvals shall be obtained before such sell down as per Delegation of Powers.

## **9.4 Lending under Consortium Arrangement/Multiple Banking Arrangement**

NIIF IFL shall participate in the consortium lending arrangements, along with other market participants. Credit assessment of the respective transaction shall be carried out independently by NIIF IFL as per its own standards and policies.

## **9.5 Provisioning**

The Company is required to make provisions for the assets on its books based on the asset classification of these assets. This provision shall be as per the Provisioning Policy approved by the Board (as may be amended from time to time).

## **9.6 Exit Policy**

The Company may contemplate exiting from the account and rebalance the portfolio in the below scenarios:

- To limit the sectoral exposure to certain sectors within approved limits.
- To adhere to the group exposure limits in the events of mergers & acquisitions.
- To replace an existing exposure with another exposure providing better risk-adjusted returns within the same Group.
- When the concentration is at a higher level, which exposes the Company to adverse changes in that sector in which credits are

- concentrated.
- Where the borrower's profile emits warning signals of probable slippage in asset quality / probable default / operating under stress.
- When the borrower's rating is consistently goes down and falls below investment grade.
- For risk-adjusted pricing related reasons.
- To move towards the desired portfolio balance.

## 9.7 Stressed Asset Management

NIIF IFL's focus, in the context of stressed asset management, will be to maximize realization from the stressed accounts.

The management of stressed assets will be undertaken in line with the Policy on Early Recognition and Resolution of Stressed Assets.

## 10. Approving Authority

### 10.1. Deal Selection Committee (DSC) Matters

Screening of proposals / broad terms.

The DSC will meet subject to the availability of proposals. The constitution of the DSC will be the same as that of the Decision Committee mentioned below.

### 10.2. Decision Committee (DC) Matters

1. Review of due diligence and investment/lending terms for proposals prior to recommending to Board for approval.

2. Any other matter requiring DC's views.

Constitution of DSC and DC	Member
Chairman of DSC/DC	Chief Executive Officer(CEO)
Members of DSC/DC	CEO, Chief Business Officer, Chief Risk Officer(CRO) , Chief Compliance Officer and General Counsel (CCO & GC)
Invitees to DSC	Deal Team members – Business Officer, Credit Officer, Legal Officer, Head of IT, Head – Resources (as may be necessary)
Invitees to DC	Deal Team members – Business Officer, Credit Officer, Legal Officer, , Head of IT, Head – Resources (as may be necessary)
Quorum for DSC/DC	CEO + CRO
Frequency of DSC/DC	The DC/DSC shall generally meet on a weekly basis, subject to availability of proposals.
Preparation of Minutes of DSC/DC	Minutes shall be prepared by Business Officer and signed-off by CRO. DSC minutes of a proposal to be discussed at the time of DC.

**10.3. Board / Credit Committee Matters**

1. Review and Approval of debt facilities to borrowers.
2. Ratification of major material changes in sanction terms (as per DoP) approved by CEO.
3. Review of stressed cases.

## Undertaking

### NIIF Infrastructure Finance Limited ("the Company")

We, hereby confirm that:

**Default in Payment** – In case of default in payment of interest and / or principal redemption on the due dates, additional interest of 2% p.a. over the coupon rate will be payable by the Company for the defaulting period.

**Delay in Listing** – In case of delay in listing of the debt securities beyond the timelines as specified in the Operational Circular issued by the Securities and Exchange Board of India, the Company will pay penal interest of 1% p.a. over the coupon rate to the investors for the period of delay i. e. the deemed date of allotment till the listing of such debt securities.

**Default in allotment of Bonds:** The issuer shall allot the Bonds within the timeline in accordance with applicable law and if the issuer is not able to allot the Bonds within such period, it shall repay the application money to the subscribers with additional interest as provided under applicable law.

Kindly consider above undertaking as part of Shelf Placement Memorandum.

**For NIIF Infrastructure Finance Limited**

**Shiva Rajaraman**  
Chief Executive Officer

**V. Narayanan Iyer**  
Chief Financial Officer

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF NIIF INFRASTRUCTURE FINANCE LIMITED ("NIIFIL" & "THE COMPANY") AT THEIR MEETING HELD ON FRIDAY, JUNE 3, 2022, AT BOARD ROOM, 3<sup>RD</sup> FLOOR, UTI TOWER, GN BLOCK, BANDRA KURLA COMPLEX MUMBAI 400051**

**APPROVAL FOR APPOINTMENT OF MR. SHIVA RAJARAMAN AS CHIEF EXECUTIVE OFFICER OF THE COMPANY:**

**"RESOLVED THAT** pursuant to the provisions of Section 179, 203 of the Companies Act, 2013 ("the Act") and other applicable provisions of the Act read with rules made thereunder and any amendments thereto, the Board of Directors of the company hereby appoint Mr. Shiva Rajaraman as Chief Executive Officer (CEO) and designate him as Key Managerial Personnel (KMP) of the company from July 1, 2022, on the terms and conditions including remuneration as mentioned in the appointment letter."

**RESOLVED FURTHER THAT** the Board of Directors of the company be and hereby approve delegation of all the powers vested and exercised by Mr. Sadashiv Rao, being CEO of the company to Mr. Shiva Rajaraman with effect from July 1, 2022.

**RESOLVED FURTHER THAT** any Directors, Chief Financial Officer and Company Secretary of the company be and hereby severally authorized do all such acts, deeds, matters and things and execute such other documents as may be necessary for the purpose of giving effect to this resolution."

For NIIF Infrastructure Finance Limited



**Ankit Sheth**  
**Company Secretary and Compliance Officer**  
**ACS: A27521**



**September 20, 2022**

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF NIIF INFRASTRUCTURE FINANCE LIMITED (“NIIFIL” & “THE COMPANY”) AT THEIR MEETING HELD ON TUESDAY, JUNE 15, 2021, THROUGH VIDEO CONFERENCING FACILITY**

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**1. TO APPROVE INCREASE IN BORROWING POWER AND CREATION OF SECURITY SUBJECT TO APPROVAL OF SHAREHOLDERS U/S 180 (1) (A) AND 180 (1) (C) OF THE COMPANIES ACT, 2013**

**“RESOLVED THAT** in supersession of the earlier resolution passed by the Board of Directors and pursuant to the provisions of Sections 179, and Section 180 (1) (c) of the Companies Act 2013 (“the Act”) read with the Companies (Meetings of the Board and its Powers) Rules, 2014 and subject to the approval of the Shareholders by special resolution, Memorandum and Articles of Association of the Company and other applicable provisions of the Act and other regulations, Board be and hereby approve and recommend to shareholders for their approval to borrow funds through any of the permissible mode or instrument including the monies already borrowed by the Company up-to an amount not exceeding an aggregate amount of INR 40,000 crore (Rs. Forty Thousand crore) inter alia, from banks, term lenders, financial institutions, non-banking finance companies, mutual funds, corporates, Qualified Institutional Buyers (QIBs), high net-worth individuals, family offices or other body corporates etc. notwithstanding that the money to be borrowed together with money already borrowed by the Company (apart from the temporary loans obtained from Company’s Bankers in the ordinary course of business) and remaining undischarged at any given time exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserve.

**RESOLVED FURTHER THAT** in supersession of the earlier resolution passed by the Board of Directors and pursuant to the provisions of Sections 179, and Section 180 (1) (a) of the Companies Act 2013 (“the Act”) read with the Companies (Meetings of the Board and its Powers) Rules, 2014 and subject to the approval of the Shareholders by special resolution and provisions of Memorandum and Articles of Association of the Company and other applicable provisions of the Act and other regulations, Board be and hereby approve and recommend to shareholders for their approval to pledge, mortgage, charge or create any other encumbrance in all or any part of movable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or create a floating charge in all or any movable or immovable proper ties of the Comp any and in the whole of the undertaking of the Company together with power to take over the management of the business and concern of the Company in certain events to or in favor of Banks, Financial Institutions, any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings; provided that the maximum limit of the obligations secured by such security interest created by the Company does not exceed Rs. 40,000 crores only (Rupees Forty Thousand crore only) at any point of time.

**RESOLVED FURTHER THAT** the consent of the Board be and is hereby granted to the Finance Committee to borrow funds within the overall borrowing limits of INR 40,000 crore only (Rupees Forty Thousand crore only) only, outstanding at any point of time, inter alia, by way of, debentures/bonds/ Zero Coupon Bonds, commercial papers and subordinated debt/perpetual debt etc., whether secured or unsecured with tenor and rate(fixed or floating) to be decided on a case to case basis etc., from banks, term lenders, financial institutions, non- banking finance companies, mutual funds, corporates, Qualified Institutional Buyers (QIBs, high net-worth individuals and family offices, alternative investment funds, etc. (apart from the temporary loans obtained from Company’s Bankers in the ordinary course of business) on such terms and conditions , as may be deemed fit and approved by the Finance Committee.

**RESOLVED FURTHER THAT** the consent of the Board be and is hereby granted to the Finance Committee to create mortgage, charge and/or hypothecation, as may be necessary on the assets of the Company, both present and in future, in such manner, in favor of the financial institutions, investment institutions, banks and other bodies corporate and trustees for the holders of debentures/bonds and/or to secure term loans/loans such that aggregate amount of debt at any point of time does not exceed INR 40,000 crore (Rupees Forty Thousand crore only), payable by the Company to the trustees under the trust deed / trustee agreement and/ or to the lending entities under their respective agreements/loan agreements/debenture trust deeds to be entered into by the Company in respect of such borrowings.

**RESOLVED FURTHER THAT** the consent of the Board be and is hereby granted to the Finance Committee or the officials authorized by Finance Committee to Appoint Registrar and Transfer Agents, Depositories, Distributors, Merchant Bankers, and such other intermediaries as may be required and negotiate with the Intermediaries and fix such remuneration and finalize the terms of their appointment, as may be deemed fit.

**RESOLVED FURTHER THAT,** the consent of the Board be and is hereby granted to the Finance Committee or officials as may be authorized by the Finance Committee from time to time to negotiate, execute, file, register, and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters and to approve any expenses / chargers as may be required in connection with the availing of the credit facilities and deal with regulatory authorities in connection with the availing of the credit facilities including but not limited to the Registrar of Companies, Ministry of Corporate Affairs, National Company Law Tribunal, relevant jurisdictional registrar/sub-registrar of assurances, and such other authorities and to do all such acts, deeds and things as may be required from time to time.

**RESOLVED FURTHER THAT** the Common Seal of the Company, if required, be affixed to the documents, in accordance with the Articles of Association or in presence of such officers as may be authorized by the Finance Committee of the Company.

**RESOLVED FURTHER THAT** CEO, CFO, Company Secretary or any official authorized by Finance Committee is authorized to issue Certified True Copy of this Resolution and to file/ submit necessary documents, forms as may be required to file with RoC or any other Regulator, statutory or non-statutory body to give effect to this resolution."

For **NIIF Infrastructure Finance Limited**



**Ankit Sheth**  
**Company Secretary and Compliance Officer**  
**ACS: A27521**

**September 14, 2022**



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF NIIF INFRASTRUCTURE FINANCE LIMITED (“NIIFIL” & “THE COMPANY”) AT THEIR MEETING HELD ON FRIDAY, MAY 6, 2022, THROUGH VIDEO CONFERENCING FACILITY**

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**APPROVAL OF BORROWING THROUGH ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS AND FILING OF SHELF PROSPECTUS**

**“RESOLVED THAT** pursuant to the provisions of Section 179, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder and pursuant to all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”) including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with the operational circular for issue and listing of non-convertible securities, (including any statutory modifications or re-enactments thereof for the time being in force) and other applicable SEBI regulations and guidelines, and pursuant to the Foreign Exchange Management Act, 1999, rules, regulations, guidelines notifications, clarifications, and circulars, if any, prescribed by the Government of India, the enabling provisions of the Memorandum and Articles of Association of the Company and subject to such applicable laws, rules, regulations and guidelines and subject to approval of the members of the Company in ensuing general meeting, consent of the Board of Directors (“the Board”) be and is hereby accorded to offer, issue and allot, in one or more tranches, non-convertible debentures (NCDs) including but not limited to subordinate debentures, bonds, and/or other debt securities, etc. on a private placement basis, during the period of one year from the date of passing of the special resolution by the members in ensuing general meeting, for an amount of Rs. 30,000 Crores (Rupees Thirty Thousand Crores Only) on such terms and conditions as may be decided by the Board in one or more tranches to such person(s), including one or more company(ies), bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board may decide for the purposes as may be determined by the Board or committee referred to above.

**RESOLVED FURTHER THAT** the aggregate of the funds to be raised by issue of the said NCDs including but not limited to subordinate debentures, bonds, and/or other debt securities, etc., shall not exceed the overall borrowing limits of the Company as approved or may be approved by the members of the Company from time to time.

**RESOLVED FURTHER THAT** the consent of the Board be and is hereby granted to the Finance Committee to issue the securities on private placement basis, create mortgage, charge and/or hypothecation, as may be necessary on the assets of the Company, both present and in future, in such manner, in favour of the financial institutions, investment institutions, banks and other bodies corporate and trustees for the holders of debentures/bonds and/or to secure term loans/loans and do all such activities which are required to be done with respect to issuance of NCDs on private placement basis.

**RESOLVED FURTHER THAT** the consent of the Board be and is hereby granted to the Finance Committee or the officials authorized by Finance Committee to Appoint Registrar and Transfer Agents, Rating Agencies, Depositories, Distributors, Legal Counsel, Merchant Bankers and such other intermediaries as may be required and negotiate with the Intermediaries and fix such remuneration and finalize the terms of their appointment, as may be deemed fit.

**RESOLVED FURTHER THAT**, the consent of the Board be and is hereby granted to the Finance Committee or officials as may be authorized by the Finance Committee from time to time to negotiate, execute, file, register, and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters and to approve any expenses / chargers as may be required in connection with the availing of the credit facilities and deal with regulatory authorities in connection with the availing of the credit facilities including but not limited to the Registrar of Companies, Ministry of Corporate Affairs, National Company Law Tribunal, relevant jurisdictional registrar/sub-registrar of assurances, and such other authorities and to do all such acts, deeds and things as may be required from time to time.

**RESOLVED FURTHER THAT** any of the Directors of the Company, Chief Executive Officer of the Company, Company Secretary of the Company be and are hereby severally authorized to take all necessary steps to give effect to the above resolution and also to inform about the above to the statutory/ regulatory authority/ies and to file requisite forms and returns with the Registrar of Companies (ROC) and to do all such acts, deeds and things as may be necessary proper and expedient to give effect to this resolution.”

For **NIIF Infrastructure Finance Limited**



**Ankit Sheth**  
**Company Secretary and Compliance Officer**  
**ACS: A27521**

**September 14, 2022**

**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF NIIF INFRASTRUCTURE FINANCE LIMITED ("NIIF IFL" & "THE COMPANY") AT THE EXTRA ORDINARY GENERAL MEETING HELD ON WEDNESDAY, JUNE 8, 2022, THROUGH VIDEO CONFERENCING FACILITY**

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**APPROVAL OF ISSUANCE OF NON - CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS AND FILING OF SHELF PLACEMENT MEMORANDUM**

The members considered and passed the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder and pursuant to all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI") including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with the operational circular for issue and listing of non-convertible securities, (including any statutory modifications or re-enactments thereof for the time being in force) and other applicable SEBI regulations and guidelines, and pursuant to the Foreign Exchange Management Act, 1999, rules, regulations, guidelines notifications, clarifications, and circulars, if any, prescribed by the Government of India, the enabling provisions of the Memorandum and Articles of Association of the Company and subject to such applicable laws, rules, regulations and guidelines, consent of the shareholders of the Company be and is hereby accorded to offer, issue and allot, in one or more tranches, non-convertible debentures (NCDs) including but not limited to subordinate debentures, bonds, and/or other debt securities, etc. on a private placement basis, for an amount of Rs. 30,000 Crores (Rupees Thirty Thousand Crores Only) on such terms and conditions as may be decided by the Board of Directors ("Board") or any other Committee authorized by the Board ("Committee"), in one or more tranches to such person(s), including one or more company(ies), bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board/Committee may decide for the purposes as may be determined.

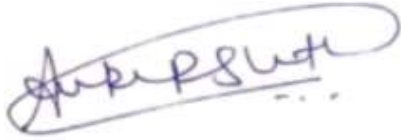
**RESOLVED FURTHER THAT** the aggregate of the funds to be raised by issue of the said NCDs including but not limited to subordinate debentures, bonds, and/or other debt securities, etc., shall not exceed the overall borrowing limits of the Company as approved or may be approved by the members of the Company from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or Finance Committee or any other Committee authorized by the Board, be and are hereby severally authorised to approve, finalise, modify, settle and execute such documents/deeds/writings/papers/agreements, as may be required or considered necessary and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the borrowing(s) to be undertaken by the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to Finance Committee or any other Committee of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

**RESOLVED FURTHER THAT** any Director or CEO or CFO or Company Secretary or any official authorized by the Board or Committee is authorized to issue Certified True Copy of this Resolution and to file/submit necessary documents, forms as may be required to file with Registrar of Companies or any other Regulator, statutory or non-statutory body to give effect to this resolution.”

For **NIIF Infrastructure Finance Limited**



**Ankit Sheth**  
**Company Secretary and Compliance Officer**  
**ACS: A27521**

**September 14, 2022**

**CERTIFIED TRUE COPY OF THE EXPLANATORY STATEMENT TO THE SPECIAL RESOLUTION PASSED IN THE ANNUAL GENERAL MEETING OF MEMBERS OF NIIF INFRASTRUCTURE FINANCE LIMITED HELD ON TUESDAY, SEPTEMBER 21, 2021 THROUGH VIDEO CONFERENCING FACILITY**

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The Company at its Extra Ordinary General Meeting (EGM) held on June 21, 2021, had sought approval from the Members to borrow funds by way of issuance of Non-Convertible Debentures (NCDs) including but not limited to subordinate debentures, bonds, and/or other debt securities, on private placement basis for an amount not exceeding 20,000 Crore (Rupees Twenty Thousand Crore only) during one year from the date of passing the Resolution i.e., June 21, 2021.

Considering the period of validity of earlier Shareholder's resolution passed at the EGM held on June 21, 2021 in relation to issue of NCD's is of one year i.e. till June 20, 2022 and in view of the budgeted business growth and current leverage program, the Board of Directors at its meeting held on \_\_\_, 2022 had passed a resolution to allow the Company to offer non-convertible debentures (NCDs) including but not limited to subordinate debentures, bonds, and/or other debt securities, etc. not exceeding Rs. 30,000 Crores.

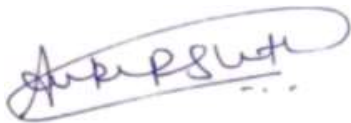
In terms of the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules") as amended from time to time, a Company offering or making an invitation to subscribe non-convertible debentures (NCDs) on a private placement basis, is required to obtain prior approval of its Members by way of a Special Resolution.

It is proposed to authorize the Board (hereinafter which term shall be deemed to include any Committee constituted/to be constituted by the Board), to offer or invite subscription for NCDs including but not limited to subordinate debentures, bonds, and/or other debt securities, etc in one or more series / tranches on private placement basis from time to time, on such material terms and conditions and by securing such moveable and/ or immovable assets of the Company as may be deemed necessary in their absolute discretion subject to applicable laws, rules, regulations and guidelines.

The approval of the Members is sought by way of a Special Resolution under section 42 and 71 of the Act read with the rules made thereunder, to enable the Company to offer or invite subscriptions of non-convertible debentures including but not limited to subordinate debentures, bonds, and/or other debt securities, on a private placement basis in one or more tranches, during the period of one year from the date of passing of the special resolution at Item No. 1, within the overall borrowing limits of the Company.

None of the Directors, Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 1 of the Notice.

For **NIIF Infrastructure Finance Limited**



**Ankit Sheth**  
**Company Secretary and Compliance Officer**  
**ACS: A27521**

**September 14, 2022**

**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF NIIF INFRASTRUCTURE FINANCE LIMITED ("NIIF IFL" & "THE COMPANY") AT THE 8<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON TUESDAY, SEPTEMBER 21, 2021, THROUGH VIDEO CONFERENCING FACILITY**

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**1. APPROVAL OF LIMITS UNDER SECTION 180(1)(C) OF COMPANIES ACT, 2013 AND POWERS**

The members considered and passed the following resolution as **Special Resolution**:

**"RESOLVED THAT** in supersession of the earlier resolution passed by the shareholders of the Company and pursuant to the provisions of Section 180 (1) (c) of the Companies Act 201 ("the Act") read with the rules made thereunder and provisions of Memorandum and Articles of Association of the Company and other applicable provisions of the Act and other regulations, consent of the shareholders of the Company is be and hereby accorded to borrow funds through any of the permissible mode or instrument (including coupon bearing instruments or zero coupon bonds) including the monies already borrowed by the Company up-to an amount not exceeding an aggregate amount of INR 40,000 crore (Rs. Forty Thousand crore) inter alia, from banks, term lenders, financial institutions, non-banking finance companies, mutual funds, corporates, Qualified Institutional Buyers (QIBs), high net-worth individuals, family offices or other body corporates etc. notwithstanding that the money to be borrowed together with money already borrowed by the Company (apart from the temporary loans obtained from Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserve.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (including any Committee authorized by the Board ), be and are hereby severally authorised to approve, finalise, modify, settle and execute such documents/ deeds/writings/papers/agreements, as may be required or considered necessary and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the borrowing(s) to be undertaken by the Company."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

**"RESOLVED FURTHER THAT** CEO, CFO, Company Secretary or any official authorized by Committee is authorized to issue Certified True Copy of this Resolution and to file/ submit necessary documents, forms as may be required to file with RoC or any other Regulator, statutory or non-statutory body to give effect to this resolution."

**2. APPROVAL OF LIMITS UNDER SECTION 180(1)(A) OF COMPANIES ACT, 2013 AND POWERS**

The members considered and passed the following resolution as **Special Resolution**:

**"RESOLVED THAT** in supersession of the earlier resolution passed by the shareholders of the Company and pursuant to the provisions of Section 180 (1) (a) of the Companies Act 201 ("the Act") read with the rules made thereunder, provisions of Memorandum and Articles of Association of the Company and other applicable provisions of the Act and other regulations, consent of the shareholders of the Company is be and hereby accorded to pledge, mortgage, charge or create any other encumbrance in all or any part of movable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or create a floating charge in all or any movable or immovable properties of the Company and in the whole of the undertaking of the Company together with power to take over the management of the business and concern of the Company in certain events to or in favor of Banks, Financial Institutions, any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal

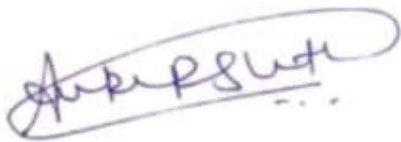
together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings; provided that the maximum limit of the obligations secured by such security interest created by the Company does not exceed Rs. 40,000 crores only (Rupees Forty Thousand crore only) at any point of time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (including any Committee authorized by the Board ), be and are hereby severally authorised to approve, finalise, modify, settle and execute such documents/ deeds/writings/papers/agreements, as may be required or considered necessary and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the borrowing(s) to be undertaken by the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee authorized by the Board ("the Committee") or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

**RESOLVED FURTHER THAT** CEO, CFO, Company Secretary or any official authorized by the Committee is authorized to issue Certified True Copy of this Resolution and to file/ submit necessary documents, forms as may be required to file with RoC or any other Regulator, statutory or non-statutory body to give effect to this resolution."

For **NIIF Infrastructure Finance Limited**



**Ankit Sheth**  
**Company Secretary and Compliance Officer**  
**ACS: A27521**

**September 14, 2022**



**CERTIFIED TRUE COPY OF THE EXPLANATORY STATEMENT TO THE SPECIAL RESOLUTION PASSED IN  
THE ANNUAL GENERAL MEETING OF MEMBERS OF NIIF INFRASTRUCTURE FINANCE LIMITED HELD  
ON TUESDAY, SEPTEMBER 21, 2021 THROUGH VIDEO CONFERENCING FACILITY**

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**Item No. 1 & 2**

The Members are requested to note that in view of the budgeted business growth and object of the Company, it is proposed to increase the overall borrowing limits of the Company from Rs. 20,000 Crore to INR 40,000 crore (Rs. Forty Thousand crore). In this regard, the Board of Directors at their Meeting held on June 15, 2021 has approved the above proposed increase in overall borrowing limits, subject to the approval by the members of the Company at a general meeting.

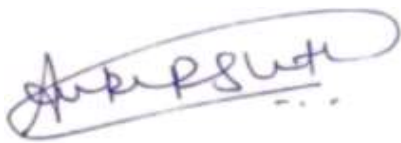
Section 180 (1) (c) of the Companies Act, 2013 permits the Company to borrow money along with the money already borrowed by the Company (except the temporary loans obtained from the Companies banker in ordinary course of business), beyond the paid up capital and free reserve of the Company, only if the same is approved by the members of the Company by way of Special Resolution at a general meeting. In view of the above, it is proposed to seek approval of the members of the Company by way of Special Resolution.

Further, pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013, the Board of Directors shall not create charge/security on the assets of the Company for securing its loans/borrowings, which could amount to sale/lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, except with the consent of the Company accorded in the General Meeting.

Therefore, it is necessary to obtain approval of the shareholders by means of a Special Resolution, to enable the Board of Directors (including any Committee of the Board of Directors thereof for the time being exercising the powers conferred on the Board) to create charge/security on the assets of the Company to secure its loans/borrowings upto an amount not exceeding INR 40,000 crore (Rs. Forty Thousand crore).

None of the Directors, Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item nos. 5 & 6 of the Notice.

**For NIIF Infrastructure Finance Limited**



**Ankit Sheth**  
**Company Secretary and Compliance Officer**  
**ACS: A27521**

**September 14, 2022**



**CERTIFIED TRUE COPY OF THE CIRCULAR RESOLUTION NO. 06/2022-23 & 07/2022-2023 PASSED BY THE FINANCE COMMITTEE OF NIIF INFRASTRUCTRE FINANCE LIMITED ("NIIFIFL" & "THE COMPANY") ON MONDAY, JULY 4, 2022.**

**APPROVAL FOR CHANGE IN THE AUTHORIZED REPRESENTATIVES FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS:**

**"RESOLVED THAT** in supersession of the resolution passed earlier by the Committee and pursuant to the resolution passed in the Board Meeting and the Extra ordinary General Meeting of the company held on May 6, 2022 and June 8, 2022 respectively, the consent of the committee be and is hereby accorded to offer, issue and allot, in one or more tranches, non-convertible debentures (NCDs) including but not limited to subordinate debentures, bonds, and/or other debt securities, etc. on a private placement basis and file shelf prospectus/offer documents, for an amount of Rs. 30,000 Crores (Rupees Thirty Thousand Crores Only)

**RESOLVED FURTHER THAT** any two of the following authorized representatives:

1. Mr. Shiva Rajaraman, Chief Executive Officer;
2. Mr. Debabrata Mukherjee, Chief Business Officer;
3. Mr. Dhananjay Yellurkar, Chief Risk Officer ;
4. Mr. V. Narayanan Iyer, Chief Financial Officer;
5. Mr. Srinivas Upadhyayula, Head – Legal and Compliance;
6. Mr. Amit Ruparelia, Director - Resources;
7. Mr. Atul Kulkarni, Director – Business
8. Mr. Sourabh Shrivastava, Director – Business

be and are hereby severally authorized to approve, finalise, modify, settle and execute such documents/ deeds/writings/papers/agreements, as may be required or considered necessary and to do all such acts, deeds, matters and things, as deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the borrowing(s) to be undertaken by the Company.

**RESOLVED FURTHER THAT** any two of the above authorized representatives be and are severally authorized to do all such things and deeds as may be necessary to give effect to the above resolution including appointments of Arrangers, Rating Agencies, Registrars and transfer agents, Listing of Bonds, Security Creation, approving buyback of bonds, dematerialization of the Bonds/Debentures with NSDL / CDSL including outstanding Bonds/ Debentures and other issues procedures.

**RESOLVED FURTHER THAT** any of the above authorized representative (s) be and are hereby authorized severally to sign/modify the documents for Private Placement of Debentures and term sheets, Addendums and other associated papers thereto, to be filed with the Stock Exchanges or other statutory filings."

For NIIF Infrastructure Finance Limited

**Ankit Sheth**  
**Company Secretary and Compliance Officer**  
**ACS: A27521**



**September 20, 2022**



All Monetary Items present in this return shall be reported in ₹ Lakhs Only

Table 3: Statement of Interest Rate Sensitivity (IRS)

Particulars		0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Non-sensitive	Total
		X010	X020	X030	X040	X050	X060	X070	X080	X090	X100	X110	X120
<b>A. Liabilities (OUTFLOW)</b>													
1. Capital [(i)+(ii)+(iii)+(iv)]	Y010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,90,901.92	1,90,901.92
(i) Equity	Y020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,90,901.92	1,90,901.92
(ii) Perpetual preference shares	Y030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Non-perpetual preference shares	Y040	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Others (Please furnish, if any)	Y050	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Reserves & surplus [(i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii)+(viii)+(ix)+(x)+(xi)+(xii)+(xiii)]	Y060	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,44,517.40	1,44,517.40
(i) Share Premium Account	Y070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54,759.30	54,759.30
(ii) General Reserves	Y080	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	87.57	87.57
(iii) Statutory/Special Reserve (Section 45-IC reserve to be shown separately below item no.(vii))	Y090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Reserves under Sec 45-IC of RBI Act 1934	Y100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,444.91	13,444.91
(v) Capital Redemption Reserve	Y110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Debenture Redemption Reserve	Y120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vii) Other Capital Reserves	Y130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(viii) Other Revenue Reserves	Y140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ix) Investment Fluctuation Reserves/ Investment Reserves	Y150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(x) Revaluation Reserves	Y160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
viii.1 Revl. Reserves - Property	Y170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
viii.2 Revl. Reserves - Financial Assets	Y180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(xi) Share Application Money Pending Allotment	Y190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(xii) Others (Please mention)	Y200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.96	3.96
(xiii) Balance of profit and loss account	Y210	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76,221.66	76,221.66
3. Gifts, grants, donations & benefactions	Y220	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Bonds & Notes (a+b+c)	Y230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
a) Fixed rate plain vanilla including zero coupons	Y240	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Instruments with embedded options	Y250	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Floating rate instruments	Y260	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Deposits	Y270	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Term Deposits/ Fixed Deposits from public	Y280	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Fixed rate	Y290	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Floating rate	Y300	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. Borrowings [(i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii)+(viii)+(ix)+(x)+(xi)+(xii)]	Y310	0.00	0.00	25,000.00	31,500.00	0.00	6,000.00	22,900.00	3,22,000.00	8,18,400.00	1,49,967.00	60,282.91	14,36,049.91
(i) Bank borrowings	Y320	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
a) Bank Borrowings in the nature of Term money borrowings	Y330	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y340	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y350	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Bank Borrowings in the nature of WCCL	Y360	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y370	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y380	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Bank Borrowings in the nature of Cash Credits (CC)	Y390	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y400	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y410	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Bank Borrowings in the nature of Letter of Credits (LCs)	Y420	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y430	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y440	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Bank Borrowings in the nature of ECBs	Y450	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y460	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y470	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Inter Corporate Debts (other than related parties)	Y480	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y490	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Loan from Related Parties (including ICDs)	Y510	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y520	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y530	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Corporate Debts	Y540	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y550	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y560	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(v) Commercial Papers	Y570	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Of which; (a) Subscribed by Mutual Funds	Y580	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Subscribed by Banks	Y590	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Subscribed by NBFCs	Y600	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Subscribed by Insurance Companies	Y610	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Subscribed by Pension Funds	Y620	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Subscribed by Retail Investors	Y630	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) Others (Please specify)	Y640	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Non - Convertible Debentures (NCDs) (A+B)	Y650	0.00	0.00	25,000.00	31,500.00	0.00	6,000.00	22,900.00	3,22,000.00	8,18,400.00	1,49,967.00	60,282.91	14,36,049.91
A. Fixed rate	Y660	0.00	0.00	25,000.00	31,500.00	0.00	6,000.00	22,900.00	3,22,000.00	8,18,400.00	1,49,967.00	60,282.91	14,36,049.91
Of which; (a) Subscribed by Mutual Funds	Y670	0.00	0.00	20,000.00	300.00	0.00	0.00	0.00	39,700.00	5,000.00	0.00	3,624.36	68,624.36
(b) Subscribed by Banks	Y680	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,86,170.00	5,20,800.00	4,560.85	31,137.12	7,43,167.97
(c) Subscribed by NBFCs	Y690	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Subscribed by Insurance Companies	Y700	0.00	0.00	0.00	27,900.00	0.00	6,000.00	4,500.00	53,500.00	1,30,500.00	46,381.55	11,544.82	2,80,336.37
(e) Subscribed by Pension Funds	Y710	0.00	0.00	4,000.00	3,250.00	0.00	0.00	11,860.00	35,620.00	1,53,590.00	92,357.25	12,642.32	3,13,319.57
(f) Subscribed by Retail Investors	Y720	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) Others (Please specify)	Y730	0.00	0.00	1,000.00	50.00	0.00	0.00	6,040.00	7,010.00	8,510.00	6,667.35	1,334.29	30,611.64

[illegible]



[illegible]



All Monetary Items present in this return shall be reported in ₹ Lakhs Only

Table 2: Statement of Structural Liquidity

Particulars		0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total	Remarks	Actual outflow/inflow during last 1 month, starting		
		X010	X020	X030	X040	X050	X060	X070	X080	X090	X100	X110	X120	0 day to 7 days	8 days to 14 days	15 days to 30/31 days
		X130	X140	X150												
A. OUTFLOWS																
1.Capital (i+ii+iii+iv)	Y010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,90,901.92	1,90,901.92	Unaudited		0.00	0.00
(i) Equity Capital	Y020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,90,901.92	1,90,901.92	Unaudited		0.00	0.00
(ii) Perpetual / Non Redeemable Preference Shares	Y030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(iii) Non-Perpetual / Redeemable Preference Shares	Y040	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(iv) Others	Y050	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
2.Reserves & Surplus (i+ii+iii+iv+v+vi+vii+ix+xx+xi+xi+xi+xi)	Y060	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,44,517.40	1,44,517.40	Unaudited		0.00	0.00
(i) Share Premium Account	Y070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54,759.30	54,759.30	Unaudited		0.00	0.00
(ii) General Reserves	Y080	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	87.57	87.57	Unaudited		0.00	0.00
(iii) Statutory/Special Reserve (Section 45-IC reserve to be shown separately below item no.(vii))	Y090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(iv) Reserves under Sec 45-IC of RBI Act 1934	Y100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,444.91	13,444.91	Unaudited		0.00	0.00
(v) Capital Redemption Reserve	Y110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(vi) Debenture Redemption Reserve	Y120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(vii) Other Capital Reserves	Y130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(viii) Other Revenue Reserves	Y140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(x) Investment Fluctuation Reserves/ Investment Reserves	Y150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(x) Revaluation Reserves (a+b)	Y160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(a) Revl. Reserves - Property	Y170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(b) Revl. Reserves - Financial Assets	Y180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(xi) Share Application Money Pending Allotment	Y190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(xii) Others (Please mention)	Y200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.96	3.96	Unaudited		0.00	0.00
(xiii) Balance of profit and loss account	Y210	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76,221.66	76,221.66	Unaudited		0.00	0.00
3.Gifts, Grants, Donations & Benefactions	Y220	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
4.Bonds & Notes (i+ii+iii)	Y230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(i) Plain Vanilla Bonds (As per residual maturity of the instruments)	Y240	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(ii) Bonds with embedded call / put options including zero coupon / deep discount bonds ( As per residual period for the earliest exercise date for the embedded option)	Y250	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(iii) Fixed Rate Notes	Y260	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
5.Deposits (i+ii)	Y270	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(i) Term Deposits from Public	Y280	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(ii) Others	Y290	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
6.Borrowings (i+ii+iii+iv+v+vi+vii+ix+xx+xi+xi+xi+xi+xi+xi+xi)	Y300	0.00	0.00	38,166.54	43,339.88	13,018.53	13,906.87	37,251.09	3,22,000.00	8,18,400.00	1,49,967.00	14,36,049.91	Unaudited		0.00	2,663.06
(i) Bank Borrowings (a+b+c+d+e+f)	Y310	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
a) Bank Borrowings in the nature of Term Money Borrowings (As per residual maturity)	Y320	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
b) Bank Borrowings in the nature of WCDL	Y330	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
c) Bank Borrowings in the nature of Cash Credit (CC)	Y340	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
d) Bank Borrowings in the nature of Letter of Credit (LCs)	Y350	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
e) Bank Borrowings in the nature of ECBs	Y360	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
f) Other bank borrowings	Y370	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(ii) Inter Corporate Deposits (Other than Related Parties) (These being institutional / wholesale deposits, shall be slotted as per their residual maturity)	Y380	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(iii) Loans from Related Parties (including ICDs)	Y390	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(iv) Corporate Debts	Y400	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(v) Borrowings from Central Government / State Government	Y410	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(vi) Borrowings from RBI	Y420	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(vii) Borrowings from Public Sector Undertakings (PSUs)	Y430	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(viii) Borrowings from Others (Please specify)	Y440	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(ix) Commercial Papers (CPs)	Y450	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
Of which; (a) To Mutual Funds	Y460	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(b) To Banks	Y470	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(c) To NBFCs	Y480	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(d) To Insurance Companies	Y490	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(e) To Pension Funds	Y500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(f) To Others (Please specify)	Y510	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(x) Non - Convertible Debentures (NCDs) (A+B)	Y520	0.00	0.00	38,166.54	43,339.88	13,018.53	13,906.87	37,251.09	3,22,000.00	8,18,400.00	1,49,967.00	14,36,049.91	Unaudited		0.00	2,663.06
A. Secured (a+b+c+d+e+f+g)	Y530	0.00	0.00	38,166.54	43,339.88	13,018.53	13,906.87	37,251.09	3,22,000.00	8,18,400.00	1,49,967.00	14,36,049.91	Unaudited		0.00	2,663.06
Of which; (a) Subscribed by Retail Investors	Y540	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(b) Subscribed by Banks	Y550	0.00	0.00	6,835.07	7,392.87	5,601.58	5,397.79	6,409.81	1,86,170.00	5,20,800.00	4,560.85	7,43,167.97	Unaudited		0.00	591.99
(c) Subscribed by NBFCs	Y560	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
(d) Subscribed by Mutual Funds	Y570	0.00	0.00	21,341.10	1,319.15	1,014.84	142.96	106.31	39,700.00	5,000.00	0.00	68,624.36	Unaudited		0.00	23.11
(e) Subscribed by Insurance Companies	Y580	0.00	0.00	4,736.47	28,671.89	2,484.63	6,807.39	7,244.44	53,500.00	1,30,500.00	46,381.55	2,80,326.37	Unaudited		0.00	1,839.96
(f) Subscribed by Pension Funds	Y590	0.00	0.00	4,203.12	5,905.82	3,151.36	1,505.04	16,986.98	35,620.00	1,53,590.00	92,357.25	3,13,319.57	Unaudited		0.00	204.15
(g) Others (Please specify)	Y600	0.00	0.00	1,050.78	50.15	766.12	53.69	6,503.55	7,010.00	8,510.00	6,667.35	30,611.64	Unaudited		0.00	3.85
B. Un-Secured (a+b+c+d+e+f+g)	Y610	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00
Of which; (a) Subscribed by Retail Investors	Y620	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00



	(b) Subscribed by Banks	Y630	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Subscribed by NBFCs	Y640	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(d) Subscribed by Mutual Funds	Y650	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(e) Subscribed by Insurance Companies	Y660	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(f) Subscribed by Pension Funds	Y670	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(g) Others (Please specify)	Y680	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(xi) Convertible Debentures (A+B) (Debentures with embedded call / put options As per residual period for the earliest exercise date for the embedded option)	Y690	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	A. Secured (a+b+c+d+e+f+g)	Y700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Of which; (a) Subscribed by Retail Investors	Y710	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Subscribed by Banks	Y720	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Subscribed by NBFCs	Y730	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(d) Subscribed by Mutual Funds	Y740	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(e) Subscribed by Insurance Companies	Y750	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(f) Subscribed by Pension Funds	Y760	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(g) Others (Please specify)	Y770	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	B. Un-Secured (a+b+c+d+e+f+g)	Y780	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Of which; (a) Subscribed by Retail Investors	Y790	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Subscribed by Banks	Y800	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Subscribed by NBFCs	Y810	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(d) Subscribed by Mutual Funds	Y820	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(e) Subscribed by Insurance Companies	Y830	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(f) Subscribed by Pension Funds	Y840	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(g) Others (Please specify)	Y850	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(xii) Subordinate Debt	Y860	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(xiii) Perpetual Debt Instrument	Y870	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(xiv) Security Finance Transactions(a+b+c+d)	Y880	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	a) Repo (As per residual maturity)	Y890	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	b) Reverse Repo (As per residual maturity)	Y900	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	c) CBLO (As per residual maturity)	Y910	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	d) Others (Please Specify)	Y920	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	7.Current Liabilities & Provisions (a+b+c+d+e+f+g+h)	Y930	148.30	0.00	0.00	951.76	0.00	362.39	0.00	0.00	0.00	12,932.62	14,395.07	0.00	0.00	59.72	0.00	0.00	0.00
	a) Sundry creditors	Y940	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	b) Expenses payable (Other than Interest)	Y950	148.30	0.00	0.00	678.48	0.00	362.39	0.00	0.00	0.00	0.00	1,189.17	0.00	0.00	59.72	0.00	0.00	0.00
	c) Advance income received from borrowers pending adjustment	Y960	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,569.64	1,569.64	0.00	0.00	0.00	0.00	0.00	0.00
	(d) Interest payable on deposits and borrowings	Y970	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(e) Provisions for Standard Assets	Y980	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,362.98	11,362.98	0.00	0.00	0.00	0.00	0.00	0.00
	(f) Provisions for Non Performing Assets (NPAs)	Y990	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(g) Provisions for Investment Portfolio (NPI)	Y1000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(h) Other Provisions (Please Specify)	Y1010	0.00	0.00	0.00	273.28	0.00	0.00	0.00	0.00	0.00	0.00	273.28	0.00	0.00	0.00	0.00	0.00	0.00
	8.Statutory Dues	Y1020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	9.Unclaimed Deposits (I+II)	Y1030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(I) Pending for less than 7 years	Y1040	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(II) Pending for greater than 7 years	Y1050	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	10.Any Other Unclaimed Amount	Y1060	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	11.Debt Service Realisation Account	Y1070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	12.Other Outflows	Y1080	0.00	0.00	0.00	0.00	0.00	0.00	0.00	638.64	0.00	0.00	638.64	0.00	0.00	0.00	0.00	0.00	0.00
	13.Outflows On Account of Off Balance Sheet (OBS) Exposure (I+II+III+IV+V+VI+VII)	Y1090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(I)Loan commitments pending disbursement	Y1100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(II)Lines of credit committed to other institution	Y1110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(III)Total Letter of Credits	Y1120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(IV)Total Guarantees	Y1130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(V) Bills discounted/rediscouted	Y1140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi)Total Derivative Exposures (a+b+c+d+e+f+g+h)	Y1150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(a) Forward Forex Contracts	Y1160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Futures Contracts	Y1170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Options Contracts	Y1180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(d) Forward Rate Agreements	Y1190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(e) Swaps - Currency	Y1200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(f) Swaps - Interest Rate	Y1210	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(g) Credit Default Swaps	Y1220	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(h) Other Derivatives	Y1230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vii)Others	Y1240	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	A. TOTAL OUTFLOWS (A) (Sum of 1 to 13)	Y1250	148.30	0.00	38,166.54	44,291.64	13,018.53	14,269.26	37,251.09	3,22,638.64	8,18,400.00	4,98,318.94	17,86,502.94	0.00	0.00	59.72	0.00	2,663.06	0.00
	A1. Cumulative Outflows	Y1260	148.30	148.30	38,184.84	82,606.48	95,625.01	1,09,894.27	1,47,145.36	4,69,784.00	12,88,184.00	17,86,502.94	17,86,502.94	0.00	0.00	59.72	59.72	2,722.78	0.00
	B. INFLOWS																		
	1. Cash (in 1 to 30/31 day time-bucket)	Y1270	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	2. Remittance in Transit	Y1280	0.00																

4.Investments (I+II+III+IV+V)	Y1320	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(i) Statutory investments (only for NBFC-D)	Y1330	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(ii) Listed Investments	Y1340	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(a) Current	Y1350	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(b) Non-current	Y1360	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(iii) Unlisted Investments	Y1370	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(a) Current	Y1380	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(b) Non-current	Y1390	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(iv) Venture Capital Units	Y1400	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(v) Others (Please Specify)	Y1410	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
5.Advances (Performing)	Y1420	337.50	0.00	1,596.72	2,802.40	18,595.35	23,482.36	47,095.53	2,46,743.69	2,57,202.97	10,23,225.20	16,21,081.72	Unaudited		0.00	0.00	15,674.25
(i) Bills of Exchange and Promissory Notes discounted & rediscounted (As per residual usance of the underlying bills)	Y1430	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(ii) Term Loans (The cash inflows on account of the interest and principal of the loan may be slotted in respective time buckets as per the timing of the cash flows as stipulated in the original / revised repayment schedule)	Y1440	337.50	0.00	1,596.72	2,802.40	18,595.35	23,482.36	47,095.53	2,46,743.69	2,57,202.97	10,23,225.20	16,21,081.72	Unaudited		0.00	0.00	15,674.25
(a) Through Regular Payment Schedule	Y1450	337.50	0.00	1,596.72	2,802.40	18,595.35	23,482.36	47,095.53	2,46,743.69	2,57,202.97	10,23,225.20	16,21,081.72	Unaudited		0.00	0.00	15,674.25
(b) Through Bullet Payment	Y1460	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(iii) Interest to be serviced through regular schedule	Y1470	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(iv) Interest to be serviced to be in Bullet Payment	Y1480	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
6.Gross Non-Performing Loans (GNPA)	Y1490	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(i) Substandard	Y1500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(a) All over dues and instalments of principal falling due during the next three years (In the 3 to 5 year time-bucket)	Y1510	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(b) Entire principal amount due beyond the next three years (In the over 5 years time-bucket)	Y1520	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(ii) Doubtful and loss	Y1530	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(a) All instalments of principal falling due during the next five years as also all over dues (In the over 5 years time-bucket)	Y1540	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(b) Entire principal amount due beyond the next five years (In the over 5 years time-bucket)	Y1550	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
7. Inflows From Assets On Lease	Y1560	0.00	0.00	0.00	0.00	0.00	0.00	0.00	621.85	0.00	0.00	621.85	Unaudited		0.00	0.00	0.00
8. Fixed Assets (Excluding Assets On Lease)	Y1570	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41.69	41.69	Unaudited		0.00	0.00	0.00
9. Other Assets :	Y1580	0.00	3,742.35	0.00	0.00	0.00	0.00	0.00	0.00	14,453.79	0.00	18,196.14	Unaudited		0.00	7,361.07	0.00
(a) Intangible assets & other non-cash flow items (In the 'Over 5 year time bucket)	Y1590	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(b) Other items (e.g. accrued income, other receivables, staff loans, etc.) (In respective maturity buckets as per the timing of the cash flows)	Y1600	0.00	3,505.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,505.87	Unaudited		0.00	6,818.44	0.00
(c) Others	Y1610	0.00	236.48	0.00	0.00	0.00	0.00	0.00	0.00	14,453.79	0.00	14,690.27	Unaudited		0.00	542.63	0.00
10.Security Finance Transactions (a+b+c+d)	Y1620	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
a) Repo (As per residual maturity)	Y1630	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
b) Reverse Repo (As per residual maturity)	Y1640	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
c) CBLO (As per residual maturity)	Y1650	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
d) Others (Please Specify)	Y1660	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
11.Inflows On Account of Off Balance Sheet (OBS) Exposure (I+II+III+IV+V)	Y1670	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(i) Loan committed by other institution pending disbursement	Y1680	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(ii) Lines of credit committed by other institution	Y1690	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(iii) Bills discounted/rediscounted	Y1700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(iv) Total Derivative Exposures (a+b+c+d+e+f+g+h)	Y1710	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(a) Forward Forex Contracts	Y1720	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(b) Futures Contracts	Y1730	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(c) Options Contracts	Y1740	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(d) Forward Rate Agreements	Y1750	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(e) Swaps - Currency	Y1760	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(f) Swaps - Interest Rate	Y1770	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(g) Credit Default Swaps	Y1780	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(h) Other Derivatives	Y1790	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
(v) Others	Y1800	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Unaudited		0.00	0.00	0.00
B. TOTAL INFLOWS (B) (Sum of 1 to 11)	Y1810	1,31,699.04	18,942.35	1,596.72	2,802.40	18,595.35	23,482.36	47,095.53	2,47,365.54	2,71,656.76	10,23,266.89	17,86,502.94	Unaudited		1,48,946.44	7,361.07	15,674.25
C. Mismatch (B - A)	Y1820	1,31,550.74	18,942.35	-36,569.82	-41,489.24	5,576.82	9,213.10	9,844.44	-75,273.10	-5,46,743.24	5,24,947.95	0.00	Unaudited		1,48,886.72	7,361.07	13,011.19
D. Cumulative Mismatch	Y1830	1,31,550.74	1,50,493.09	1,13,923.27	72,434.03	78,010.85	87,223.95	97,068.39	21,795.29	-5,24,947.95	0.00	0.00	Unaudited		1,48,886.72	1,56,247.79	1,69,258.98
E. Mismatch as % of Total Outflows	Y1840	88705.83%	0.00%	-95.82%	-93.67%	42.84%	64.57%	26.43%	-23.33%	-66.81%	105.34%	0.00%	Unaudited		249307.97%	0.00%	488.58%
F. Cumulative Mismatch as % of Cumulative Total Outflows	Y1850	88705.83%	101478.82%	297.33%	87.69%	81.58%	79.37%	65.97%	4.64%	-40.75%	0.00%	0.00%	Unaudited		249307.97%	261633.94%	6216.40%



(i) A Columnar representation of the audited financial statements (i.e. Profit & Loss Statement, Balance Sheet and Cash flow statement) both are standalor and consolidated basis.

NIIF INFRASTRUCTURE FINANCE LIMITED				
Balance Sheet				
Note No.	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>				
<b>I Financial assets</b>				
(a) Cash and cash equivalents	1	1,24,155	74,006	25,730
(b) Loans	2	14,09,300	8,42,342	6,40,744
(d) Investments	3	-	-	-
(c) Other financial assets	3	25	52	11
		15,33,480	9,16,400	6,66,485
				4,78,513
<b>II Non Financial assets</b>				
(a) Current tax assets (Net)	4	11,522	8,475	4,243
(b) Property, plant and equipment	5a	65	338	620
(c) Right of use assets	5b	-	-	-
(d) Intangible assets under development		85		
(e) Other non-financial assets	6	158	125	103
		11,830	8,938	4,966
				7,713
<b>Total assets</b>		<b>15,45,310</b>	<b>9,25,338</b>	<b>6,71,451</b>
				<b>4,86,226</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>I Financial liabilities</b>				
(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	60	47
(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	5,86,523
(c) Borrowings (Other than debt securities)	10		242	416
(d) Other financial liabilities	10	768	440	594
		12,33,423	7,37,735	5,87,580
				4,02,155
<b>II Non-Financial liabilities</b>				
(a) Provisions	11	200	87	19
(b) Other non-financial liabilities	12	193	518	507
		393	605	526
				1,178
<b>EQUITY</b>				
(a) Equity share capital	13	1,03,028	91,573	54,000
(b) Instruments Entirely Equity in Nature	14	87,874	18,465	-
(c) Other equity	15	1,20,592	76,960	29,345
		3,11,494	1,86,998	83,345
				82,893
<b>Total liabilities and equity</b>		<b>15,45,310</b>	<b>9,25,338</b>	<b>6,71,451</b>
				<b>4,86,226</b>

**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Statement of Profit and Loss**

	Notes	For year ended March 31, 2022	For year ended March 31, 2021	For year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue from operations</b>					
Interest income	16	97,719	70,445	51,254	43,275
Net gain on derecognition of financial instruments under amortised cost category	17	-	1,030	941	778
<b>I Total revenue from operations</b>		<b>97,719</b>	<b>71,475</b>	<b>52,195</b>	<b>44,053</b>
<b>II Other income</b>	18	712	93	-65	12
<b>III Total income (I+II)</b>		<b>98,431</b>	<b>71,568</b>	<b>52,130</b>	<b>44,065</b>
<b>Expenses</b>					
Finance costs	19	67,697	53,278	38,029	31,625
Fees and commission expense	20	36	38	41	42
Impairment on financial instruments	21	4,613	2,764	683	192
Employee benefits expenses	22	1,481	1,368	1,139	1,262
Depreciation, amortisation and impairment	5 & 23	243	281	212	54
Other expenses	24	1,036	664	772	577
<b>IV Total expenses</b>		<b>75,106</b>	<b>58,393</b>	<b>40,876</b>	<b>33,752</b>
<b>V Profit before tax (III - IV)</b>		<b>23,325</b>	<b>13,175</b>	<b>11,254</b>	<b>10,313</b>
<b>VI Income Tax expense</b>	27 (i)	-	-	10,801	-
Current tax		-	-	-	-
Deferred tax		-	-	-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>	<b>10,801</b>	<b>-</b>
<b>VII Profit for the year (V - VI)</b>		<b>23,325</b>	<b>13,175</b>	<b>453</b>	<b>10,313</b>
<b>VIII Other comprehensive income</b>					
A (i) Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	-	15	35	-1	-20
(ii) 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		-	-	-	-
<b>Other comprehensive income (A+B)</b>		<b>(15)</b>	<b>35</b>	<b>(1)</b>	<b>(20)</b>
<b>IX Total comprehensive income for the year (VII + VIII) (Comprising profit and other comprehensive income for the year)</b>		<b>23,310</b>	<b>13,210</b>	<b>452</b>	<b>10,293</b>
<b>X Earnings per equity share (nominal value of share- ₹10 each)</b>					
Basic (₹)		2.54	1.96	0.08	1.91
Diluted (₹)		2.31	1.96	0.08	1.91

**NIIF INFRASTRUCTURE FINANCE LIMITED**
**Cash Flow Statement**

	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
<b>A. Cash flow from operating activities</b>				
Profit before tax	23,325	13,175	11,254	10,293
Adjustments for:				
Depreciation and amortisation	243	281	212	54
Interest on Debt Security - EIR Adjustments	297	105	30	
Interest expense accrued on debt securities	-	-	-	31,486
Interest paid on debt securities	-	-	-	(29,046)
Interest on Loan - EIR adjustment	(1,112)	(379)	(401)	(510)
Net (gain) / loss on sale of property, plant and equipments	(2)	(2)	65	
Write back of liabilities no longer payable	(219)			
Interest on Borrowings other than debt securities (Ind AS 116 impact)	14	42	33	
Impairment on financial instruments	4,613	2,764	683	192
Employee share based payment expense / in cash				(137.00)
<b>Operating profit before working capital changes</b>	<b>27,159</b>	<b>15,986</b>	<b>11,876</b>	<b>12,332</b>
Changes in working capital:				
(Decrease)/Increase in trade payables	(50)	(15)	28	5
(Increase)/Decrease in other financial assets	356	(41)	(11)	2
(Decrease)/Increase in other financial liabilities	86	(154)	(180)	
Increase/(Decrease) in Provision	131	68	10	
Increase/(Decrease) in other non financial liabilities	28	11	112	519
Interest/(Decrease) accrual on debt securities	7,767	5,031	4,518	
(Increase)/Decrease in non-financial assets	(73)	12	(16)	9,716
(Increase)/Decrease in loans	(5,70,458)	(2,03,983)	(1,72,020)	(47,702)
<b>Cash flow generated from/(used in) operations</b>	<b>(5,35,056)</b>	<b>(1,83,085)</b>	<b>(1,49,576)</b>	<b>(25,128)</b>
(Payment) of tax (net)	(3,047)	(4,232)	(7,546)	(2,850)
<b>Net Cash flow generated from/(used in) operations (A)</b>	<b>(5,38,103)</b>	<b>(1,87,317)</b>	<b>(1,57,122)</b>	<b>(27,978)</b>
<b>B. Cash flows from investing activities</b>				
Purchase of property, plant and equipment/intangible assets	(97)	(10)	(234)	(70)
Sale of property, plant and equipments	2	2	-	
<b>Net cash flow generated from/(used in) investing activities (B)</b>	<b>(95)</b>	<b>(8)</b>	<b>(234)</b>	<b>(70)</b>
<b>C. Cash flows from financing activities</b>				
Proceeds from issuance of equity share capital	31,784	72,000	-	
Proceeds from issuance of CCPS	69,415	18,500	-	
Share Issue expense	(7)	(29)	-	
Proceeds from debt securities issued (Net of arranger fees)	4,87,217	2,25,835	1,79,840	28,247
Cash payment for the lease liability	(62)	(205)	(154)	
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>5,88,347</b>	<b>2,35,601</b>	<b>1,79,686</b>	<b>28,247</b>
<b>Net Increase in cash and cash equivalents (D) = (A + B + C)</b>	<b>50,149</b>	<b>48,276</b>	<b>22,330</b>	<b>199</b>
Cash and cash equivalents at the beginning of the period (E)	74,006	25,730	3,400	3,201
<b>Cash and cash equivalents at the end of the period (F) = (D) + (E)</b>	<b>1,24,155</b>	<b>74,006</b>	<b>25,730</b>	<b>3,400</b>
Cash and cash equivalents include the following				
Balances with banks in current account	9,600	1,003	2,419	
Fixed deposits with maturity less than 3 months	1,14,555	73,003	23,311	
Fixed deposits with maturity exceeding than 3 months	-	-	-	
<b>Total cash and cash equivalents</b>	<b>1,24,155</b>	<b>74,006</b>	<b>25,730</b>	

**Shri Shiva Rajaraman**  
**Chief Executive Officer**  
**NIIF Infrastructure Finance Limited**  
3rd Floor, UTI Tower, North Wing,  
GN Block, Bandra Kurla Complex,  
Mumbai  
Maharashtra 400051



April 11, 2023

**Confidential**

Dear Sir,

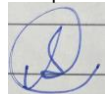
**Credit rating for long-term debt issue**

Please refer to our letter no. **CARE/HO/RL/2022-23/4323** dated March 10, 2023, and your request for revalidation of the rating assigned to the long-term debt instruments of your company, for a limit of Rs.32,000.00 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
1.	Market Linked Debentures	1,000.00	CARE PP-MLD AAA; Stable (Principal Protected-Market Linked Debentures Triple A; Outlook: Stable)	Reaffirmed
2.	Non-Convertible Debentures	8,809.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
3.	Non-Convertible Debentures	691.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
4.	Non-Convertible Debentures	1,500.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
5.	Non-Convertible Debentures	1,700.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
6.	Non-Convertible Debentures	2,300.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
7.	Non-Convertible Debentures	4,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
8.	Non-Convertible Debentures	5,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
9.	Zero Coupon Bonds	5,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications.



CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai  
Phone: +91-22-6754 3456 • [www.careedge.in](http://www.careedge.in)

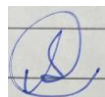
Sr. No.	Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
10.	Zero Coupon Bonds	2,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
	Total Instruments	32,000.00 (Rs. Thirty-Two Thousand Crore Only)		

- Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument.

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors
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- CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
- CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
- Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
- Users of this rating may kindly refer our website [www.careedge.in](http://www.careedge.in) for latest update on the outstanding rating.
- CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.



CARE Ratings Limited

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CIN-L67190MH1993PLC071691

Thanking you,

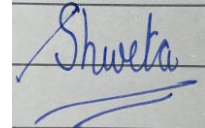
Yours faithfully,



**Khyati Shah**

Analyst

[khyati.shah@careedge.in](mailto:khyati.shah@careedge.in)



**Shweta Sumeet Agrawal**

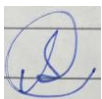
Associate Director

[shweta.agrawal@careedge.in](mailto:shweta.agrawal@careedge.in)

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.



CARE Ratings Limited

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CIN-L67190MH1993PLC071691

**Mr. Shiva Rajaraman**  
**Chief Executive Officer**  
**NIIF Infrastructure Finance Limited**  
3<sup>rd</sup> Floor, UTI Tower,  
Gn Block, Bandra Kurla Complex,  
Bandra East,  
Mumbai - 400051

**Dear Sir,**

**Re: Revalidation of Credit Rating for Rs. 24,000 crore (Rs. 14,598 crore outstanding as on April 11, 2023) of Non-Convertible Debenture programme of NIIF Infrastructure Finance Limited**

This is with reference to your email request for re-validating the rating for the captioned programme.

We hereby confirm that the "[ICRA]AAA" (pronounced ICRA triple A) rating with stable outlook assigned to the captioned programme and last communicated to you vide our letters dated August 1, 2022, stands. Instruments with this rating are considered to have the highest degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the instrument shall remain the same vide our letters dated August 1, 2022.

With kind regards,

Yours faithfully,  
For ICRA Limited

**KARTHIK**  
**SRINIVASAN**

Digitally signed by  
KARTHIK SRINIVASAN  
Date: 2023.04.11  
15:10:07 +05'30'

**KARTHIK SRINIVASAN**  
Senior Vice President  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**Mr. Shiva Rajaraman**  
**Chief Executive Officer**  
**NIIF Infrastructure Finance Limited**  
3<sup>rd</sup> Floor, UTI Tower,  
Gn Block, Bandra Kurla Complex,  
Bandra East,  
Mumbai - 400051

**Dear Sir,**

**Re: Revalidation of Credit Rating for Rs. 7,000 crore (Nil outstanding as on April 11, 2023) of Non-Convertible Debenture programme (zero coupon bonds) of NIIF Infrastructure Finance Limited**

This is with reference to your email request for re-validating the rating for the captioned programme.

We hereby confirm that the "[ICRA]AAA" (pronounced ICRA triple A) rating with stable outlook assigned to the captioned programme and last communicated to you vide our letters dated August 1, 2022, stands. Instruments with this rating are considered to have the highest degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the instrument shall remain the same vide our letters dated August 1, 2022.

With kind regards,

Yours faithfully,  
For ICRA Limited

**KARTHIK**  
**SRINIVASAN**

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KARTHIK SRINIVASAN  
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**KARTHIK SRINIVASAN**  
Senior Vice President  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)



**Mr. Shiva Rajaraman**  
**Chief Executive Officer**  
**NIIF Infrastructure Finance Limited**  
3<sup>rd</sup> Floor, UTI Tower,  
Gn Block, Bandra Kurla Complex,  
Bandra East,  
Mumbai - 400051

**Dear Sir,**

**Re: Revalidation of Credit Rating for Rs. 1,000 crore (Nil outstanding as on April 11, 2023) of Market Linked Debenture programme of NIIF Infrastructure Finance Limited**

This is with reference to your email request for re-validating the rating for the captioned programme.

We hereby confirm that the “PP-MLD[ICRA]AAA” (pronounced Principal Protected Market Linked Debentures ICRA triple A) rating with stable outlook assigned to the captioned programme and last communicated to you vide our letters dated August 1, 2022, stands. Instruments with this rating are considered to have the highest degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

This rating is in line with ICRA's policy of distinguishing long term market linked debentures from normal long-term debentures by assigning a prefix 'PP-MLD' to the rating symbol. According to the terms of the rated instrument, the amount invested, that is the principal, is protected against erosion while the returns on the investment could vary, being linked to movements in one or more variables, such as equity indices, commodity prices, and/or foreign exchange rates. The rating assigned expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with variability in returns resulting from adverse movements in the variable(s) concerned. Company must ensure that it has necessary regulatory approvals for the issuance of such debentures.

The other terms and conditions for the credit rating of the instrument shall remain the same vide our letters dated August 1, 2022.

With kind regards,

Yours faithfully,  
For ICRA Limited

**KARTHIK**  
**SRINIVASAN** Digitally signed by  
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Date: 2023.04.11  
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**KARTHIK SRINIVASAN**  
Senior Vice President  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)