

Impactful and Responsible Infrastructure Financing

Integrated Annual Report **FY 2024**



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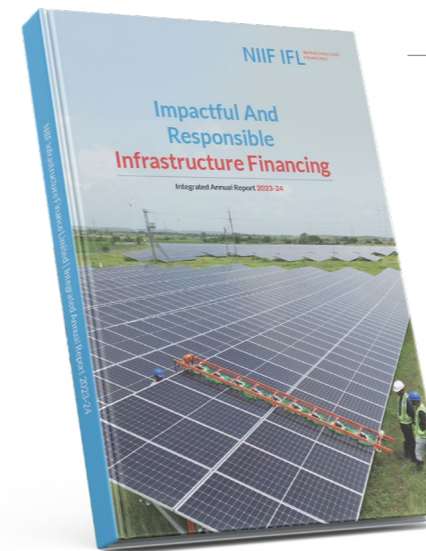
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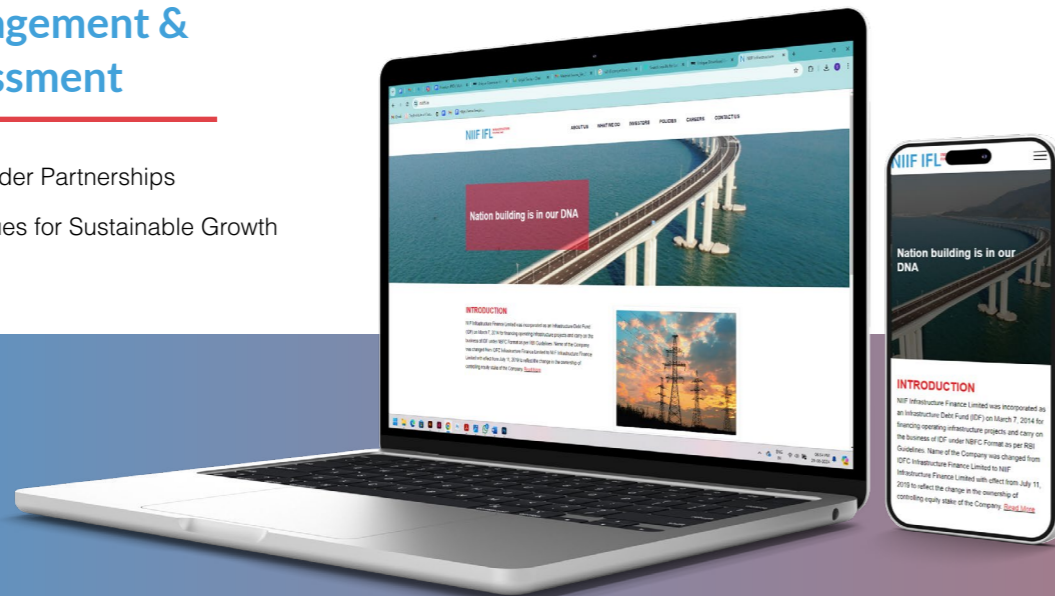
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Front Cover Image: NIIF IFL has provided ₹ 135 Crores fixed rate long-term debt to a Wind & Solar Hybrid (WSH) project in Amreli district, Gujarat, developed by Clean Max Vent in FY 2024.

Back Cover Image: NIIF IFL has financed Hampi Expressways, a 4-lane highway connecting Chitradurga to Hospet in Karnataka.



Scan the QR Code



For more investor-related information, please visit:

<https://www.niiffl.in/audited-financials>

Disclaimer: This document contains statements about expected future events and financials of NIIF Infrastructure Finance Limited ('NIIF IFL' or 'the Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a probability that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

About the Report

NIIF Infrastructure Finance Limited's ("NIIF IFL" or "the Company") 1st Integrated Annual Report for FY 2024 includes a description of the Company's financial and non-financial performance. It provides insights into the Company's business model, strategy, risks, opportunities, performance and key achievements during the year under review.

Frameworks, Guidelines and Standards Used

This Report adheres to a range of established frameworks, guidelines and standards to ensure comprehensive and transparent reporting. NIIF IFL aligns with the International Integrated Reporting Council (IIRC) guidelines, which provide a robust framework for integrating financial and non-financial information, thereby enhancing the clarity and relevance of the disclosures. Compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, ensures that the Report meets the requirements for corporate reporting in India. The Company follows Indian Accounting Standards, which provides a consistent basis for financial reporting and enhances the reliability and comparability of the financial statements.

The Report adheres to the Secretarial Standards issued by the Institute of Company Secretaries of India, which provides guidance on best practices in corporate governance and statutory compliance. Global Reporting Initiative (GRI) Standards 2021 are referenced to ensure that sustainability disclosures are aligned with international reporting practices and address key environmental, social and governance (ESG) factors.

The Company's reporting framework incorporates the United Nations Sustainable Development Goals (UN SDGs), reflecting its commitment to global sustainability initiatives. It also demonstrates how NIIF IFL contributes to these important global objectives.

Reporting Scope and Boundary

This Report uses a holistic approach and furnishes information for the financial year ended March 31, 2024. It adequately provides information on all functions of the Company that have created value in the short, medium and long term.

The Report addresses key metrics, risks and opportunities specific to each function, offering a granular perspective on how each contributes to the Company's overall strategy and performance. The objective is to provide a clear and coherent picture of the Company's business and operations, enabling stakeholders to understand NIIF IFL's integrated approach to achieving sustainable growth and long-term success.

Reporting Cycle



Responsibility Statement

NIIF IFL ensures integrity, completeness and adherence to the International Integrated Reporting Council ("IIRC") Framework in the preparation and presentation of this Report.



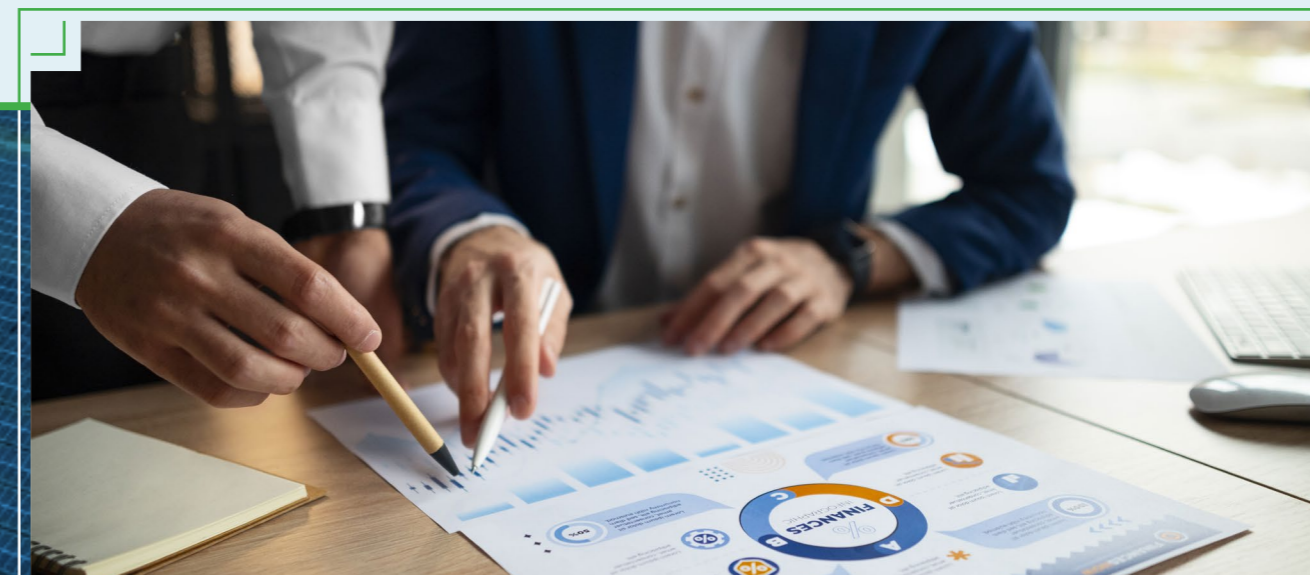
Materiality

NIIF IFL's senior management actively reviews material topics, applying the principle of materiality to determine their inclusion in the Report. This process focuses on matters critical to stakeholders and value creation.



Cautionary Statements

Statements in this Integrated Annual Report describing NIIF IFL's objectives, projections, estimates and expectations may be considered 'forward-looking' and are primarily intended to provide our stakeholders with an overview of NIIF IFL's intentions, beliefs and expectations, as well as other similar expressions or variations on such expressions. Actual results may differ materially from those stated or inferred and they are subject to risks, uncertainties and assumptions that may cause actual results to differ significantly from those envisioned by the relevant forward-looking statements. Key elements that might have an influence on these include changes in economic conditions, government regulations, tax laws, and other statutes, as well as incidental factors.



Message from CEO



Dear Stakeholders,

We retained our position among the top infrastructure financiers in India (with respect to incremental asset growth) & became the largest IDF NBFC in India, based on loan book as well as profits.”



There were many things to celebrate and be proud of, in FY 2024 - the year gone by.

Business, risk-return profile and fund raising

We retained our position among the top infrastructure financiers in India (with respect to incremental asset growth) & became the largest IDF NBFC in India, based on loan book as well as profits. Our loan book crossed Rs. 20,000 cr, thereby maintaining our track record of doubling every 2 years. We strategized and enhanced our return on equity significantly, from 9.9% to 11.5%. We maintained our unique, pristine world class asset quality of 0% NPA and nil DPD, a result of our superior risk management processes, proactive monitoring

and teamwork between groups. We enabled credit enhancement for our borrowers and ensured higher ratings through our structures. We introduced innovative financial structures to the market and commenced our advisory & syndication fee business. We financed our first large “tripartite” projects – both NHAI and state highway projects in India. We lived up to our promise of channelising long tenor pension, provident and insurance funds to India’s infrastructure, raised funds at low rates and gave competitors a run for their money. We made our debut issuance of 15 year tenor bonds and also set new standards for investor engagement through our well-attended bond investor meets.

Compliance, processes & systems

We set new standards for disclosures, documentation, compliance and had a “no divergences” compliance report. We introduced new cybersecurity measures and initiatives with respect to our systems, including on-line monitoring of projects, the only financier in India to do so. We formulated and followed uniquely structured SOPs for key business processes.

People

We welcomed many more talented professionals into the NIIF IFL family & reinforced and strengthened our culture and brought teams closer. We lived up to the promise of transparency with our organisational

employee climate survey, which gave us a sense of the heartbeat of our workplace. We demonstrated our culture of respect and transparency to employees consistently, whether at the time of joining or retirement/separation. We went for an almost magical and exciting experience at our team offsite (soaring over the earth in a balloon & marvelling at the majestic Indian Ranthambore tiger) that enhanced camaraderie & bonding. We enhanced our HR policies, encouraging employees towards better health and introduced a well-structured training programme for our new joinees/ trainees. Our employee engagement enabled among the lowest attrition in the financial services industry. We demonstrated in more ways than one, that accountability starts from the top.

Finance, Audit, Rating, ESG, CSR

We maintained a robust capital adequacy of > 24% and retained our AAA rating (in an otherwise turbulent market). We ensured that CSR responsibility was not a solo act but a joint enterprise of all teams. We strengthened our financial and internal audit controls, despite people and system challenges. We continued our commitment to ESG, water conservation and green power.

Contribution to nation building and our VISION

Overall, in FY 2024, we can be proud of our larger contribution to India’s infrastructure i.e., among other things, providing financing to renewable energy projects aggregating 8.4 GW, ensuring carbon emission avoidance of 13.6 million tonnes, financing projects that provide employment to over 12,480 persons, financing warehouses with capacity of over several lakh square feet, financing an additional ~930 lane km of highways, financing 2 of India’s (and probably the world’s) finest airports.

We developed over 55 new client relationships during the year and went one step closer to our organisational VISION of being the partner of choice for financing sustainable infrastructure for a transforming India. Indeed, in FY 24, the Government of India and regulators, recognising the contribution of IDF NBFCs and their importance, announced several key initiatives for their growth.

All the above has been possible due to the passion, effort, dedication and commitment of our employees/ teams, support of the Board & Committees, customers, investors, regulators, policy makers and partners.

We did have our challenges during the year. However, our infra loan book growth of 24% stood out against that of the banking sector (<7%) and was at the higher end of the range of our principal/ nearest competitors (20-26%). Our 0% NPA and nil DPD status, at our size, is incomparable in India’s financial services industry.

The current financial year FY 2025 commenced with a very vibrant election season in our country, the world’s largest democracy. Every political party’s election manifesto’s principal focus is on an area very close to our heart - infrastructure development (sadaq, bijli, pani...) & spending in India. Almost every contestant (party) in this election has a plan that focusses on infrastructure. Yes – our only business (infra financing) remains the key to the nation’s development.

We have many new things to look forward to in FY 2025 – new offices in Mumbai and Delhi, new sectors (data centre & energy storage) and consequently new risk frameworks, new clients and innovative lending products (floating rate, flexi coupon, multi stage repayment, interest rate swaps), new investors and new

fund raise instruments (redeemable preference shares, zero coupon bonds, ECBs, “green” bonds), new technologies (new loan management system, use of AI, real time monitoring system), new colleagues, comprehensive training (functional, technical, behavioural), new commitments to society (adopting a village, water conservation, pollution prevention, conservation of endangered species), new stakeholders (access to private/public markets), “always audit ready” processes, new roles (job rotation & promotions) and responsibilities and of course a new magical experience at a team offsite.

We will of course, have challenges in FY 25 - in the ever-evolving macro-economic environment, in our personal lives, in respect of competition, with new regulations, with potential new stakeholders, in terms of ambitious targets for loan book growth, RoE, zero divergence compliance, 0% NPA, diversified and well-matched portfolio and of course, a highly motivated and happy team. As has been the case in past years, we will endeavour to meet each challenge with well-thought out innovative solutions, and of course, courage, fortitude and a bright smile.

Regards,

Shiva Rajaraman

Chief Executive Officer (CEO)

Impactful and Responsible Infrastructure Financing

Impactful and responsible infrastructure financing is in the DNA of NIIF IFL and serves as a guiding philosophy for every financing decision.

Infrastructure development is a critical measure of a country's economic and social progress. Amidst rapid modernization and industrialization, infrastructure financing institutions play a crucial role in fulfilling the financing needs for infrastructure development.

Since its inception, NIIF IFL has been instrumental in supporting India's critical infrastructure projects. Every lending transaction at NIIF IFL aligns with broader goals of nation-building by fostering regional development, improvement of public services and generation of employment opportunities.

The Company's unique business model is aimed at bridging financing gaps in infrastructure through innovative financing solutions and partnerships. Integration of responsible financing in the Company's credit decisions has broadened the impact of sustainable infrastructure in India.

The Company's role extends beyond financing. The Company engages with project developers, government institutions and communities to foster collaboration and ensure successful operation of projects. This holistic approach helps to not only finance but also shape infrastructure development that is responsible, sustainable and profoundly impactful, aligning with the needs and aspirations of the communities served.



NIIF IFL has financed Amplus Venus, a floating solar power project implemented at an amusement park in Gorai, Mumbai.



NIIF IFL has financed Hampi Expressways, a 4-lane highway connecting Chitradurga to Hospet in Karnataka.

Financing the Future of Infrastructure

The Company was established in FY 2014 as an Infrastructure Debt Fund (IDF) set up as a public limited company registered with the Reserve Bank of India (RBI). Since its inception, NIIF IFL has been at the forefront of driving infrastructure development in India through innovative and sustainable financing solutions.

Vision

Be the partner of choice to finance sustainable infrastructure for a transforming India.



Mission


The Company offers sustainable infrastructure financing solutions that provide long term value to all its stakeholders and to society at large which is young, growing and taking a global leadership role.




Values


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

S  **Service**
We develop deep relationships by consistently delighting stakeholders through quick and efficient execution.

P  **Passion**
We bring energy, enthusiasm and joy to our work every day; we are inspired and committed to deliver results.

I  **Integrity**
We function with fair and honest intent; our thoughts and speech are aligned with everything that we do.

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

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

Strategic Role of Infrastructure Debt Funds (IDFs)

Infrastructure Debt Funds (IDFs) are an innovative business model conceptualized by the Government of India (GoI) to enable solutions to key challenges related to infrastructure financing:

- to enable a solution to the asset liability mismatch (ALM) and group concentration issues of banks & other lenders
- to enable channelization of long term funds (pension, provident, insurance) to operational infrastructure projects
- to enable enhancement of viability of projects through innovative products, longer tenor loans and lower cost debt



Challenges

- Banks are not permitted to lend beyond a percentage of their owned funds, to a single borrower or single group of borrowers.
- Many banks have reached the above-mentioned limits and are unable to lend any more.
- Additionally, banks provide long tenor loans to projects, while having shorter tenor liabilities (deposits)



Positive Impact

- A strategic shift of loans from banks to a new set of financiers (IDFs), was envisaged as a long term solution to freeing up of group concentration limits of banks as well as enabling matching of asset and liability tenors.

- Pension, provident, insurance funds are uniquely suited to lend to infrastructure sectors, given their uniquely long term focus. However, they are permitted by their regulatory norms to invest only in issuances by highly rated entities. Given that most infrastructure borrowers have ratings in the range BBB to A, such funds could not be channelized towards India's infrastructure.

- IDFs are uniquely structured to refinance only operational infrastructure projects, which have lower risk. Given this, IDFs have been able to obtain high credit ratings (AA, AAA) for their debt instruments, thereby making them eligible investments for pension, provident and insurance funds. This enables channelizing such funds to India's infrastructure.

- Traditionally banks have been providing floating rate loans to infrastructure projects. This has resulted in substantial interest rate risk for projects, and thereby to lenders.

- Since IDFs are required by regulation to source funds through long tenor bonds (typically fixed-rate), they are uniquely suited to be able to lend fixed rate debt for longer tenors than banks. This helps decrease / eliminate interest rate risk of projects, thereby providing credit enhancement (i.e. increase in credit ratings) of such projects.
- Higher rated projects are also able to obtain lower cost of borrowing.

Ownership

NIIF IFL is majority-owned by NIIF Fund II which is anchored by reputed financial institutions and the Government of India. This ensures a robust and credible ownership structure for the Company. NIIF IFL's other shareholders include the Government of India, HDFC Bank Limited and Aseem Infrastructure Finance Limited (AIFL).

NIIF IFL's Value Proposition to Borrowers

1

Debt financing customized to the projected cash flow profile of each project, for example, to traffic patterns in roads & airports, monsoon patterns in rainfed hydropower projects and contractual cash flow patterns in power generation

6

Advisory services on environmental sustainability including means to ensure conservation of endangered flora and fauna.

2

Disintermediation and matching tenors to ensure channelisation of funds to infrastructure from various sources including pension funds, provident funds, banks, insurers, family offices, wealth funds, mutual funds etc.

7

Advisory services to ensure compliance with IFC standards (for example, warehousing infrastructure) on environmental and social sustainability.

3

Unique flexible coupon structures linked to traffic patterns, which reduces probability of default of the project.

8

Advisory services and financing to mitigate the impact of climate risk, through installation of lightning arrestors, studies on landslide patterns.

4

Fixed rate financing for longer tenors (upto 20 years), enhancing viability; ensuring elimination/reduction of interest rate risk for projects; borrowers can opt for interest resets after say 5, 10 or 15 years.

9

Advisory services on making projects more financially sustainable through identifying and obtaining the best value proposition for environmental attributes/ carbon credits.

5

Innovative solutions to make projects safer and mitigate resource risk (for example helping development of affordable weather insurance products to mitigate wind availability risk).

10

Encouraging efficiency-enhancement measures, for example, bifacial solar modules, robotic cleaning of solar modules, use of robots in warehousing etc.

NIIF IFL's Value Proposition to Bond Holders

1

Debt instruments issued by NIIF IFL provide the highest level of **SAFETY** (AAA rated), available in the corporate bond category. NIIF IFL has a pristine track record of 0% NPA and nil DPD since inception in FY 2014.

2

Investors have a **CHOICE OF TENORS** from 5 to 20 years for their long term investments in debt instruments issued by NIIF IFL.

3

AAA rated zero coupon bonds (specifically permitted by the government of India for IDF NBFCs) can be issued by NIIF IFL, which could provide **SUPERIOR RETURNS** to investors, while at the same time, providing the highest level of safety.

4

Choice of investments to investors

- Green/ sustainability bonds
- Plain vanilla bond with bullet redemption
- Bonds with amortising redemption schedules
- Redeemable preference shares with customised redemption schedules
- Tax-efficient zero coupon bonds

Type of Instruments	Type of Investors						
	Insurers	Wealth Funds/ HNIs/ Family Offices	Multilateral Agencies	Retirement Benefit Funds	Mutual Funds	Foreign Banks	Domestic Banks
Notified ZCBs (Tenor 10 - 20 years)		✓					
NCRPS (Tenor 5 years)		✓					
NCRPS (Tenor 6 - 10 years)		✓					
NCDs (Tenor 5 - 6 years)	✓			✓	✓	✓	✓
NCDs (Tenor 7 - 15 years)	✓			✓			
ECB Loans and Bonds			✓			✓	
Partly Paid NCDs	✓						
Floating Rate Bonds					✓		✓
Green, Social and Sustainability Bonds			✓				

The Company offers different type of instruments intended to cater to requirements of different categories of investors as depicted in the table above. These instruments are also intended to enable widening of the investor base.

NCDs – Non-convertible Debentures

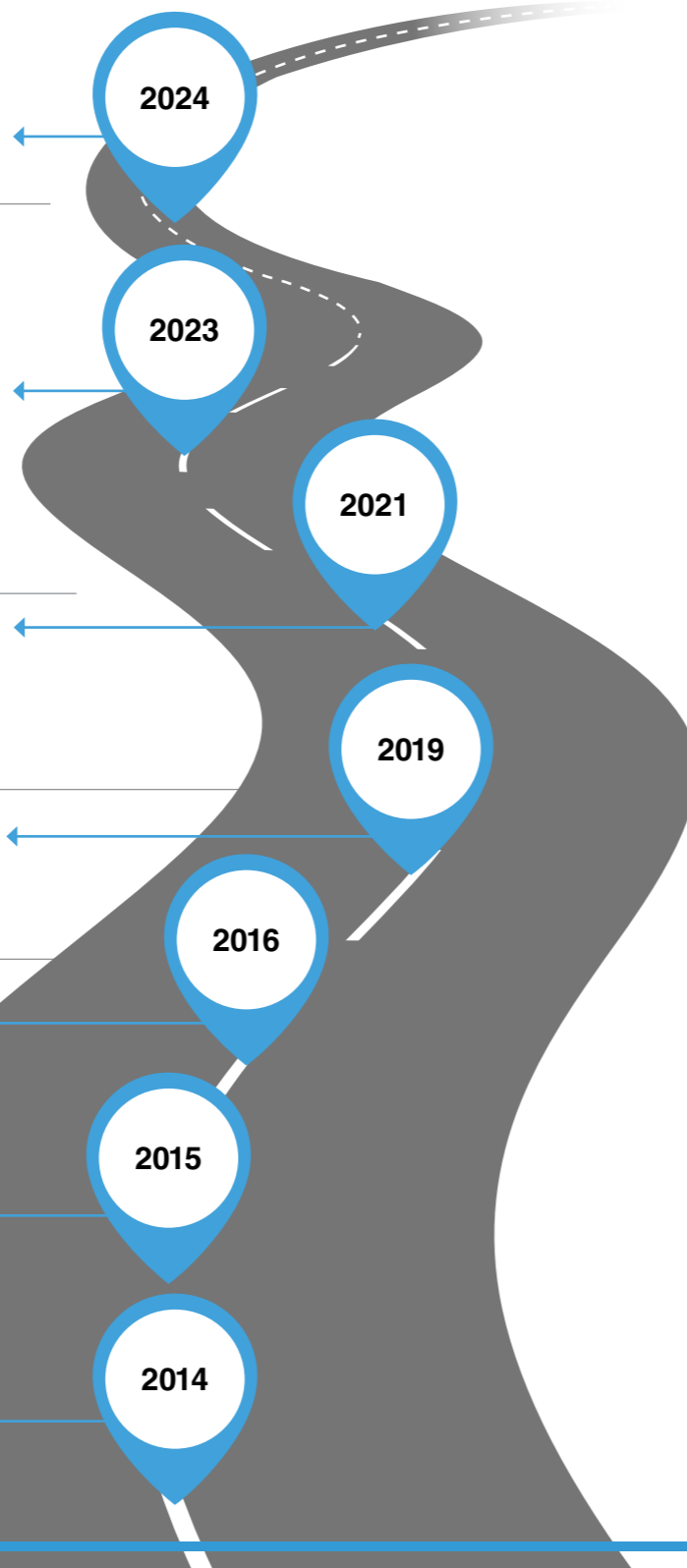
NCRPS – Non-convertible Redeemable Preference Shares

ZCBs – Zero Coupon Bonds

Our Journey in Responsible Financing

The journey in responsible financing has been marked by a series of strategic milestones and achievements that demonstrate the Company's commitment to financing India's infrastructure.

- One of India's 1st flexi-coupon products, customized and provided for a large toll-road project
- Benchmark 15 year tenor bond issuance to marquee investors led by the provident fund of India's largest infrastructure conglomerate
- Doubled loan book yet again in 2 years, crossed Rs. 20,000 cr, with 0% NPA
- NIIF IFL commenced one of India's first real-time monitoring of infrastructure portfolio, through a unique dashboard that leverages technology/ SCADA systems
- The Finance Minister of India during the 5th meeting of Governing Council of National Investment and Infrastructure Fund (NIIF) recognized and appreciated loan book growth of NIIF IFL with 0% NPA.
- Capital infusion from Government of India, enabling large ticket financing to India's infrastructure developers.
- Doubled loan book in 2 years, crossed Rs. 10,000 cr, with 0% NPA
- Change of control from IDFC to NIIF Fund II - substantial equity infusion and a stronger balance sheet
- Crossed Rs. 5000 cr loan book, with 0% NPA
- Crossed Rs. 1000 cr loan book with 0% NPA
- Commenced operations with long term loan to an Information Technology Park of Mindspace Business Parks Pvt. Ltd (earlier known as Serene Properties Pvt Ltd), an entity owned and developed by K Raheja Corp. group.
- Incorporated as one of India's first Infrastructure Debt Funds



Sectoral Expertise

Transportation

- Roads
- Airports
- Pipeline
- Ports
- Warehousing



Social and Commercial Infrastructure

- Hospitals
- Educational Institutions
- Tourism infrastructure



Energy

- Solar Energy
- Wind Energy
- Hydro Energy
- Power Transmission & Distribution



Communication

- Telecommunication Towers
- Telecom Services
- Digital Infrastructure

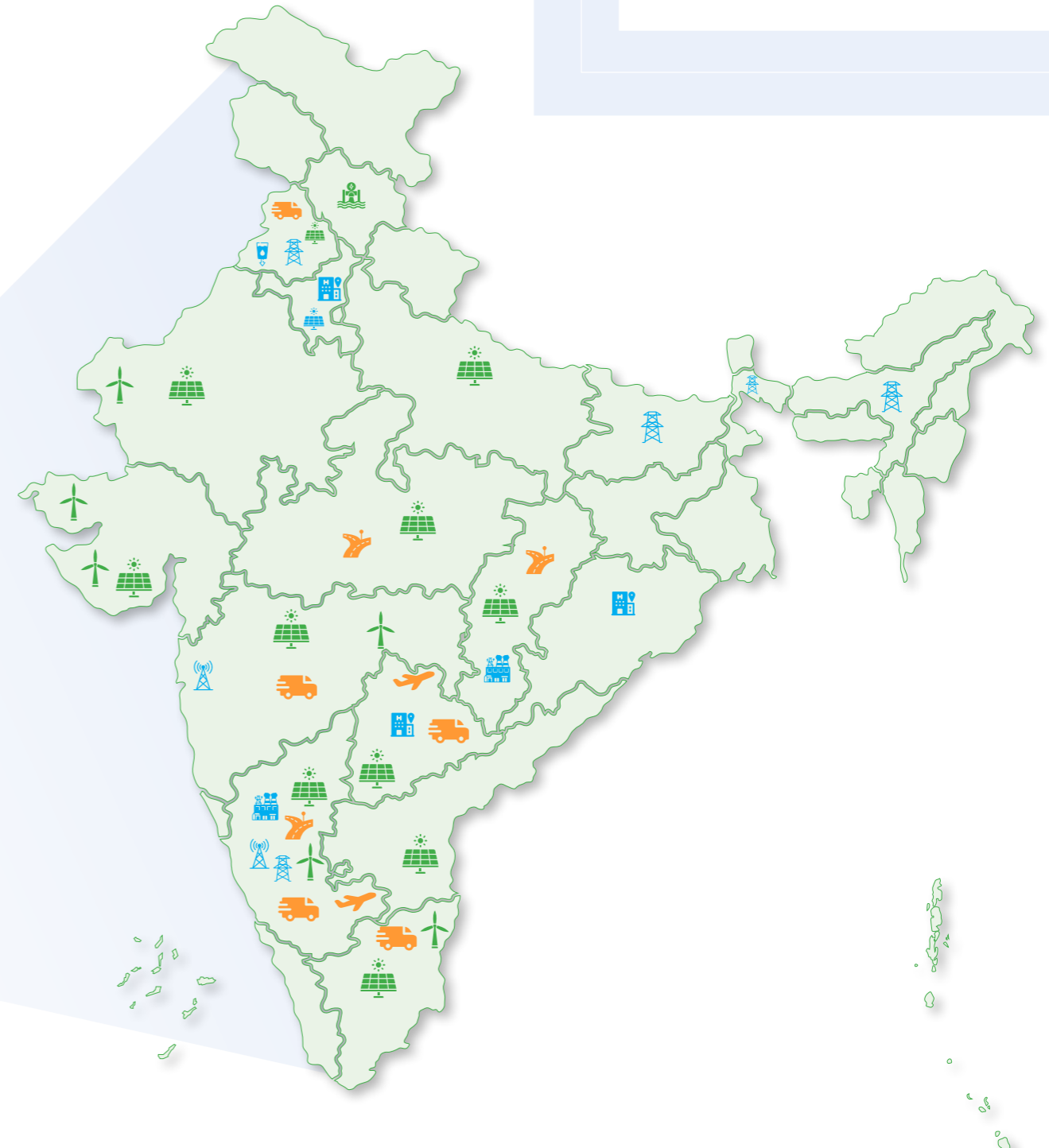
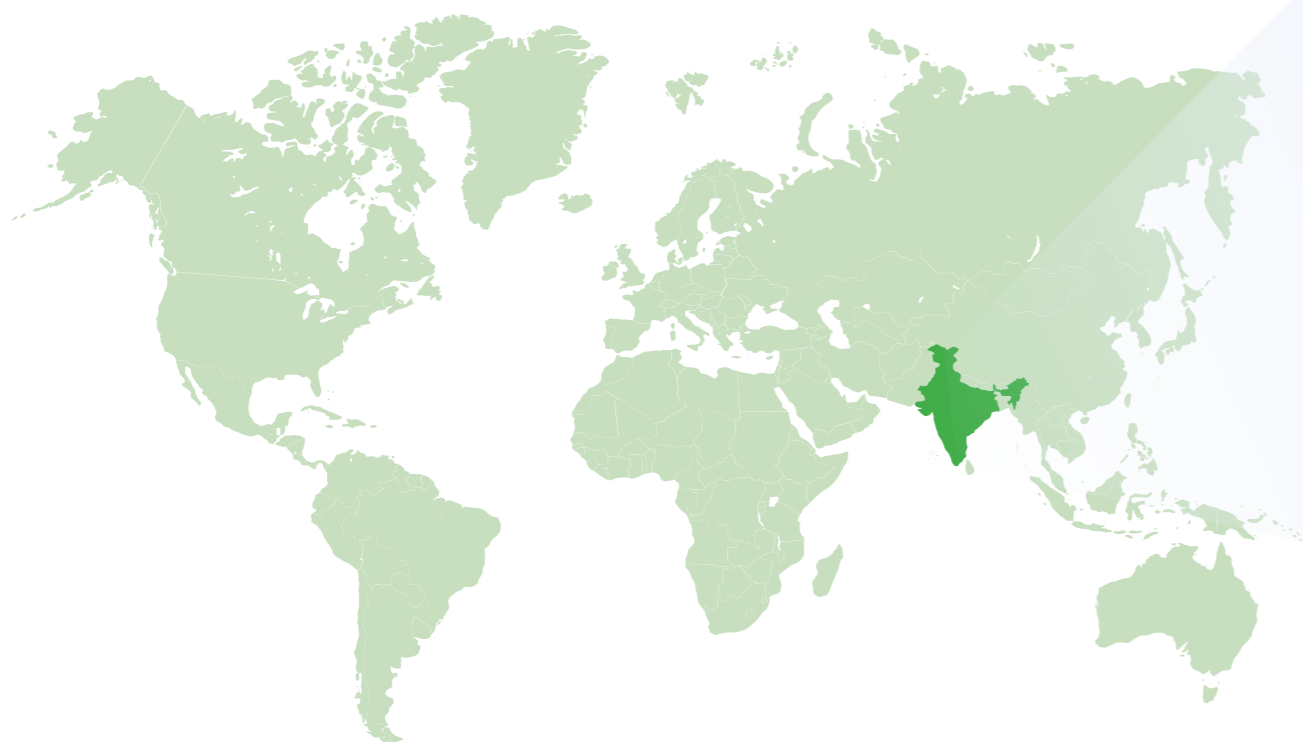













Pillars of Success



Supporting Infrastructure Development Across India

NIIF IFL has significantly expanded its footprint across key regions of India, enhancing infrastructure development through innovative financial solutions. The Company caters to a diverse range of infrastructure segments, including renewable energy, transportation networks and social infrastructure. By addressing the varied financial needs of these segments, NIIF IFL ensures that its debt financing and advisory services contribute to a comprehensive and integrated approach to infrastructure growth.



 Solar Power	 Wind Power	 Hydro Power	 Airport	 Roads	 Transport & Logistics
 Power Transmission	 Water & Sanitation	 Captive Power	 Communication	 Social & Commercial Infrastructure	

Disclaimer: This map is a generalised illustration for the ease of understanding. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position and are not intended to be to scale.

FY 2024 at a Glance

Financial Highlights

₹ 22,118 Crores

Loan book

₹ 420.5 Crores

Net Profit

11.5%

Return on Equity (ROE)

5.1 times

Debt-to-equity ratio

2.0%

Return on assets (ROA)

24.2%

Capital adequacy



Non-Financial Highlights

153

Total number of borrowers outstanding as on March 31, 2024

14,800 Million units

Low-cost green power generation from renewable power projects

~13.6 Million tonnes

Carbon emissions avoided in FY 2024

300 Million

Telecom subscribers getting access to high quality voice and data network



1,067 kilometres

Powerlines established in underserved regions

~12,480

Total jobs created in as on March 2024

₹ 5.27 Crores

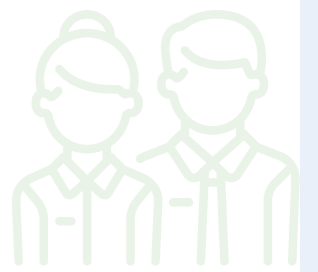
Total CSR Spent

3,158

Total employee training hours

63:37

Gender diversity ratio (Male:Female)



Generating, Sustaining and Delivering Value

Inputs

Value Creation Process

Outcomes

Value Created



Financial Capital

- Equity: ₹ 3860 Crores
- Debt-to-equity ratio: 5.1 times



Human Capital

- A committed workforce of 63 employees, with passion for infrastructure financing
- 3,158 total hours dedicated to employee training (technical, financial, behavioural)
- Enrichment of employee capabilities through specialized trainings
- Employee engagement & culture reinforcement



Social and Relationship Capital

- ₹ 5.27 Crores contributed under Corporate Social Responsibility ("CSR") initiatives focussed on healthcare, education, rural development and environmental sustainability
- Total Community Partners: 8



Infrastructure Capital

- Loan book: ₹ 22,118 Crores
- Number of infrastructure borrowers outstanding as on March 2024: 153



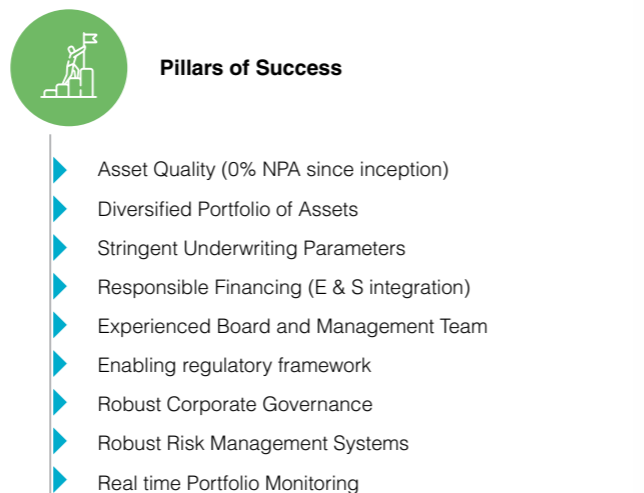
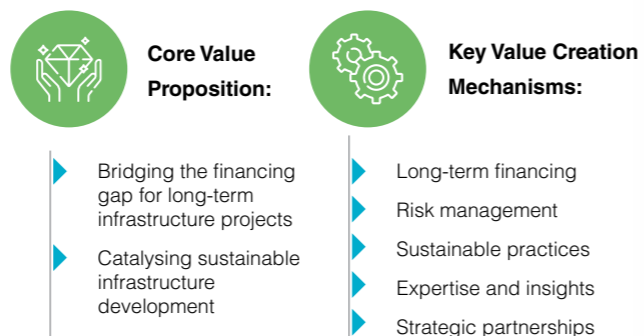
Intellectual Capital

- Investment in digital initiatives to enhance efficiency in automation
- Leveraged organisational expertise in, data security and infrastructure protection
- Implemented advanced automation tools for enhanced portfolio monitoring
- Management team, consisting of seasoned professionals with over ten decades of combined experience in infrastructure financing



Natural Capital

- Financed renewable energy projects to reduce carbon emissions and support India's climate goals
- Ensure sustainable finance to environmentally sound, socially acceptable and economically viable infrastructure projects
- Assessment of Climate risks and adequacy of mitigants



Financial Capital

- Strong Balance Sheet
- Net Profit: ₹ 420.5 Crores
- RoE: 11.5%
- RoA: 2.0%
- Capital Adequacy: 24.2%

Human Capital

- Employee Satisfaction
- Employee welfare
- Engaged workforce
- Gender diversity with active policies and celebrations supporting women's achievements
- Vibrant work culture

Social and Relationship Capital

- Supported healthcare providers for essential eye care services, including 50,000 screenings and 14,000 surgeries
- Supported the education and well-being of marginalised children through shelter homes, schools, and smart classroom initiatives
- Provided assistive technology, such as smart glasses and laptops, to visually impaired students, enabling them to obtain gainful employment
- Reached 88,678 people through CSR initiatives during the financial year

Infrastructure Capital

- Financed ~8.4 GW of renewable power projects, generating 14,800 million units of low-cost green power; savings from such low cost power leads to higher profits to corporates and thereby higher taxes for the Govt estimated at ₹ 167 Crores
- Built 1,067 km of powerlines in North Bihar and North-East India
- Served 63.5 million passengers at Airports financed
- Developed 930 lane km of highways, served 16 million annual passenger car units
- Provided access for high quality voice and data network to ~300 million subscribers

Intellectual Capital

- Enhanced operational efficiency
- Strengthened security posture
- Enabled decision-making based on data analytics
- Enabled automated monitoring of project cash flows

Natural Capital

- Sustainable finance: Committed to supporting sustainable development goals aligned with India's climate commitments
- Green portfolio: Focussed on renewable energy and sustainable infrastructure projects, comprising ~63% of the loan portfolio
- Carbon Emission: Avoided carbon emissions of ~13.6 million tonnes in FY2024
- Intends to completely bring down exposure in fossil fuel sectors by 2030
- Green energy adoption: Switched to 100% renewable energy at the office premises



Value created for Borrowers

- Adherence to fair lending practices
- Faster turnaround time
- Fixed rate lending reduces interest rate risk of projects
- Nil complaints since inception
- Protection of borrower data privacy and security
- Credit enhancement through innovative structures



Value created for Employees

83%

Employee Retention Ratio (High compared to financial services industry)

- Talent development opportunities
- Employee engagement
- Work life balance
- Learning and development
- Competitive remuneration
- Intensive informal engagement between management and teams
- Empowerment of junior / mid employees



Value created for Shareholders and Bondholders

11.5 %

ROE

₹ 420.5 Crores

Net Profit

24%

Loan book growth

0%

NPA

- Periodic updates and investor meets
- Enhanced Returns
- Clear financial communication
- Streamlined processes
- Sustained growth
- Partnerships with large bond investors
- Highest level of safety



Value created for the Economy

153

Number of outstanding borrowers

~12,480

Jobs created

~13.6 million tonnes

of carbon emissions avoided in FY 2024

- Advancing Infrastructure development through green transition
- Positive environmental and social impact
- Financial stability
- Regulatory compliance

Leveraging Unique Advantages and Strategic Edge

NIIF IFL is committed to advancing infrastructure development in India through a strategic focus on sectors that align with the country's energy transition goals and infrastructure development. The Company focusses particularly on renewable energy, which is expected to support the transition to a low-carbon economy. NIIF IFL's financing solutions are instrumental in ensuring critical infrastructure such as renewable power, roads, ports, airports, transmission, logistics, pipelines, hospitals and education. These in turn facilitate broader economic development and enhance quality of life. Through this holistic approach, NIIF IFL plays a crucial role in fostering India's progress. The Company further ensures that infrastructure development aligns with the country's aspirations for sustainable and inclusive growth.



NIIF IFL has financed a solar power project of Avaada Group in Yadgir district, Karnataka



Partnerships

NIIF IFL is in the process of concluding strategic partnerships with large financial institutions, which significantly strengthen its capital-raising capabilities. These alliances would provide the Company with access to a broad range of financial resources enabling it to finance infrastructure projects more effectively. By collaborating with these financial institutions, NIIF IFL expects to benefit by diversifying capital sources, furthering risk-sharing mechanisms and the ability to jointly finance high-impact infrastructure projects. This partnership driven approach allows the Company to extend its reach, tap into new markets and deliver greater value to its stakeholders.



Green and Sustainable Investments

NIIF IFL is deeply committed to financing sustainable infrastructure projects that support India's transition to a low-carbon economy. NIIF IFL has provided debt capital to renewable power projects, contributing significantly to the country's renewable energy goals. The Company plans to roll out a Sustainable Finance Framework in FY 2025 for issuing sustainable finance instruments such as Climate/ Sustainable/ Blue/ Green Bonds, enhancing its commitment to sustainability.



Sectoral Diversification

NIIF IFL has built extensive sectoral expertise and has refinanced projects across a wide range of infrastructure sectors, including renewable power, roads, airports, power transmission, logistics, pipelines, hospitals and education. This diversification strategy helps the Company manage risks and seize growth opportunities across various segments in the infrastructure market.



Market Understanding

NIIF IFL's market understanding is built on a foundation of detailed analysis and active engagement across the infrastructure financing sectors in India. The Company closely tracks macroeconomic indicators, such as GDP growth, interest rates and inflation trends, alongside sector-specific infrastructure funding gaps and the evolving regulatory environment. By staying closely attuned to key infrastructure sectors such as renewable energy, transportation and social infrastructure, NIIF IFL ensures that its investments are aligned to long-term growth of the country. This in-depth market understanding and relationships enable NIIF IFL to anticipate challenges such as regulatory changes, shifting energy demands and evolving sustainability requirements.



Credit Appraisal Process

NIIF IFL's rigorous credit appraisal process is crucial for its success in building a best-in-class asset portfolio. Every credit proposal undergoes meticulous evaluation, ensuring that only projects with strong fundamentals, proven track records and sustainable growth potential are selected. By leveraging extensive sectoral expertise and conducting thorough due diligence, NIIF IFL manages risk effectively and maintains a high-quality 0% NPA loan portfolio.

Distinctive Strengths and Market Leadership

NIIF IFL leverages its alignment with the direction of government policies, access to long-term capital and sectoral expertise to deliver value. By aligning with governmental initiatives, NIIF IFL effectively navigates regulatory landscapes and seizes opportunities. The availability of long-term capital supports large-scale, impactful projects with sustained financial support. Additionally, the Company's sectoral expertise allows it to provide customised solutions that meet the specific needs of each project, enhancing overall effectiveness and value delivery. The Company's strong focus on ESG principles, coupled with robust credit appraisal capabilities and an experienced management team, further enhances its competitive edge in the infrastructure financing sector.



Expanding Horizons For The Next Phase of Growth

Recently announced policy and regulatory initiatives have created opportunities for the next phase of growth and fund-raising by NIIF IFL. These include:

- direct financing to Toll Operate Transfer (TOT) highway projects, thereby enabling NIIF IFL's participation in Govt of India's monetization programme
- channelizing foreign investment through innovatively structured External Commercial Borrowings (ECBs), to India's green infrastructure
- Increase in single borrower and single group concentration limits, thereby expanding the scope of financing and strengthening partnerships with existing clientele
- Faster turnaround time due to recent measures relating to ease of doing business



Delivering Superior Value to Clients

NIIF IFL provides customised financing solutions that offer value to clients across various segments. By focussing on operational infrastructure projects with a proven track record, the Company minimises risk while ensuring competitive pricing and flexible terms. NIIF IFL distinguishes itself through faster turnaround times, swift decision-making and prompt financing approvals. The Company also offers longer tenure and fixed-rate financing, providing stability and predictability for borrowers.

Facilitating innovative products such as

- parametric insurance for mitigating resource risk in sectors like wind power generation,
- flexi coupon with self-adjustable redemption premium, for credit enhancing infrastructure projects in key sectors

are a testament to NIIF IFL's commitment to client needs. This client-centric approach fosters long-term relationships and enhances customer satisfaction, making NIIF IFL a preferred partner for infrastructure developers.



Strong Access to Capital

NIIF IFL enjoys robust access to equity and debt capital through a diverse range of long-term investors, including alternative investment funds, insurance companies, pension funds, provident funds, welfare funds, gratuity funds and banks. This broad investor base allows NIIF IFL to secure funding at competitive rates and thereby increase the market-share. Access to long term capital enables providing longer tenor funding to infrastructure projects, thereby enhancing their viability. Such longer tenor capital augurs well for optimal matching of assets and liabilities.



Strong ESG Focus

NIIF IFL is deeply committed to ESG principles, which are central to its financing strategy. The Company prioritizes ESG alongside financial returns, ensuring that its investments are environmentally and socially responsible. This commitment not only fosters positive social outcomes but also provides confidence to investors who increasingly value ESG alignment. Additionally, the Company provides climate risk advisory services and ESG monitoring, offering added value beyond traditional financing.



Deep Sectoral Expertise and Focus

NIIF IFL possesses deep expertise across diverse infrastructure sectors, including transportation, energy, social and commercial infrastructure, and communication.

This extensive sectoral knowledge and relationships enable NIIF IFL to provide substantial value addition in structuring financing for infrastructure projects as well as developing risk mitigation solutions to make infrastructure projects safer.

NIIF IFL's portfolio monitoring is unique in its approach, with real-time monitoring of renewable energy projects through direct secure links to customers' SCADA systems, enabling effective oversight and performance tracking.



Experienced Management Team

NIIF IFL's management team, consisting of seasoned professionals with over ten decades of combined experience in infrastructure financing and investment management, is pivotal in navigating the complexities of financing India's infrastructure. Their deep expertise spans various aspects of infrastructure development, including project finance, risk management and strategic investment planning. The management team's track record in managing large-scale infrastructure projects and executing complex financial transactions significantly enhances NIIF IFL's ability to drive growth and maintain a competitive positioning in the market. The management team's experienced leadership is a crucial asset that drives the Company's growth and competitive positioning in the market.



Risk Management

The risk management process at NIIF IFL is fundamental to safeguarding its debt investments and ensuring the successful financing of the projects.

Process

 **Risk Identification** 1

NIIF IFL systematically identifies potential risks that could impact its operations and investments. This involves evaluating various internal and external factors, including market conditions, regulatory changes and operational challenges. By employing comprehensive risk assessment techniques, the Company ensures that all potential risks are identified early in the process.

 **Risk Analysis** 2

Once risks are identified, NIIF IFL conducts a thorough analysis to understand the nature, likelihood and potential impact of each risk. This analysis involves evaluating the severity of risks and their potential effects on project outcomes and financial performance. The Company uses quantitative and qualitative methods to assess risks, ensuring a comprehensive understanding of their implications.

 **Risk Prioritisation** 3

Following the analysis, NIIF IFL prioritises risks based on their significance and potential impact. This step involves ranking risks to determine which ones require immediate closer attention and resources. By prioritising risks, the Company ensures that it focusses on the most critical threats that could impact its operations and financing objectives

 **Risk Mitigation** 4

NIIF IFL implements strategic measures to mitigate identified risks. This includes developing and deploying risk management strategies tailored to address specific risk factors. The Company employs various mitigation techniques, such as diversifying portfolio, securing insurance coverage, facilitating development of unique risk mitigating financial products and establishing contingency plans to reduce the likelihood and impact of adverse events.

 **Risk Monitoring** 5

Continuous monitoring of risks is essential to ensure that risk management strategies remain effective and relevant. NIIF IFL regularly reviews and updates its risk management practices to adapt to changing conditions and emerging risks. The Company employs monitoring tools and processes to track risk indicators and assess the effectiveness of mitigation measures.

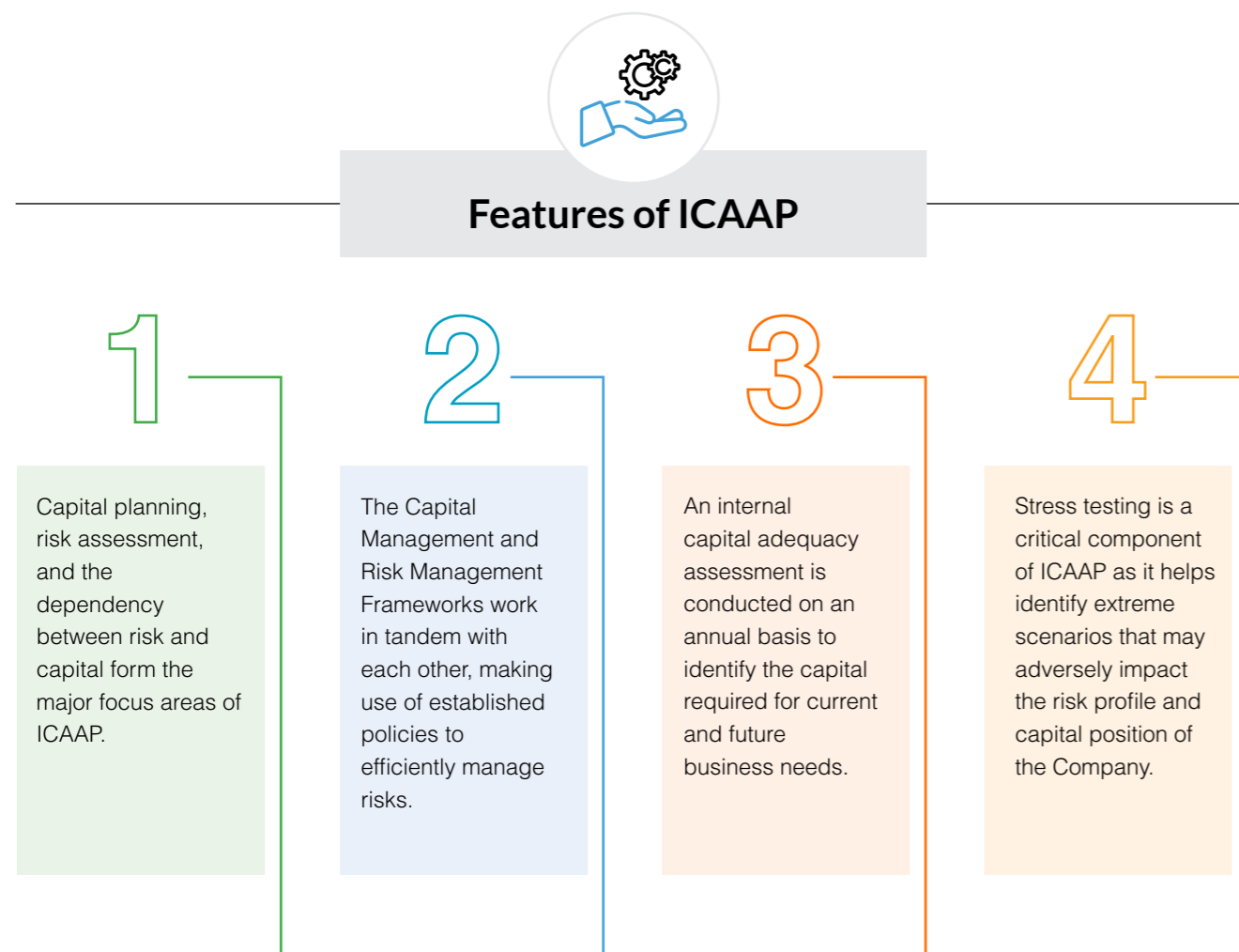
The Risk Management Committee (RMC) of the Company, inter alia approves policies, frameworks and monitors portfolio and limits, with the key objective of maintaining a healthy balance between risk and return.



The Risk Management Framework is further supplemented by periodic monitoring by the Board and Committees such as Credit Committee ('CC'), Asset-Liability Committee ('ALCO'), RMC

Incorporating Internal Capital Adequacy into Risk Management

To identify, evaluate, measure, and mitigate risks that may impact the capital adequacy of the Company, an Internal Capital Adequacy Assessment Policy (ICAAP) has been established.



Role of CRO

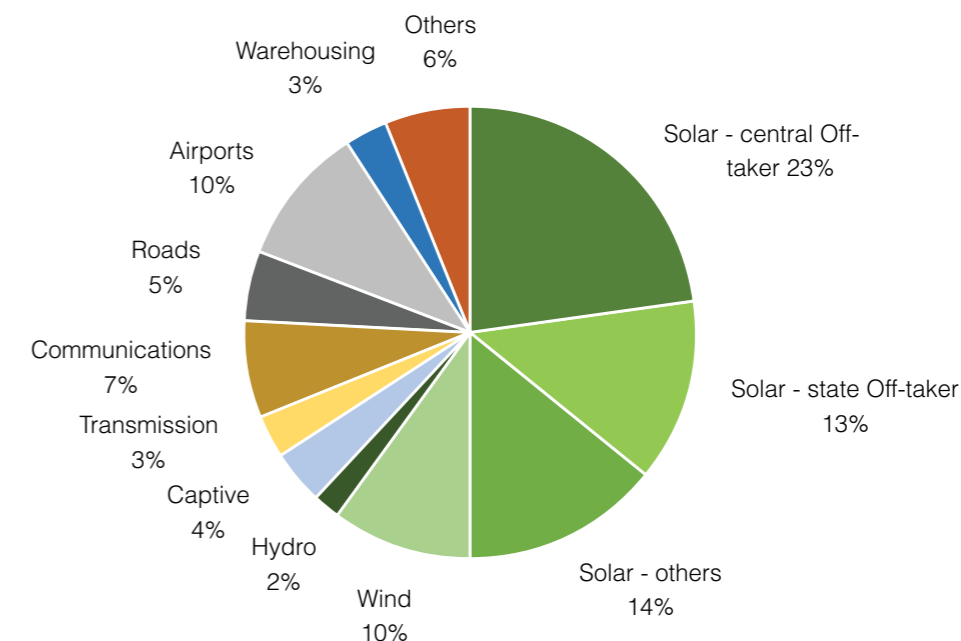
The Chief Risk Officer (CRO), appointed by the Board of the Company, is responsible for developing and implementing the Risk Management Strategy of the Company. The CRO's role is to promote a very strong risk culture throughout the organization and set up a strong risk governance framework. The CRO ensures that risk processes are aligned with the Company's overall objective of long term viability and stakeholders' returns. Key responsibilities of the CRO include risk identification, assessment, developing risk management framework, risk monitoring mitigating and reporting. The CRO oversees all financial and non-financial risks of the Company and ensures that risk considerations are fully factored into the Company's strategic decisions.

Over the last 7-8 years, there has been a strategic shift of ownership of infrastructure projects, from Indian family groups, to overseas promoters and platforms created by funds (both domestic and international). NIIF IFL incorporates such ownership changes into its ICAAP assessments and remains well-positioned to offer strategic value-propositions to all categories of developers/ promoters

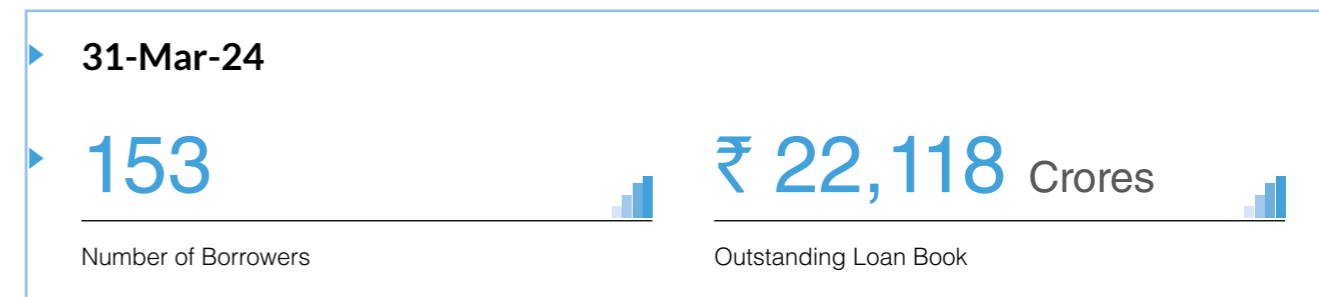
Type of Developer Group	Mar-24		
	No. of groups	outstanding loans in ₹ Crores	% of outstanding loans
Indian Promoters (Large)	8	5158	23%
Indian Promoters (Mid-size)	7	3345	15%
Overseas promoters	11	3346	15%
Platforms created by Private Equity/Funds	20	10269	46%
Total	46	22118	100%

NIIF IFL places importance on diversification, which is a key input for the ICAAP process.

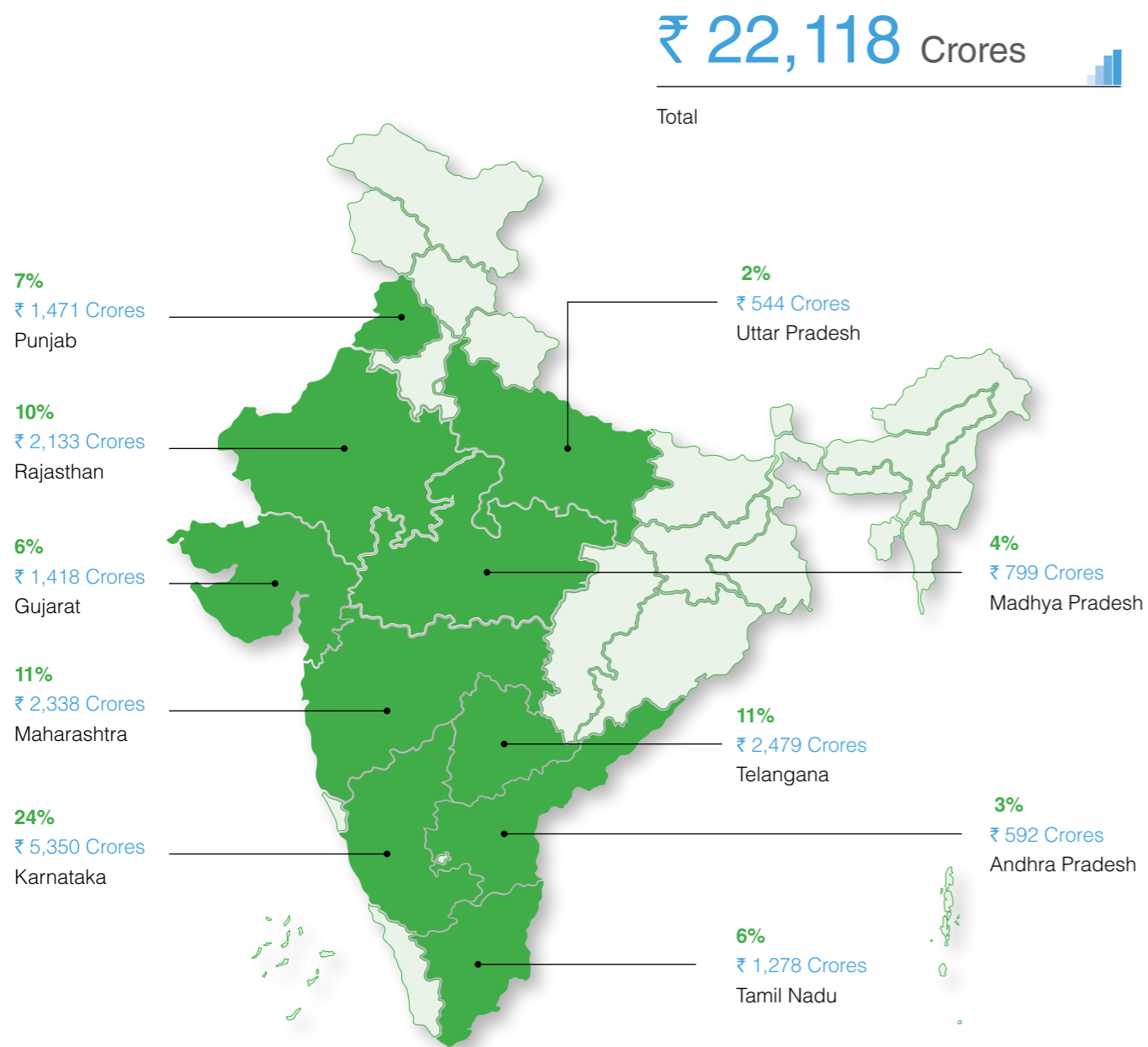
Sub Sector



Total green portfolio – 63%



Geography (Top 10)



Disclaimer: This map is a generalised illustration for the ease of understanding. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position and are not intended to be to scale.

Strategies Adopted to Mitigate Risks



Diversification of portfolio

NIIF IFL's portfolio is diversified across various geographical regions, sectors, promoter groups and offtakers, with the objective of reducing concentration risk.



Compliance with Regulatory Standards

NIIF IFL adheres to all relevant laws, regulatory requirements and guidelines, ensuring a "no divergence" track record.



Strong Credit Appraisal Processes

NIIF IFL's credit appraisal process for evaluating viability and mitigating risk, is comprehensive. NIIF IFL uses a set of sector-specific guardrails and promoter grading frameworks to ensure that all project assets are well within the Company's risk appetite.



Continuous Monitoring and Review

NIIF IFL uses technology effectively, in order to ensure real-time monitoring of the portfolio through secure access to the SCADA systems of projects. Multiple data points accessed through automated systems, are captured on a comprehensive dashboard, to ensure effective monitoring and early warning signals.



Strategic Partnerships and Collaborations

NIIF IFL establishes strategic partnerships and collaborations with reputable institutional investors. These provide access to additional risk-sharing opportunities, enhancing the Company's ability to manage and mitigate risks effectively.



E&S Risk Function

NIIF IFL's risk function strategically incorporates environmental and social (E&S) risk management within its framework, ensuring adherence to international standards while proactively mitigating potential risks. This approach is reinforced by the Chief Risk Officer and the oversight of committees along with the Board. The detailed approach pertaining to E&S Risk Management is described in 'Integration of Environmental and Social Risks in Project Financing' section of the report.

Integration of Environmental and Social Risk Assessment with Infrastructure Financing

NIIF IFL understands the importance of implementing ESG practices for sustainable infrastructure development in the country. Environmental and Social risk considerations are an essential component of NIIF IFL's risk management process, overseen by the Senior Management, the Risk Management Committee and the Board of Directors.

NIIF IFL has adopted an E&S Risk Policy, benchmarked to IFC Performance Standards, to integrate E&S risk assessment in credit appraisal and loan disbursement stages, as well as (post-lending) monitoring stage.

The Policy is approved by the Board of Directors of NIIF IFL and key committees including the Credit Committee, the Risk Management Committee and the Management Committee of NIIF IFL, which inter alia provide direction and advice on the effective implementation of Policies.

A detailed E&S Due Diligence is conducted for every new financing proposal based on IFC Performance Standards, World Bank Group General Environment, Health & Safety (EHS) Guidelines and Sector Specific Guidelines, and where applicable, national, state and local E&S regulatory requirements.

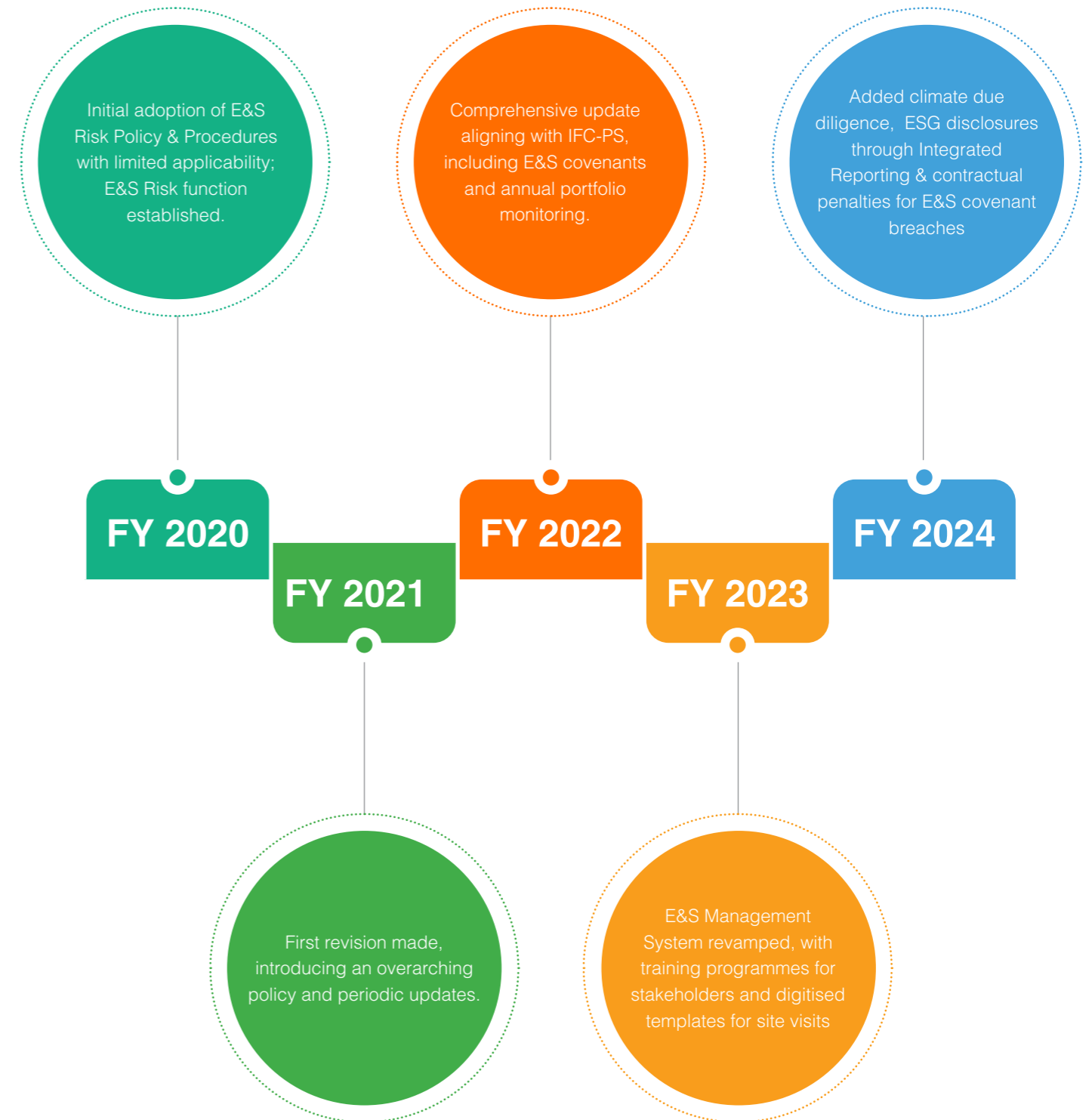
The gaps identified with respect to the above mentioned frameworks and applicable regulations are mitigated

through stipulation and monitoring of time-bound project-specific E&S covenants in the financing documents.

E&S Monitoring and Review (ESMR) for projects in NIIF IFL's portfolio, is conducted annually to review compliance with E&S regulatory requirements and preparedness for emerging E&S risks related to the projects. Visits to project sites is conducted at least once a year, to review site EHS practices and conditions.

For climate risk assessment, all loan assets are mapped to check whether they fall in seismological zones, cyclonic zones, flood zones, landslide zones, drought & heatwave zone, including the availability of insurance for climate perils, availability of mitigation measures namely adoption of water neutrality measures, lightning arrestors, storm water management system, etc.

A Timeline of Responsible Lending Milestones



'Eco Warriors' of NIIF IFL participated in a beach cleaning drive at Girgaon Chowpatty, Mumbai, to celebrate World Environment Day on June 5, 2024.

NIIF IFL has set up a 5 stage process to facilitate effective integration of environment and social risk policy in its credit appraisal, disbursal and monitoring framework.

Stage 1

Pre-Sanction

- Preliminary Information
- Internal Categorisation & Exclusion List Screening
- Information Request to Client

Stage 2

Initial Appraisal

- Opportunity Appraisal
- Review of Secondary Information
- Desk-Based E&S Assessment

Stage 3

ESDD (Environmental & Social Due Diligence)

- ESDD (Internal)
- Kick-off & Site Visit
- Receipt of Information
- Discussion with Management
- ESDD Report & Environmental and Social Action Plan (ESAP)

Stage 4

Decision Committee (DC) and Credit Committee (CC)

- DC Discussion on E&S Risks
- ESDD Approval by CC
- Incorporation of ESAP in Loan Agreements

Stage 5

E&S Monitoring, Review, and Reporting

- Monitoring Compliance
- Site Visits & Office-Based Reviews
- Periodic Management Information Systems (MIS) and Quarterly E&S Updates
- Reporting

NIIF IFL has a dedicated E&S Risk Group that ensures implementation of the objectives of the E&S Risk Policy. This Group reports to the Chief Risk Officer (CRO).

The key roles and responsibilities of the E&S Risk Group are given below:

- 1 Developing E&S policy, standards, and frameworks for financing of operational PPP/private sector infrastructure projects.
- 2 Engaging with stakeholders on E&S issues (& mitigation) relating to the portfolio.
- 3 Reviewing financing proposals with respect to compliance with NIIF IFL's E&S Risk Policy and Guidelines.
- 4 Monitoring and supervising the E&S performance of the loan portfolio by conducting regular meetings and site visits of projects. Highlight key risks to senior management, thereby aiding to their decision-making process.
- 5 Preparing reports (annually) on E&S risks assessed and improvement in the E&S performance of the portfolio.
- 6 Actively engaging with various teams on implementation of the Company's E&S frameworks.

To ensure that every infrastructure project aligns with the highest standards of environmental and social responsibility, the Company has established Environmental and Social (E&S) Management Systems. They facilitate the identification, assessment, and management of potential E&S risks through the project lifecycle.

NIIF IFL showcases its commitment to sustainable development and social responsibility by adhering to E&S systems described below.

1 Project Preliminary Screening & Categorisation

NIIF IFL uses an exclusion list that contains businesses or activities which would not be considered for funding (i.e., if any financing proposal pertains to any business specified in the exclusion list, it would not be taken forward for appraisal). If the project does not violate the above exclusion criteria, NIIF IFL conducts a preliminary screening based on the following steps:

- Identify potential risks and impact of the project
- Assign project categorisation based on type, location, scale, sensitivity and the magnitude of potential impact for further assessments

2 Environment & Social Assessment/ Environment & Social Due Diligence (ESDD)

NIIF IFL conducts Environment and Social Assessment/ due diligence as per the IFC Performance Standards (PS1 to PS8) framework as per which the following points are taken into consideration:

- Borrower's Environmental and Social Policy Framework

3 Environment and Social Monitoring & Review (ESMR)

- Competence of the institution to enforce E&S plans and comply with monitoring needs

- Compliance with environmental and social regulations, including land acquisition, resettlement, labour conditions, community health, biodiversity, and cultural heritage as applicable

- Factors pertaining to emergency preparedness, HR grievance policies, E&S risk assessment in supply chain, stakeholder engagement, external grievance redress, worker accommodation, child labour, gender issues, discrimination, incident reporting, and occupational health and safety

- Examining Project-related GHG emissions and measures to mitigate them

- Status of land possession and land use conversion, and unresolved regulatory and compensation matters

- Relevant project documents, including Feasibility Report, Environmental Impact Assessment (EIA) and Environmental and Social Impact Assessment (ESIA), and (E&S) approvals

- Evaluating E&S performance of the project by conducting site visits

The above-mentioned factors are taken into consideration to prepare an Executive Summary containing the main E&S issues in the project and an action plan to mitigate them.



3 Environment and Social Monitoring & Review (ESMR)

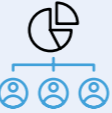



ESMR is conducted for all portfolio projects on an annual basis, post one year of disbursement, with significant focus on the following aspects:

- Adherence to E&S conditions stipulated in the due diligence and subsequent E&S conditions/observations of the NIIF IFL team
- Ongoing fulfillment of statutory obligations
- Updates on new developments and risks pertaining to the project

Strengthening Stakeholder Partnerships

NIIF IFL actively engages with its stakeholders by disclosing relevant and critical information in a transparent manner through multiple channels and avenues of interaction. The engagement allows the Company to obtain feedback from its stakeholders for improving its operations and develop a robust and long-lasting relationship with them. The Company also solicits employee feedback, ensuring their voices are heard and valued in decision-making process.





Stakeholder Category	Stakeholder Expectations	Frequency of Stakeholder Engagement by NIIF IFL	Channels of Communication
 Customers	<ul style="list-style-type: none"> Low cost of borrowing Long tenor debt Fair practices in lending Faster turnaround time Effective customer grievance redressal mechanism Maintaining customer data privacy and security 	<ul style="list-style-type: none"> Intense (daily) interaction during due diligence/ appraisal Monthly/ quarterly follow-up meetings at different levels for strengthening relationship and effective monitoring 	<ul style="list-style-type: none"> Face to face meetings Meetings via VC Site visits (at least once a year) Email
 Bondholders	<ul style="list-style-type: none"> Safety of investment and return Regular updates on business, market outlook Regular payment of coupon and redemption Long-term business performance Liquidity 	<ul style="list-style-type: none"> Periodic updates and quarterly/ half yearly meetings 	<ul style="list-style-type: none"> Bondholder conference Half-yearly email communication on the Company's performance Quarterly financial results announcements through stock exchanges Company website

Stakeholder Category	Stakeholder Expectations	Frequency of Stakeholder Engagement by NIIF IFL	Channels of Communication
 Shareholders	<ul style="list-style-type: none"> Consistent business growth Returns (RoE) Asset quality 	<ul style="list-style-type: none"> Monthly/ periodic update AGMs/EGMs 	<ul style="list-style-type: none"> Online meetings Annual General Meetings (AGMs) Quarterly financial results announcements through stock exchanges Annual Reports
 Employees	<ul style="list-style-type: none"> Opportunity for career growth Regular employee engagement Learning and development Work-life balance Remuneration as per market standards 	<ul style="list-style-type: none"> Continuous (daily/ weekly) engagement with employees 	<ul style="list-style-type: none"> Annual performance evaluation Periodic interactions (Skip level) Planned training Continuous dialogues with senior management Townhalls Informal interaction during recreational activities during the festive season Annual employee surveys
 Vendors	<ul style="list-style-type: none"> Ensure timely payment of contractual obligations Fulfill contractual obligations Transparent, ethical and long-term business relations 	<ul style="list-style-type: none"> Periodic (monthly/ quarterly) meetings 	<ul style="list-style-type: none"> Due diligence during vendor onboarding Emails Face to Face interactions Phone calls / VC Periodic assessments of services
 Regulators	<ul style="list-style-type: none"> Comply with regulations and stability in the financial system Play a critical role in infrastructure development of the country Follow fair practice code Ensure sound corporate governance Follow prudent business practices 	<ul style="list-style-type: none"> Monthly / quarterly engagement through meetings and during annual & ongoing audit 	<ul style="list-style-type: none"> Feedback on Circulars through e-mail Face-to-face interactions Timely filing of information and reports/returns as per the regulatory requirements

Assessing Material Issues for Sustainable Growth



Materiality assessment is a crucial component of NIIF IFL's sustainability strategy. The process aids in identifying key ESG issues, guiding the Company to focus on areas that impact its business and stakeholders. This approach enhances decision-making, risk management, and transparency within NIIF IFL's business processes.









During the reporting period, NIIF IFL conducted a materiality assessment, identifying key issues by reviewing sectoral trends, risks and peer benchmarks. These material issues were then prioritised based on their impact on NIIF IFL through an internal management review, supported by external consultants. An impact is an effect that the organization has on the economy, environment and people that can indicate its contribution to sustainable development. The impacts can be classified as negative (risks) or positive (opportunities). The final list of material issues is provided below.








Material Issues	Type of Impact	Impact / Aspect	Management Approach	SDGs	Linkage with GRI
 Data Security	⊖	NIIF IFL manages sensitive client information and crucial real-time data of the projects financed by it. Data breaches and cybersecurity attacks may result in compromising stakeholder trust and breach of regulatory compliance.	<ul style="list-style-type: none"> Implementing sound information security systems and policies to manage sensitive customer data. Training employees on policy and information security procedures regarding appropriate access, use, and disclosure of personal data with suitable consents. 		-
 Automation	⊕	NIIF IFL has a strong focus on automating processes, which helps drive efficiency and transparency. It also enables faster decision-making and tracking of loan book/portfolio's financial and non-financial parameters, ensuring that the NIIF IFL maintains high standards of operational effectiveness.	<ul style="list-style-type: none"> Deploying innovative technologies (including where prudent, artificial intelligence with limited scope) and tools for enhanced efficiency of business processes. 		-

Material Issues	Type of Impact	Impact / Aspect	Management Approach	SDGs	Linkage with GRI
 Climate Change Risks	⊖	NIIF IFL is in the business of providing debt finance to operational infrastructure projects. Climate change may pose a risk to these projects, potentially leading to physical damage and business interruption. Rising climate uncertainties, such as extreme weather events or climate change regulations could adversely affect project viability and long-term sustainability goals.	<ul style="list-style-type: none"> Conducting due diligence with emphasis on climate risk considerations such as mapping loan assets in vulnerable zones (seismic, cyclonic, flood, landslide, drought and heatwave) and assessing the availability & adequacy of insurance and other mitigation measures (adoption of robotic dry cleaning, lightning arrestors, storm water management system , etc.) 		GRI 201: Economic Performance GRI 305: Emissions GRI 302: Energy
 Corporate Governance	⊖	Weak corporate governance practices can attract regulatory action, erode stakeholder trust, and cause reputational damage, which may also potentially limit access to capital markets. Therefore, strong governance practices are essential for maintaining trust, transparency, and ensuring sustained growth in the financial services sector.	<ul style="list-style-type: none"> Implementing checks and balances to have appropriate controls and oversight responsibilities. Instituting a Board and Committee structure and implementing board effectiveness measures in line with stakeholders' long-term interests. 		GRI 2: General Disclosures
 Customer Satisfaction & Experience	⊖	NIIF IFL's customers and projects undergo credit risk assessment and due diligence for financing and subsequently monitoring. It is critical to manage and ensure that this process is smooth. Poor customer experience during these phases can lead to increased customer churn, diminished brand loyalty, and negative word-of-mouth publicity.	<ul style="list-style-type: none"> Understanding customer expectations and needs. Providing transparent information and fair advice to customers about the products. 	 	-

Material Issues	Type of Impact	Impact / Aspect	Management Approach	SDGs	Linkage with GRI
 Employee Health and Well-being	+	NIIF IFL makes significant investments in employee health and well-being as it enhances productivity, morale, and overall job satisfaction. It fosters a positive work environment, reduces absenteeism, and improves employee retention rates. This proactive approach has potential to not only boost organisational performance but also strengthen employee loyalty and engagement, contributing to a resilient and motivated workforce.	<ul style="list-style-type: none"> Introducing employee well-being measures, including flexible working schedules and healthcare support. Conducting health and safety workshops, etc. 		GRI 403: Occupational Health and Safety
 Ethics and Regulatory Compliance	-	NIIF IFL understands that failure to uphold ethical practices and compliance with regulations can result in severe legal consequences, cause damage to corporate reputation, and erode stakeholder trust. It may also involve incurring fines/penalties, and legal disputes, ultimately jeopardising the long-term sustainability and growth potential of the business.	<ul style="list-style-type: none"> Creating a strong ethical organisational culture with a focus on transparency and compliance. Conducting regular risk assessments to identify areas of potential exposure to non-compliance and related risks. 		GRI 205: Anti-Corruption GRI 206: Anti-Competitive Behavior GRI 2: General Disclosures
 Building Infrastructure	+	NIIF IFL positively impacts access to power, airports, logistics, telecommunication, education and healthcare across the country by providing long tenor innovative re-financing solutions to projects across India. This leads to enhancing viability of projects, fosters economic growth, creates jobs and enhances infrastructure development in different regions.	<ul style="list-style-type: none"> Providing innovative financing to infrastructure projects located across India enabling economic growth of the area and creating jobs. 	 	GRI 203: Indirect Economic Impacts

Material Issues	Type of Impact	Impact / Aspect	Management Approach	SDGs	Linkage with GRI
 Energy and Emission Management	+	NIIF IFL's focus on minimizing emissions in projects financed by it, coupled with its focus on revenue from green business, demonstrates a strong commitment to environmental sustainability. By focussing on financing of renewable energy projects, NIIF IFL not only contributes to reducing carbon footprint but also supports India's transition towards clean and sustainable energy sources.	<ul style="list-style-type: none"> Supporting Sustainable Development Goals and India's commitments under the Paris Agreement for building a low-carbon economy. Committing to green energy and winding down historical exposures that do not support a clean environment, by 2030. Planning to roll out a Sustainable Finance Framework for issuing sustainable finance instruments like Climate Bonds and Sustainability Bonds. 	 	GRI 302: Energy GRI 305: Emissions
 Risk Management	-	The Company firmly believes that inadequate risk management can lead to increased financial losses, operational disruptions, and compromised organisational resilience. Poorly managed risks may result in missed opportunities, regulatory non-compliance, and damaged stakeholder trust, ultimately jeopardising long-term business viability and growth prospects.	<ul style="list-style-type: none"> Promoting Company-wide effective risk culture. Establishing structural independence of organisation's risk function. Providing targeted risk management education and training for the employees to ensure that they are aware of the latest risk management practices and are equipped to assess and mitigate risks. 		GRI 2: General Disclosures GRI 201: Economic Performance

Material Issues	Type of Impact	Impact / Aspect	Management Approach	SDGs	Linkage with GRI
 Training and Leadership Development	+	NIIF IFL's emphasis on training and leadership development cultivates a skilled workforce capable of driving innovation and operational excellence. This investment in professional growth fosters employee engagement, enhances retention rates, ensures readiness for succession and nurtures future leaders within the organisation.	<ul style="list-style-type: none"> Investing in training, upskilling and re-skilling the workforce. Conducting regular performance and career development reviews considering employee expectations and aspirations. 	 	GRI 404: Training and Education
 Diversity and Inclusion	+	NIIF IFL's commitment to diversity, equity, and inclusion fosters a workplace culture that values and respects differences. By promoting diversity in its workforce, NIIF IFL gains access to a broader range of perspectives and experiences, which enhances innovation and decision-making. This inclusive approach not only strengthens employee morale and engagement but also reflects the Company's commitment to creating equal opportunities for all.	<ul style="list-style-type: none"> Developing and regularly updating diversity and inclusion as part of the Human Resources guidelines. Creating awareness amongst the internal stakeholders about NIIF IFL's guidelines on diversity and inclusion. 	 	GRI 405: Diversity and Equal Opportunity
 Brand Image & Management	+	The Company firmly believes that by maintaining a strong and reputable brand image, it can attract more investors and partners, differentiate itself from competitors, and strengthen relationships with stakeholders. This trust and recognition in the market can lead to increased business opportunities, enhanced fund raising, improved financial performance, and sustained growth over time.	<ul style="list-style-type: none"> Developing strong systems / guidelines for strong governance. Factoring-in stakeholder feedback in decision making. 		-

Material Issues	Type of Impact	Impact / Aspect	Management Approach	SDGs	Linkage with GRI
 Responsible Financing	+	NIIF IFL fosters sustainable development by channelizing financing into projects that adhere to environmental, social, and governance (ESG) principles. This approach not only mitigates risks associated with environmental and social impacts but also promotes long-term economic stability and community well-being.	<ul style="list-style-type: none"> Integrating ESG aspects and related policies in project lending decisions. 	 	GRI 203: Indirect Economic Impacts
 Community Development	+	NIIF IFL's community development activities are focussed on education, healthcare, rural development and environment. NIIF IFL promotes sustainable energy solutions and provides financing to critical infrastructure needs, fostering overall community well-being and economic empowerment.	<ul style="list-style-type: none"> Implementing projects through implementation partners (NGOs), primarily focussing on healthcare, education, rural development and environment. 	 	GRI 413: Local Communities
 Biodiversity Conservation	+	Biodiversity conservation is a significant consideration while financing infrastructure projects. This approach helps preserve natural habitats, support local wildlife, and contribute to the overall health of ecosystems, ensuring that infrastructure development aligns with broader environmental and conservation goals.	<ul style="list-style-type: none"> Assessing biodiversity risks in renewable power projects and stipulating suitable conditions in financing documents to mitigate biodiversity risks in projects located in sensitive natural ecosystems. Implementing requirements for borrowers to monitor adverse biodiversity incidents (bird electrocution/collision with project powerlines, etc.) and to implement suitable mitigation measures (e.g., installing bird diverters on powerlines) to avoid such incidents. 	 	GRI 304: Biodiversity

Enabling Responsible Leadership and Strategic Vision

At NIIF IFL, strategic direction and visionary leadership guide NIIF IFL's approach to driving infrastructure financing and achieving sustainable long-term results. The leadership team is committed to steering the Company towards a future of sustainable growth and innovation by setting ambitious goals and crafting forward-thinking strategies.

The leadership team's commitment to stakeholder engagement and alignment with national development goals further strengthens NIIF IFL's role as a key player in India's infrastructure financing landscape.



Mr. AKT Chari
(Nominee Director of National Investment and Infrastructure Fund II)

Mr. AKT Chari was the Chief Operations Officer and later Advisor at IDFC Limited. A keen Project Finance Specialist, he has ~45 years of experience.

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 and Infrastructure Finance. In this role, his responsibilities included appraisal of projects - infrastructure and industrial, project monitoring and portfolio management. In addition, during his tenure in IDBI he handled portfolios in the SME and venture capital sectors. He served as an Independent Director on various boards including HDFC Pension Management Company Limited and HDFC Life Insurance Company Limited.



Mr. Ashwani Kumar
(Independent Director)

Mr. Ashwani Kumar is a seasoned banker with experience of around 37 years. He was the Chairman and Managing Director of Dena Bank for a 5-year term (January 2013 to December 2017). Previously, he was an Executive Director at Corporation Bank. Appointed by the Government of India (GoI), he served as a Director on the Board of Life Insurance Corporation of India (LIC) for more than 5 years, alongside being the Chairman of the Audit and Risk Management Committees and a Member of Investment and Executive Committees. As the Chairman of the Indian Banking Association (September 2015 - October 2016), Mr. Kumar effectively liaised with the Reserve Bank of India (RBI), the GoI and other Statutory bodies to promote sound and progressive banking practices. He was the President of the Indian Institute of Banking & Finance (IIBF), Chairman of the Institute of Banking Personnel Selection (IBPS). He was also a member of the Board of Supervision of NABARD.

Mr. 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 a number of training programmes, notably at Kellogg School of Management Chicago, NIBM and other reputed institutions. He has also attended on-the-job training in Bullion at Nova Scotia London and Société Générale Paris.



Ms. Rosemary Sebastian
(Independent Director)

Ms. Rosemary Sebastian is a former central banker with 38 years of professional track record. She was the Executive Director of the RBI, overseeing financial supervision for 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.

Ms. Sebastian has contributed significantly to important Committees of RBI and has served as its Nominee Director on the Board of a large public sector bank. Ms. Sebastian is post graduate from Osmania University and has a law degree from Mumbai University. She is currently serving as an Independent Director on the Boards of two reputed Companies.



Mr. Prashant Kumar Ghose
(Independent Director)

Mr. Prashant Kumar Ghose has nearly five decades of finance and industry experience, spanning steel, cement, fertilisers, chemicals and consumer sectors. He worked at Tata Steel, where he was Chief Financial Controller (Corporate) and then Chief of Strategic Finance. He then moved to Tata Chemicals as Chief Financial Officer before being elevated to its Board as Executive Director & CFO. He has worked on multiple M&A and fund-raising transactions globally, and was recognised as CFO of the Year thrice, twice by IMA and once by CNBC TV18.

Mr. Ghose has held multiple board positions including for Tata Chemicals across Europe, North America, Africa and 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 joining Tata Chemicals, he was on the boards of TAYO (erstwhile Tata Yodogawa), Tata Pigments, Stewart's & Lloyd and others. He also was the advisor to the Group Chairman, Tata Group for over two years. He is currently a member of three Indian National Committees of CII and is a member and trustee of the CFO Board.

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



Mr. Padmanabh Sinha
(Nominee Director of National Investment and Infrastructure Fund II)

Mr. Padmanabh Sinha (Paddy) is a veteran of the Indian investing ecosystem with a proven track record of building out leading institutions and businesses in India. He has over 28 years of work experience, primarily in private equity investments since 2002, and also as an early tech entrepreneur in India.

His investment experience spans across several sectors, including industrial, technology, consumer, healthcare, business services, infrastructure and financial services. He joined NIIF in 2021 as an Executive Director and CIO - Private Equity and is based in Mumbai.

Prior to joining NIIF, he was with Tata Group's flagship private equity fund, the Tata Opportunities Fund, as its Managing Partner and co-founder. He was instrumental in raising the then largest India focussed private equity fund in 2013 with investments from marquee global investors. Mr. Sinha was the Managing Director - India for Temasek where he co-founded and co-led the India office during its successful build-out phase in India. In his stint with Temasek from 2004 onwards Mr. Sinha consummated several investments in India and also successfully exited many of these He additionally led large international projects, including Temasek's entry into life insurance investments globally.

Mr. Sinha was an early tech entrepreneur in India and was one of the founding members of eGurucool.com, an Ed-tech business focussed on online and hybrid test prep for Grade 9-12. Mr. Sinha started his professional career journey with a JP Morgan-ICICI investment banking joint venture in 1995.

Mr. Sinha holds a Bachelor in Engineering degrees in Computer Science from BITS. Pilani, and is an MBA from IIM, Calcutta He completed an Executive Development Course in Late Stage Private Equity from Harvard Business School in 2003.



Board Meeting (to finalise strategy for FY 2025-2027) held on February 22, 2024 in Jaisalmer, Rajasthan



Mr. Nilesh Shrivastava
(Nominee Director of National Investment and Infrastructure Fund II)

Mr. Nilesh Shrivastava has twenty-five years of experience across private equity, debt investments, banking and portfolio management. During his career, he has worked on several investments across South Asia as well as East Asia and Africa.

He joined NIIF in December 2019 and is currently the Partner of Strategic Opportunities Fund at the firm. In this role, he is responsible for working across investments, portfolio and fund raising.

Prior to NIIF, Mr. Shrivastava spent 14 years with International Finance Corporation (IFC), the private sector investing arm of World Bank Group. As part of the financial institutions investing group, he led investments in India, Sri Lanka and Bangladesh. He then moved to be the Portfolio Manager for IFC where he was responsible for leading the financial sector investments portfolio of over USD 4 Billion across equity and debt in the South Asia market.

Prior to joining IFC in 2005, Mr. Shrivastava worked with HSBC India in multiple roles including in corporate, operations and retail banking. He started his career with Tata Consultancy Services in 1996. Mr. Shrivastava holds a bachelor's in computer engineering degree from Lucknow University and has done his PGDM from IIM, Kolkata. He is also a Certificated Associate with Indian Institute of Bankers (CAIIB).

Championing Success and Excellence Through the Management Team

NIIF IFL's accomplished management team drives success and excellence through its strategic vision, industry expertise, and firm commitment to achieving the desired goals.



Mr. Shiva Rajaraman
Chief Executive Officer (CEO)

Mr. Shiva Rajaraman is the CEO of NIIF Infrastructure Finance Limited (NIIF IFL). He has over 28 years of experience in infrastructure finance, innovative and sustainable funding, and advisory.

Previously, as founder CEO & Wholtime Director of L&T Infra Debt Fund Limited, 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. He successfully procured bond and equity investor funding from national and international investor groups including long-term focussed pension/ provident/ insurance funds. Previously, at L&T Financial Services (LTFS), he was part of the Group Executive Committee, which collectively managed the ₹ 80,000 Crores diversified businesses including a substantial high- quality debt-financed renewable energy (aggregating 6,000 MW) and road refinance portfolios.

Mr. Rajaraman has been the only private sector member of the Government of India's Inter-Ministerial Steering Committee (IMSC) for 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 (MoF), for development of a new infrastructure rating framework for India. He has been a member of the Infrastructure Committees of CII, FICCI, and IVCA (industry associations) and held directorship at reputed Companies including Indian Highway Management Company Ltd (IHMCL), a company promoted by the National Highways Authority of India (NHAI) along with other institutions, which has implemented the electronic tolling solution (FASTag) in India.

Mr. Rajaraman earlier worked with India's specialised infrastructure financier IDFC for nearly 10 years, in various positions in Project Finance and Risk. He started his career with the Equity Group of Dresdner Kleinwort Benson (later Commerzbank).

Mr. Rajaraman is recognised as an infrastructure finance expert and trainer. Passionate about teaching, he has conducted training programs for young professionals, senior government and RBI officials.

He holds a bachelor's degree in commerce from Loyola College, Chennai, and an MBA from Bharathidasan Institute of Management (BIM), Tiruchirappalli, India.



Mr. Debabrata Mukherjee
Chief Business Officer (CBO)

Mr. Debabrata Mukherjee joined NIIF IFL in August 2015. He is the Chief Business Officer (CBO) of the Company and spearheads project finance, fund raising and investments.

Mr. Mukherjee has over 30 years of experience in financial services, in leading Indian and global institutions, across corporate and project finance, special situation investments, advisory services and investment banking. He has expertise with all forms of capital - debt, mezzanine and equity, and has been involved in advising, structuring and funding of projects exceeding USD 10 Billion.

Formerly as a Senior Director in the project finance business of IDFC Ltd., Mr. Mukherjee led debt and structured investments across transport, social infrastructure, hospitality, industrial and commercial real estate sectors. He also worked on special situation investments and corporate advisory transactions in IDFC, advising sponsors on business plan, investment opportunities, project bids, risk mitigation and financial structuring. Prior to this, he worked in the areas of corporate finance and investment banking and held key positions in ASK Raymond James, BNP Paribas and SBI Capital Markets, managing M&A, equity and debt capital markets and structured finance transactions for several Indian business houses and multinational clients.

Mr. Mukherjee holds a Post Graduate Diploma in Business Management from IIM, Bangalore and a Bachelor's degree in Mechanical Engineering from Jadavpur University, Kolkata.



Mr. Ajay Singh
Chief Risk Officer (CRO)

Mr. Ajay Singh has completed his Post Graduate Degree in Management from Indian Institute of Management (IIM), Indore and is a graduate in Mechanical Engineering from Indian Institute of Technology (IIT), Kharagpur. He has around 22+ years of experience in risk, credit, and business functions in infrastructure sector. He has 3+ years of experience in Larsen & Toubro after his B.Tech.

He started his career into infrastructure financing from IDFC handling Business Development and Credit Function in the Project Finance team at IDFC Ltd. Thereafter, he became Principal and Director in the Credit Risk team.

Since 2012, he has worked in Aditya Birla Finance Limited (ABFL) heading Credit Risk and Compliance where he was responsible for Risk of infrastructure loan portfolio including developing risk framework within the infrastructure sector and compliance with statutory and regulatory guidelines.



Mr. Srinivas Upadhyayula
Chief Compliance Officer (CCO) and
General Counsel (GC)

Mr. Srinivas Upadhyayula currently serves as NIIF Infrastructure Finance Limited's Chief Compliance Officer (CCO) and General Counsel (GC). Prior to this, he was a Senior Director (Legal & Compliance) in IDFC's Special Situations Management Group (SSMG). He has over 30 years of experience in legal, compliance (regulatory and statutory), and governance functions. His expertise spans project and non-project / corporate & infrastructure finance documentation, as well as litigation and recovery management in the Banking and Financial sector. He specialised in managing delinquent accounts, recovery planning, conducting portfolio reviews to identify trends, financial restructuring, and loan structuring.

Prior to IDFC Limited, Mr. Upadhyayula worked with Asset Reconstruction Company (India) Ltd (Arcil) as Senior Vice-President & Group Head – Legal. He started his career as an Advocate (Civil and Labour) in the District Courts of Vizianagaram and Visakhapatnam. He then worked with Sterling Tree Magnum (India) Ltd, as Law officer at Canara Bank and as Deputy General Manager (Legal) IDBI Bank Ltd.

Mr. Upadhyayula is a Bachelor of Law with a specialisation in Company Law and Banking Law from Andhra University and has also completed CAIIB.



Mr. Sudeep Bhatia
Chief Financial Officer (CFO)

Mr Sudeep Bhatia is the Chief Financial Officer (CFO) of NIIF Infrastructure Finance Limited (NIIF IFL) where he is responsible for supporting the CEO, Management Committee and Board of Directors through comprehensive strategic, financial & operational advice and help integrate business objectives with on ground execution to achieve sustained profitable growth. Mr. Bhatia is an experienced Chartered Accountant, Cost Accountant and Certified Public Accountant with over 25 years of rich, well-rounded experience in full spectrum of business finance areas across Corporate Finance, Investor Relations, Fund raising, Private equity, Mergers & acquisitions, Business planning & Strategy, Financial Control, Taxation and Regulatory compliance.

Mr. Bhatia started his career with Deloitte and gained extensive experience in key finance roles working with IL&FS, Unilever, GE Capital, Citi Financial, Tata Capital, Macquarie and Lendingkart Technologies at progressive levels of responsibility, within and outside India. His last assignment before joining NIIF IFL was Chief Financial Officer of Protean Technologies (erstwhile NSDL e-Gov Infrastructure), promoted by National Stock Exchange and several large Domestic and International banks, with its vision to build Digital Public Infrastructure supporting Government of India, enabling digital transformation and citizen centric services at population scale.

During his professional career, Mr. Bhatia has led multiple initiatives driving key aspects of Investor relations, IPO, capital market borrowings, structured instruments, foreign investments, co-lending partnerships, strategy and business planning, regulatory, legal and corporate governance, leveraging his past experience and industry relationships to bring well-rounded perspective to these verticals.

Mr. Bhatia provides general direction and rigor in deployment of financial management across organisation. He is responsible for providing leadership in development and enforcement of systems of internal control and management reporting.

Mr. Bhatia leads investor relations to drive growth opportunities and to represent the company to potential private and public equity investors and financial partners including financial institutions, public officials, investment banks leveraging his industry experience to meet growing capital requirements of business and heightened business visibility in the capital markets.

Corporate Information

Board of Directors

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

Mr. Ashwani Kumar
Independent Director

Ms. Rosemary Sebastian
Independent Director

Mr. Prashant Kumar Ghose
Independent Director

Mr. Padmanabh Sinha
(appointed w.e.f. March 28, 2024)
Non-Executive Director (Nominee of NIIF Fund II)

Mr. Nilesh Shrivastava
(appointed w.e.f. March 28, 2024)
Non-Executive Director (Nominee of NIIF Fund II)

Management Team

Mr. Shiva Rajaraman
Chief Executive Officer

Mr. Debabrata Mukherjee
Chief Business Officer

Mr. Ajay Singh
(appointed w.e.f. November 7, 2023)
Chief Risk Officer

Mr. Srinivas Upadhyayula
Chief Compliance Officer & General Counsel

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

Key Managerial Personnel

Mr. Shiva Rajaraman
Chief Executive Officer

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

Mr. Ankit Sheth
Company Secretary and Compliance Officer

Joint Statutory Auditors

Lodha & Company LLP
Chartered Accountants
(end of term at 11th AGM)

MP Chitale & Co
Chartered Accountants

GM Kapadia & Co
Chartered Accountants
(to be appointed w.e.f. 11th AGM)
(subject to approval of shareholders)

Secretarial Auditors

Rathi & Associates
Practicing Company Secretaries

Internal Auditor

Ms. Archana Moghe
Head of Internal Audit

Registrar & Share Transfer Agent

For Equity Shares and Preference Shares

Link Intime India Pvt. Ltd

Address: C 101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083

Tel: +91 22 4918 6000

E-mail: equityca@linkintime.co.in

For Debentures and Commercial Paper

MCS Share Transfer Agent Limited

Address: 3B3, 3rd Floor, B-Wing, Gundecha Onclave
Premises Co-op. Society Ltd., Kherani Road, Saki Naka,
Andheri (E), Mumbai – 400 072

Tel: +91 9833472293

E-mail: cprabhu@mcsregistrars.com

Debenture Trustees

IDBI Trusteeship Services Limited

Address: Asian Building, Ground Floor, 17, R. Kamani
Marg, Ballard Estate, Mumbai - 400001

Contact: 022-40807007

Email: nikhil@idbitrustee.com

Credit Rating Agencies

CARE Ratings Limited

Address: 4th Floor, Godrej Coliseum, Somaiya Hospital
Road, Off Eastern Express Highway, Sion (E),
Mumbai - 400 022.

Email: mohit.dave@careratings.com

Website: <https://www.careratings.com/>

ICRA Limited

Address: 4th Floor, Electric Mansion, Prabhadevi,
Mumbai - 400 025

Email: sandeep.sharma@icraindia.com

Website: <https://www.icra.in/>

Registered & Corporate Office

NIIF Infrastructure Finance Limited (NIIF IFL)

Registered address: 3rd Floor, UTI Tower, North Wing,
GN Block, Bandra Kurla Complex, Bandra (East),
Mumbai - 400051

CIN: U67190MH2014PLC253944

Tel: 022- 68591300

E-mail: info@niiffl.in

Website: www.niiffl.in

Ensuring Strong Corporate Governance

■ RBI mandated Committees
■ Independent Director

C: Chairperson
M: Member
(O): Observer

(PI): Permanent Invitee
(I): Invitee

(AM): Advisory Member

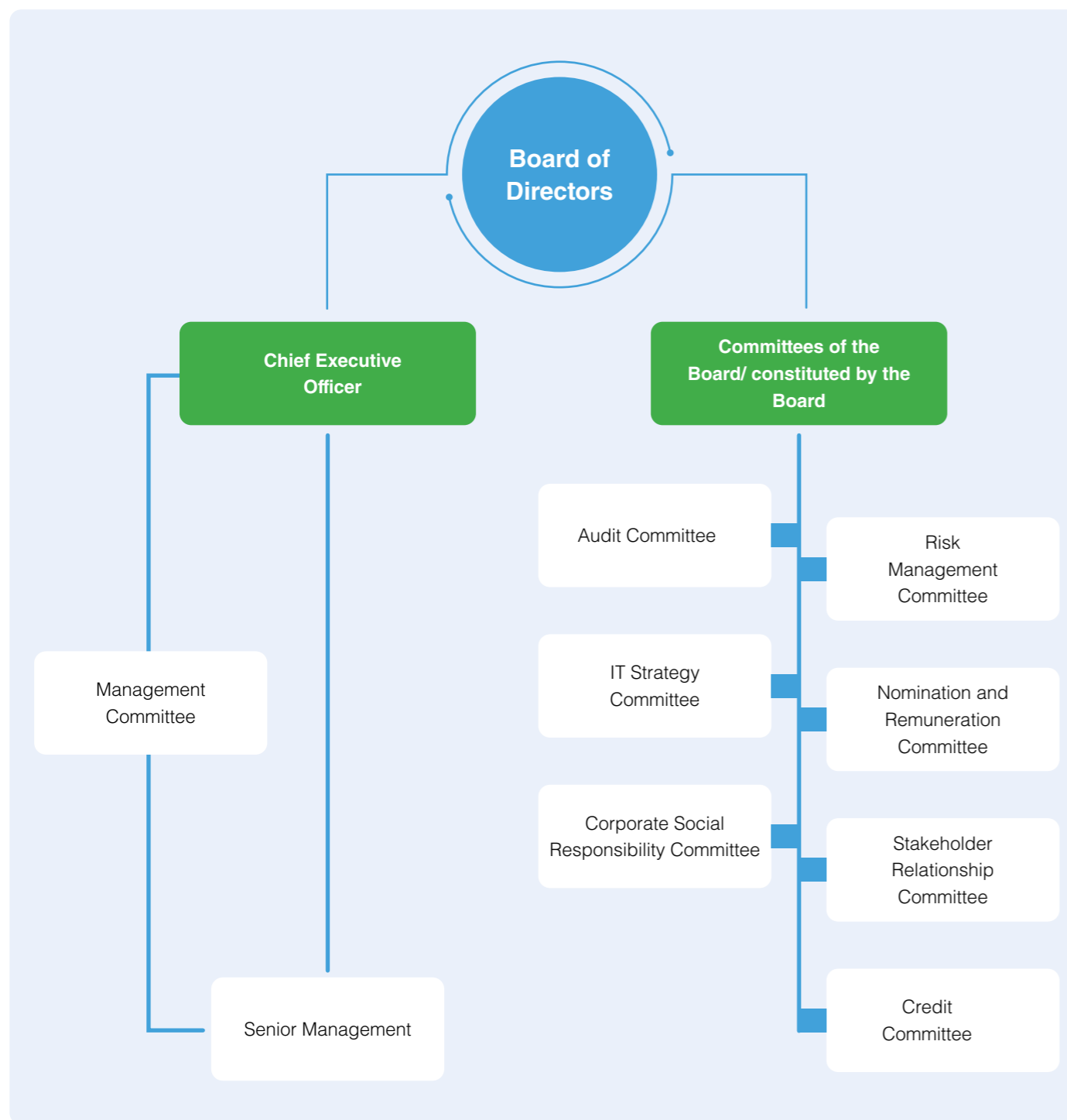
Composition of Board of Directors & Committees

Position	Name	Board	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Asset Liability and Management Committee	IT Strategy Committee	IT Steering Committee	Corporate Social Responsibility Committee	Stakeholders Relationship Committee	Credit Committee
Independent Director	Mr. Ashwani Kumar	M	M	C	C	-	-	-	C	C	-
Independent Director	Ms. Rosemary Sebastian	M	M	M	-	-	C	-	M	-	-
Independent Director	Mr. Prashant Kumar Ghose	M	C	-	M	-	M	-	-	-	-
Non-Executive Director	Mr. Padmanabh Sinha	M	-	M	-	-	-	-	-	-	-
Non-Executive Director	Mr. Nilesh Shrivastava	M	M	(PI)	M	-	-	-	M	M	M
Non-Executive Director	Mr. AKT Chari	M	-	-	M	-	M	-	-	M	M
NIIF Representative	Mr. Rajiv Dhar	-	-	-	-	-	-	-	(PI)	-	-
Observer / NIIF Representative	Ms. Swati Bansal	(O)	(O)	-	(O)	-	-	-	-	-	-
Chief Executive Officer	Mr. Shiva Rajaraman	-	-	-	M	C	M	M	-	-	M
Chief Business Officer	Mr. Debabrata Mukherjee	-	-	-	-	M	-	M	-	-	-
Chief Risk Officer	Mr. Ajay Singh	-	-	-	M	M	M	M	-	-	M
Chief Financial Officer	Mr. Sudeep Bhatia	-	-	-	-	M	M	M	-	-	M
Chief Compliance Officer & General Counsel	Mr. Srinivas Upadhyayula	-	-	-	-	-	-	M	-	-	AM
Director – Resources	Mr. Amit Ruparelia	-	-	-	-	M	-	-	-	-	-
Head IT/Chief Technology Officer	Mr. Sameer Chaphekar	-	-	-	-	-	M	M	-	-	-
Company Secretary	Mr. Ankit Sheth	-	-	-	-	-	-	-	-	(PI)	-
Chief Information Security Officer (CISO)	Mr. Glenn Pereira	-	-	-	-	-	(PI)	(PI)	-	-	-
Independent Director / Member (%)	-	50	75	67	33	-	28	-	67	33	-

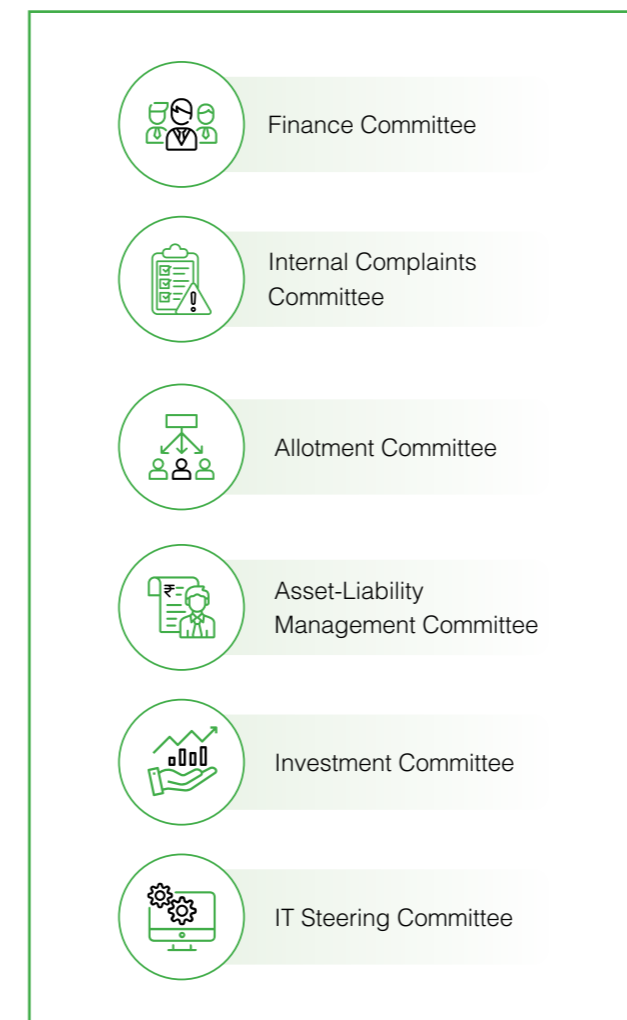
Governance Structure

NIIF IFL's corporate governance structure is designed to integrate and uphold the best governance practices and maximise returns for stakeholders. All the internal governance processes are aligned to ensure effective operations. Under the leadership and guidance of the Board, the Company's Committees strive to fulfil responsibilities in accordance with the terms of reference. The principles of ethics, transparency, and accountability form the foundation for upholding the highest standards of governance practices.

NIIF IFL's senior management takes insights from the Board on issues relating to economic, environmental, and social impact.



List of Management Committees



The Board includes an appropriate combination of Independent Directors and Non-Executive Directors as stipulated by regulatory requirements. Aspects like diversity of experience and skill sets are prioritised for meeting the varied governance and strategic decision-making processes.

50%

Percentage of Non-Executive Directors

50%

Percentage of Independent Directors

1/6

Percentage of Female Directors

5/6

Percentage of Male Directors

Board Diversity and Nomination

NIIF IFL is cognisant about the requirement for competencies and expertise of the Board of Directors during their nomination process. An independent Nomination and Remuneration Committee ("NRC") has been constituted as per the provisions of the Companies Act, 2013, SEBI Listing Regulations and RBI Master Directions. The NRC takes the key responsibility of recommending the appointment of Directors, Senior Management, and Key Managerial Personnel. It considers the suitability and propriety of the Directors to ensure organisational effectiveness. Directors are selected based on merit, adherence to RBI's fit and proper criteria, necessary qualifications and experience, and other requirements prescribed under the applicable regulations. Upon receiving recommendations from the NRC, the Board of Directors approves the appointment of new members. The Board also considers its diversity policy to ensure the optimal benefits of a diverse leadership team.



Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel, and Other Employees

NIIF IFL remuneration policy specifies the criteria for determining the remuneration of Directors, Key Management Personnel, Senior Management, and other employees of the Company. Independent Non-Executive Directors receive sitting fees for each meeting of the Board or Committees attended by them. The Independent Non-Executive Directors (INEDs) have not been granted any stock options by the Company. The remuneration policy can be accessed on the Company's website.

<https://www.niiffl.in/>

Familiarisation Programme for Independent Directors

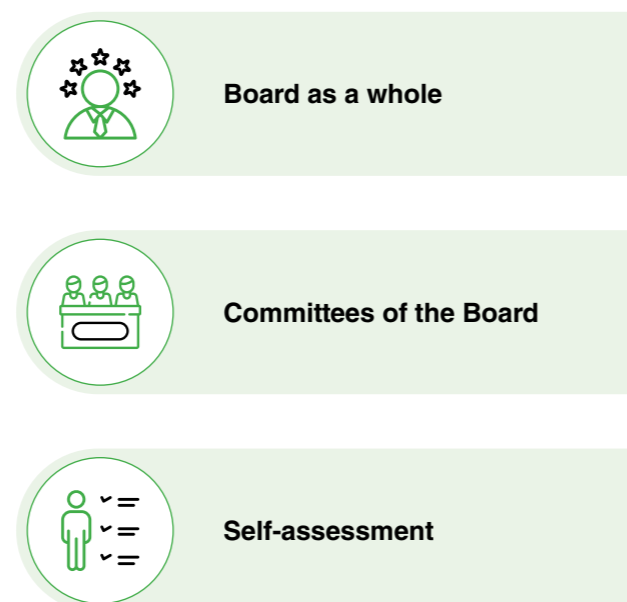
NIIF IFL understands the importance of imparting appropriate training and orientation to Independent Directors. Upon their appointment, Independent Directors are apprised about their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. Additionally, all the Independent Directors undergo a formal familiarisation programme. They are also acquainted with the Company's operations, business model, strategies, operations, functions, policies, and procedures. All the newly appointed Board members are provided with key documents, including the Policy on Code of Conduct and Ethics, the Annual Report, business presentations from meetings held during the fiscal year of their appointment, and a list of the Board and Committee compositions.

To know more about the familiarisation programme for Independent Directors, click here. www.niiffl.in

Board's Performance Evaluation and Outcomes

The long-term success of any Company is directly tied to the effectiveness with which its Board operates. NIIF IFL has well-defined processes for evaluation of the performance of its Directors. Board members are evaluated based on their contribution in Board meetings and strategic insights on the Company's growth and performance. The Company has a comprehensive mechanism in place for the evaluation of the performance of the Board and its Committees.

The evaluation of the Board is conducted at multiple levels:



The criteria for evaluation encompasses various aspects including:

- Contribution during meetings
- Leadership capability of the Board and Committees
- Attendance, time commitment, and preparation for the meetings
- Quality, quantity, and timeliness of information exchange between Board Members and Management
- Effectiveness of decision-making ability of the members and Committees

Further details on Corporate Governance at NIIF IFL, are provided in the Corporate Governance Report, forming part of the Directors Report.

Embedding Ethics in Our Corporate Culture

Ethics, integrity, and transparency are fundamental to building stakeholder trust, ensuring fair operations, and instilling accountability in decision-making processes. The Company understands the importance of these principles and integrates them through policies and procedures. NIIF IFL's Code of Conduct and Ethics for Employees and Directors serves as a guiding principle for employees and senior management. It ensures that every individual (to whom code is applicable) performs his/her duties with diligence, honesty, dignity, integrity, and highest moral standards. The 'Code of Conduct and Ethics' can be accessed here.

<https://www.niiffl.in/>

On joining NIIF IFL, each employee and Director agree and affirm compliance with the provisions of the Code of Conduct. The Code covers aspects relating to Conflicts of Interest, Employment/ Outside Employment, Related Party Transactions, Gifts and Entertainment, Bribery and Corruption, among others. Furthermore, human rights commitment is also a part of the Company's HR policies. HR policies are intimated to the employees during their joining and via email communication to reinforce them. Policy awareness sessions are conducted as well.

Additionally, NIIF IFL's policy framework ensures ethical conduct in operations, minimises risks and aligns its employees and senior management with its core values.

NIIF IFL's key policies are also available in the 'policies' section of its website – www.niiffl.in.



All policies are approved by the Company's Board of Directors, and any deviations from these policies are reported to the Board.

NIIF IFL encourages its employees to report any concerns pertaining to unethical conduct and malicious activities. A well-formulated vigil mechanism/whistle-blower policy is in place to formalise the reporting process. The policy is accessible at the Company's website. This vigil mechanism is overseen by the Audit Committee of the Company. The policy is aimed at providing adequate safeguards against victimisation of individuals within the Company. Under exceptional circumstances, individuals can also contact the Chairman of the Audit Committee. Complaints lodged by whistleblowers are reviewed by the Audit Committee on an annual basis.

Elimination of Bribery and Corruption

NIIF IFL maintains a stringent stance against serious ethical violations like bribery and corruption. This forms a part of NIIF IFL's Code of Conduct and Ethics. All the employees and Directors are expected to abide by the Company's strong ethical foundations. Employees and Directors are not permitted to make any payments to anyone, directly or indirectly, for retaining business and securing any favourable advantages.

Violations of the Company's ethical values, codes, and policies may result in disciplinary action as well as potential civil or criminal liability. Furthermore, employees and Directors are not expected to extend donation of funds/ property to any government agency or its representatives other than the charitable donations such as to Prime Minister's Relief Fund and/or to Chief Ministers Relief Fund.

Related Party Transactions

NIIF IFL emphasises on the minimisation of risks arising out of its business dealings. It strives to maintain a high degree of transparency and fairness in all its transactions. During the reporting period, all related party transactions were in the ordinary course of business and on arm's length basis. NIIF IFL has a Related Party Transaction Policy in place, as required under applicable laws. The RPT Policy can be accessed on the Company's website using this link.

<https://www.niiffl.in/>

Investing in Resilient Infrastructure

NIIF IFL is committed to identifying strategic investment opportunities in infrastructure sectors and contributing to the development of the nation. NIIF IFL plays a crucial part in providing innovative and long term financing to infrastructure projects with the potential to boost economic growth and make sustainable advancements.

Solar power project of AmpSolar Urja in Nawabganj, Bareilly district, Uttar Pradesh.

Infrastructure Capital



NIIF IFL is categorised as an IDF NBFC and registered with and regulated by the Reserve Bank of India ("RBI"). The Infrastructure Debt Fund ("IDF") was an innovative refinancing business model created by the Govt of India in 2010-11 (announced in the Union Budget speech of the Finance Minister of India) to achieve multiple objectives as outlined briefly below.



Objective Achieved



Long-term Impact

IDF NBFCs would refinance assets from the books of banks and other infra lenders

Addressing asset-liability mismatches and group exposure limits faced by these institutions

IDF NBFCs would raise long tenor borrowings from both domestic and foreign pension, provident, insurance funds

Channelising such funds to India's infrastructure

IDF NBFCs would raise long tenor (i.e. > 5-year tenor) funds through the issue of bonds

Enabling development of the bond market in India

IDF NBFCs would provide innovative long term financing solutions

Enhancing the viability of infrastructure projects

The following table shows the alignment of the Company's focus areas to the Government of India's policies relating to infrastructure:

Government's Focus Area	NIIF IFL's Role
Development of the bond market in India.	NIIF IFL has raised almost its entire liabilities through long tenor bonds.
Finding new sources of financing for infrastructure sectors in India.	NIIF IFL has been able to raise debt from pension, provident, and insurance funds has channelised these to infrastructure projects in India. NIIF IFL has also introduced innovative products that have enabled enhancement of project viability.
In recent years, the Government of India has increased its focus on infrastructure and has been announcing various schemes to promote infrastructure growth in India.	NIIF IFL's entire loan book consists of loans to infrastructure projects, in line with its mandate.
The Government of India has been encouraging private sector participation in infrastructure.	NIIF IFL's entire loan book consists of financing to PPP/private sector infrastructure projects in India.
One of the priority areas of the Government of India has been the transition to renewable energy.	The largest component of NIIF IFL's loan book is renewable energy. In addition, over 25% of NIIF IFL's loan portfolio consists of renewable energy projects that supply power to SECI and NTPC, which are nodal agencies appointed by the Central Government for promoting adoption of renewable energy capacity in India through various schemes.
The Government of India, in the last 10-12 years, has been developing an increasing number of airports under several schemes, including the UDAN scheme.	NIIF IFL's has provided financing to 2 of India's most important airports in Hyderabad and Bangalore.
The Government of India's Gati Shakti masterplan envisions inter alia improvement in telecom infrastructure (via 4G and 5G) and digital infrastructure (via a higher network of optical fibre connectivity).	NIIF IFL has provided innovative financing to telecom projects comprising telecom towers, small cells (for efficient telecom connectivity for 4G and 5G networks in dense network locations) and optical fibre network for improved internet connectivity (connecting various businesses and Fibre to the Home (FTTH)).
The Government of India's Gati Shakti masterplan envisions inter alia revolutionising logistics efficiency which includes improvement in storage and warehousing solutions.	NIIF IFL has provided innovative financing to warehousing and logistics platforms in India, notably to those sponsored by the TVS group.

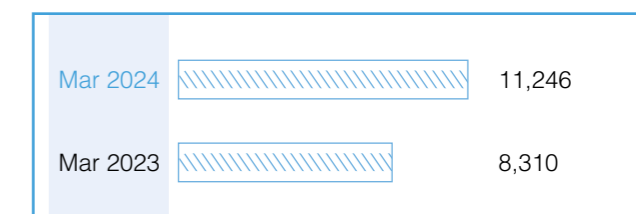
NIIF IFL also benefits significantly from government policies and initiatives that support private sector participation and Public-Private Partnerships (PPP) in infrastructure. The Union Budget of FY 2025 continues to emphasise these themes, reinforcing government backing for infrastructure investments.

Details of Public Private Partnerships

Number of PPP projects as on



Refinancing of PPP projects as on (₹ in Crores)



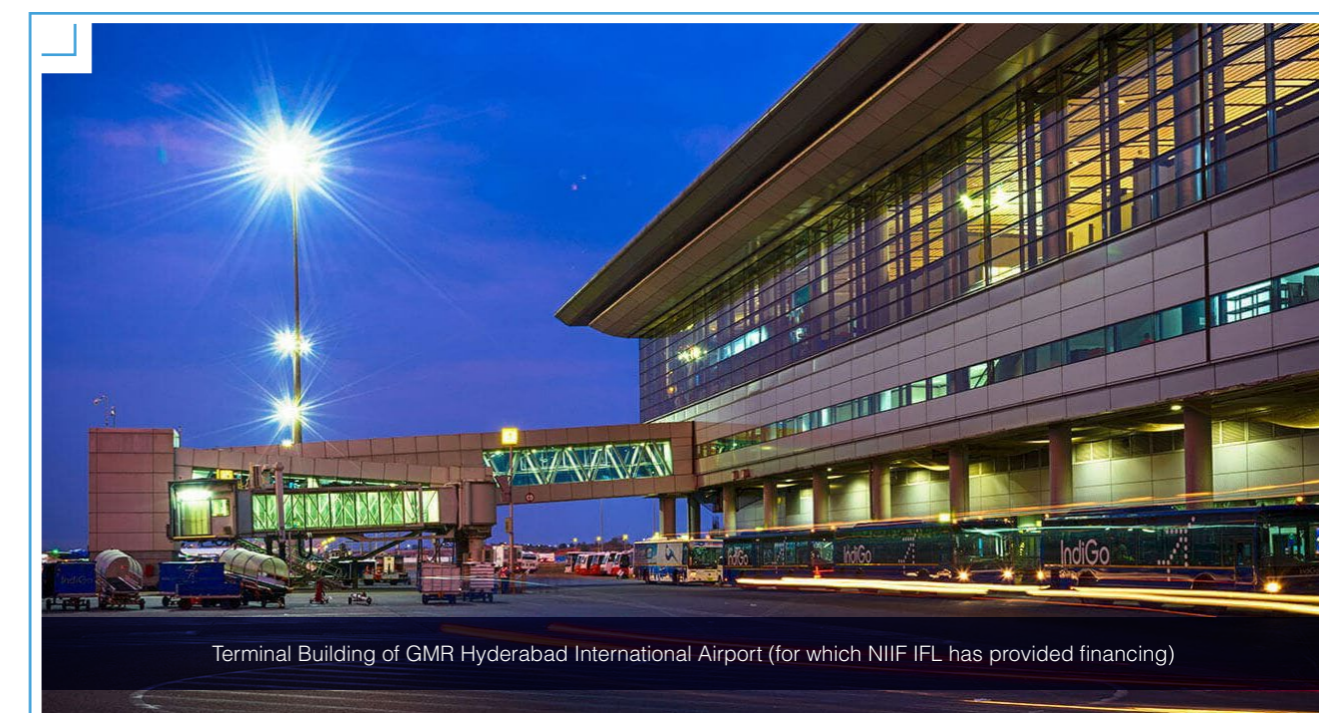
The key sectors to which financing was provided, included the following:

Energy

- Solar power generation
- Wind power generation
- Power transmission

Transportation & Logistics

- Roads/highways
- Airport
- Warehousing



Terminal Building of GMR Hyderabad International Airport (for which NIIF IFL has provided financing)

An Overview of Infrastructure Projects Financed in FY 2024

Project Funding Details

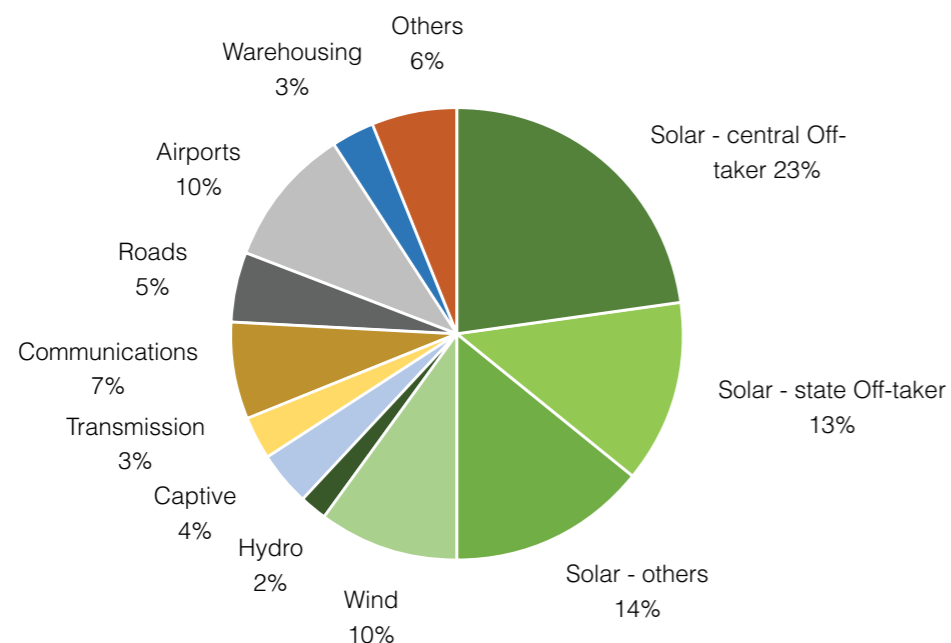
Number of outstanding infra projects financed by NIIF IFL



Outstanding loan book (₹ in Crores)

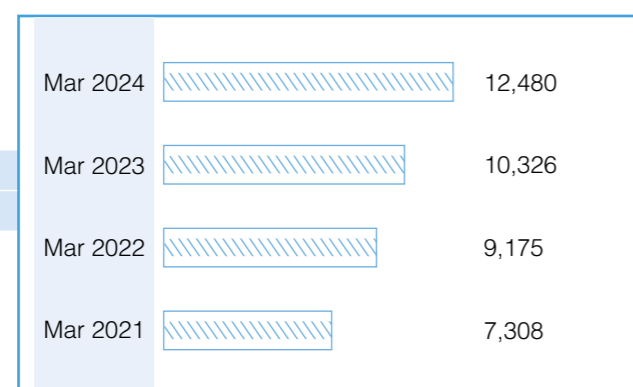


Project Funding by Sector



Total green portfolio – 63%

Estimated jobs created through NIIF IFL's financing



In the financial year ending March 2024, NIIF IFL has been instrumental in financing a range of transformative infrastructure projects. Here's an overview of some of the notable projects and key innovations:



Road/Highways Sector



Project

A Public Private Partnership (PPP) road project in Madhya Pradesh that forms an integral part of the Mumbai-Agra highway.



Key Challenge

Traffic variability leading to cash flow variability, which constitutes the principal risk factor for toll-road PPP road/ highway projects.



Innovative Financing Solution by NIIF IFL

NIIF IFL has provided the borrower with a unique financial structure where the coupon for the instrument is linked to the cash flow of the project. This "flexi coupon with self-adjustable redemption premium" enables the borrower to pay a lower coupon at times when traffic is low (due to seasonality or any other reason) and vice versa, subject to a floor coupon. In subsequent years, the borrower would pay the differential coupon to ensure NIIF IFL's targeted yield.



Project Cash Flow

The project generates cash flows through toll collection and maintains & operates the stretch in compliance with the requirements of the Concession Agreement.



Benefits of the Financing Solution

Since the structure reduces the probability of default, this is considered credit positive by rating agencies. In such cases in the past, rating agencies have increased credit ratings by several notches, thereby resulting in credit enhancement for the project and enabling an increase in the borrower's access to a wider set of lenders/ investors, as well as reducing the cost of borrowing for the project.



Positive Impact of the Project

The road project was designed to reduce both time and cost for road users by bypassing a major city in Madhya Pradesh. It also facilitates the decongestion of traffic within the city by diverting commercial traffic heading to Delhi and other northern cities. Additionally, it also supports better logistics in the context of local distribution of food grains and agricultural produce since 46% of the traffic consists of transportation of agricultural produce.



Communications Sector Financing



Project

A Network as a Service (NaaS) entity that provides telecom / digital infrastructure services via small cells, fibre connectivity and FTTH (Fibre To The Home).



Innovative Financing Solution by NIIF IFL

NIIF IFL has provided long-term fixed rate debt to the borrower (lenders / banks in India typically provide floating rate loans rather than fixed-rate loans), which eliminates interest rate risk for the project, thereby making it safer and more credit-worthy. A part of NIIF IFL's disbursement is linked to the achievement of key operational and financing milestones by the project. This ensures that the project avails only that much of debt that can be serviced by the project cash flows, leading to financial sustainability of the project.



Benefits of the Project

The small cells (i.e. micro towers) augment 4G/5G broadband networks in densely populated areas, thereby providing much-needed internet connectivity to users.



Hydro Power Sector



Project

Three small hydro-power generation projects in Himachal Pradesh (HP), which supply renewable power to a large power distribution Company in Delhi and a power utility in Himachal Pradesh owned by the state government.



Innovative Financing Solution by NIIF IFL

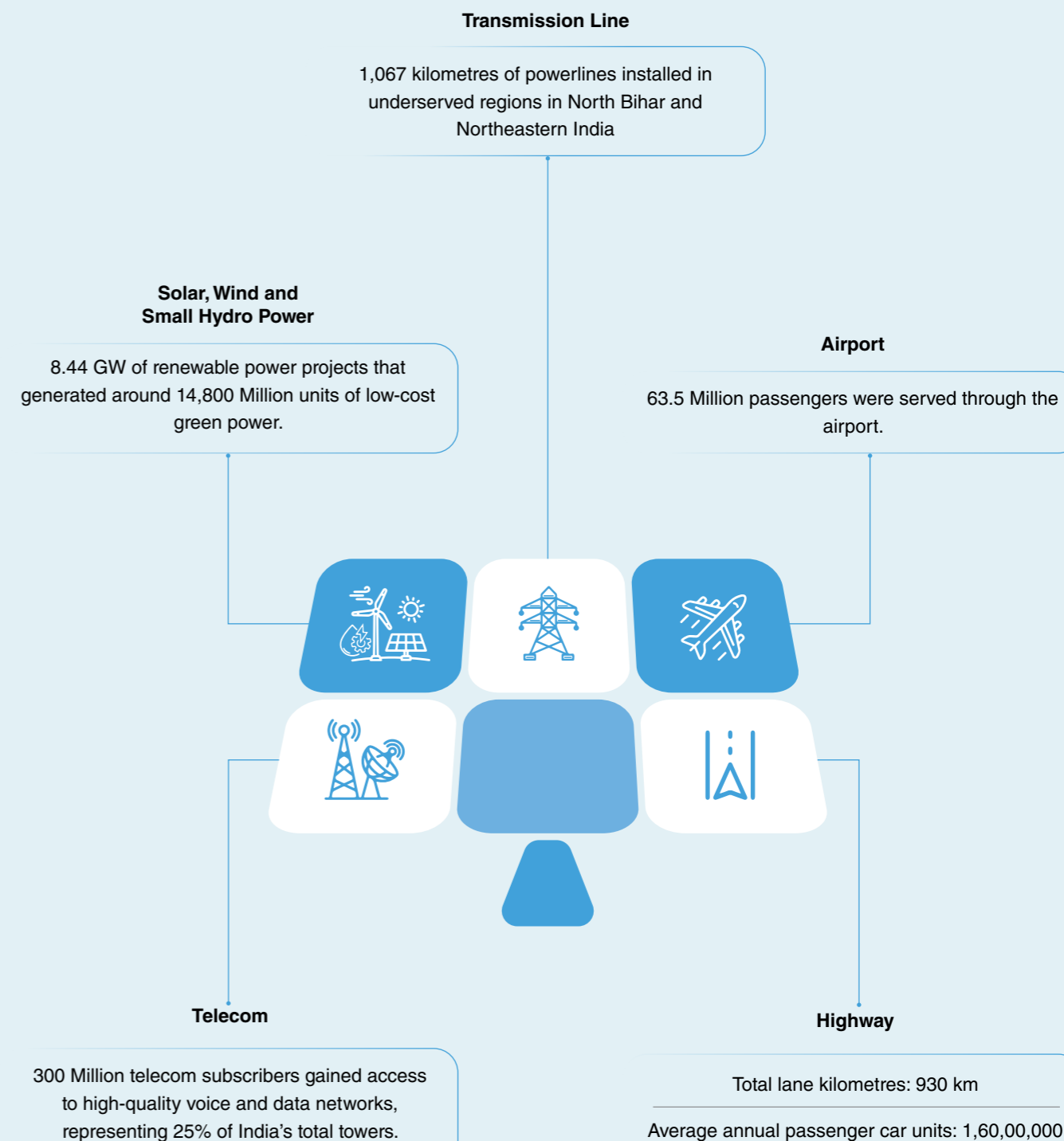
Most banks in India typically provide floating-rate loans to infrastructure projects for tenors of 12-15 years; Infra NBFCs provide upto 20 years. NIIF IFL has provided a fixed rate (with resets) financing solution for a tenor of 28 years. Such fixed-rate financing has reduced interest rate risk for the project and elongation of tenor has improved the viability of the project, leading to a substantial increase in credit rating.



Benefits of the Project

The project provides long-term supply of clean energy to the states of Delhi and Himachal Pradesh over a 20-to-40-year horizon.

Sector Wise Impact of Projects Financed



Case Study

Improving Resource Efficiency and Promoting Circular Economy

Novotel Hyderabad Airport, a hotel in Hyderabad, implemented Accor Planet 21 Sustainability Programme to find a solution to its social and environmental challenges. This programme focuses on developing a comprehensive framework to achieve sustainability in respect of pivotal areas such as providing a safe and clean environment, reducing waste, decreasing greenhouse gas emissions, sustainable innovation in hotel design, eliminating single-use plastic, achieving energy efficiency, preserving water resources, etc. With a strong focus on sustainability and innovation in hospitality, Novotel has become the 1st hotel in South India and the 3rd in India to achieve the esteemed Green Key Certification by the National Jury Green Key India and the Centre for Environment Education (CEE). With an aim to promote sustainable practices, the hotel utilises organic waste to generate compost, which is used as manure for producing vegetables in the farmland situated in the hotel's premises.

NIIF IFL has provided long tenor project finance to Novotel Hyderabad Airport hotel.



Kitchen garden in Novotel, Hyderabad Airport premises uses compost derived from organic waste treatment plant in GHIAL premises, Shamshabad, Telangana.

Enabling Fossil Fuel Intensive Industries to Achieve Net Zero Carbon Target

UltraTech Cement, one of the largest cement companies in India is committed to minimise its carbon footprint across various business operations. To achieve this target, the Company is adopting several measures to increase the share of green energy in its total energy mix to 85% by 2030. One of the measures involves partnering with Amplus, which has set up solar power projects within the cement plants of UltraTech Cement and JK Cement. These solar power projects supply clean energy to 14 power plants in India. Amplus supplies approximately 90 MW to the carbon-intensive cement plants, which enables UltraTech Cement and JK Cement to save up to 1.6 Lakh tonnes of CO₂ per annum.

NIIF IFL has provided innovative long tenor financing for the solar power projects of Amplus.



Floating solar panel of Amplus Dakshin at Ultra Tech Cement plant in Chandrapur, Maharashtra.

Building Climate Resilient Infrastructure

Amplus RJ Solar has established a 40 MW solar power plant in Deoria, a district in U.P, which is an environmentally sensitive zone. According to data from the Indian Meteorological Department (IMD), this region has received close to 42 floods in the last 50 years. To minimise the negative impact caused due to incessant floods, sensitive electronic equipment such as switchyards and solar panels have been mounted on elevated concrete structures. Additionally, to avoid flood water from inundating the project area, a storm water drainage system has been constructed. Amplus RJ Solar is committed to protecting its solar power plants through insurance to cover losses originating from physical damage or business interruption due to unforeseen floods.

NIIF IFL has provided innovative long term financing to the solar power projects of Amplus.



Elevated foundation and storm water drainage at solar power site of Amplus RJ solar in Boria Sultan village, Deoria district, UP.

Promoting Digital Inclusiveness for Financially Underserved Communities

NIIF IFL has partnered with Excel Telesonic to set up small cell sites at inaccessible places in low-income urban settlements in various locations in India. This has enabled people living in those areas to access high speed internet not just for video calls and instant messaging but also for consuming social media content, accessing high quality educational resources, streaming entertainment channels, and consuming real-time news. 37% of the Company's 6000 sites are located in low-income urban settlements with 160 daily active users consuming approximately 22 GB data on a monthly basis. Mobile usage trends suggest that data consumption will increase in the future, making residents more digitally capable.

NIIF IFL has provided innovative long tenor financing to Excel Telesonic.



An outdoor small cell site (provided by Excel Telesonic) mounted on top of a house in Chembur



Laying the Foundation for Strong Financial Performance

Timely resource raising, sustainable asset liability management, optimal liquidity, efficient utilization of funds and diligent monitoring of asset portfolio are the foundations for strong financial performance of any financial institution. NIIF IFL provides innovative long tenor financing (15-20 years) for infrastructure projects in India and in order to ensure a matching of assets and liabilities, borrows well in advance through the issue of long tenor bonds, to reputed investors. NIIF IFL has liquid funds in instruments of high safety and maintains a liquidity cover ratio significantly higher than required by regulation. NIIF IFL's diligent monitoring has ensured 0% NPA and nil DPD, a unique distinction in the financial services sector.

Financial Capital



NIIF IFL's robust underwriting standards, clubbed with its track record of delivering 0% NPA since inception cements its position as a specialised infrastructure financier. Moreover, NIIF IFL's strategy to ensure diversification of its loan book by keeping the ticket size low and by sustaining focus on profit growth and capital adequacy is enabling it to remain resilient in diverse economic conditions.

NIIF IFL has a structured and detailed process for sanctioning infrastructure projects. All sanctions and credit proposals, irrespective of the amount, are approved exclusively by the Credit Committee, ensuring that no individual has the authority to approve proposals independently. In FY 2024, the Credit Committee consisted of three members: two Non-Executive Directors (nominees of NIIF Fund II) and the CEO of NIIF IFL.

From a lender's perspective, project risks can be managed in three ways:



Mitigated

Mitigating risks through pre-disbursement conditions or requirements for maintaining liquidity buffers to address temporary shortfalls.



Allocated

Allocation of risk to third parties, such as insurance companies, through insurance products.



Absorbed

When risks cannot be mitigated or allocated (e.g., traffic risk on a road project), such risks are quantified and thereafter, the financial model is tested so as to examine the extent to which such risks can be absorbed. Adequate cushion on debt service coverage ratios are maintained to manage these risks effectively.

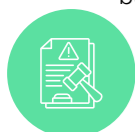
NIIF IFL also has a comprehensive matrix of criteria for financing. Key elements include:

Project Criteria



Market Risk

- ▶ In sectors like power (e.g., solar, wind, hydro power generation), NIIF IFL requires the project to have financially robust, well-established counterparties (with a demonstrated ability and willingness to pay) and long-term contracts (power purchase agreements) that clearly define the quantity and pricing of output.
- ▶ In sectors like road/airport, where project cash flows are based on traffic (quantity) and toll (price), NIIF IFL requires the project to have a concession agreement with a government (or government-owned counterparty), which, among other things, grants the project the right to charge tolls for a defined period and includes suitable safeguards, such as compensation to lenders in case of concession termination. In either case, liquidity buffers are built into the terms of financing.



Regulatory Risk

- ▶ NIIF IFL finances projects in sectors with stable government policies and regulations.
- ▶ Suitable conditions are stipulated by NIIF IFL to ensure that the project has obtained or obtains all necessary government and regulatory approvals.
- ▶ Suitable checks are made prior to sanction/disbursement in the context of KYC (Know Your Customer) and PEP (Politically Exposed Persons).



Technology Risk

- ▶ NIIF IFL finances projects based on proven, reliable technology from reputed suppliers. Equipment supply contracts are required to include warranties customary to specific sectors.



Resource Risk

- ▶ In sectors such as wind, solar, and mini-hydro power generation, cash flow generation is largely dependent on the availability of wind, sunlight, or rain. NIIF IFL generally uses 15-30 years of data (from the site or nearby areas) sourced from satellite feeds (e.g., NASA) to determine the base case assumption for long-term financial projections and thereafter the optimal tenor and repayment schedule for the project.



Financial Risk

- ▶ Suitable conditions are stipulated to ensure that projects financed by NIIF IFL have sustainable debt levels, meaning that under a set of base case assumptions, the debt service coverage ratio (DSCR) is sufficiently high and provides enough cushion to withstand sensitivities and unforeseen events with temporary impacts.
- ▶ NIIF IFL primarily provides fixed-rate financing structures to mitigate or eliminate interest rate risks in projects.



Operational Risk

- ▶ NIIF IFL requires projects to demonstrate a satisfactory operational history of at least one year and exhibit effective operation and maintenance (O&M) activities. NIIF IFL stipulates in its financing documents, a unique right to change the O&M contractor if necessary.
- ▶ NIIF IFL stipulates sector-specific clauses to protect against certain risks. For example, in solar power generation projects, suitable conditions are stipulated to ensure that solar modules are tested under lab conditions to estimate the extent of degradation due to ambient conditions.
- ▶ Suitable conditions are also stipulated to set aside cash flows for the replacement of certain parts with a lifespan shorter than that of the loan. For example, in solar power generation projects, a suitable amount is required to be set aside and invested each year to replace inverters at the end of 7-10 years.



Climate Risk

- ▶ Infrastructure projects may be impacted by floods, excessive rainfall, earthquakes, droughts, cyclones, lightning, and unusually high temperatures (affecting all infrastructure projects), as well as air pollution (affecting solar power projects).
- ▶ NIIF IFL's approach includes the identification, analysis, quantification, mitigation, and monitoring of such risks. Seismic, hydrological, and other studies are used to identify vulnerable locations. Risks are mitigated/allocated through suitable conditions for project debt, including insurance, installation of adequate drainage facilities, lightning arrestors, strengthening of mounting structures, setting aside contingency funds from project cash flows, and arrangements for waterless robotic cleaning in drought-prone areas.



Environmental & Social (E&S) Risk

- ▶ Projects are required to comply with IFC performance standards for managing environmental and social risks and impacts as part of the sustainability framework.



Security

- ▶ Security refers to assets that can be sold by a lender in the event of default to recover dues. In the context of infrastructure project lending, security includes a charge on cash flows and contracts, as well as the right to substitute the developer with another developer (either contractually or through the sale of majority ownership). NIIF IFL requires projects to provide the above as security for loans. Where applicable, hypothecation of movables and mortgage of project land is also stipulated.



Monitoring Ability

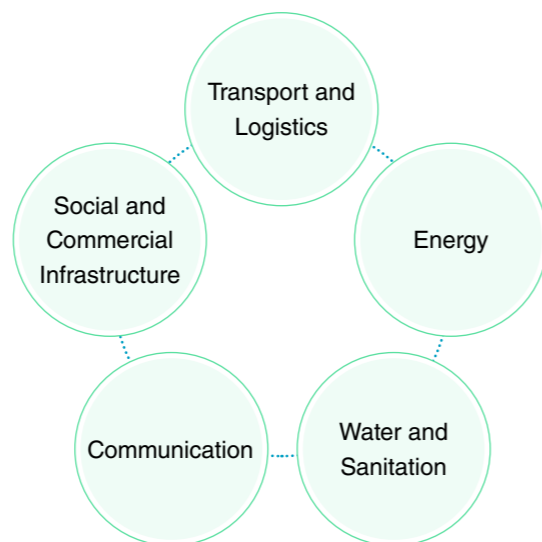
- ▶ NIIF IFL stipulates suitable conditions to enable close monitoring of projects, for example, secure access to information from a power plant's systems to enable remote monitoring of physical parameters, including plant availability, grid availability, generation, etc.
- ▶ NIIF IFL also stipulates suitable conditions to enable remote monitoring of financial parameters (e.g., through online access to escrow accounts of projects or access to FASTag data, i.e., data pertaining to electronic toll collection in the case of road projects).

Promoter Criteria

Since the Company funds operational projects with a proven operational history, there is no construction, financing, or land acquisition risk, resulting in low or negligible dependence on the promoter or developer groups.

Additionally, the promoter's ability to adversely impact the project is limited due to ring-fencing of cash flows, NIIF IFL's right to change the O&M contractor, and the ability to substitute the developer/promoter in the event of default.

However, considering the reputation risk that can impact a project due to its promoter, the promoter's creditworthiness, governance, past performance in meeting financial obligations, and project management history are also considered.



Furthermore, financing by NIIF IFL to any borrower in the infrastructure sector is required to be in accordance with prevailing RBI guidelines and government policies. According to RBI guidelines, IDF-NBFCs are permitted to refinance the debt of infrastructure projects that have completed at least one year of satisfactory commercial operations.

Sector Criteria

NIIF IFL is permitted to finance sectors/sub-sectors that fall under the harmonised list of infrastructure sectors notified by the Ministry of Finance (Department of Economic Affairs), which currently includes 37 infrastructure sub-sectors under five major categories:

Impact of Current performance on financial strategy

NIIF IFL's focus on implementing prudent financial strategies has enabled the Company to transform into a leading player in the infrastructure financing sector. The table below highlights the steps taken/being taken by the Company to further sustain its financial performance:

Steps	Impact
Portfolio diversification	Adding new sectors, promoter groups, geographies, off-takers
Enhanced access to markets	Increasing access to private, public markets, different instruments (like green bonds) and areas recently permitted by RBI (like ECBs).
New class of investors	Accessing funds from diverse classes of investors like retirement, insurance, wealth, banks, family office funds
Strategic alliances	Jointly financing projects with leading financial institutions to utilize synergies.
Higher market visibility	Publishing Integrated /Sustainability reports to enhance transparency and trust and widening the investor set
Business transformation	Implementing cutting-edge technology platform to seamlessly integrate business process, leading to better user experience
Sustainable finance framework	Rolling out sustainable finance instruments like Climate Bonds or Sustainable Bonds

Details of Financial Performance

Income (₹ in Crores)

FY 2024		1,847
FY 2023		1,404
FY 2022		984
FY 2021		716

Total expenses (₹ in Crores)

FY 2024		1,432
FY 2023		1,078
FY 2022		751
FY 2021		584

Profit after tax (PAT) (₹ in Crores)

FY 2024		420
FY 2023		325
FY 2022		233
FY 2021		131

Capital adequacy

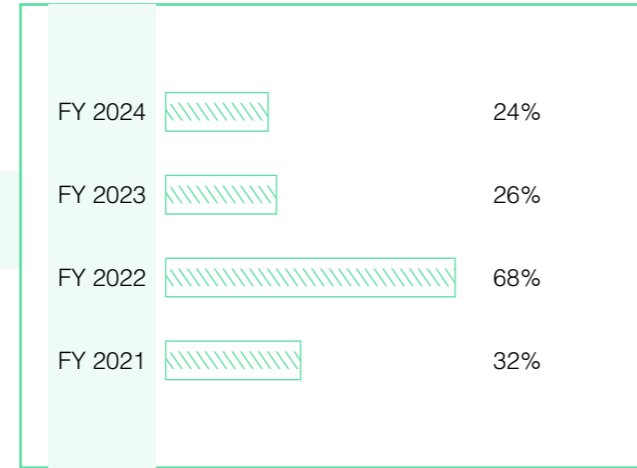
FY 2024		24%
FY 2023		20%
FY 2022		23%
FY 2021		23%

Networth (₹ in Crores)

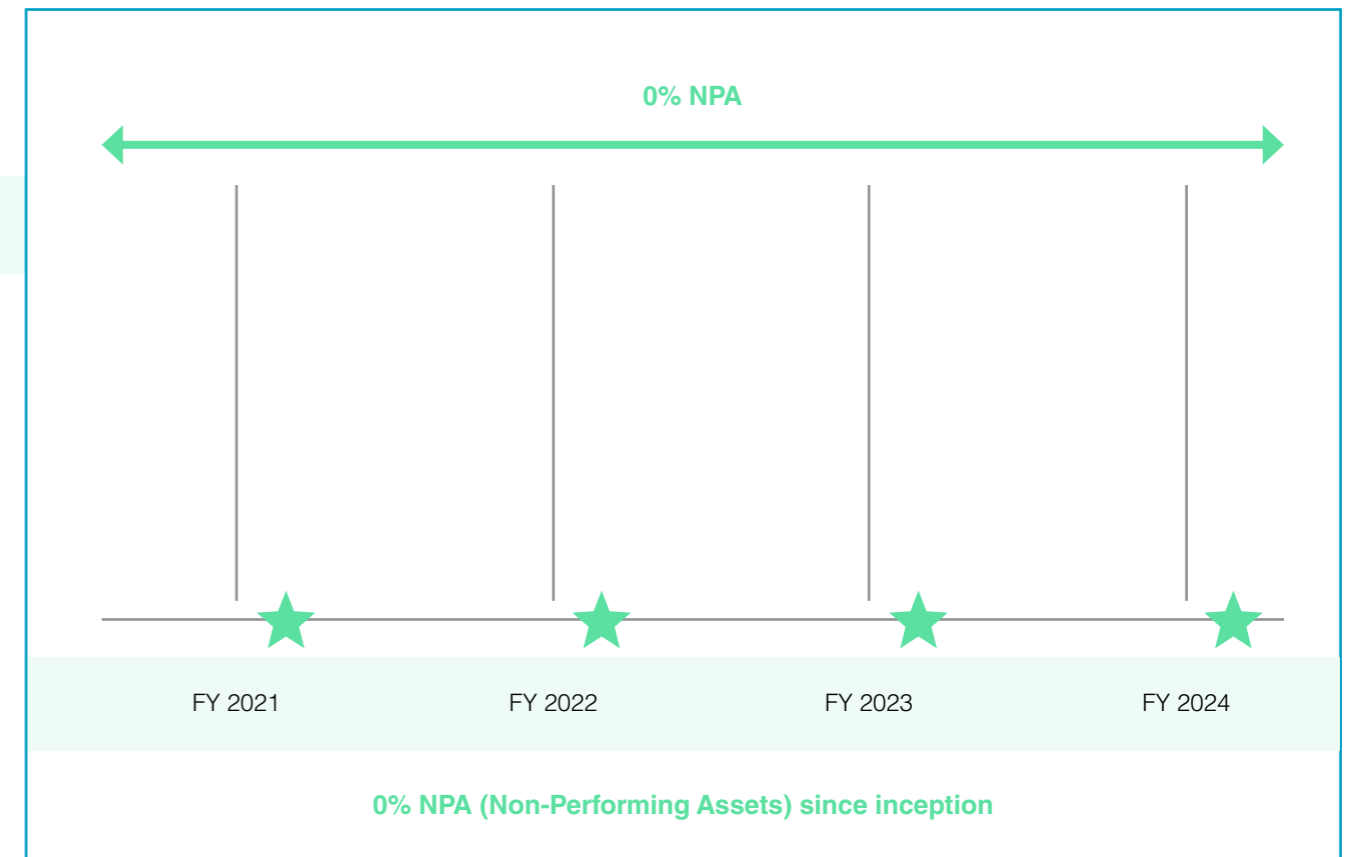
FY 2024		3,860
FY 2023		3,440
FY 2022		3,115
FY 2021		1,870



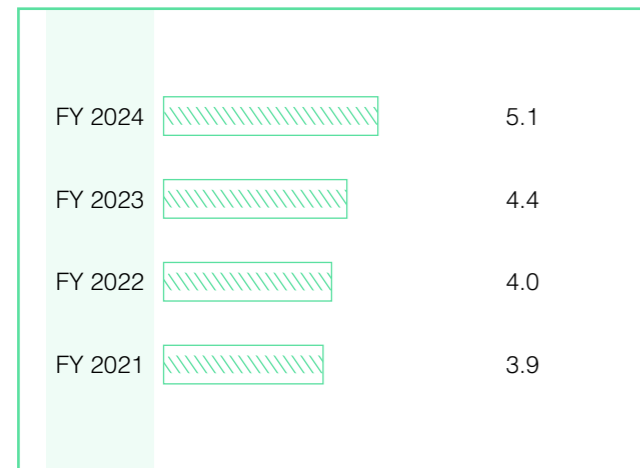
Loan book growth



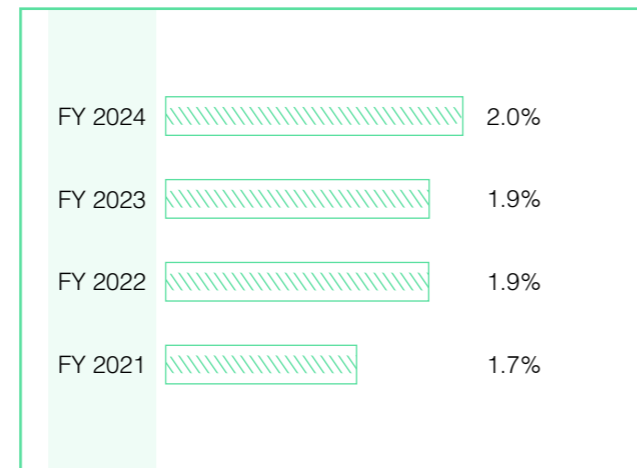
NPA



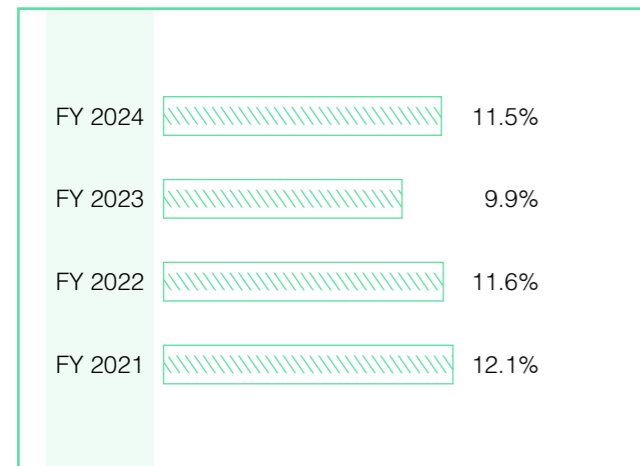
Debt-to-equity ratio



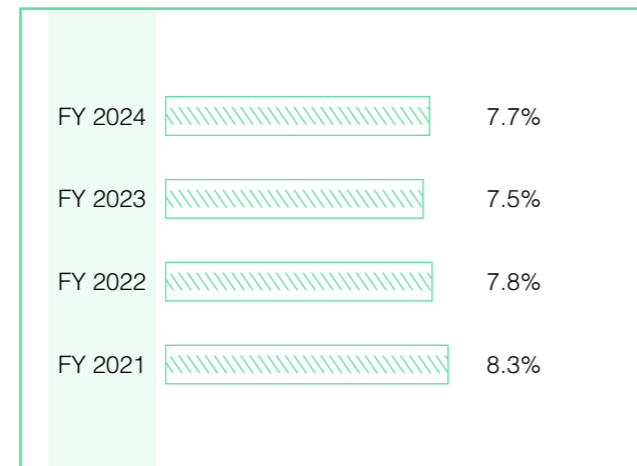
Return on assets (ROA)



Return on Equity (ROE)



Weighted average cost of borrowings





Fostering Intellectual Capabilities

NIIF IFL's intellectual capital is anchored by its highly experienced infrastructure finance team and a commitment to continuous professional development. Customizing financing products to specific projects and sectors (like flexi coupon or step up coupon products) and the use of information technology for unique real-time portfolio monitoring and on-line access to project escrow accounts, reflects NIIF IFL's focus on innovation.



NIIF IFL's management team, consists of seasoned professionals with over ten decades of combined experience in infrastructure financing. The team also has professionals across diverse domains including engineering, finance, law, technology, ESG etc with multiple years of experience in various infrastructure projects, including renewable energy, highways, airports, telecom and logistics. NIIF IFL also conducts/arranges for training programs and knowledge sharing sessions for personnel by industry experts in areas including cyber security, regulation, specific areas in sectors like data centers, wind & solar hybrid projects.

NIIF IFL also trains its project finance personnel in the use of 15-20 year satellite (NASA) data for assessing wind/ solar resource risk. Additionally, employees have opportunities to participate in industry-oriented programs/workshops in areas like climate risk, financial modelling, etc. By regularly investing in the professional development of its employees, NIIF IFL aims to ensure that they are kept abreast with latest developments, constantly honing their skills and in regular touch with the market.

Establishing Resilient & Reliable IT Infrastructure

The Company has developed a holistic IT infrastructure by implementing cutting-edge tools to improve internal operations and to ensure top-notch customer experience. The technology initiatives undertaken by NIIF IFL, such as implementing RPA (Robotic Process Automation), real-time secured access to SCADA systems of solar/ wind power plants financed, on-line access to TRA/ escrow accounts, Workflow Automation, and Data Visualisation through automated dashboards has reduced repetitive manual tasks and streamlined workflows. Critical functions like data collection & cleaning and providing asset portfolio dashboard updates has become faster, which has enabled processing huge volumes of data in less time. The Company is steadily increasing its reliance on technology to streamline its operations, minimise errors.

Intellectual Capital

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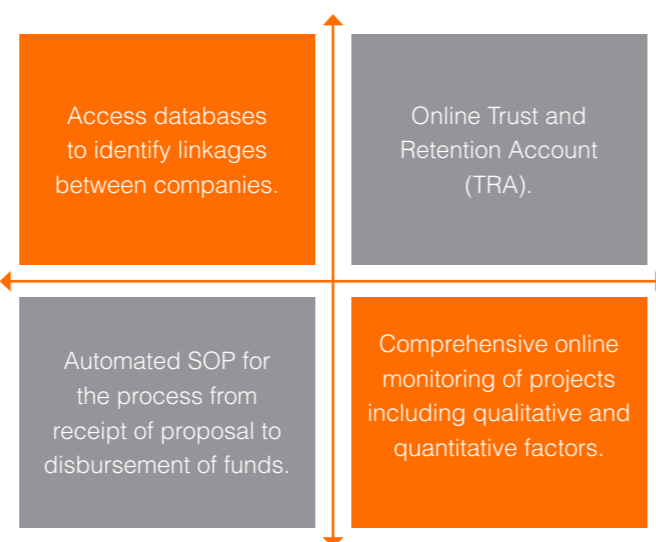
Technologies Adopted by NIIF IFL and Collaborations with Industry Players

NIIF IFL has adopted Intelligent Process Automation (IPA) technologies such as AI (Artificial Intelligence) and RPA (Robotic Process Automation) to improve its operations. To further drive innovation, the Company has also implemented specific technologies like low-code/no-code applications, Machine Learning Algorithms, OCR (Optical Character Recognition) and Computer Vision (i.e. computers can identify objects and people on videos) that has substantially enhanced its operational efficiency and accuracy.

Data analytics is another core area which NIIF IFL is leveraging to enhance its decision-making abilities. Through business intelligence software like Power BI dashboards, Power Apps, Power Automate and Python, the Company has improved monitoring, control, and tracking of key performance parameters leading to more informed decision-making and strategic oversight.

Owing to its swift progression towards becoming a tech-enabled Company, NIIF IFL has been using global technology products from Microsoft and Automation Anywhere to enhance its technological capabilities and drive innovation across operations.

To bolster the IT infrastructure NIIF IFL has invested in process digitalisation. Continuing with its focus on integrating new and improved digital tools to transform its operations, the Company is executing the following activities that enable easier monitoring of assets funded and also provide a competitive advantage in rigorous monitoring of portfolio quality:



Innovative Initiatives Undertaken by NIIF IFL

NIIF IFL firmly believes that by integrating innovative measures, it can significantly improve its operations. Standing by this commitment, the Company has integrated SCADA (Supervisory Control, Data Acquisition) which is a software application that is used to control industrial processes in real-time. Through this application, NIIF IFL can monitor solar and wind power generation plants that have been financed, in real-time.

Key Digital Initiatives of FY 2024

1 SCADA Automation & Portfolio Monitoring Dashboard

NIIF IFL has developed an advanced system to monitor energy KPIs across 100 solar & wind power plants. This tool, which consolidates data from ten different platforms, only helps forecast trends. It downloads energy KPIs like plant availability, grid availability and capacity AD/DC on an everyday basis, cleans this data, and uploads it to a dashboard.

2 Credit Rating Automation

NIIF IFL recognises the importance of using tools for automation of several aspects including ECL (expected credit loss) model validation and ECL computation. Automation enables accuracy and speed of ECL calculations and enables estimation of ECL simultaneously (real-time) with movements in the portfolio.



3 Dashboards for monitoring toll-road projects

By integrating real-time data related to cash flow movements in road projects, into Power BI dashboards, NIIF IFL has significantly improved the monitoring of cash flows for projects financed by it. This integration has optimised financial management and decision-making processes for projects, ensuring timely and effective project oversight.

5 Key Word-Based automated database

NIIF IFL has implemented an automation solution to build a database of potential customers (over 1000) using a key-work based artificial intelligence (AI) search ability. This enables quick building/updation of databases, enabling targeting of potential customers, saves time and streamlines data management.

4 Trust Retention Account (TRA) Automation

NIIF IFL has implemented on-line real-time monitoring of cash flows in Trust & retention Accounts (TRA)/ escrow accounts of several of 100 solar & wind power projects financed by it. This automation enhances data processing and ensuring precise tracking of loan accounts and interest. By integrating Power BI and Automation Anywhere bot, the Company has enhanced tracking and decision-making capabilities.

6 Notifications Alerts Automation

NIIF IFL keeps track of over 10,000 key dates pertaining to over 150 customers (related to covenant testing, interest payments, principal repayments, cash sweep, site visits etc). An automation bot generates reminders and base data to identified personnel – this process has significantly enhanced the level of monitoring of projects financed by NIIF IFL.

Safeguarding Data Security

In an era where data breaches and cyber threats are increasingly prevalent, NIIF IFL remains steadfast in its commitment to data security. At the core of the Company's data protection initiatives is the Information Security & Cyber Security Policy which serves as the foundation of the Company's commitment to safeguarding data throughout its lifecycle—from its initial creation to its eventual destruction.

Complementing this is the Company's Data Lifecycle Management & Backup Process that monitors data flow through various channels maintaining the sanctity of data

at every stage. NIIF IFL has taken a proactive approach to ensure adherence to applicable regulations by integrating tools within the IT infrastructure.

While explicit data protection regulations are still evolving, the Company aligns itself with the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by the Reserve Bank of India. These regulations emphasise the necessity of effective data protection measures. Other steps taken by the Company to encourage data security are:



Security Measures to Protect the IT Infrastructure

The Company's approach to securing IT infrastructure is multifaceted, designed to protect systems from cyber threats and uphold the highest standards of data security. Key highlights of the Company's security measures include:



Multifactor Authentication (MFA)

Multi Factor Authentication is a security measure that requires multiple steps to verify a user's identity. MFA is implemented for all users accessing corporate assets, providing an additional layer of security.



Security Operations Centre (SOC)

Operating 24/7 from Chennai and Pune, the SOC employs Security Information and event management ("SIEM") solutions to monitor IT Infrastructure. The integration of Security Orchestration, Automation, and Response (SOAR) with SOC provides automated action for routine notifications.



Single Sign-On (SSO)

Single Sign-On is an authentication method that permits users to access multiple applications and websites with one set of credentials. Integrated with MFA, SSO ensures secure and seamless access to critical systems.



Security Assessment & Testing

NIIF IFL conducts periodic vulnerability assessments and penetration testing, alongside application testing and infrastructure hardening based on CIS(Centre for Internet Security) benchmarks. Additionally, based on the requirement, application is also subjected to source code testing.



Virtual Private Network (VPN)

For remote access, VPNs integrated with MFA safeguard against unauthorised access, ensuring secure connectivity especially for employees working from home.



Threat Intelligence (TI)

NIIF IFL subscribes to cyber threat feeds from Manage Security Services ("MSS") partners and CERT-IN, and receives updates from regulator (RBI), to stay ahead of potential threats.



Endpoint Protection System

NIIF IFL's systems are equipped with anti-malware (anti virus) software which updates the latest signatures frequently during the day. EDR (End point detection and response) deployments are in progress to complement anti-malware solutions



Cyber Awareness and Training

Regular cyber awareness and training sessions, including those led by external experts, further bolster the employees security awareness. Annual cyber drill (tabletop exercise) for real-world scenarios are conducted to ensure that employees are prepared to handle cyber threats effectively.



Health and Happiness at work

NIIF IFL recognizes that health and happiness at work is not an afterthought, it is the driving force in an employee's decision to take, stay at or leave a position of employment. Being healthy and happy at work as well as doing meaningful work (NIIF IFL finances India's infrastructure with a clear focus on asset quality, returns and regulatory compliance) motivates and benefits employees as well as the organization - happiness and productivity are interlinked.

NIIF IFL prides itself on being a rare organization that recognises & rewards cheerfulness at the workplace, apart from performance and values. Reimagining flexibility (includes not only where a person works but also how and how much a person works) is a key objective. NIIF IFL aims to enable an environment that encourages happiness, learning, diversity, thinking, meaningful contribution, positive social interaction and having a best friend at work, during the average ~2000 hours per person at work during any year.



Team

NIIF IFL's team is the pillar of its growth. The team comprises a mix of young and experienced resources that bring in respectively, the required balance in terms of ideas, new thoughts and innovation, apart from knowledge, skills and experience for profitable growth of the business and achievement of the strategic objectives of infrastructure debt funds in India.

During the year, our employee strength increased by ~40% with continued emphasis on gender diversity. NIIF IFL recruits individuals who are highly focused, self-driven and passionate about financing India's infrastructure.

NIIF IFL also has a well-structured performance evaluation criterion and the Key Result Areas ("KRAs") of employees are rolled out in advance to conduct a transparent evaluation process based on their performances. The Company ensures that promotions, salary increments, and bonus payouts are strictly based on employee performance, with no consideration of gender, caste, creed or religion, ensuring a fair and unbiased process.

NIIF IFL's culture promotes interaction between employees, management and senior leadership. These interactions provide a platform for open and transparent communication within the workforce providing key insights and feedback for improvement of processes.

NIIF IFL invests in the development of technical and behavioural competencies of its employees across different functions. Its professional development programmes are aimed at cultivating and promoting learning of the employees. Several training sessions and upskilling programmes are conducted on a periodic basis to enhance employees' behavioural and functional aspects. Functional training covers areas including project finance, risk management, environment, social and governance ("ESG"), sector update, cyber security, and compliance training such as POSH, Anti-Money Laundering, etc.

Human Capital

Human
Human
Human
Human
Human

Prioritizing employee wellbeing

The organization initiated multiple programs during the year prioritizing health and wellbeing of employees. During the year NIIF IFL launched an app-based health and wellness program that enables employees to virtually consult a doctor, connect to a qualified nutritionist and get access to other programmes that emphasized physical, emotional and mental wellbeing.

NIIF IFL facilitates annual health screening of all employees, through a tie-up with a network of hospitals/ diagnostic centres. NIIF IFL provides comprehensive medical cover for all employees including personal accident cover and group insurance cover. NIIF IFL also facilitates increased medical cover through its insurance partner, at subsidized rates for employees.

NIIF IFL embraced a hybrid working model during the year to ensure an optimal balance between productivity and efficiency on one hand, and a healthy work-life balance on the other.

Embracing Digitization:

NIIF IFL believes in improving employee experience through seamless digitization while also enhancing management decisions through data and analytics. NIIF IFL migrated to a new HR system that is enabled by AI and data science. NIIF IFL also introduced new modules including a mobile-first approach. The mobile application makes every-day HR transactions and queries simpler.

Embracing Diversity

NIIF IFL strives to build a culture of collaboration, cohesiveness and inclusivity. NIIF IFL embraces diversity not only in terms of gender but also creates opportunities across different generations of talent. The average age of the organization, with a mix of experience and new talent, is 35 years.

NIIF IFL's gender diversity is indicated by the composition of its personnel, 37% of whom are women.

Gender diversity	FY 2022	FY 2023	FY 2024
Female employees	25%	38%	37%
Total employees	32	42	63

NIIF IFL has taken initiatives to support new mothers during a new and critical phase of their life, post their maternity leave, to help them comfortably balance their childcare responsibilities along with office work responsibilities. NIIF IFL has been providing support in many ways including through continuous WFH (work from home) opportunities, additional leave, flexible policy for childcare etc. The Company has a strict POSH policy and conducts awareness sessions and training programmes on a regular basis to sensitise employees on POSH issues. Additionally, the Company commemorates Women's Day and Mother's Day to recognise and celebrate the personal and professional accomplishments of its female employees.



Women cohort of NIIF IFL (women in similar stages of career, who support each other professionally and personally) - encouraging engagement, learning and contribution from each other; celebrating successes, overcoming challenges and holding each other accountable.

Employee Satisfaction is a Priority

NIIF IFL places its workforce at the highest pedestal by establishing a positive, inclusive and collaborative work environment. This not only provides an impetus to professional growth of employees but also enhances their satisfaction level.

The Company has taken the following measures to enhance employee satisfaction:

- Monthly town halls, skip level meetings and informal catch-up/dinners with the senior management are conducted periodically to discuss any challenges faced by junior employees.

- Rewards and Recognition functions are conducted half-yearly to celebrate the achievements of employees.
- Employee survey is conducted to take feedback and identify the gaps within the organisational culture.
- Employee engagement programmes (outbound, off-sites etc.) are conducted at regular intervals to acknowledge the progress of employees.



Young professionals undergoing NIIF IFL's comprehensive induction and training program.

Young Professionals Programme (YPP)

During the year NIIF IFL inducted fresh graduates from MBA and CA campuses to ensure a steady pipeline of talent for its current and future growth. The organization introduced the Young Professionals Program (YPP). The newly hired trainees underwent an extensive induction program that was designed not only to enhance technical and behavioral skills but also to provide cross-functional experience. The YPP had multiple objectives (1) enabling trainees to become part of the productive workforce faster and contribute to the business (2) channelize their creativity and new ideas for organization developmen

3,158

Total employee training hours (including functional, technical, behavioural)

3.7%

of total working hours in the year

83%

employee retention ratio (industry average ~ 65%)

Ethics and Integrity is the cornerstone of our culture

Integrity, accountability, responsibility and transparency in work is the cornerstone of NIIF IFL's culture. Employees live by the corporate values and ethical principles in performing day-to-day business operations. NIIF IFL ensures that the team receives adequate reinforcement and awareness sessions, to embrace these values and principles. NIIF IFL has a zero-tolerance approach towards violation of ethics and code of conduct.

A Glimpse of Employee Engagement Activities of FY 2024

NIIF IFL believes that success can be achieved through collaboration, communication and cooperation between teams. Mutual trust and respect are the ethos of NIIF IFL's culture.

NIIF IFL every year conducts employee surveys (titled "Employee Climate Survey") to determine the 'cultural climate' of the organization. The purpose of the anonymous survey is to feel the "pulse of the workplace" and obtain feedback without any fear of reprisal, from the employees. This is a transparent process using digital tools, intended at honest feedback that enables the Company to continuously improve workplace policies and devise sound strategic people plans.

Celebrations are part of the culture of the organization, and it is ensured that every win, big or small, is celebrated. NIIF IFL has put in place a comprehensive rewards and recognition philosophy, emphasizes fairness in its reward policy. Rewards are aligned both to individual/ business performance as well as upholding of values and ensuring a positive environment.

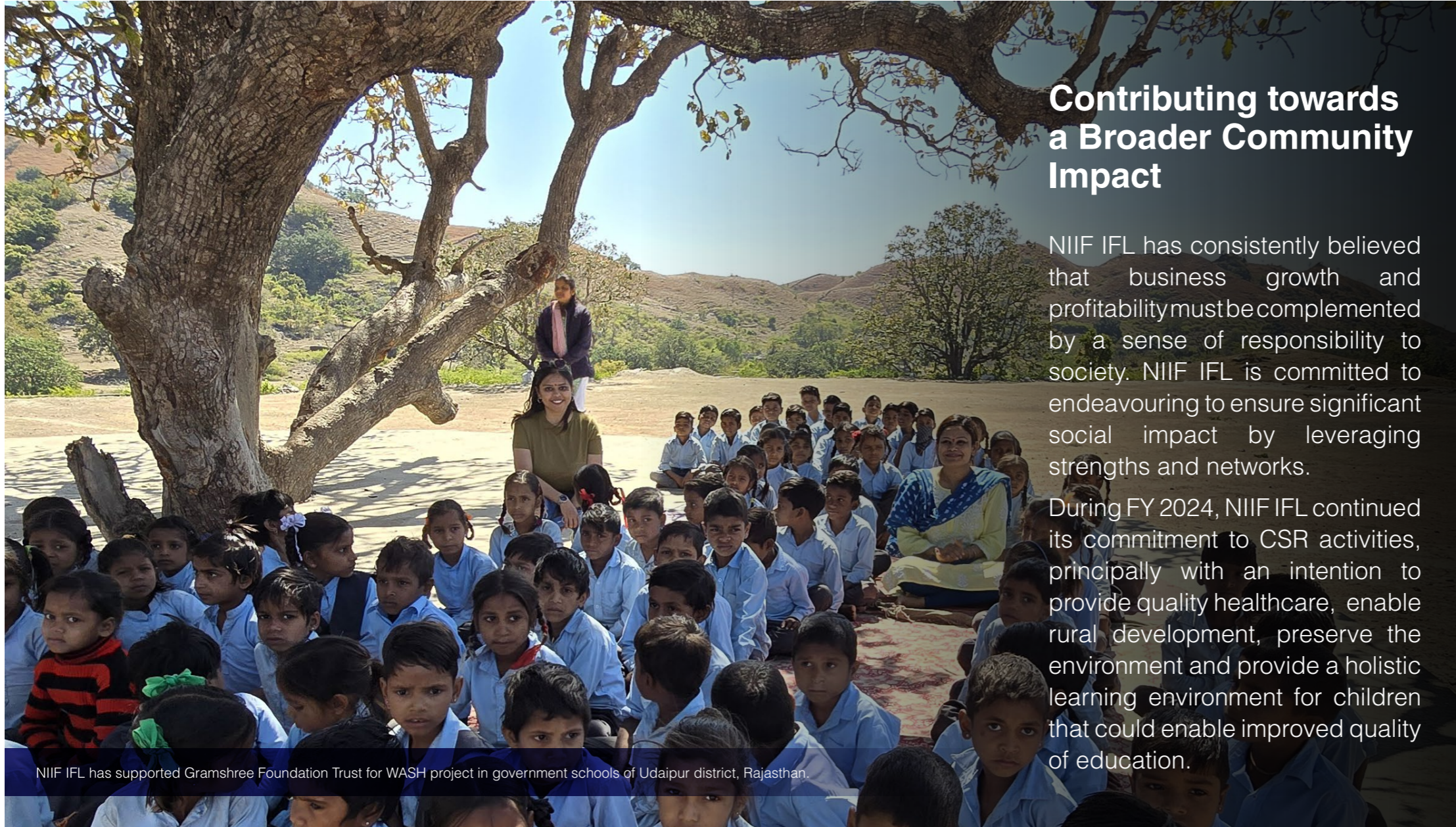
NIIF IFL has enabled various platforms such as monthly town-halls, skip level meetings with senior leaders, informal interfacing in the office as well as at offsites, that strengthen communication, both top down and also bottom-up



Team offsite - Jaipur and Ranthambore, FY 2024



Team NIIF IFL: The Handprint - Symbolizing unity and collaboration; making a difference through individual and collective actions



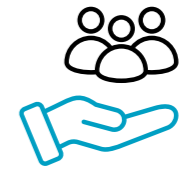
Contributing towards a Broader Community Impact

NIIF IFL has consistently believed that business growth and profitability must be complemented by a sense of responsibility to society. NIIF IFL is committed to endeavouring to ensure significant social impact by leveraging strengths and networks.

During FY 2024, NIIF IFL continued its commitment to CSR activities, principally with an intention to provide quality healthcare, enable rural development, preserve the environment and provide a holistic learning environment for children that could enable improved quality of education.

NIIF IFL has supported Gramshree Foundation Trust for WASH project in government schools of Udaipur district, Rajasthan.

Social and Relationship Capital



The Company's CSR policy is approved by the CSR Committee and authorised by the Board of Directors. It adheres to Companies (CSR Policy) Rules 2014, Companies (CSR Policy) Amendment Rules, 2021, and the CSR-related guidelines issued by the Ministry of Corporate Affairs.

To gain a deeper understanding of the Company's CSR projects, CSR activities, and the composition of the CSR committee, click here. <http://www.niiffl.in/> <https://www.niiffl.in/corporate-social-responsibility>

₹ 5.27 Crores

Total Amount Spent
























8 NGOs

Total community partners.

88,678

Total CSR Beneficiaries

CSR Focus Areas of FY 2024

Category	Target Audience	Proportion of Spending	Alignment with SDGs
Method of Implementation: Through Implementation Agencies			
 Healthcare	Visually impaired persons (with eye disorders like cataract / glaucoma, etc) from marginalised communities of Bhubaneshwar and Vishakhapatnam	30%	  
 Education	Beneficiaries from economically deprived communities including people with disabilities from Vijayawada, Madurai, Coimbatore, Hyderabad, Tiruchirappalli, Mumbai, Pune, Goa, Lucknow and Jaipur.	34%	   
 Rural Development	Beneficiaries from economically disadvantaged communities in Udaipur and Jaipur districts of Rajasthan.	13%	    
 Environmental Sustainability	Beneficiaries from villages of Aurangabad district and Mumbai City.	18%	      



School bus for girls (TABAR Society) in Jaipur, Rajasthan.



Contribution towards Healthcare

Upgradation of Eyecare Centres with High-end Surgical Equipment at Hyderabad Eye Institute



Challenge

Refractive errors and cataracts are some of the leading causes of vision impairment and blindness. In India, the number of untreated cataracts is very high. Timely detection can help improve quality of life and functional ability.



Role of NIIF IFL

In partnership with L.V. Prasad Eye Institute, NIIF IFL has contributed to an equitable eye care system in Vishakhapatnam and Bhubaneswar by installing high-impact eye surgery machines. L.V Prasad Eye Institute is a registered trust managed by Hyderabad Eye Institute, to provide equitable and quality eye care services to all sections of society, especially those in need and from disadvantaged communities. It currently has more than three hundred eye care centres and hospitals in various locations in Andhra Pradesh, Telangana, Karnataka, and Odisha. The Institute's multi-level hospital network allow them to reach villages, delivering essential eye care services at the grassroot level.

The hospitals in both locations are referral centres for critical eye conditions, serving patients from nearby communities. The new equipment will enhance service quality and reduce operating time.

50,000 & 14,000

Eye screenings and free eye surgeries projected to be performed in the next 5-6 years



Eye Surgery equipment at Hyderabad Eye Institute (LVPEI)



Contribution towards Education

Upgradation of Two Shelter Homes and One Girls' School Operated by TAABAR Society



Challenge

TAABAR (Training Awareness and Behaviour Change about Health and Rehabilitation) is an Indian non-profit and non-government organisation that has provided care and protection to children in need since 2007. Their services include residential care, education and skill-building programs, daycare programs and healthcare support. They run shelter homes and schools in multiple districts across Rajasthan. These schools lack sufficient infrastructure and have limited options for students to commute (girls' school). Hence, the dropout rate among female students is high. Additionally, in both of their shelter homes, children face multiple health conditions such as tuberculosis, skin diseases, anaemia, stomach and bone issues, etc.



Role of NIIF IFL

NIIF IFL partnered with TAABAR to support in establishing a medical room, providing a school bus, and supplying forty-seven computers. The objective is to promote quality of education and health facilities in shelter homes and girls' schools.

600

Children from marginalised backgrounds are benefitted



Computer Lab at Girls' school in Jaipur, Rajasthan

Implementation of Digital Infrastructure across Government Schools



Challenge

The importance of digital literacy cannot be neglected in today's world. Smart classrooms enhance education with interactive and engaging learning experiences. These tools help simplify concepts, cater to diverse learning styles, and make education more inclusive.



Role of NIIF IFL

The Company partnered with VIDYA (Vidya Integrated Development for Youth and Adults) to increase the learning benefits for children from urban slum communities through smart classrooms. VIDYA is a non-governmental organisation that was established in 1985 with the vision of empowering underprivileged communities through education (especially from low-income families) and skill development initiatives. Through this project, forty-four computers, fourteen smart boards, and twenty-five smart TVs across Maharashtra, UP and Goa were installed in government and trust-run schools. The objective is to contribute towards a holistic learning experience for more than fifteen thousand children from urban slum communities.

~15,000 **37**

No. of beneficiaries students

No. of digital classrooms



Digital Classrooms across government schools in Maharashtra, Uttar Pradesh and Goa.

Distribution of Assistive Glasses and Laptops to Visually Impaired Students



Challenge

According to WHO, India has the highest number of visually impaired people in the world. Visually impaired students face several challenges pertaining to complete their education. When provided with the proper support, deserving students can complete their education and broaden their opportunities.



Role of NIIF IFL

The Company has partnered with 'Help the Blind Foundation' to support the educational aspirations of visually impaired students by providing assistive glasses and laptops across colleges of Vijayawada, Madurai, Coimbatore, Hyderabad & Tiruchirappalli. 'Help The Blind Foundation' is a registered non-profit organisation working towards elevating the economic status of visually impaired students by providing them with access to education and training facilities.

During the programme the students were also trained in languages, communication skills, life skills, and mobility for better job opportunities

178

Visually impaired students were provided with 100 smart vision assistive glasses and 78 assistive laptops



Assistive glasses and laptops for visually impaired students

Contribution towards Rural Development

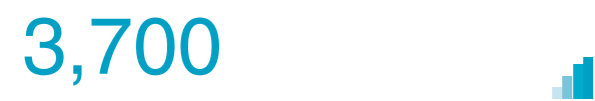
Creation of Sustainable and Clean Drinking Water Units in the Village of Jaipur

Challenge

Communities in regions like Rajasthan face numerous water-related challenges, such as water scarcity and contamination. These issues create difficulties, specifically for women and children who have to travel long distances in search of clean water. These conditions also give rise to several waterborne diseases among children, resulting in malnutrition, impaired growth, and other health complications.

Role of NIIF IFL

The Company has partnered with 'Jaipur Rugs Foundation' to create community-based, sustainable clean drinking water units in the villages of the Jaipur district. Jaipur Rugs Foundation is a non-profit organisation working for the welfare of tribal/economically underprivileged communities since 2004. They are committed to creating empowering ecosystems for holistic village/community development, especially for women. The project was aimed at reducing the rate of waterborne diseases and improving the quality of life.



Beneficiaries of the project



Community based clean drinking water units in 2 villages of Jaipur, Rajasthan

Infrastructure Development at Government Schools

Challenge

Students belonging to underprivileged communities, especially girls, in tribal communities of Gogunda and Sayara block of Udaipur district, Rajasthan, face numerous educational challenges. The lack of proper facilities and quality infrastructure, such as clean toilets and drinking water, this discourages students from attending school, resulting in absenteeism.

Role of NIIF IFL

The Company has collaborated with "Gramshree Foundation Trust" to provide infrastructural support to schools in these tribal areas. Under this integrated rural development project, schools were provided with clean drinking water units, and their washrooms were fully renovated to promote students' health and hygiene. Another objective of the project was to achieve reduced absenteeism and promote student attendance.



Students across 10 schools benefited from the programme



Sanitation and Hygiene upgradation at government schools in Udaipur, Rajasthan

Contribution towards Environmental Sustainability

Building Sustainable Water Infrastructure in Rural Maharashtra

Challenge

In certain rural areas of Maharashtra, farmers are completely dependent on rainfall for their livelihood. Some places (like the Marathwada region in Maharashtra) do not have access to water for drinking and agricultural purposes because of prolonged dry spells and inconsistent rainfall patterns.

Role of NIIF IFL

The Company partnered with Dilasa Janvikas Pratishthan to create water storage facilities to be used for irrigation and drinking purposes in two villages of Aurangabad district. The project aims to impact the lives of ~3,700 people by providing them with clean drinking water and generating livelihood opportunities. This collaboration is also expected to boost villagers' earnings as water availability can contribute towards better crop yield.



No of beneficiaries people in a year



Creating water storage structure for drinking and agricultural purposes in Aurangabad, Maharashtra

Combating Air Pollution through Technology

Challenge

A report published by Lancet Planetary Health indicates that there were as many as 1.7 Million deaths due to air pollution. Poor air quality impacts human health and results in serious health issues.

Small particulate matter suspended in air are extremely harmful for human beings. The air quality index in several places has deteriorated reaching critically poor levels. Urgent action is required to mitigate the harmful effects on public health and the environment.

Role of NIIF IFL

The Company partnered with IIT Madras (Office of Institutional Advancement) to establish a city-wide air quality purifying system across Mumbai. In this project, two 5G based interconnected networks of outdoor air purifiers were installed to purify air quality in identified areas of Mumbai. It is expected to positively impact at least 50,000 people in a year. The main aim of this project is to improve air quality by cleaning ambient pollution levels covering a range of 1-2 km, which will help minimise the proliferation of health issues triggered by air pollution.



No of beneficiaries people in a year.



City level air purifier installed in Mumbai, Maharashtra

Case Study

Restoring Livelihood: The Transformative Power of Accessible Healthcare



Diligence and intense passion for work are the primary attributes that exemplify Rama Nandan Mahat, a 62-year-old farmer and mason living in a remote village. Despite financial difficulty, he managed to maintain comfortable lifestyle for his family. However, his life took a u-turn when he experienced visual impairment which made it difficult for him to find/ sustain a job. Consequently, with no source of livelihood, he along with his family went through a tough phase.



Krishna Paswan is one of the senior citizens who needs to continue working to earn a living despite his advanced age. The 68-year-old farmer from the Gaya district of Bihar has three sons, but none of them financially support their father. To make matters worse, Krishna's vision has steadily deteriorated over the last few years, affecting his income and livelihood.



Challenge

Rama Nandan Mahat had developed cataract and other visual problems, which could lead to blindness in the absence of affordable healthcare.

Rama tried to ignore the situation initially. However, as his vision continued to deteriorate, he could no longer avoid the issue. He visited the L V Prasad Eye Institute (LVPEI) at the Mithu Tulsi Chanrai Campus in Bhubaneswar, where the doctors suggested surgery to restore his vision.



Intervention

Thanks to the medical professionals of L. V. Prasad Eye Institute and support from NIIF IFL, which donated the advanced Alcon Centurion Vision System, Rama Nandan qualified for free surgery that would restore his vision. The operation was a successful, allowing Rama to regain control over his life and sight



Conclusion

The surgery had a profound impact on Rama Nandan's life. He can once again work and ensure a decent lifestyle for his family. This shows the transformative power of accessible healthcare. In India, where accessibility to affordable healthcare remains a significant challenge, medical facilities, medical professionals and corporate support can positively impact livelihoods.



Challenge

Krishna's declining vision was a result of advancing cataracts in both eyes. It made it challenging for him to perform daily tasks, which compromised his ability to sustain a livelihood. Additionally, living in a remote village limited his access to affordable healthcare. Krishna suffered from the twin burden of health issues and financial instability, and with no apparent solution, his condition continued to worsen.



Intervention

Krishna found hope when a community member informed him about the free services provided by a mobile ophthalmic van operating in the area. The van was equipped to deliver a wide range of eye care services, specifically to underserved communities. Encouraged by the possibility of regaining his eyesight, Krishna visited the clinic.

Doctors diagnosed cataract in Krishna's eyes and recommended surgery. After counselling, Krishna agreed to undergo cataract surgery. The surgery was a success, and Krishna's vision improved significantly from 1/60 to 6/12. Most importantly, the surgery was performed free of cost and covered the expenses of food, medicine, and accommodation, ensuring Krishna didn't face any financial burden.



Conclusion

Post-surgery, Krishna's life transformed as he regained his vision and mobility. He could resume work and continue to earn his livelihood. This story is a testament to the profound impact of accessible healthcare, specifically in remote village areas.

Krishna's story highlights the effectiveness of community outreach programs and mobile healthcare services for underserved communities. The programme not only helped Krishna to regain his vision but also restored his self-sufficiency and esteem.



Caring for the Ecosystem

The adverse impact of climate change is visibly evident across the globe. Rising greenhouse gas emissions, increased frequency of extreme weather events and environmental pollution is causing massive damage to the global economy and ecosystems. Infrastructure projects are suffering severe physical damage and business interruption due to natural disasters. NIIF IFL recognises that climate-related risks can jeopardise the profitability and stability of infrastructure projects financed by it. These and other risks have been fully integrated into its risk management framework.

Solar power panels installed at Bangalore International Airport

Natural Capital

Climate Related Risks and Opportunities

NIIF IFL has identified the following climate-related risks and their impacts:

Acute Physical Risks:

Acute physical climate risks at identified exposures have an impact on repaying ability of NIIF IFL's borrowers. Such risks can become more frequent and prominent over a longer term. The Company conducts E & S due diligence with an emphasis on climate risk considerations such as mapping loan assets in vulnerable zones (seismic, cyclonic, flood, landslide, drought, and heatwave) and assesses the availability & adequacy of risk allocation measures like insurance and risk mitigation measures like adoption of robotic dry cleaning, lightning arrestors, storm water management system.

Transition Risks:

Emerging climate change-related regulations can impact the Company's decisions as well as the choices of its customers. Climate regulations (Government of India's plans to decarbonise the Indian economy by pricing greenhouse gas emissions through trading of carbon credits) may impact growth and financing of carbon intensive sectors such as thermal power.

This regulatory transition has already started happening and is expected to become rigorous in the medium to long terms.

Failure to adapt to these changes could lead to stranded assets, lower returns and heightened exposure to regulatory penalties.

Shifting Dynamics in Global Financial Community:

There is a clear shift towards a low-carbon economy, necessitating significant policy adjustments within financial institutions. Multilateral financial institutions have set a precedent by publicly committing to no-coal and no-fossil fuel policies. Positive climate action is one of the large global movements with governments, regulators and banks leading the charge.

NIIF IFL has identified the following climate-related opportunities:

Increased Avenues for Financing:

Recent times have seen a major rise in the demand for low emission goods and services. Additionally, customer preference has been steadily swinging towards low-carbon emission vehicles and green power development. This wide adoption of emerging green technologies is expected to increase avenues for infrastructure financing.

Greater Access to Finance:

In future, NIIF IFL is expected to have a wider and more diversified source of funds from multilateral institutions and impact investors.

NIIF IFL has taken commitments supporting the Sustainable Development Goals and India's commitments under the Paris agreement. ~63% of the Company's loan portfolio comprises renewable power sector and balance includes sustainable infrastructure projects like green airports, water & waste treatment, etc. Moreover, NIIF IFL intends not to finance projects in standalone thermal power projects using fossil fuel and wind-down existing exposures in such sectors by 2030.

NIIF IFL's office premises in Mumbai avail the supply of 100% green energy through renewable energy sources supplied by Tata Power. In FY 2024, NIIF IFL has achieved a reduction of approximately 125 tonnes of CO₂ emissions by utilising renewable energy sources.



~8.44 GW

Total GW of green power projects financed.

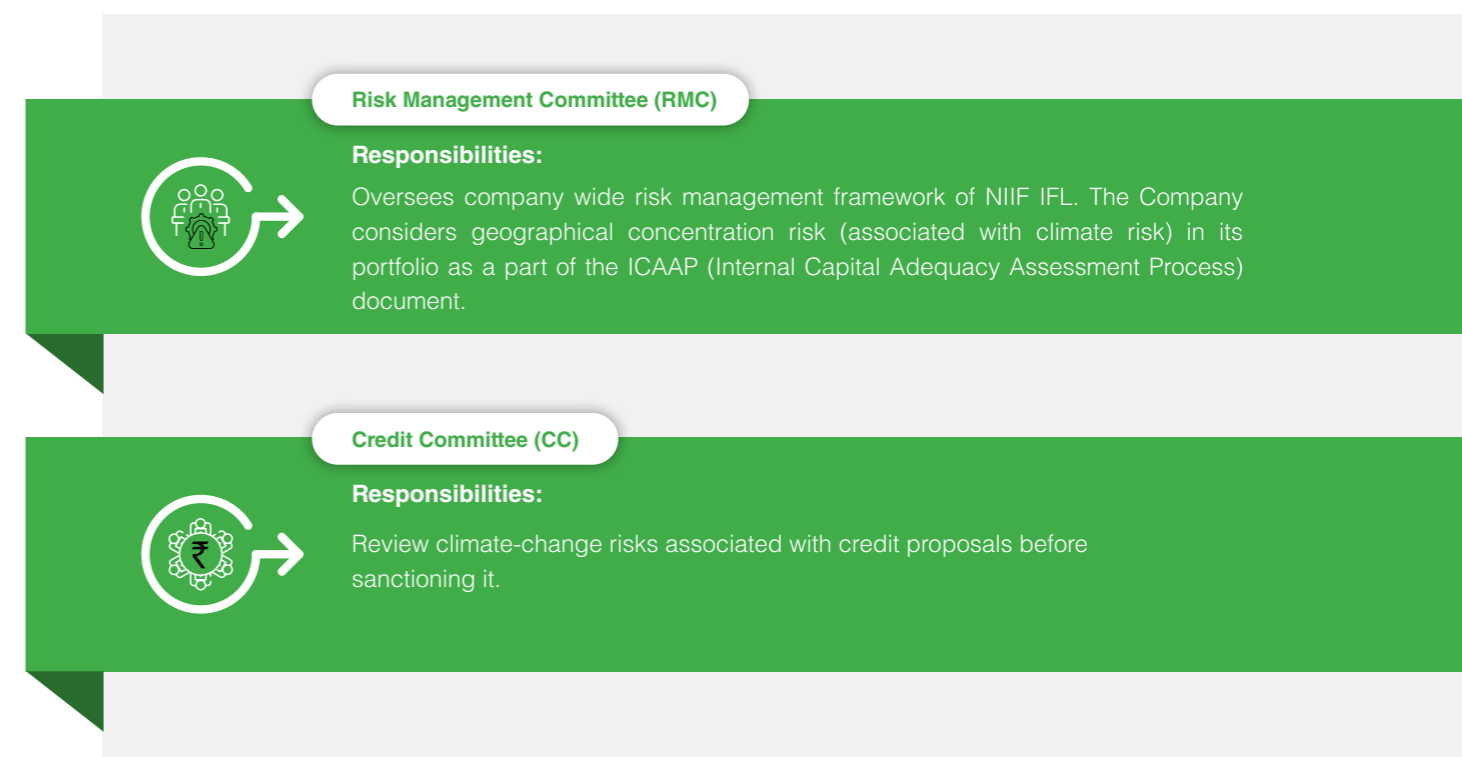
~13.62 Million tonnes of CO₂

Total Carbon Emissions avoided through green power financed.

Governance for Climate Action

Climate action constitutes a major part of NIIF IFL's ESG framework and is discussed at senior management and board level meetings. Under the guidance and oversight of the Board, Management Committees, NIIF IFL prioritises sustainable financing, climate risk management, raising climate awareness within the organisation and enhancing climate resilience in communities.

At NIIF IFL, the Risk Management Committee, Credit Committee and Executive Management oversee climate action.

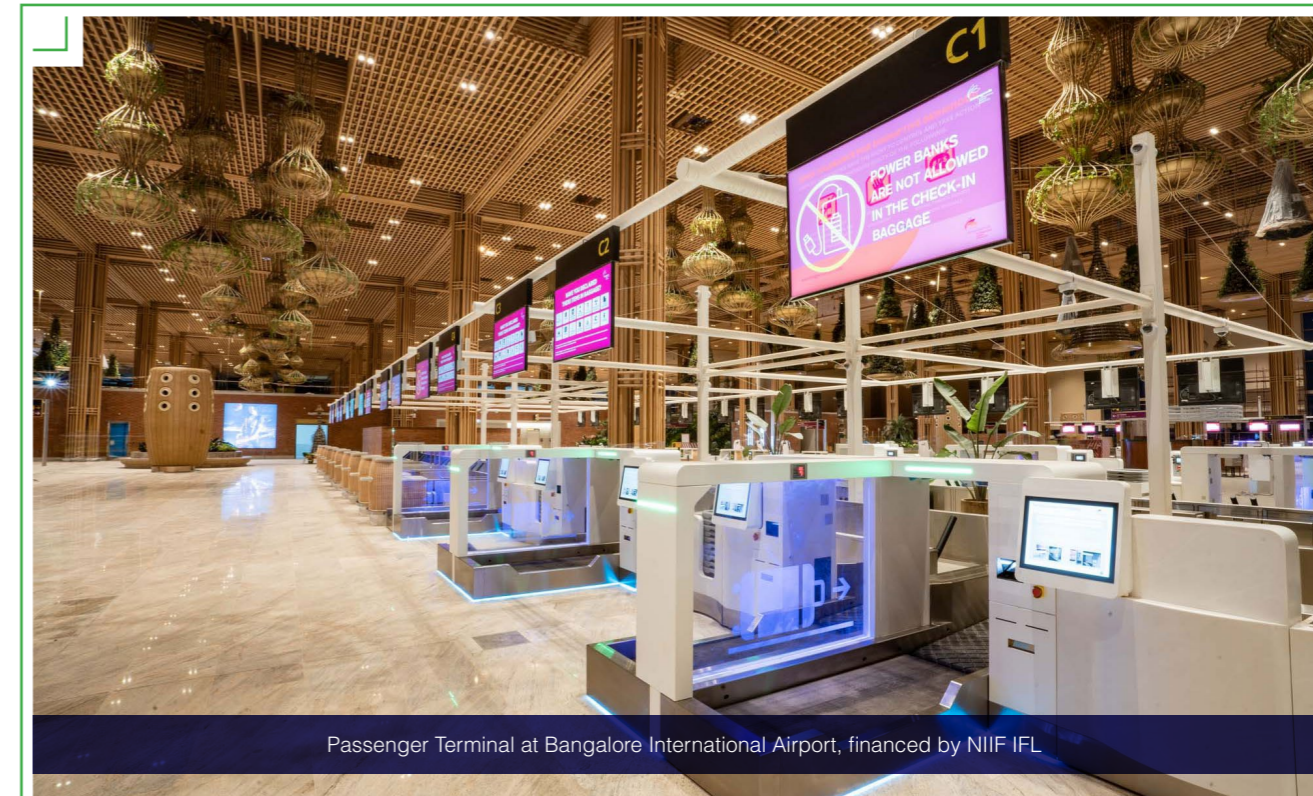
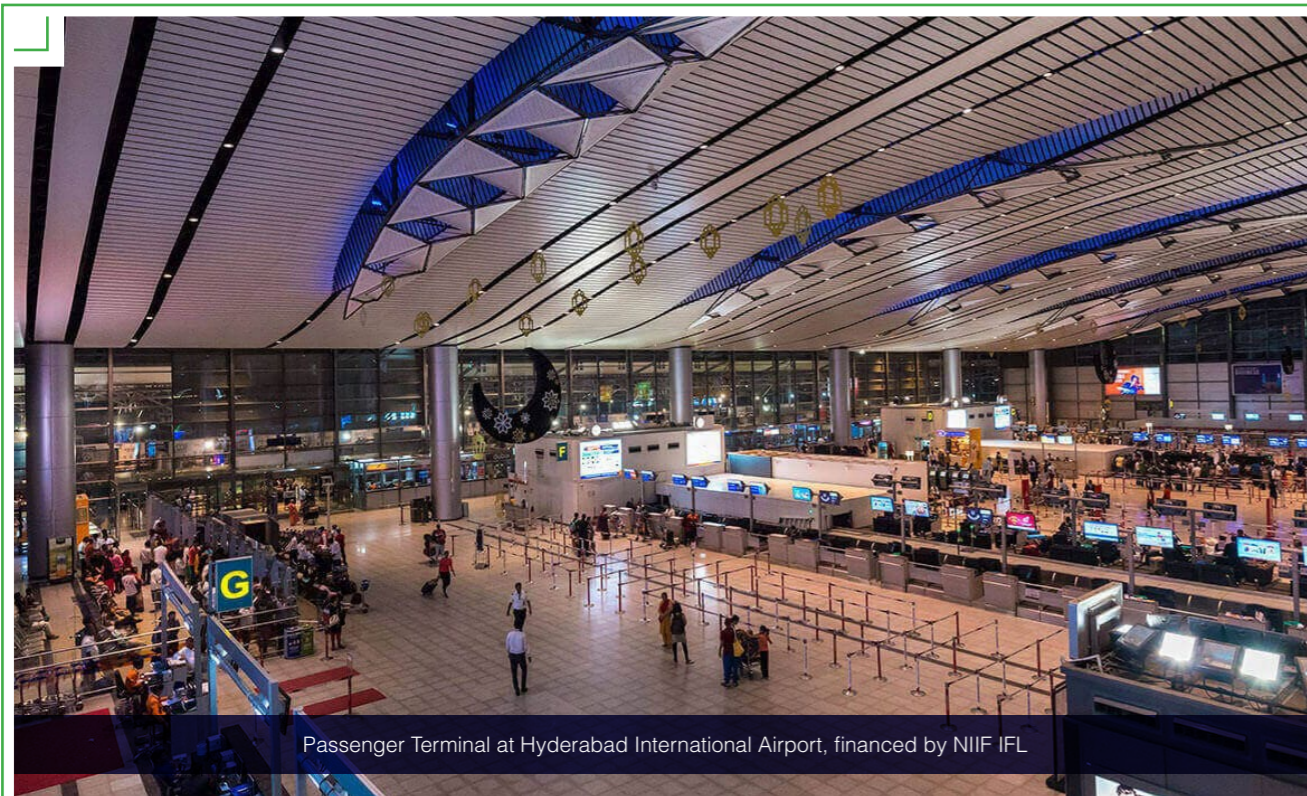


Furthermore, the Company's senior management guides and drives the climate action agenda forward. NIIF IFL's CEO is a member of both the RMC and CC and hence plays a pivotal role between the Board and the management on climate-related matters. Additionally, the Chief Risk Officer (CRO) is responsible for identifying, monitoring and overseeing potential climate-related risks and reporting them to the RMC.

During the reporting period, board members and NIIF IFL's management & ESG Head, held training programs and interactions with external ESG experts, including the 'NIIF Chair in ESG at IIM-A' for its climate agenda. NIIF IFL has developed Standard Operating Procedures (SOP) for Climate Risk Assessment of its loan portfolio. It mentions steps to identify physical climate risks (floods, droughts, heatwaves, landslides, cyclones, etc) at a project location



as part of its E&S due diligence – check of IMD's web-based tool for 'Climate Hazard & Vulnerability Atlas' & World Bank's Think Hazard tool, check of past extreme weather events at the project location using the State Disaster Management databases, check of techno-economic feasibility reports of projects for climate sensitivities, etc. The SOP also outlines steps to assess mitigation measures for identified climate risks at a project location.

NIIF IFL also engages with its clients to ensure adoption of appropriate mitigation measures (e.g. storm water management system for flood prone locations, limit/innovate to avoid use of water in drought prone locations, lightning arrestors at cyclone prone locations and avail insurance for physical damage and business interruption due to climate perils) to mitigate climate risk impacts.



Energy Conservation Initiatives of Financed Projects

Infrastructure projects financed by NIIF IFL have implemented several initiatives that demonstrate stewardship in energy conservation.

Sector	Company	Achievements
 Thermal Captive	JSW Steel	<ul style="list-style-type: none"> In FY 2024, JSW Steel achieved an 18% reduction in specific energy consumption compared to its baseline of 2005. In FY2024, JSW Steel utilised 225 MW of solar power for steel production and aims to use 10 GW of renewable power by 2030.
 Refinery	HPCL-Mittal Energy	<ul style="list-style-type: none"> In FY 2023, the refinery in Bathinda, Punjab, achieved its Specific Energy Consumption target under the Perform Achieve and Trade (PAT) cycle of BEE (Bureau of Energy Efficiency), Ministry of Power.
 Airport	Bangalore International Airport	<ul style="list-style-type: none"> During FY 2023, BIAL met its power requirement predominantly (98%) from renewable energy through onsite and offsite power purchase agreements. It plans to meet its entire (100%) power requirement through renewable electricity consumption and implement afforestation initiatives and green vehicle adoption.
	GMR Hyderabad International Airport	<ul style="list-style-type: none"> During FY 2023, GHIAL met 35% of its power requirement using renewable energy. The Passenger Terminal achieved LEED certification for its energy and environmental stewardship. GHIAL has also undertaken a new initiative to convert all airport vehicles to EVs.

Details of Financed GHG Emissions

Emissions in TCO₂e



Details of GHG Emissions Avoided

Emissions in TCO₂e



*Scope 1 emissions are reported as zero, as the Company does not have any direct emission sources at Company-owned premises. Similarly, the energy purchased for the NIIF IFL office in Mumbai is green energy sourced from Tata Power.





**The emissions mentioned pertain to our investment portfolio (Scope 3, Category 15). Sectors such as thermal captive power plants and telecom towers in our loan portfolio primarily account for the carbon emissions.




***63% of our loans are allocated to solar, wind and small hydro projects, which collectively avoided approximately 13.6 Million TCO₂e of emissions in FY 2024.

Waste Management Initiatives of Financed Projects

The Company generates minimal waste, which is disposed of through a BMC approved vendor. Disposal of e-waste is done through the Company's IT vendor.

Significant steps taken by NIIF IFL's borrowers to manage waste include:

Classification		Initiatives
Industry	Company	
 Thermal Captive	JSW Steel	<ul style="list-style-type: none"> JSW Steel uses 100% of iron-making slag in the cement plant in Vijayanagar, Karnataka. Additionally, fly ash from captive power plant is reused in pellet and cement plants. JSW Steel also disposes of iron-making slag in steel making by processing and recycling. Additionally, fly ash is disposed of in abandoned mines and the surplus is supplied to cement and brick making companies in Rajgarh, Chhattisgarh plant.
 Refinery	HPCL-Mittal Energy	<ul style="list-style-type: none"> Approximately 11,000 MT of hazardous wastes have been recycled in FY 2023. HMEL has partnered with M/s KK Plastic Waste Management Company to use plastic waste in road construction in Bhatinda.
 Healthcare	Apollo Hospital and CARE Hospital	<ul style="list-style-type: none"> Biomedical waste is stored separately in colour-coded bags and regularly disposed off through State Pollution Control Board authorised waste management vendors. Hazardous waste is disposed off through the State Pollution Control Board authorised vendor.
 Airport	Bangalore International Airport	<ul style="list-style-type: none"> Solid, hazardous, biomedical and e-waste are disposed of through respective authorised vendors empanelled with Karnataka State Pollution Control Board. The in-house solid waste management plant that can handle up to 70 MT / day will be commissioned in the calendar year 2024.
	GMR Hyderabad International Airport	<ul style="list-style-type: none"> Greater Hyderabad Municipal Corporation handles food waste currently. GHIAL is setting up a Compost Plant with a processing capacity of 40 MT / day in the available airport land to treat in-house food waste.






 Hospitality	<p>Novotel Hyderabad Airport</p> <ul style="list-style-type: none"> This Green Key certified hotel uses the compost generated from its own organic wastes to produce vegetables in on farmland in on the hotel premises.
 Solar	<ul style="list-style-type: none"> 17 leading renewable power developers comprising about 100 projects have tied up with SPCB (State Pollution Control Board) authorised waste recyclers to dispose of damaged solar modules (e-waste) generated at sites.
 Wind	<ul style="list-style-type: none"> 11 leading renewable power developers comprising about 16 projects have tied up with SPCB authorised waste recyclers to dispose hazardous waste generated at sites.



Food waste converted to compost at Hyderabad International Airport (financed by NIIF IFL)

Water Conservation Initiatives of Financed Projects

The water conservation initiatives undertaken by infrastructure projects financed by NIIF IFL include:

Classification		Initiatives
Industry	Company	
 Airport	Bangalore International Airport	BIAL is a water positive entity that replenishes more water through rainwater harvesting and wastewater treatment than it consumes.
	GMR Hyderabad International Airport	GHIAL promotes water positivity and practices rainwater harvesting (capacity of 2.5 Lakh litres) and uses treated water for landscape irrigation.
 Solar		<ul style="list-style-type: none"> ☉ Solar power projects located in water stressed regions have adopted robotic dry cleaning of solar modules to avoid freshwater usage. ☉ More than 25% of the NIIF IFL's solar power assets are currently practising robotic dry cleaning. ☉ 50% of NIIF IFL's solar power assets have adopted rainwater harvesting and recharge facilities to replenish groundwater.
 Refinery		<ul style="list-style-type: none"> ☉ HMEL refinery in Bhatinda recycles 100% of its wastewater through ETP and STP and protects local water sources from pollution. HMEL has installed a community-based water treatment plant to enhance drinking water quality.
 Captive Thermal Power		<ul style="list-style-type: none"> ☉ JSW Steel, Vijayanagar has improved the Cycles of Concentration (COC) of cooling towers through several innovative measures, leading to a reduction in water consumption by 2,120 m³/day. ☉ JSW Steel, Raigarh, recycles approximately 3,200 m³ of wastewater daily through the use of STP treated water for greenbelt development and ETP treated water for slag cooling.
 Hospitality & Healthcare		<ul style="list-style-type: none"> ☉ Novotel Hyderabad Airport has obtained Platinum certification under Accor Planet Sustainability Programme and has become the first hotel in South India to obtain the prestigious Green Key certification. <ul style="list-style-type: none"> ☉ Treated water from STP is used for cooling, flushing the toilet, and gardening purposes. ☉ Rainwater runoff from rooftop and paved areas is collected and recharged to ground. ☉ Apollo Hospital's Bhubaneswar unit operates a sewage treatment plant (STP) to process wastewater generated from its operations, with the treated water being utilised for landscape irrigation.

Approach to Biodiversity Conservation

NIIF IFL is conscious of biodiversity conservation when financing infrastructure projects. This focus helps preserve natural habitats, support local wildlife, and contribute to the overall health of ecosystems while boosting the economy through infrastructure development.

NIIF IFL assesses biodiversity risks in renewable power projects and stipulates suitable conditions in financing documents to mitigate biodiversity risks in projects located in sensitive natural ecosystems. Accordingly, borrowers are required to monitor adverse biodiversity incidents (bird electrocution, collision with project powerlines, etc.) and implement suitable mitigation measures (such as installing bird diverters on powerlines) to avoid such incidents.

NIIF IFL's renewable power assets are located in and around the priority habitats of Critically Endangered species, the Great Indian Bustard (GIB), have installed dynamic solar-powered LED-type Bird Flight Diverters on the project powerlines to dissuade these critically endangered birds from approaching the powerlines and avoid the collision or electrocution. These diverters are clearly visible to birds from approximately 300 metres. The diverters glow from dusk to dawn and are equipped with solar cells, a battery, and an electronic circuit that switches on automatically under low-light conditions.



Bird diverters at ENEL Vayu (financed by NIIF IFL) at Abdasa Taluka, Kutch, Gujarat



Rainwater harvesting and recharge facility at Bangalore International Airport, financed by NIIF IFL

GRI Content Index

Statement of Use	NIIF IFL has reported the information cited in this GRI content index for the period from April 1 st 2023 to 31 st March 2024 with reference to the GRI Standards.
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GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	8-17
	2-2 Entities included in the organization's sustainability reporting	2-3
	2-3 Reporting period, frequency and contact point	2-3
	2-6 Activities, value chain and other business relationships	8-17
	2-7 Employees	88
	2-9 Governance structure and composition	58-59
	2-10 Nomination and selection of the highest governance body	59-60
	2-12 Role of the highest governance body in overseeing the management of impacts	40-45,58,102-105
	2-13 Delegation of responsibility for managing impacts	40-45,58,102-105
	2-17 Collective knowledge of the highest governance body	46-53
	2-18 Evaluation of the performance of the highest governance body	60
	2-19 Remuneration policies	60
	2-20 Process to determine remuneration	60
	2-23 Policy commitments	61,168
	2-24 Embedding policy commitments	61
	2-26 Mechanisms for seeking advice and raising concerns	126,168
2-29 Approach to stakeholder engagement	38-39	

GRI 3: Material Topics 2021	3-1 Process to determine material topics	40
	3-2 List of material topics	40-45
	3-3 Management of material topics	40-45
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	18,20,72-79
	201-2 Financial implications and other risks and opportunities due to climate change	41,102-105
	201-3 Defined benefit plan obligations and other retirement plans	192
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	20-21,62-71
	203-2 Significant indirect economic impacts	20-21,62-71,92-101
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	61
	205-3 Confirmed incidents of corruption and actions taken	The Company did not have any instances of corruption during the reporting period.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	104-106
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	45,111
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	107
	305-2 Energy indirect (Scope 2) GHG emissions	107
	305-3 Other indirect (Scope 3) GHG emissions	107
	305-5 Reduction of GHG emissions	107
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	19,90
	404-2 Programs for upgrading employee skills and transition assistance programs	80,85,86,89,90
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	59,88
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	92-101
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	The Company did not have any data breaches during the reporting period.

Notice of 11th Annual General Meeting

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

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF MEMBERS OF NIIF INFRASTRUCTURE FINANCE LIMITED ('NIIF IFL' OR 'THE COMPANY') WILL BE HELD ON FRIDAY, SEPTEMBER 27, 2024, AT 11 A.M. ON MS TEAMS (THROUGH AUDIO-VISUAL MEANS) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. ADOPTION OF AUDITED FINANCIAL STATEMENT

To receive, consider and adopt the Annual Audited Financial Statements of the Company for the financial year ended March 31, 2024, and the Report of the Board of Directors along with annexures and Auditors Reports thereon.

2. RE-APPOINTMENT OF DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a Director in place of Mr. AKT Chari (DIN: 00746153), who retires by rotation and being eligible, offers himself for re-appointment.

3. DECLARATION OF DIVIDEND

To declare a dividend on equity shares of ₹ 0.15/- per equity share of face value ₹ 10/- each, for the financial year ended March 31, 2024.

4. TO CONSIDER AND APPROVE THE APPOINTMENT OF G. M. KAPADIA & CO (FIRM REGISTRATION NO. 104767W) AS A JOINT STATUTORY AUDITOR OF THE COMPANY FOR A PERIOD OF THREE YEARS AND REMUNERATION TO BE PAID TO THE JOINT STATUTORY AUDITORS.

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Guidelines for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including Housing Finance Companies) dated April 27, 2021 issued by the Reserve Bank of India ("RBI"), including any amendment, modification, variation or re-enactment thereof, on the basis of recommendation of the Audit Committee and the Board of Directors of the Company, G.M. Kapadia & Co, Chartered Accountants (Firm Registration No. 104767W), is hereby appointed as one of the Joint Statutory Auditors of the Company for a period of 3 (three) consecutive years from the conclusion of the 11th Annual General Meeting till the conclusion of the 14th Annual General Meeting of the Company, subject to their continuity of fulfilment of the applicable eligibility norms, at such remuneration and out of pocket expenses, as may be mutually agreed with the Company or any other officer authorised by the Board."

By Order of the Board of Directors

Sd/-

Ankit Sheth

Company Secretary

Membership Number: A27521

Date: September 5, 2024

Place: Mumbai

Registered office: 3rd Floor, UTI Tower, North Wing,

GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

CIN: U67190MH2014PLC253944

Tel no: +91 22 6859 1300

Email Id: niif-compliance@niiffl.in

Website: www.niiffl.in

Notes:

- Pursuant to Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020, Circular No. 39/2020 dated December 31, 2020, Circular No. 10/2021 dated June 23, 2021, Circular No. 20/2021 dated December 8, 2021, Circular No. 3/2022 dated May 5, 2022, Circular No. 11/2022 dated December 28, 2022 and Circular No. 9/2023 dated September 25, 2023 physical attendance of the Members to the Annual General Meeting (AGM) is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this Notice. Accordingly, route map is also not annexed in this notice.
- The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of commencement of the meeting by following the procedure mentioned in the Notice.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Where Body Corporates are Members of the Company, they are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM. Accordingly, corporate members are requested to e-mail a certified copy of the Board Resolution/Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting to niiffl-compliance@niiffl.in from their e-mail Id registered with the Company.
- The Statement as required under Section 102 of the Companies Act, 2013 ("the Act") is annexed to the notice.
- Queries proposed to be raised at the AGM may be sent to the Company on niiffl-compliance@niiffl.in will enable the management to compile the relevant information to reply the same in the meeting.
- All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170, Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act and other documents shall be made available to the Members from whom request is received on niiffl-compliance@niiffl.in through their e-mail address registered with the Company.
- In case a poll is ordered to be taken by the Chairperson or demanded in accordance with section 109 of the Act, Members can cast their vote during the meeting by sending an email to niiffl-compliance@niiffl.in from their email address registered with the Company.
- In case a poll is demanded, Chairperson shall follow the procedure provided in Section 109 of the Act and the rules made thereunder.

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

1. Members will be provided with a facility to attend the AGM through OAVM via Microsoft Teams Meeting. The link for VC will be shared by the Company via email.
2. Members are requested to click on the MS Teams link and join meeting to participate in the meeting details of which will be provided separately.
3. Members are requested to join the Meeting through Laptop or tablet for better experience.
4. Members will be required to allow camera and use high-speed Internet to avoid any disturbance during the Meeting.
5. Please note that participants connecting from mobile devices or tablets or through laptop or tablet connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. Members who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, mobile number at niiffl-compliance@niiffl.in. The same will be replied by the Company suitably.

By Order of the Board of Directors

Sd/-

Ankit Sheth

Company Secretary

Membership Number: A27521

Date: September 5, 2024

Place: Mumbai

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

Tel no: +91 22 6859 1300

Email Id: niif-compliance@niiffl.in

Website: www.niiffl.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 4

The Members of the Company at the 8th Annual General Meeting ('AGM') held on September 21, 2021, appointed Lodha & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company to conduct the statutory audit for a period of 3 years commencing from the conclusion of the 8th AGM till the conclusion of 11th AGM of the Company at such remuneration and out of-pocket expenses, as may be mutually agreed with the Board of Directors or any other officer as may be authorised by the Board.

The Reserve Bank of India (RBI) on April 27, 2021, had issued "Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including Housing Finance Companies) (RBI Guidelines)". Subsequently, the RBI had also released frequently asked questions (FAQs) dated June 11, 2021. Pursuant to the said guidelines, Company with asset size of ₹ 15,000 crores and above as at the end of previous year, the statutory audit should be conducted under joint audit of a minimum of two audit firms. Hence, pursuant to the RBI Guidelines, the statutory audit of the Company is required to be conducted jointly by a minimum of 2 audit firms. Further, in order to protect the independence of the auditors/ audit firms, the tenure for appointment of said auditors/audit firms is required to be 3 (three) years.

In accordance with the requirement of the aforesaid RBI Guidelines, the members of the Company at their Extra Ordinary General Meeting held on June 8, 2022 appointed M/s MP Chitale & Co (Firm Registration No. 101851W), to act as the Joint Statutory Auditors of the Company for a period of 3 (three) consecutive years and to hold office until the conclusion of the 12th AGM of the Company, subject to the said firms continuing to fulfill the applicable eligibility norms.

The term of the Lodha & Co LLP, Chartered Accountants, Statutory Auditors of the Company, expires at the conclusion of the present Annual General Meeting. The Board of Directors place on record their appreciation for the services rendered by Lodha & Co LLP, Chartered Accountants.

Accordingly, the Board of Directors of the Company, based on the recommendation of the Audit Committee, at its meeting held on August 1, 2024, proposed the appointment of M/s G. M Kapadia & Co, Chartered Accountants (Firm Registration No. 104767W), as Joint Statutory Auditors of the Company for the term of 3 (three) consecutive years from the conclusion of the 11th AGM till the conclusion of the 14th AGM of the Company.

M/s G. M Kapadia & Co have consented to the said appointment and issued a certificate along with relevant information as mentioned in the RBI Guidelines, to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. They have also confirmed that they meet the criteria for independence, eligibility and qualification as prescribed in Section 141 of the Companies Act, 2013 and the RBI Guidelines.

The Board, accordingly, recommends the appointment of M/s G. M Kapadia & Co as Joint Statutory Auditors of the Company at such remuneration and out-of-pocket expenses, as may be mutually agreed with the Board of Directors in consultation with Statutory Auditors as set out in Item No. 4 of this Notice, for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

By Order of the Board of Directors

Sd/-

Ankit Sheth
Company Secretary
Membership Number: A27521

Date: September 5, 2024
Place: Mumbai

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

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

Particulars	Mr. AKT Chari
Age	84 years
Date of appointment on the Board	March 12, 2019
Qualifications	Mr. AKT Chari holds a degree in Electrical Engineering from the University of Madras, India
Nature of expertise & experience	Mr. AKT Chari was Chief Operations Officer and later Advisor at IDFC Limited. A keen Project Finance Specialist, he has ~45 years of experience. Prior to joining IDFC, he worked with the Industrial Development Bank of India (IDBI) for 25 years where he held the position of Chief General Manager/Adviser - Project and Infrastructure Finance. In this role, his responsibilities included appraisal of projects - infrastructure and industrial, project monitoring and portfolio management. In addition, during his tenure in IDBI he handled portfolios in the SME and venture capital sectors. He served as an Independent Director on various boards including HDFC Pension Management Company Limited and HDFC Life Insurance Company Limited.
Relationship with other Director/ Key Managerial Personnel	Not related to any Director/ Key Managerial Personnel
Terms and conditions of appointment/ re-appointment	Liable to retire by rotation
Remuneration last drawn	Refer to Corporate Governance Report forming part of the Annual Report.
Remuneration proposed to be paid	Mr. AKT Chari, Non-Executive Director shall be paid sitting fees for attending Board and/or Committee Meetings
Number of meetings of the Board attended during the financial year 2023-24	10/10
Number of meetings of the Board attended during the current financial year (FY 2025)	3/3
Directorships held in other companies	NIL
Memberships / Chairmanships of committees of other companies	NIL
No. of shares held in the Company	NIL

Director's Report

To,
The Members,
NIIF Infrastructure Finance Limited

Your Directors are pleased to present the Eleventh (11th) Directors Report on the business and operations of the Company ("NIIF Infrastructure Finance Limited" or "NIIF IFL" or "the Company") along with the audited financial statements of the Company for the financial year ("FY") ended March 31, 2024. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as required under the Companies Act, 2013 ("the Act"). This report states compliance as per the requirements of the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations" or "Listing Regulations") and other rules and regulations as applicable to the Company. The pdf version of the report is available on the Company's website (<https://www.niiffl.in/>).

1. FINANCIAL STATEMENTS & RESULTS:

a. Financial Results:

The Company's performance during the financial year ended March 31, 2024, as compared to the previous financial year ended March 31, 2023, is summarised below:

Financial Performance

(Amount in ₹ crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2024
Total Income	1,404.3	1,847.02
Total Expenditure	1,078.5	1,431.6
Profit before tax	325.8	415.4
Tax Expenses	-	(5.0)
Profit for the year	325.8	420.47
Other comprehensive income	(1)	(0.5)
Total comprehensive income for the year	324.8	419.9
Earnings per share (Face Value ₹ 10)		
Basic	2.37	3.06
Diluted	2.37	3.06

b. Capital Adequacy:

The Company's capital adequacy ratio was 24.22% as on March 31, 2024, compared to 20.85% in the previous year. The ratio is significantly above the threshold limit of 15% required by regulation.

c. Debt Equity Ratio:

The Company's debt-equity ratio as on March 31, 2024, stood at 5.13 times. This was significantly below the debt-equity ratio stipulated by rating agencies.

d. Transfer to reserves:

During the financial year under review ₹ 84 crores has been transferred to Statutory Reserve under section 45-IC of RBI Act, 1934. These details are given in the notes to the Financial Statements.

e. Operations:

The Company's performance during the year ended March 31, 2024, in comparison with the year ended March 31, 2023, is summarised as follows:

- Total Revenue: ₹ 1,847.02 crores as of March 31, 2024, compared to ₹ 1,404.3 crores as of March 31, 2023 (a 31% increase over the previous year).
- Loan book: ₹ 22,118 crores as of March 31, 2024, compared to ₹ 17,839 crores as of March 31, 2023 (a 24% increase over the previous year).
- Healthy asset quality with nil Non-Performing Assets (NPAs) in both the Financial Years.

f. Material events during the year:

- The Company has put in place all the policies applicable to Non-Banking Financial Company – Middle Layer ("NBFC-ML") and Non-Banking Financial Company – Infrastructure Debt Fund ('NBFC-IDF') as per the extant RBI Regulations.
- No changes and commitments have occurred from the closure of FY till the date of this Report, which would materially affect the financial position of the Company.

2. DIVIDEND:

For the financial year under review, your Company paid a dividend to the holders of Compulsorily Convertible Preference Shares ('President of India') at a cumulative rate of 0.001% per annum pursuant to the shareholders agreement.

The Board of Directors at their meeting held on June 25, 2024, declared a final dividend for the financial

4. CREDIT RATING:

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

Facility	Name of Rating Agency – CARE Rating Limited	Amount (₹ crores)	Name of Rating Agency – ICRA Limited	Amount (₹ crores)
Non-Convertible Debentures including Zero Coupon Bonds	AAA/ Stable	41,739.00	AAA/ Stable	41,679.00
Commercial Papers	A1+	2,500.00	A1+	2,500.00
Market Linked Debentures			PP-MLD AAA/ Stable	1,000.00
Total		44,239.00		45,179.00

With the above rating affirmations, the Company continues to enjoy a high rating for its Debentures and Commercial Papers.

5. STATE OF AFFAIRS OF THE COMPANY:

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

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

6. SHARE CAPITAL:

During the financial year under review, the Board of Directors of the Company at their meeting held on February 22, 2024, approved the proposal to increase the authorised share capital of the Company.

The Board of Directors also approved issuance of 1,50,000 Non-Convertible Redeemable Preference Shares ("NCRPS") of the face value of ₹ 1,00,000 each for cash, aggregating to a nominal value of ₹ 1,500 crores (Rupees One Thousand crores Only) on a private placement basis, in one or more tranches. The shareholders of the Company at their Extraordinary General Meeting ("EGM") held on March 28, 2024, approved the proposals to increase in authorised share capital and issue NCRPS on private placement basis.

year ended March 31, 2024 to the equity shareholders at the rate of ₹ 0.15/- per equity share subject to approval of shareholders of the Company at the ensuing Annual General Meeting.

3. RESOURCE MOBILISATION

Investments in Non-Convertible Debentures ("NCDs") issued by the Company during the financial year under review were made by Insurance Companies (₹ 3,615 crores), Banks (₹ 1,083 crores) and Retirement Benefit Funds and others (~₹ 657 crores). As on March 31, 2024, the outstanding amount of NCDs was ₹ 19,214 crores. During the financial year under review, the Company issued NCDs for a tenor of up to 15 years for the first time. As on March 31, 2024, the outstanding amount of CP was Nil.

The above-mentioned Debt securities are listed on the Debt segment of National Stock Exchange of India Limited.

The details of authorised share capital of the Company prior to the approval and post approval is as under:

Share Capital	Prior to Change	After the Change
Authorised Share Capital	26,99,99,99,991	41,99,99,99,991
181,50,00,000 Equity Shares of ₹ 10/- each	18,15,00,00,000	18,15,00,00,000
8,80,95,238 Preference Shares (including Compulsory Convertible Preference Shares) of ₹ 21/- each	184,99,99,998	184,99,99,998
25,92,59,259 Preference Shares (including Compulsory Convertible Preference Shares) of ₹ 27/- each	6,99,99,99,993	6,99,99,99,993
1,50,000 Preference Shares of ₹ 1,00,000/- each	-	15,00,00,00,000

Accordingly, the share capital structure of the Company as on March 31, 2024, is as under:

Share Capital	FY 2024
Authorised Share Capital	41,99,99,99,991
1,81,50,00,000 Equity Shares of ₹ 10/- each	18,15,00,00,000
8,80,95,238 Preference Shares (including Compulsory Convertible Preference Shares) of ₹ 21/- each	184,99,99,998
25,92,59,259 Preference Shares (including Compulsory Convertible Preference Shares) of ₹ 27/- each	6,99,99,99,993
1,50,000 Preference Shares of ₹ 1,00,000/- each	15,00,00,00,000
Issued, Subscribed and Paid-up Share capital	13,75,28,06,310
1,37,52,80,631 Equity Shares of ₹ 10/- each	13,75,28,06,310

Note: The Board of Directors of the Company at their meeting held on March 28, 2024, approved the conversion of 34,49,97,165 Compulsorily Convertible Preference Shares (CCPS) held by the President of India into 34,49,97,165 Equity Shares of the Company in the ratio of 1 Equity Share for every 1 CCPS held and allotted 34,49,97,165 Equity Shares of face value ₹ 10/- each to the President of India pursuant to conversion of CCPS on March 30, 2024.

7. DEPOSITORY

As on March 31, 2024, 100% of the Company's Equity Shares and Non-Convertible Debentures were held in dematerialised mode.

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

i. Appointment/Resignation of Directors

The composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations with an appropriate combination of Independent Directors and Non – Executive Directors.

As on March 31, 2024, the Board of Directors comprises of 6 (six) Directors out of which 3 (three) were Independent Directors (including 1 Woman Director).

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

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

Mr. Surya Prakash Rao Pendyala (DIN: 02888802) Chairman and Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company consequent to his retirement as Executive Director and Chief Investment Officer at National Investment and Infrastructure Fund Limited (Fund Manager to NIIF Fund II), with effect from the closure of business hours on November 30, 2023.

Mr. Rajiv Dhar (DIN: 00073997) Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company with effect from the closure of business hours on March 28, 2024.

Mr. Padmanabh Sinha (DIN: 00101379) and Mr. Nilesh Shrivastava (DIN: 09632942) were appointed as Non-Executive Nominee Directors (Nominee of NIIF Fund II) of the Company with effect from March 28, 2024.

ii. Directors Retiring by Rotation

In accordance with the relevant provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. AKT Chari, Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company, is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and, being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment. Profile of Mr. AKT Chari has been given in the Notice to the AGM.

iii. Director(s) Disclosure/Board 's Independence

Based on the declarations and confirmations received in terms of the applicable provisions of the Act, circulars, notifications and directions issued by the RBI and other applicable laws, none of the Directors of the Company are disqualified from being appointed as Directors of the Company.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Act, confirming that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulations 16(1) (b) and 25(8) of the SEBI Listing Regulations as amended from time to time.

The Independent Directors met once on May 2, 2024 for the financial year ended March 31, 2024. The matters considered and discussed there at, inter-alia, included those prescribed under Schedule IV to the Act. All the Independent Directors attended the meeting held on May 2, 2024.

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

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company has familiarised the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details relating to the familiarisation programme are available on the website of the Company at <https://www.niiffl.in/>.

iv. Appointment/Resignation of KMPs:

During the financial year under review, Mr. V. Narayanan Iyer, resigned from the post of Chief Financial Officer ("CFO") and Key Managerial Personnel ("KMP") of the Company, with effect from the closure of business hours on October 9, 2023. Accordingly, the Board of Directors of the Company at its meeting held on March 28, 2024, based on the recommendation of the Nomination and Remuneration Committee and the Audit Committee, approved the appointment of Mr. Pankil Mehta as Chief Financial Officer ('CFO') and Key Managerial Personnel ('KMP') of the Company, with effect from March 28, 2024.

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

Mr. Pankil Mehta has taken on a new role as the Company's Financial Controller.

v. List of Directors and KMPs' as on March 31, 2024:

Name of the Director / KMP	DIN/PAN	Type / Category
Mr. A K T Chari	00746153	Non-Executive Director
Mr. Ashwani Kumar	02870681	Independent Director
Ms. Rosemary Sebastian	07938489	Independent Director
Mr. Prashant Kumar Ghose	00034945	Independent Director
Mr. Padmanabh Sinha	00101379	Non-Executive Director
Mr. Nilesh Shrivastava	09632942	Non-Executive Director
Mr. Shiva Rajaraman	AMOPS4303E	Chief Executive Officer
Mr. Pankil Mehta	ARSPM4330L	Chief Financial Officer
Mr. Ankit Sheth	BFPPS8108Q	Company Secretary

Note:

Mr. Surya Prakash Rao Pendyala (DIN: 02888802) Chairman and Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company consequent to his retirement as Executive Director and Chief Investment Officer at National Investment and Infrastructure Fund Limited (Fund Manager to NIIF Fund II), with effect from the closure of business hours on November 30, 2023.

Mr. Rajiv Dhar (DIN: 00073997) Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company with effect from the closure of business hours on March 28, 2024.

Mr. Padmanabh Sinha (DIN: 00101379) and Mr. Nilesh Shrivastava (DIN: 09632942) were appointed as Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company with effect from March 28, 2024.

Mr. V. Narayanan Iyer resigned as the Chief Financial Officer ("CFO") and Key Managerial Personnel ("KMP") of the Company with effect from the closure of business hours on October 09, 2023.

Mr. Pankil Mehta was appointed as the Chief Financial Officer ("CFO") and Key Managerial Personnel ("KMP") of the Company with effect from March 28, 2024. Mr. Pankil Mehta resigned as Chief Financial Officer ("CFO") and Key Managerial Personnel ("KMP") with effect from the closure of business hours on June 25, 2024. Mr. Pankil Mehta has taken on a new role as the Company's Financial Controller.

Mr. Sudeep Bhatia was appointed as the Chief Financial Officer ("CFO") and Key Managerial Personnel ("KMP") of the Company with effect from June 25, 2024.

vi. Fit and Proper criteria & Code of Conduct:

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

Directors) and Senior Management of the Company. The Board is of the opinion that the sum assured, and the risks presently covered under the D & O Insurance are adequate and commensurate with the size of operations of the Company.

9. ORDERLY SUCCESSION FOR BOARD AND SENIOR MANAGEMENT

The Company recognises the importance of implementing an effective succession plan for the Board of Directors and Senior Management team in order to secure a successful future for the organisation. The Company has a succession plan in place for key appointments as required.

10. DIRECTORS AND OFFICERS INSURANCE

The Company has taken Directors and Officers (D & O) Insurance for all the Directors (including Independent

11. ANNUAL BOARD EVALUATION:

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

The Board evaluation process was conducted through a dedicated software and the responses received from the Directors were kept anonymous.

Pursuant to the provisions of the Act, as amended from time to time, the Nomination and Remuneration Committee also carried out an annual evaluation

of the Board as well as of the Board's Committees. The conclusions were discussed in the Meeting of the Nomination and Remuneration Committee where the performance of the Board, its committees were reviewed.

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

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

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

Holding Company:

Your Company does not have any Holding Company.

National Investment and Infrastructure Fund II (NIIF's Strategic Opportunities Fund) ("NIIF Fund II") holds 39.73% equity stake in the Company. National Investment and Infrastructure Fund Limited ("NIIF") is an investor-owned fund manager, anchored by the Government of India ("GoI") in collaboration with leading global and domestic institutional investors. It currently manages four funds and has the majority stake in the Company through its Strategic Opportunities Fund ("SOF").

Sponsor Company

Due to a revision in the regulatory framework for Infrastructure Debt Fund-NBFCs ("IDF-NBFCs") in 2023, issued by the Reserve Bank of India, the requirement for an IDF-NBFC to be sponsored by a bank or an NBFC-Infrastructure Finance Company ("NBFC-IFC") has been dispensed with and shareholders of IDF-NBFCs are now subject to the same criteria as applicable to those of other NBFCs.

Subsidiary Company, Joint Ventures, Associates Company

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

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

13. PUBLIC DEPOSITS:

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

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

14. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

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

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

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

Pursuant to Regulation 23 of the SEBI Listing Regulations and applicable provisions of the Act, read with the applicable rules made thereunder, the material RPTs to be entered into, by the Company with any related party, requires prior approval of the members of the Company. Accordingly, shareholders of the Company at their EGM held on March 28, 2024, approved the Material Related Party Transactions to be entered into, by the Company for FY 2025.

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

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

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

16. POLICY FOR FIT AND PROPER SELECTION OF DIRECTORS

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

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

i. Independent-Non-Executive Directors (“INEDs”)

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

ii. Particulars of remuneration to Employees

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

18. WHISTLE-BLOWER POLICY/VIGIL MECHANISM

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and

Regulation 22 of the SEBI Listing Regulations, the Company has formulated a Whistle-Blower Policy/Vigil Mechanism for Directors and Employees to report concerns. The said policy is available on the Company's website at <https://www.niiffl.in>.

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

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

19. RISK MANAGEMENT FRAMEWORK

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

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

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

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

The ICAAP encompasses capital planning, assessment of material risks and the relationship between risk and capital. The capital management framework is complemented by the risk management framework, which covers the policies, processes, methodologies and frameworks established for the management of

material risks. It requires a comprehensive internal capital adequacy assessment process scheduled to be conducted annually, which can determine the adequate level of capitalisation necessary for meeting current and future business needs.

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

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

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

The Board appointed Chief Risk Officer (“CRO”) functions independently with specific roles and responsibilities to ensure that the highest standards of risk management are met. The CRO inter-alia ensures that the Company follows a maker-checker principle with the risk team playing the checker role independently. Though the CRO reports to the CEO, his independence is safeguarded by ensuring that the RMC meets the CRO without the presence of the CEO at least on a quarterly basis. The CRO does not have any reporting relationship with the business verticals of the Company and is not given any business targets. Further 'dual-hatting' is avoided by ensuring that the CRO is not given any other responsibility.

Credit Risk

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

E&S Risk

NIIF IFL is a responsible financial institution and recognises E&S (environmental and social) risks associated with infrastructure projects financed by it. The Company takes action to avoid, prevent or mitigate such risks. The Company takes action to avoid, prevent or mitigate such risks. The Company has adopted an E&S Risk Policy, benchmarked to IFC Performance Standards, in order to ensure integration of E&S aspects in the credit appraisal and loan disbursement processes, as well as post-lending monitoring phases.

Global warming caused by greenhouse gas emissions poses a serious threat to our economy. In the pretext of increasing frequency of climate hazards (floods, cyclones, landslides etc.) in the recent past, it can be inferred that infrastructure projects are susceptible to physical damages and business interruption. Hence, identifying and managing climate risks is critical for ensuring business continuity and protecting physical assets. Climate risk is the potential for problems arising from the impact of climate change. The assessment of climate risk is based on analysis of the probability, consequences and response to these impacts.

NIIF IFL assesses potential damage and disruption of physical assets and supply chains, as well as adverse impact on employees and society at large. All loan assets are mapped to check whether they fall in seismological zones, cyclonic zones, flood zones, landslide zones, drought & heatwave zones. Availability of insurance for climate perils, availability of mitigation measures for example, adoption of water neutrality measures, lightning arrestors, storm water management system etc. are assessed for every loan asset.

Market & Liquidity Risk

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

Operational Risk

The Company has a Board approved Operational Risk Management framework. Ongoing monitoring of Key Risk Indicators ("KRI") is conducted, and corrective actions are implemented on KRI exceptions. An oversight committee of Senior Management representatives viz. the Operational Risk Management Committee, meets periodically to review the operational risk profile of the organisation.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

21. INTERNAL FINANCIAL CONTROLS

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

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

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

22. COMPLIANCE FUNCTION

Pursuant to RBI guidelines on 'Scale Based Regulation (SBR)- A Revised Regulatory Framework for NBFCs on the Compliance Function and Role of Chief Compliance Officer (CCO), and Master Direction – Reserve Bank of India (Non-Banking Financial Companies - Scale Based Regulation) Directions, 2023, the Company has put in place a policy on the

compliance framework with the objective of promoting better compliance culture in the Company. The Board appointed Chief Compliance Officer ("CCO") functions independently with specific roles and responsibilities to propagate the compliance function as an integral part of corporate governance, internal control, and risk management process of the Company.

The objective of the compliance policy is to clearly spell out the Company's compliance philosophy, expectations on compliance culture, structure and role of the compliance function, the role of CCO and requirements for identifying, assessing, and monitoring, managing, and reporting on compliance risk.

23. INTERNAL AUDIT FUNCTION

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

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

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

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

24. INFORMATION TECHNOLOGY AND IT SECURITY

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

The Company continued its focus on digital transformation initiatives during the year targeted at improved business efficiencies, ease of operations, and effective risk management. One of the critical

digital initiatives being undertaken by the Company includes the Risk Assessment Management tool for evaluating and monitoring risk across multiple clients of the Company.

The Company is in the process of implementing digital initiatives including implementation of a smart Asset Liability Management and Treasury Management system to get end-to-end visibility into liability maturity patterns and manage the complete lifecycle of a loan. The said implementation can track and manage multiple investment instruments under one platform. The Company is also in the pre implementation phase for other upcoming initiatives related to real-time monitoring of projects to which the Company has provided debt, as well as compliance and document management system.

To create and enhance awareness, the Company has conducted learning programs on cyber security and its importance to enable employees to comply with the regulatory/statutory guidelines as well as ensure protection of systems. A robust governance mechanism was established to manage the cyber risk inherent in business processes and information assets through monitoring mechanisms and rigorous reviews.

25. DISCLOSURE OF LARGE CORPORATE ENTITY

The Company has been identified as a "Large Corporate" under the framework provided by SEBI circular no. SEBI/HO/DDHS/DDHS-RACPOD1/P/ CIR/2023/172 dated October 19, 2023, and accordingly, has ensured that more than 25% of its incremental borrowing during the year was by way of issuance of debt securities.

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

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

27. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, ("Act") in relation to the audited financial statements of

the Company for the year ended March 31, 2024, the Board of Directors hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures from the same;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2024, and of the profit of the Company for financial year ended on that date;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. the Directors have laid down Internal Financial Controls to be followed and such Internal Financial Controls were adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. MATERIAL ADVERSE ORDERS, IF ANY

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

29. MANAGEMENT DISCUSSION AND ANALYSIS

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

30. AUDITORS AND REPORTS:

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

i. Statutory Auditors and their report:

There are no observations made in the Auditors' reports for the financial year ended

March 31, 2024. Hence, the same do not call for any further comments under Section 134(3)(f) of the Act.

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

As on March 31, 2022, the Company had appointed M/s Lodha & Co. LLP (Firm Registration Number 301051E) as Statutory Auditors of the Company till the conclusion of the 11th Annual General Meeting of the Company.

On March 31, 2022, the Company reached the asset size of ₹ 15,000 crores. Hence, as prescribed in the abovementioned circular, the Company was required to appoint Joint Statutory Auditors to conduct the statutory audit of the Company. Accordingly, Shareholders of the Company on the recommendation of Audit Committee and Board of Directors, at their EGM held on June 8, 2022, appointed M/s M P Chitale & Co, (Firm Registration No. 101851W), as Joint Statutory Auditors of the Company to hold office for a period of 3 (Three) years till the conclusion of the 12th Annual General Meeting of the Company.

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

The term of appointment of M/s Lodha & Co LLP will end at the ensuing Annual General Meeting. The Board of Directors based on the recommendation of the Audit Committee approved the appointment of M/s G. M. Kapadia & Co (Firm Registration Number: 104767W) subject to approval of shareholders in the ensuing Annual General Meeting for a period of 3 (Three) years till the conclusion of the 14th Annual General Meeting.

ii. Secretarial Auditors and their report:

As required under provisions of Section 204 of the Companies Act, 2013 and pursuant to

Regulation 24A of Listing Regulations, the reports in respect of the Secretarial Audit for FY 2024 carried out by M/s. Rathi & Associates, Practicing Company Secretaries, in Form MR-3 forms part to this report.

The Secretarial Audit Report for the financial year ended March 31, 2024, does not contain any qualification, adverse remark, or reservation. Accordingly, the Board is not required to provide any further explanation or comments under Section 134(3) of the Companies Act 2013, and the Secretarial Audit Report is attached as **Annexure II** to this report.

iii. Internal Audit Function and their report:

Pursuant to RBI Risk Based Internal Audit ("RBIA") framework, Ms. Archana Moghe is the Head – Internal Audit ("HIA") of the Company.

The Internal Audit reports are reviewed quarterly by the Audit Committee.

iv. Cost Auditors and their report:

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

v. Reporting of frauds by auditors:

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

31. PROTECTION OF WOMEN AT THE WORKPLACE

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

32. CORPORATE GOVERNANCE

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

The Company believes that good & transparent Corporate Governance practices enable the Board and the Management to direct and control the affairs of the Company in an efficient manner thereby helping the Company to achieve its goal and benefit the interest of all its stakeholders. The report on Corporate Governance has been furnished and is marked as **Annexure IV**.

i. Board of Directors:

The Board meets at regular intervals to discuss and decide on the Company's performance and strategies. During the financial year under review, the Board met 10 (Ten) times.

The meetings of the Board were held on April 28, 2023, May 4, 2024, July 5, 2023, July 27, 2023, November 7, 2023, November 29, 2023, December 27, 2023, February 1, 2024, February 22, 2024, and March 28, 2024.

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

ii. Audit Committee

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

During the financial year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control

system of your Company. The Committee also reviewed the procedures laid down by the Company for assessing and managing risks.

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

iii. Nomination and Remuneration Committee

Your Company has a duly constituted Nomination and Remuneration Committee ("NRC"), with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act, RBI Master Directors and SEBI Listing Regulations.

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

Pursuant to the provisions of Section 178(3) of the Act, Para 99 of the RBI Master Directions and Regulation 19 of the SEBI Listing Regulations, the Company has formulated a Remuneration Policy which inter alia, includes the criteria for determining qualifications, positive attributes and independence of Directors, identification of persons who are qualified to become Directors, Key Managerial Personnel and Senior Management.

iv. Corporate Social Responsibility Committee

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

As a part of its initiatives under CSR, the Company has undertaken projects in the areas of promoting health, education, rural development projects, and environmental sustainability. The projects are in line with the CSR Policy of the Company and statutory requirements under the Act.

During the financial year under review, the Company has contributed and spent ₹ 5.27 crores towards CSR projects. The required disclosure as per Rule 9 of Companies (Corporate Social

Responsibility Policy) Rules 2014 has been appended as **Annexure III** to this report.

v. Other Committees

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

33. ANNUAL RETURN

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

34. RBI GUIDELINES

The Company has constituted various Committees in compliance with applicable regulations/directions issued by the RBI (as amended from time to time). These Committees primarily measure, monitor, report and control risks of the Company. The Company always operates in compliance with the applicable laws including RBI & SEBI regulations. The Company has complied with all applicable regulations and guidelines issued by the applicable authorities including RBI and SEBI. As required under Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulations) Directions, 2023, the management of the Company, in addition to this report, has prepared a management discussion analysis section which forms part of this report.

35. BOARD POLICIES

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

36. OTHER DISCLOSURES:

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

i. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Considering the nature of operations of the Company whereby the Company is not engaged

in any manufacturing activity, the particulars regarding conservation of energy and technology absorption as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable and have not been included.

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

ii. Secretarial Standards

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

37. GENERAL:

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

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise and under Employees Stock Option Scheme as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) Instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013.
- d) Receipt of any remuneration or commission from any of its holding or subsidiary company by the managerial personnel of the Company.
- e) Revision of the financial statements for the year under review.
- f) Material changes and commitments that occurred between the end of the financial year of the Company and the date of the Report which could affect the Company's financial position.
- g) Significant or material orders passed by the Regulators or Courts or Tribunals which impact/ could impact the going concern status and Company's operations in future.

- h) Proceeding for Corporate Insolvency Resolution Process initiated Under the Insolvency and Bankruptcy Code, 2016.
- i) Instance of one-time settlement entered with any Banks and/or Financial Institutions.
- j) Scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- k) Failure to implement any Corporate Action.
- l) Transfer of un-paid or unclaimed amount to Investor Education and Protection Fund ("IEPF").
- m) Obtained any registration / license / authorisation, by whatever name called from any other financial sector regulators.

38. ACKNOWLEDGEMENTS AND APPRECIATION:

The Board would like to acknowledge the dedication and hard work of the Company's employees at all levels, as well as the support of the Company's diverse stakeholders. During the period under review, the

relationship with regulatory authorities, shareholders, customers, bondholders, rating agencies and other stakeholders remained positive.

The Board appreciates the support and cooperation of all stakeholders.

By Order of the Board of Directors

Sd/-
Padmanabh Sinha
Non-Executive Director
DIN: 00101379

Sd/-
Nilesh Shrivastava
Non-Executive Director
DIN: 09632942

Place: Mumbai
Date: August 01, 2024

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

CIN: U67190MH2014PLC253944
Website: <https://www.niiffl.in/>

Management Discussion and Analysis

ANNEXURE I

Industry Structure and Developments

The global economy has demonstrated resilience, despite witnessing several challenges. These challenges include elevated asset prices, political instability, ongoing tensions in Europe and the Middle East, the Red Sea crisis, high inflation, and tightening monetary policies, all of which continue to pose significant risks. Despite challenges, the global economy grew by 3.3% in Calendar Year ("CY") 2023 and is projected to grow at 3.2% in CY 2024.

In contrast, India stands out as a beacon of economic strength. Despite global turbulences, the country's GDP grew at a rate of 8.2% in FY 2024. This robust performance is driven by government initiatives, rising per capita income, substantial infrastructure development, expansion in core manufacturing sectors, the emergence of MSMEs and increased consumer confidence.

The Indian government's allocation for infrastructure in the Union Budget FY 2025 will significantly boost economic growth. A capital expenditure of ₹ 11,11,111 Crores (3.4% of GDP) has been allocated by the government, demonstrating a strong commitment to infrastructure development. Additionally, provision of ₹ 1.5 Lakh Crores in long-term interest-free loans to states is made to support resource allocation. The private sector will also be incentivised to invest in infrastructure through viability gap funding and enabling policies.

This strategic focus on infrastructure is expected to positively impact infrastructure financing companies. Enhanced infrastructure investments are likely to create new opportunities for financing, foster growth in the sector and stimulate demand for financial products and services tailored to infrastructure development.

In July 2024, inflation stood at 3.5%, comfortably below the 4% target set by the Reserve Bank of India ("RBI"). This marks a notable improvement from earlier in the year when inflation was above RBI's 4% target. This reflects the government's effective measures and monetary policy adjustments. RBI's commitment to maintaining inflation within this target range remains strong with ongoing efforts to ensure price stability in the near future.

Opportunities and Threats

Opportunities

Government of India has set a target for establishing 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. In this regard, the

following additional initiatives have been taken towards integration of renewable power in the grid:

- SECI has preliminarily identified ~181.5GW potential Renewable Energy Zones in 8 states namely Andhra Pradesh, Karnataka, Telangana, Rajasthan, Maharashtra, Madhya Pradesh and Offshore wind at Gujarat & Tamil Nadu with various Hybrid & Solar locations planned with storage.
- ~55.08 GW of renewable potential has been identified in Rajasthan, Gujarat, Himachal Pradesh and Ladakh for which planning of transmission system has been carried out and implementation of the same is planned.
- Transmission schemes for integration of ~66.5GW renewable generation in states like Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Karnataka, Andhra Pradesh and Tamil Nadu have been planned and are under various stages of implementation.

The above initiatives of the government of India are reflection of strong emphasis on renewable power that has broadened NIIF IFL's financing opportunities in green power transition sector.

Further, the latest announcements by RBI are expected to widen the investor base and market for infrastructure financing for Infrastructure Debt Fund - Non-Banking Financial Company ("IDF-NBFC") in the following manner:

- Issue of low-cost zero-coupon bonds (specifically permitted for IDF-NBFCs by the Govt. of India), which will enable NIIF IFL to grow the market by passing on the benefit to customers (thereby making infrastructure cheaper in India for citizens), increase market share and return.
- Access to new classes of investors through External Commercial Borrowings ("ECBs") (recently permitted for IDF-NBFCs by RBI).
- Increase in exposure limits (recently permitted for IDF-NBFCs by RBI), will permit NIIF IFL to finance larger projects.
- Ease of doing business measures taken by RBI (specifically permitted for IDF-NBFCs by RBI), will reduce the turnaround time to customers, indirectly increasing the volume of business.

Threats

Continued availability of liquidity in the banking system may lead some infrastructure project companies/borrowers to avail financing from banks which could impact the

opportunities available for refinancing by IDF-NBFCs. Also, in view of limited credit growth for new projects in industrial sectors, commercial banks and new development finance institutions are likely to aggressively lend to operational infrastructure projects thereby posing competition to the IDF-NBFCs.

New investment platforms like InVITs in matured sectors such as roads, renewables and transmission could impact the pipeline of operating assets available for refinancing by NIIF IFL, as IDF-NBFCs are not permitted to provide financing to InVITs.

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

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

NIIF IFL is dependent on the bond markets for its liabilities (as mandated by regulatory guidelines) and any significant movement in terms of yields or liquidity will affect its fund raising.

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

The relatively recent floods have impacted lives in many states in India. These climatic events have impacted projects in several districts of the impacted states. While projects financed by NIIF IFL are insured against various risks, the severity of climatic events could impact project performance.

Segment wise and operational performance of the Company

NIIF IFL expanded its loan portfolio significantly, growing from ₹ 17,839 Crores in FY 2023 to ₹ 22,118 Crores by the end of FY 2024, reflecting a 24% increase. The total gross disbursements in FY 2024 amounted to ₹ 6,986 Crores. The Company increased its exposure in key areas such as renewable power generation, telecommunication infrastructure, logistics and other commercial infrastructure projects.

On the liabilities front, NIIF IFL continues to sustain robust relationships with a broad range of investors, including insurers, retirement benefit funds, banks, corporates and

mutual funds. As of March 31, 2024, the outstanding borrowings through non-convertible debentures (NCDs) were ₹ 19,214 Crores, with all issuances receiving a 'AAA' rating from ICRA and CARE.

The Company maintains strong asset quality with no non-performing assets (NPAs) and a solid capital position, with a Capital Adequacy Ratio of 24.22% as of March 31, 2024.

NIIF IFL's Financial Performance Highlights

A summary of NIIF IFL's financial performance for FY 2024, along with a comparison to its performance in FY 2023, is as under:

Total Revenue: ₹ 1,847.02 Crores as on March 31, 2024, compared to ₹ 1,404.3 Crores as of March 31, 2023, reflecting a growth of 30.8% year-on-year (Y-o-Y). This increase is attributed to higher loan disbursements, successful project financings, and profitable exits.

Loan book: ₹ 22,118 Crores as on March 31, 2024, in comparison with ₹ 17,839 Crores as on March 31, 2023, showcasing a growth of 24%.

The Company's debt-equity ratio was 5.13 times as of March 31, 2024, resulting from increased borrowings to support increased lending activities and investments, thereby impacting overall leverage.

Outlook

With a significant loan book expansion and a diverse portfolio of investments in high-growth sectors such as renewable power generation and transmission, airports, roads, telecommunication infrastructure, and logistics, the Company is poised to capitalise on the expanding infrastructure development landscape.

The strategic focus on infrastructure, supported by substantial government investments and a strong capital base, positions NIIF IFL advantageously in a thriving market.

The strategy going forward would be to significantly increase the loan book with focus on asset quality and maintain a balanced and diversified portfolio across multiple sectors in the infrastructure domain.

The growth would continue to be underpinned by strong credit appraisal and structuring skills, disciplined risk and asset management practices and continuous monitoring of the portfolio. On the liabilities side, the Company will continue its endeavour to raise long term debt from a diversified base of investors and optimize borrowing cost.

Risks and Concerns

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

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

People

NIIF IFL recognises its workforce as a cornerstone of success and a key differentiator in its service-oriented business. A commitment to leveraging the diverse skills, deep industry knowledge, and proven expertise of employees is central to driving excellence. Over the past year, significant investments have been made to strengthen teams across all functions.

The Company is dedicated to fostering an inclusive workplace where every employee is valued and respected. Women constitute 36.5% of the workforce, including in managerial positions, with ongoing efforts to further

enhance this diversity. In addition to gender diversity, there is a focus on age diversity, with recruitment drives targeting young talent from top campuses to introduce fresh perspectives and innovative ideas.

NIIF IFL is committed to employee well-being, offering a comprehensive benefits package that includes accident and health insurance, parental leave, wellness allowances, annual health check-ups, and sessions led by health experts.

The Company offers a variety of learning and development programmes to advance both technical and behavioural skills. These programmes are designed to enhance competencies and ensure compliance, supporting professional growth and preparing employees for future leadership roles.

Number of Employees

Men	Women	Total (As of March 31, 2024)
40	23	63

Internal Control Systems and Their Adequacy

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

Secretarial Audit Report

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

To
The Members,
NIIF Infrastructure Finance Limited
Mumbai

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the Financial Year ended on 31st March, 2024, according to the provisions of:
 - the Companies Act, 2013 ("the Act") and the rules made there under;
 - the Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), as amended;

- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (to the extent applicable);
- The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") were not applicable to the Company during the financial year under report: -
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as mentioned hereunder:
 - Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023
 - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;
 - Master Circular – "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015;
 - Master Direction – Know Your Customer (KYC) Direction, 2016.

- (v) Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices.
- (vi) Master Direction – Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
5. The provisions and guidelines prescribed under the Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder were not applicable to the Company during the Financial Year under report.
6. The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were not applicable to the Company during the Financial Year under report.

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted, and the Company only has Non-Executive Directors and Independent Directors including one woman director in compliance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Except in case of meetings convened at a shorter notice, adequate Notice was given to all Directors to schedule the Board meetings and the agenda and detailed notes on agenda was sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Issue of Secured Redeemable Non-Convertible Debentures ("NCDs") of the face value of ₹ 10,00,000/- and ₹ 1,00,000 each through Private placement basis as under:

Sr. No.	Date of Allotment	No. of NCDs allotted	Amount raised from issue of NCDs (₹ in Crores)
1	April 18, 2023	4,000	400
2	May 9, 2023	50,000	500
3	June 6, 2023	5,000	500
4	July 10, 2023	40,000	400
5	July 31, 2023	90,000	900
6	August 24, 2023	50,000	500
7	October 25, 2023	50,000	500
8	November 16, 2023	85,000	850
9	January 24, 2024	2,500	25
10	January 24, 2024	18,000	180
11	February 14, 2024	10,000	100
12	March 14, 2024	50,000	500
TOTAL		4,54,500	5,355

For **RATHI & ASSOCIATES**
COMPANY SECRETARIES

NEHA R LAHOTY

PARTNER

FCS 8568

COP No. 10286

UDIN: F008568F000872420

P.R. Certificate No.: 668/2020

Place: Mumbai

Date: August 1, 2024

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

Annexure

To
The Members
NIIF Infrastructure Finance Limited
Mumbai

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

- Maintenance of Secretarial record is the responsibility of the management of NIIF Infrastructure Finance Limited (the Company). Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RATHI & ASSOCIATES**
COMPANY SECRETARIES

NEHA R LAHOTY

PARTNER

FCS 8568

COP No. 10286

UDIN: F008568F000872420

P.R. Certificate No.: 668/2020

Place: Mumbai

Date: August 1, 2024

Annual CSR Report of the Company

FOR THE FINANCIAL YEAR 2023-2024

ANNEXURE III

1. Brief outline on CSR Policy of the Company:

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ashwani Kumar	Independent Director - Chairman	3	3
2.	Mr. Prakash Rao*	Nominee Director of NIIF Fund II - Member	2	2
3.	Ms. Rosemary Sebastian	Independent Director - Member	3	3
4.	Mr. Rajiv Dhar**	Nominee Director of NIIF Fund II - Member	1	1
5.	Mr. Nilesh Shrivastava***	Nominee Director of NIIF Fund II - Member	-	-

*Mr. Prakash Rao (DIN: 02888802) Nominee Director of NIIF Fund II of the Company has resigned from the Board of the Company, on withdrawal of nomination by NIIF Fund II (consequent to his retirement) with effect from November 30, 2023.

**Mr. Rajiv Dhar (DIN: 00073997) Nominee Director of NIIF Fund II of the Company was inducted in the Committee with effect from December 27, 2023 and only one meeting was conducted from December 27, 2023 till March 31, 2024. However, he resigned from the Board of the Company, on withdrawal of nomination by NIIF Fund II (consequent to the nomination of other members by NIIF Fund II) with effect from March 28, 2024.

***Mr. Nilesh Shrivastava (DIN: 09632942) Nominee Director of NIIF Fund II of the Company, was inducted in the Committee with effect from March 28, 2024.

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

CSR Policy – CSR Policy.pdf (<https://www.niifil.in/>)

CSR Projects & Committee – CSR Report FY 2024.pdf (<https://www.niifil.in/>)

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 if applicable (attach the report) – Not Applicable¹

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

Sr. No.	Particulars	Amount (in ₹)
(a)	Average net profit of the Company as per sub-section (5) of section 135.	2,63,33,37,388
(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135.	5,26,66,748
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	NA
(d)	Amount required to be set-off for the financial year, if any.	NA
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	5,27,00,000

¹Pursuant to Rule 8 (3), the requirement to undertake an impact assessment for the Company's CSR projects is not applicable, since the Company's CSR obligation does not exceed ₹ 10 crores and none of the CSR projects have a project outlay of more than ₹ 1 Crore.

6. Amount Spent on CSR Projects.

Sr. No.	Particulars	Amount (in ₹)
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	5,00,65,000
(b)	Amount spent in Administrative Overheads.	26,35,000
(c)	Amount spent on Impact Assessment, if applicable ¹	NA
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	5,27,00,000

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5,27,00,000	-	-	-	-	-

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

Sr. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
i.	Two percent of average net profit of the Company as per sub-section (5) of section 135	5,27,00,000
ii.	Total amount spent for the Financial Year	5,27,00,000
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	NA
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NA
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NA

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2023	Nil						
2	FY 2022	Nil						
3	FY 2021	Nil						

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

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

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

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

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

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per subsection (5) of section 135. – N.A.

Sd/-
Shiva Rajaraman
Chief Executive Officer

Sd/-
Ashwani Kumar
Chairman, CSR Committee

¹Pursuant to Rule 8 (3), the requirement to undertake an impact assessment for the Company's CSR projects is not applicable, since the Company's CSR obligation does not exceed ₹ 10 crores and none of the CSR projects have a project outlay of more than ₹ 1 Crore.

Report on Corporate Governance

ANNEXURE IV

PHILOSOPHY OF CORPORATE GOVERNANCE:

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

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

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

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

BOARD OF DIRECTORS ('BOARD')

The Board is central to the Company's corporate governance system. The Directors have the responsibility of establishing strategic goals for the management and

ensuring that the long-term interests of all stakeholders are served by adhering to and enforcing the principles of good corporate governance.

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

Committees of the Board that handle specific responsibilities specified by applicable laws, such as the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, IT Strategy Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, and so on, empower the Board's functioning by exchanging information and delivering a focused approach and expedient resolution of diverse matters.

In accordance with the provisions of the Companies Act 2013, and the SEBI Listing Regulations, your Company's Board of Directors has an optimal mix of Non-Executive, and Independent Directors. As of March 31, 2024, the Board of Directors consists of 6 (six) Directors, 3 (three) of whom are Independent Directors, including 1 (One) Woman Director. The Company has appointed a Chief Executive Officer, Chief Financial Officer, and Company Secretary who are not members of the Board of Directors. The Company has also appointed a Chief Compliance Officer, a Chief Risk Officer, and a Head of Internal Audit. The above are in compliance with the Act and applicable regulations.

Director and Chief Investment Officer at National Investment and Infrastructure Fund Limited (Fund Manager to NIIF Fund II), with effect from the closure of business hours on November 30, 2023.

- Mr. Rajiv Dhar (DIN: 00073997) Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company with effect from the closure of business hours on March 28, 2024.

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

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

**Mr. Nilesh Shrivastava (DIN: 09632942) was appointed as a Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company, with effect from March 28, 2024.

***Mr. Padmanabh Sinha (DIN:00101379) was appointed as a Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company, with effect from March 28, 2024.

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

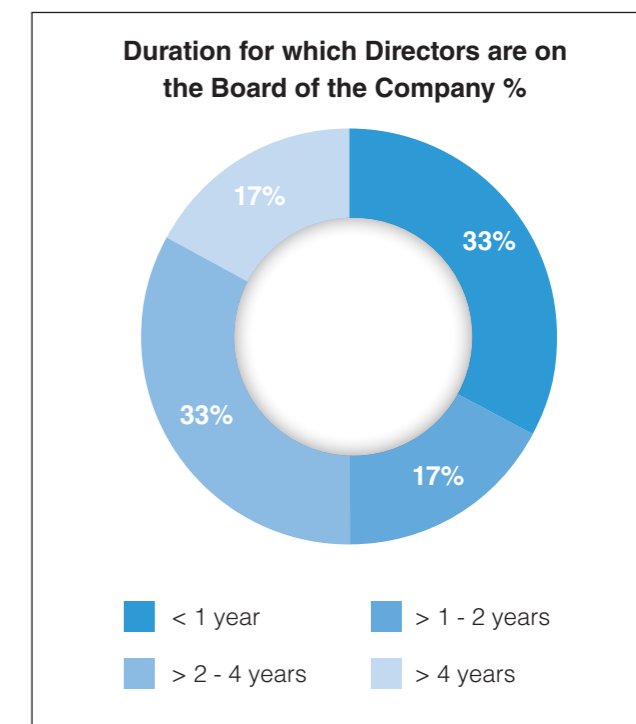
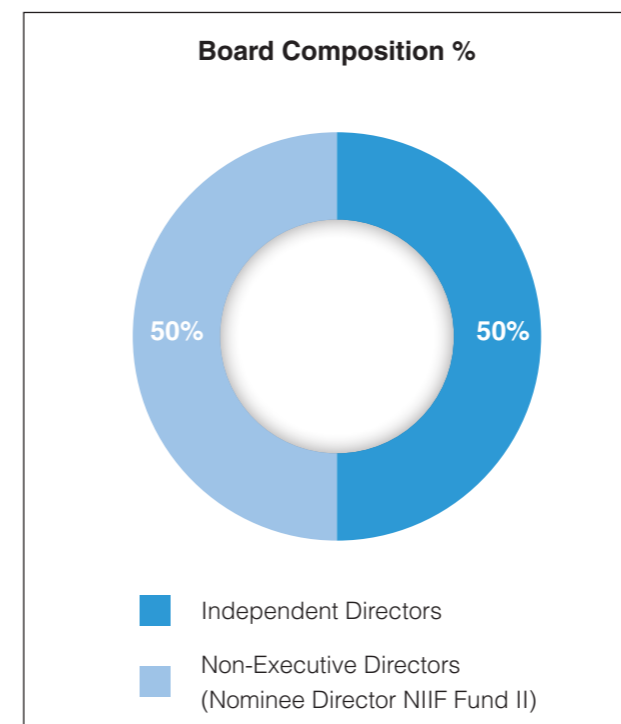
As per declarations received, no Director serves as an Independent Director in more than seven equity listed companies or three equity listed companies if he/she is a full-time director/managing Director in any listed company. In accordance with RBI Scale Based Regulations, the Independent Directors also confirmed that they are not on the Board of more than three NBFCs (NBFC-Middle Layer or NBFC-Upper Layer) at the same time.

The composition of the Board of Directors as at March 31, 2024, including other details are given below:

Name of Director	Category	No. of Directorships in other Public Cos*	No. of Committee Memberships of other Public Cos [§]	Chairpersonship in Committees of other Public Cos
Mr. A K T Chari (DIN 00746153)	Non-Executive Nominee Director	-	-	-
Ms. Rosemary Sebastian (DIN 07938489)	Independent Director	2	2	1
Mr. Ashwani Kumar (DIN 02870681)	Independent Director	3	4	1
Mr. Prashant Kumar Ghose (DIN 00034945)	Independent Director	1	1	1
Mr. Nilesh Shrivastava** (DIN: 09632942)	Non-Executive Nominee Director	1	-	-
Mr. Padmanabh Sinha*** (DIN: 00101379)	Non-Executive (Nominee) Director	1	-	-

Note:

- Mr. Surya Prakash Rao Pendyala (DIN: 02888802) Chairman and Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company consequent to his retirement as Executive



A. Board Meetings

i. Agenda and Minutes

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

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

- Meeting minutes from previous Board and Committee meetings
- Recording Circular Resolution(s)
- Financial results
- Compliance certificate
- Status of action on previous Board meeting items
- Business requirements
- Borrowings and investments
- Review of policies of the Company
- Payment of Auditors' Fees

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

- Strategic initiatives and business plans
- Capital outlay and updates

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

Name of Directors	No. of Board meetings		Attendance in the last AGM dated September 27, 2023
	Held	Attended	Yes/ No/ NA
Mr. Surya Prakash Rao Pendyala*	6	6	No
Mr. Rajiv Dhar**	10	7	No
Mr. A K T Chari	10	10	No
Ms. Rosemary Sebastian	10	10	Yes
Mr. Ashwani Kumar	10	10	Yes
Mr. Prashant Kumar Ghose	10	9	Yes
Mr. Padmanabh Sinha***	-	-	NA
Mr. Nilesh Shrivastava****	-	-	NA

*Mr. Surya Prakash Rao Pendyala (DIN: 02888802) Chairman and Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company consequent to his retirement as Executive Director and Chief Investment Officer at National Investment and Infrastructure Fund Limited (Fund Manager to NIIF Fund II), with effect from the closure of business hours on November 30, 2023.

- Internal Financial Controls
- Organisational structure and succession planning
- Details of fraud incidents (if applicable) and corrective action taken
- Supervisory and observation letters issued by the RBI
- Compliance with the Companies Act, SEBI regulations, RBI regulations, and shareholder-related issues.
- Risk Management System, Risk Management Policy, and Risk Management Strategy
- Adherence to corporate governance standards
- Adherence to the fair practices code
- The operation of the customer grievance redressal mechanism
- Changes in the regulatory environment

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

ii. Attendance of Directors

As a best practice, the Company endeavors to ensure that the Directors are present at all meetings. 10 (ten) Board meetings were held during FY 2024 on April 28, 2023, May 4, 2023, July 5, 2023, July 27, 2023, November 7, 2023, November 29, 2023, December 27, 2023, February 1, 2024, February 22, 2024, and March 28, 2024.

**Mr. Rajiv Dhar (DIN: 00073997) Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company with effect from the closure of business hours on March 28, 2024.

***Mr. Padmanabh Sinha (DIN: 00101379) was appointed as a Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company, with effect from March 28, 2024.

****Mr. Nilesh Shrivastava (DIN: 09632942) was appointed as a Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company, with effect from March 28, 2024.

iii. Details of the Directorships in other listed entities as on March 31, 2024:

Name of Director	Name of listed entity*	Category	Shareholding of Directors
Mr. A K T Chari		Nil	
Ms. Rosemary Sebastian		Nil	
Mr. Ashwani Kumar	Saurashtra Cement Limited	Independent Director	Nil
	Macrotech Developers Limited	Independent Director	
Mr. Prashant Kumar Ghose		Nil	
Mr. Padmanabh Sinha		Nil	
Mr. Nilesh Shrivastava		Nil	

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

In terms of Regulation 26 of the SEBI Listing Regulations, none of the Directors of the Company were members of more than 10 Committees or acted as the Chairperson of more than 5 Committees across all listed companies in India, in which they are a Director.

Pursuant to the provisions of Section 165(1) the Act and Regulation 17A of the SEBI Listing Regulations, none of the Directors:

- i. hold Directorships in more than 20 companies (Public or Private),
- ii. hold Directorships in more than 10 public companies,
- iii. hold Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairpersonship of Board Committees in excess of 5,
- iv. serve as Director in more than 7 listed companies,
- v. serve as Managing Director/Whole Time Director in any listed company or serve as Independent Director in more than 3 listed companies.

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

B. Code of Conduct

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

- i. Maintain practices that conform to the highest degree of corporate governance
- ii. Ensure confidentiality of information
- iii. Ensure accuracy of records and reporting
- iv. Ensure protection of Company's assets
- v. Ensure fulfilment of corporate responsibilities
- vi. Ensure fairness in the workplace
- vii. Ensure compliance with laws & regulations

C. Board Diversity

The Board comprises of adequate number of Directors with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Directors are persons of eminence in areas such as banking, finance, auditing, lending, strategy, administration, regulation etc. and bring with them experience/skills which add value to the performance of the Board and the Company. The Directors are selected on the basis of merit and fulfilment of Fit & Proper criteria prescribed by Reserve Bank of India.

D. Familiarisation Programme

At the time of appointment, Independent Directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. The Company also conducts a formal familiarisation programme, and all Independent Directors attend the programme. At Board and Committee meetings, the Independent Directors are familiarised on the business model, strategies, operations, functions, policies and procedures of the Company. All Directors attend the familiarisation program conducted by the Company. The details of programs attended by the Independent Directors has been posted on the Company's website at <https://www.niiffl.in/>.

F. Chart setting out the competencies of the Board

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

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

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

G. Other Committees of the Company

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

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Risk Management Committee
5. Corporate Social Responsibility Committee
6. IT Strategy Committee

E. Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Act and Rules made thereunder and SEBI Listing Regulations as amended from time to time, one Meeting of Independent Directors was held during the year.

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

7. Asset and Liability Management Committee
8. Credit Committee
9. Investment Committee
10. Finance Committee
11. IT Steering Committee
12. Internal Complaints Committee

A. Audit Committee

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

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

i. Composition of Audit Committee

The Audit Committee comprises of 4 (Four) members viz. Mr. Prashant Kumar Ghose, Mr. Ashwani Kumar, Ms. Rosemary Sebastian and Mr. Nilesh Shrivastava. Out of the above, three members viz Mr. Prashant Kumar Ghose, Mr. Ashwani Kumar and Ms. Rosemary Sebastian are Independent Directors. Mr. Prashant Kumar Ghose is the Chairman of the Audit Committee.

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

The Chief Executive Officer, the Chief Financial Officer, Chief Business Officer, Chief Risk Officer, Chief Compliance Officer & General Counsel, the Statutory Auditors and the Head- Internal Audit of the Company are invited for the Audit Committee meeting of the Company.

Terms of Reference of the Audit Committee are as follows:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. recommendation for appointment, remuneration and terms of appointment of Auditors of the listed entity;
3. approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. reviewing, with the management, the Annual financial statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights

- issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. reviewing the utilisation of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.

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

During FY 2024, the Audit Committee met 5 (Five) times on April 28, 2023, July 27, 2023, November 6, 2023, January 31, 2024, and March 28, 2024. The attendance of the members at the Audit Committee meetings held during FY 2024 is given in the table below:

Name of the Committee member	No. of Audit Committee meetings	
	Held	Attended
Mr. Prashant Kumar Ghose*	2	2
Mr. Ashwani Kumar **	5	5
Ms. Rosemary Sebastian	5	5
Mr. Rajiv Dhar***	5	4
Mr. Nilesh Shrivastava****	0	0

*Mr. Prashant Kumar Ghose was appointed as Chairman of the Audit Committee with effect from December 27, 2023.

**Mr. Ashwani Kumar was appointed as Chairman of the Audit Committee with effect from October 29, 2020, and thereafter appointed as member of the Audit Committee with effect from December 27, 2023.

***Mr. Rajiv Dhar Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company with effect from the closure of business hours on March 28, 2024.

****Mr. Nilesh Shrivastava (DIN: 09632942) was appointed as a member of the Audit Committee with effect from March 28, 2024.

B. Nomination and Remuneration Committee

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

i. Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of 3 (Three) members viz. Mr. Ashwani Kumar, Ms. Rosemary Sebastian and Mr. Padmanabh Sinha. Mr. Ashwani Kumar is the Chairman of the Nomination and Remuneration Committee.

Mr. Nilesh Shrivastava shall be a permanent invitee to the meetings of the Committee.

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

1. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, appointment, the remuneration of the Directors, key Managerial Personnel and other employees keeping in consideration various factors viz. qualification, expertise, diversity etc;
2. for every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent

Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
 4. devising a policy on diversity of Board of Directors;
 5. identifying persons who are qualified to become Directors and who may be appointed in Senior management / KMP in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
 6. whether to extend or continue the term of appointment of the Independent Director, based on the report of performance evaluation of Independent Directors.
 7. recommend to the Board, all remuneration, in whatever form, payable to Senior management.

ii. Meetings of NRC and attendance of NRC members

During FY 2024, the Nomination and Remuneration Committee met 5 (Five) times on April 27, 2023, July 5, 2023, November 6, 2023, February 1, 2024 and March 28, 2024. The attendance of the members at the NRC meetings held during FY 2024 is given in the table below:

Name of the Committee member	No. of Nomination and Remuneration Committee meetings	
	Held	Attended
Mr. Surya Prakash Rao Pendyala*	3	3
Mr. Ashwani Kumar	5	5

Name of the Committee member	No. of Nomination and Remuneration Committee meetings	
	Held	Attended
Ms. Rosemary Sebastian	5	5
Mr. Rajiv Dhar**	2	2
Mr. Padmanabh Sinha***	0	0

*Mr. Surya Prakash Rao Pendyala (DIN: 02888802) Chairman and Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company consequent to his retirement as Executive Director and Chief Investment Officer at National Investment and Infrastructure Fund Limited (Fund Manager to NIIF Fund II), with effect from the closure of business hours on November 30, 2023.

**Mr. Rajiv Dhar Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company with effect from the closure of business hours on March 28, 2024.

***Mr. Padmanabh Sinha (DIN:00101379) was appointed as a member of the NRC with effect from March 28, 2024.

iii. Performance Evaluation

Annual Performance Evaluation

The evaluation framework for assessing the performance of your Company's Directors includes, among other things, contributions at the Meeting(s) and strategic inputs or perspectives regarding the growth and performance of your Company. In accordance with the provisions of the Act and the framework for Board performance evaluation, the NRC and the Board of Directors have conducted an annual evaluation of the Board's performance, as well as the performance of its various committees. The Independent Directors at their meeting reviewed the performance of Committees of the Board and the Board as a whole.

A mechanism for evaluating the performance of the Board, its Committees has been adopted. Evaluation criteria include, among others, strategic perspective, Chairmanship of Board and Committees, attendance, time devoted and preparedness for the Meetings, quality, quantity

and timeliness of the flow of information between the Board Members and the Management, contribution at the Meetings, effective decision-making ability, role and effectiveness of the Committees. The Directors provide feedback on the performance of the Board, its committees, and its chairman.

Outcome of the Evaluation

The Directors of your company are satisfied with the operation of the Board and its Committees. The Committees operate effectively, and in addition to the mandated terms of reference for each Committee, significant issues are brought up and discussed at Committee meetings. The Board took into account the Directors' insightful comments and suggestions. The Board was also pleased with the contributions made by Directors in their respective roles, which reflects the overall commitment of each Director.

C. Stakeholders' Relationship Committee

The Company has constituted a Stakeholders Relationship Committee ("SRC") to specifically look into various aspects of interest of Shareholders, Debenture holders and other Security holders. The Committee is formed as per the provisions of the Act and the SEBI Listing Regulations.

i. Composition of Stakeholders Relationship Committee

The stakeholder's relationship Committee comprises of 3 (Three) members viz. Mr. Ashwani Kumar, Mr. AKT Chari and Mr. Nilesh Shrivastava. Mr. Ashwani Kumar is the Chairman of the Stakeholders Relationship Committee.

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

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

1. resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. review of measures taken for effective exercise of voting rights by shareholders.

3. review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

ii. Meetings of SRC and attendance of SRC members

During FY 2024, the Stakeholders Relationship Committee met 2 (Two) times July 27, 2023, and February 1, 2024. The attendance of the members at the SRC meeting held during FY 2024 is given in the table below:

Name of the Committee member	No. of Stakeholders Relationship Committee meetings	
	Held	Attended
Mr. Surya Prakash Rao Pendyala*	1	1
Mr. Ashwani Kumar	2	2
Mr. Rajiv Dhar**	2	1
Mr. AKT Chari***	1	1
Mr. Nilesh Shrivastava***	0	0

*Mr. Surya Prakash Rao Pendyala (DIN: 02888802) Chairman and Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company consequent to his retirement as Executive Director and Chief Investment Officer at National Investment and Infrastructure Fund Limited (Fund Manager to NIIF Fund II), with effect from the closure of business hours on November 30, 2023.

**Mr. Rajiv Dhar Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company with effect from the closure of business hours on March 28, 2024.

***Mr. AKT Chari was appointed a member of the SRC with effect from December 27, 2023.

****Mr. Nilesh Shrivastava was appointed as a member of the SRC with effect from March 28, 2024.

iii. Investor complaints in FY 2024:

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

The Company Secretary acts as the Secretary to the Stakeholder Relationship Committee.

D. Risk Management Committee

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

i. Composition of Risk Management Committee

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

The following are the terms of reference of the RMC:

1. to formulate a detailed Risk Management policy which shall include:
 - a. a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information technology including business continuity plan, cyber security risks, market risk or any other risk as may be determined by the Committee.

- b. measures for risk mitigation including systems and processes for internal control of identified risks.
2. to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. to monitor and oversee implementation of the Risk Management policy, including evaluating the adequacy of Risk Management systems;
4. to periodically review the Risk Management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. to keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. the appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.
7. the Risk Management Committee shall coordinate its activities with other Committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

ii. Meetings of RMC and attendance of RMC members

During FY 2024, the Risk Management Committee met 5 (Five) times on April 27, 2023, July 28, 2023, November 6, 2023, December 27, 2023, and January 31, 2024. The attendance of the members at the Risk Management Committee meetings held during FY 2024 is given in the table below:

Name of the Committee member	No. of Risk Management Committee Meetings	
	Held	Attended
Mr. Ashwani Kumar	5	5
Mr. Rajiv Dhar*	5	5
Mr. A K T Chari**	1	1

Name of the Committee member	No. of Risk Management Committee Meetings	
	Held	Attended
Mr. Prashant Kumar Ghose	4	4
Mr. Nilesh Shrivastava***	0	0
Chief Executive Officer	4	4
Chief Risk Officer	3	3

*Mr. Rajiv Dhar Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company with effect from the closure of business hours on March 28, 2024.

**Mr. AKT Chari was appointed a member of the RMC with effect from December 27, 2023.

***Mr. Nilesh Shrivastava was appointed as a member of the RMC with effect from March 28, 2024.

****Mr. Prashant Kumar Ghose, Chief Executive Officer and Chief Risk Officer of the Company were appointed as a member of the RMC with effect from April 28, 2023.

E. Corporate Social Responsibility (CSR) Committee

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

i. Composition of CSR Committee

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

Mr. Rajiv Dhar shall be a permanent invitee to the meetings of the Committee.

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

During FY 2024, the CSR Committee met 3 (Three) times on April 27, 2023, August 1, 2023, and January 16, 2024. The attendance of the

members at the CSR Committee Meetings held during FY 2024 is given in the table below:

Name of the Committee member	No. of Corporate Social Responsibility Committee meetings	
	Held	Attended
Mr. Ashwani Kumar	3	3
Mr. Surya Prakash Rao Pendyala*	2	2
Ms. Rosemary Sebastian	3	3
Mr. Rajiv Dhar**	1	1
Mr. Nilesh Shrivastava***	0	0

*Mr. Surya Prakash Rao Pendyala (DIN: 02888802) Chairman and Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company consequent to his retirement as Executive Director and Chief Investment Officer at National Investment and Infrastructure Fund Limited (Fund Manager to NIIF Fund II), with effect from the closure of business hours on November 30, 2023.

**Mr. Rajiv Dhar Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company with effect from the closure of business hours on March 28, 2024.

***Mr. Nilesh Shrivastava was appointed as a member of the CSR Committee with effect from March 28, 2024.

F. IT Strategy Committee

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

i. Composition of IT Strategy Committee

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

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

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

During FY 2024, the IT Strategy Committee met 4 (Four) times on April 27, 2023, July 25, 2023, January 18, 2024, and February 20, 2024. The

attendance of the members at the IT Strategy Committee meetings held during FY 2024 is given in the table below:

Name of the Committee member	No. of IT Strategy Committee meetings	
	Held	Attended
Ms. Rosemary Sebastian	4	4
Mr. Rajiv Dhar*	2	1
Mr. Prashant Kumar Ghose**	2	2
Mr. Nilesh Shrivastava***	0	0
Mr. AKT Chari****	2	2
Chief Executive Officer	4	4
Chief Risk Officer	4	4
Chief Financial Officer	2	1
Head - IT	3	3

*Mr. Rajiv Dhar Non-Executive Nominee Director (Nominee of NIIF Fund II) of the Company resigned from the Board of Directors of the Company with effect from the closure of business hours on March 28, 2024.

**Mr. Prashant Kumar Ghose was appointed as a member of the IT Strategy Committee with effect from December 27, 2023.

***Mr. Nilesh Shrivastava was appointed as a member of the IT Strategy Committee with effect from March 28, 2024.

****Mr. AKT Chari was appointed as a member of the IT Strategy Committee with effect from December 27, 2023.

G. Asset - Liability Management Committee (ALCO)

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

i. Composition of ALCO

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

ii. Meetings of ALCO and attendance of ALCO Members

During FY 2024, the ALCO met 6 (Six) times on May 23, 2023, July 13, 2023, August 31, 2023, October 30, 2023, December 26, 2023 and February 29, 2024. The attendance of the members at the ALCO meetings held during FY 2024 is given in the table below:

Name of the Committee member	No. of ALCO meetings	
	Held	Attended
Chief Executive Officer	6	6
Chief Business Officer	6	6
Chief Risk Officer	6	5
Chief Financial Officer	6	2
Director - Resources	6	6

REMUNERATION OF DIRECTORS

The Independent Directors are paid sitting fees, travelling, lodging and other incidental expenses for attending Meetings of Board of Directors / Committees. Apart from the above, the Company does not have any pecuniary relationship with the Non-Executive / Independent Directors. During the year under review, the Company did not enter into any other transactions with the Non-Executive Directors.

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

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

Details of sitting fees paid to the Independent Directors and Non-Executive Directors during FY 2024 are given in the table below:

(in ₹)

Name of the Director	Board Meeting	Independent Directors Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	CSR Meeting	IT Strategy Committee Meeting	Stakeholders Relationship Committee Meeting	Risk Management Committee	Credit Committee
Ms. Rosemary Sebastian – Independent Director	8,00,000	60,000	3,00,000	3,00,000	1,80,000	2,40,000	-	-	-
Mr. Ashwani Kumar – Independent Director	8,00,000	60,000	3,00,000	3,00,000	1,80,000	-	1,20,000	3,00,000	-
Mr. Prashant Kumar Ghose – Independent Director	7,20,000	60,000	1,20,000	-	-	1,20,000	-	2,40,000	-
Mr. AKT Chari – Non-Executive Director	8,00,000	-	-	-	-	1,20,000	60,000	3,00,000	16,50,000

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

The details of Senior Management as on March 31, 2024 pursuant to SEBI Regulations:

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

CHANGES IN SENIOR MANAGEMENT SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR:

During the financial year under review, Mr. V. Narayanan Iyer, Chief Financial Officer (“CFO”) and Key Managerial Personnel (“KMP”) of the Company resigned from the post of CFO and KMP of the Company, with effect from the closure of business hours on October 9, 2023. Accordingly, the Board of Directors of the Company at its meeting held on March 28, 2024, approved the appointment of Mr. Pankil Mehta as Chief Financial Officer (“CFO”) and Key Managerial Personnel (“KMP”) of the Company, with effect from March 28, 2024.

During the year under review, Mr. Dhananjay Yellurkar, Chief Risk Officer (“CRO”) of the Company retired from the post of CRO, on completion of tenure of appointment with effect from August 31, 2023. Accordingly, the Board of Directors at their meeting held on November 7, 2023, approved the appointment of Mr. Ajay Singh as CRO of the Company with effect from November 7, 2024.

There were no other changes in Senior Management during the year under review.

Further, Mr. Pankil Mehta resigned as Chief Financial Officer (“CFO”) and Key Managerial Personnel (“KMP”) with effect from the closure of business hours on June 25, 2024. Accordingly, the Board of Directors of the Company at its meeting held on June 25, 2024, based on the recommendation of the Nomination and Remuneration Committee and the Audit Committee, approved the appointment of Mr. Sudeep Bhatia as the Chief Financial Officer (“CFO”) and Key Managerial Personnel (“KMP”) of the Company with effect from June 25, 2024.

Mr. Pankil Mehta has taken on a new role as the Company’s Financial Controller.

SHAREHOLDERS & GENERAL INFORMATION

a. General Body Meetings

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

Details of AGM	Date and Time	Venue	Special resolutions passed
8 th AGM	September 21, 2021, at 2:00 pm	Through Video Conferencing on MS Teams	a. To approve limits under section 180(1)(c) of Companies Act, 2013 and powers. b. To approve limits under section 180(1)(a) of Companies Act, 2013 and powers
9 th AGM	September 28, 2022, at 11:00 am	Through Video Conferencing on MS Teams	-
10 th AGM	September 27, 2023, at 11:30 am	Through Video Conferencing on MS Teams	-

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

Date and Time	Venue	Resolutions passed
June 6, 2023, at 11:00 am	Through Video Conferencing on MS Teams	a. To consider and approve alteration to the Articles of Association of the Company. b. To consider and approve borrowing issuance of Non-Convertible Debentures on private placement basis. c. To consider and approve the re-appointment of Mr. Ashwani Kumar (DIN: 02870681) as an Independent Director of the Company.

Date and Time	Venue	Resolutions passed
March 28, 2024 at 2:00 pm	Through Video Conferencing on MS Teams	<p>a. To approve shifting of registered office of the Company from Mumbai, Maharashtra to Delhi and consequent alteration to the Memorandum of Association of the Company.</p> <p>b. To consider and approve increase in the Authorised share capital of the Company and consequent alteration to the Memorandum of Association of the Company.</p> <p>c. To consider and approve raising funds through Non-Convertible Redeemable Preference Shares ("NCRPS") on private placement basis.</p> <p>d. To approve Related Party Transactions with Aseem Infrastructure Finance Limited for FY 2025.</p>

General Shareholder Information

Date, Time and Venue of the 11th Annual General Meeting	September 27, 2024 at 11 A.M. by way of video conferencing/ other audio visual means
Financial Year	FY 2024
Dividend Payment Date	The final dividend, if approved, shall be paid/credited on or before October 26, 2024.
Name and address of Stock Exchanges where Company's securities are listed	The Non-Convertible Securities and Commercial Papers* of the Company are listed on the National Stock Exchange of India Limited. National Stock Exchange Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 <i>*As on March 31, 2024, the outstanding amount of CPs was Nil</i>
Listing fees	Annual listing fees, as prescribed, have been paid to the said stock exchanges up to March 31, 2024.
Stock code	The Equity Shares of the Company are not listed on the Stock Exchange; hence the Stock code is not applicable.
Market price data- high, low during each month in last financial year;	Not applicable, as the Equity Shares of the Company are not listed.
Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc	Not applicable, as the Equity Shares of the Company are not listed.
In case the securities are suspended from trading, the directors report shall explain the reason thereof	During FY 2024, none of the securities of the Company were suspended from trading.
Share Registrar and Transfer Agents	In terms of Regulation 7 of the SEBI Listing Regulations, MCS Share Transfer Agent Limited is the Registrar and Share Transfer Agent and handles all relevant share registry services for Non-Convertible Debentures and Commercial Papers. MCS Share Transfer Agent Limited 201, D Wing, 2 nd Floor, Gokul Industrial Estate Building, Sagbaug, Marol Co-op Industrial Area B/H Times Square, Andheri East, Mumbai – 400 059. Contact: 022-28516020 Website: https://www.mcsregistrars.com All the securities of the Company are in dematerialised form, hence there are no physical transfer of securities.

Shareholding pattern and distribution of shareholding as on March 31, 2024	Name of the Shareholder	No of equity share of face value 10/- each	% of Shareholding
	National Investment and Infrastructure Fund II and its nominees	54,63,50,979	39.73
Aseem Infrastructure Finance Limited	42,39,32,487	30.83	
HDFC Bank Limited	6,00,00,000	4.36	
President of India*	34,49,97,165	25.09	
Total	1,37,52,80,631	100	

Dematerialisation of shares and liquidity As on March 31, 2024, Equity Shares, Preference Shares, Non-Convertible Debentures ("NCDs") were held in dematerialised mode.

Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity; As on March 31, 2024, the Company did not have any outstanding GDRs/ ADRs/Warrants or any Convertible Instruments.*

Commodity price risk or foreign exchange risk and hedging activities; The Company does not deal in any commodity and there were no foreign exchange earnings/ outgo. Hence, the Company is not directly exposed to any commodity price and foreign exchange risk. The Company does not have any hedging activities.

Plant locations Not applicable

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad. The details are furnished in the Directors' Report forming part of the Annual Report.

Corporate Identification Number (CIN) / Registration no. of the Company as per Companies Act with the Registrar of Companies U67190MH2014PLC253944

Permanent Account Number (PAN) AADC15030Q

**The Board of Directors of the Company at their meeting held on March 28, 2024, approved the conversion of 34,49,97,165 Compulsorily Convertible Preference Shares (CCPS) held by the President of India into 34,49,97,165 Equity Shares of the Company in the ratio of 1 Equity Share for every 1 CCPS held and allotted 34,49,97,165 Equity Shares of face value ₹ 10/- each to the President of India pursuant to conversion of CCPS on March 30, 2024.*

Address for correspondence	Investors and shareholders can correspond with the share transfer agent of the Company or the Company at the following addresses: Registrar and Share Transfer Agent (Equity and Preference shares) Link Intime India Pvt. Ltd. Address: C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400083 E-mail: equityca@linkintime.co.in Website: http://www.linkintime.co.in Registrar and Share Transfer Agent (Non-Convertible Debentures and Commercial Paper) MCS Share Transfer Agent Limited 201, D Wing, 2 nd Floor, Gokul Industrial Estate Building, Sagbaug, Marol Co-op Industrial Area, B/H Times Square, Andheri East, Mumbai – 400 059 Email: cprabhu@mcsregistrars.com Website: https://www.mcsregistrars.com DEBENTURE TRUSTEES IDBI Trusteeship Services Limited Registered Office: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001 Contact: 022-40807007 Email: nikhil@idbitrustee.com Company's correspondence details: 3 rd Floor, North Wing, UTI Tower, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Phone No.: +91 2268591301 Email: niif-compliance@niifil.in
Transfer of Unclaimed / Unpaid Amounts to the Investor Education and Protection Fund	During the year under review, no amount was due for transfer to Investor Education and Protection Fund.
Registration / license/ authorisation, obtained from other financial sector regulators	The Reserve Bank of India ("RBI") - Certificate of Registration no. N.13.02078
Area and country of operation	India

OTHER DISCLOSURES

Particulars	Details
a. Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of the Company	The details of Related Party Transactions are furnished in the Directors' Report forming part of the Annual Report. None of the transactions with any of the related parties were in conflict with the Company's interest. The Company has in place a RPT Policy as required under the applicable laws. Details of the RPT policy are available on the website of the Company at https://www.niifil.in/ Details of all related party transactions form a part of the financial statements as required under Ind AS-24 and the same forms part of the Annual Report.

Particulars	Details
b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;	During FY 2023, there was one incidence where the Company has failed to intimate to Stock Exchange about the Record date within the stipulated time period as per Regulation 60 (2) of SEBI Listing Regulations. Pursuant to SEBI Circular No. SEBI/HO/DDHS_Div2/P/CIR/2021/699 dated December 29, 2021, the National Stock Exchange of India Limited, has imposed fine amounting to ₹ 10,000 (Rupees Ten Thousand Only) (Plus GST) on the Company for the said non-compliance. The Company has paid the requisite amount of fine to the National Stock Exchange of India Limited. During the financial year under review, no penalties or strictures were imposed on the Company by any stock exchange, SEBI or other statutory authority on matters relating to the capital markets.
c. Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the audit committee	The details of establishment of whistle blower policy/vigil mechanism are furnished in the Directors' Report forming part of the Annual Report.
d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	The details of compliance with mandatory requirements and adoption of the non-mandatory requirements are mentioned below in point no. 'o' of this report.
e. Web link where policy for determining 'material' subsidiaries is disclosed.	The Company does not have any Subsidiary Company, hence formulation of Policy for determining Material Subsidiaries as per Regulation 16 of the Listing Regulations is not applicable for the Company.
f. Web link where policy on dealing with related party transactions.	The Company's policy on dealing with the Related Party Transactions is in place and the same is displayed on the website of the Company at https://www.niifil.in/
g. Disclosure of commodity price risks or foreign risk and commodity hedging activities.	The Company does not deal in any commodity and there were no foreign exchange earnings/ outgo. Hence, the Company is not directly exposed to any commodity price and foreign exchange risk. The Company does not have any hedging activities.
h. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).	Not Applicable
i. Certificate from a Company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.	The Company has received a certificate from M/s. Rathi & Associates, Practicing Company Secretary, to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI/Ministry of Corporate Affairs or such other statutory authority. The said certificate has been enclosed as Annexure A .
j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof	During the financial year under review, all the recommendation of the various Committees were accepted by the Board.

Particulars	Details		
k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part	Total fees paid by the Company during the FY 2024 to the Joint Statutory Auditors including all entities in their network firm/entity of which they are a part, is given below (excluding out-of-pocket expenses and reimbursements):		
	Sr. No.	Particulars	Amount (₹ in crores)
		M/s. Lodha & Co. LLP	
	1.	Statutory Audit Fee	0.18
	2.	Tax Audit Fees	0.02
	3.	Other Certifications	0.02
		M/s. M. P. Chitale & Co	
	1.	Statutory Audit Fee	0.18
	2.	Tax Audit Fees	-
	3.	Other Certifications	0.02
i. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	No. of complaints filed during the financial year	No. of complaints disposed of during the financial year	No. of complaints pending as on the end of the financial year
	Nil	Nil	Nil

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

The Company is a High Value Debt Listed Entity ('HVDLE') pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 dated September 07, 2021. Accordingly, the Regulation 16 to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Corporate Governance became applicable to the Company with effect from September 07, 2021. The Company has been submitting the quarterly corporate governance compliance report to the stock exchange as required under regulation 27(2) of the SEBI Listing Regulations from the applicable period.

The Company has obtained a certificate from M/s. Rathi & Associates, Practicing Company Secretaries regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations. The said Certificate is attached as **Annexure B** and forms part of this Report.

n. Compliance certificate from Chief Executive Officer and the Chief Financial Officer under SEBI Listing Regulations

The Chief Executive Officer and Chief Financial Officer have provided the requisite compliance certificate to the Board with regard to the financial statements

and internal controls relating to financial reporting for the year ended March 31, 2024, as required under the SEBI Listing Regulations. The said Certificate is attached as **Annexure C** and forms part of this Report.

o. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

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

- Modified opinion(s) in audit report:**
The Company confirms that its financial statements have unmodified audit opinion.
- Reporting of internal auditor:**
The Head Internal Audit (HIA) of the Company directly reports to the Chief Executive Officer (CEO). The HIA has a one-on-one meeting with the Audit Committee without presence of the CEO.
- Separate posts of Chairperson and the Chief Executive Officer:**
The Company has appointed a Chief Executive Officer, however the Company does not have a regular Chairperson, the Board elects a Chairperson amongst themselves, such that

the Chairperson shall not be related to the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.

p. Declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of board of directors and senior management.

The Listing Regulations requires listed Companies to lay down a code of conduct for its Directors and Senior Management, incorporating duties of Directors prescribed in the Act. Accordingly, the Company has a Board approved code of conduct for Board members and Senior Management of the Company. This code has been placed on the Company's website and can be accessed at <https://www.niiffl.in/>

All the Directors on the Board and Senior Management Personnel of the Company have affirmed compliance with the code of conduct as adopted by the Company. A declaration signed by the Chief Executive Officer to this effect is reproduced at the end of this report and marked as **Annexure D**.

q. Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure.

None of the Independent Director of the Company has resigned before the expiry of his/her respective tenure(s) during FY 2024.

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

Not Applicable.

Annexure A

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by NIIF Infrastructure Finance Limited (CIN: U67190MH2014PLC253944) having its Registered Office situated at North Wing, 3rd Floor, UTI Tower, GN Block, Bandra Kurla Complex, Mumbai – 400 051 ('hereinafter referred to as 'the Company'), for the financial year ended March 31, 2024, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

For **RATHI & ASSOCIATES**
COMPANY SECRETARIES

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

UDIN: F008568F000872376
P.R. Certificate No.: 668/2020

Place: Mumbai
Date: August 1, 2024

Annexure B

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status of the portal www.mca.gov.in) as considered necessary and explanation furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the company as stated below for the Financial Year ending 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of the Director	DIN	Nature of Directorship	Date of Appointment in the Company
1.	Mr. Alwarthirunagari Kappuswamy Thiruvankata Chari	00746153	Nominee Director	March 12, 2019
2.	Mr. Ashwani Kumar	02870681	Independent Director	September 30, 2020
3.	Ms. Rosemary Sebastian	07938489	Independent Director	June 7, 2022
4.	Mr. Prashant Kumar Ghose	00034945	Independent Director	February 1, 2023
5.	Mr. Surya Prakashrao Pendyala*	02888802	Nominee Director	March 12, 2019
6.	Mr. Rajiv Dhar**	00073997	Nominee Director	March 12, 2019
7.	Mr. Padmanabh Sinha#	00101379	Nominee Director	March 28, 2024
8.	Mr. Nilesh Shrivastava#	09632942	Nominee Director	March 28, 2024

*Resigned as a Non-Executive Nominee Director of the Company w.e.f. November 30, 2023.

**Resigned as a Non-Executive Nominee Director of the Company w.e.f. March 28, 2024.

#Appointed as Non-Executive Nominee Directors of the Company w.e.f. March 28, 2024.

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

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

For **RATHI AND ASSOCIATES**
COMPANY SECRETARIES

NEHA R LAHOTY
PARTNER
FCS: 8568
COP: 10286

Place: Mumbai
Date: August 1, 2024

UDIN: F008568F000870869
P.R. Certificate No.: 668/2020

Annexure C

COMPLIANCE CERTIFICATE

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

To,
The Board of Directors of
NIIF Infrastructure Finance Limited

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

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact, nor do they contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that:
 - i. there have been no significant changes in internal control over financial reporting during this year;
 - ii. there have been no significant changes in accounting policies during this year; and
 - iii. there have been no instances of significant fraud of which we have become aware and the
 - iv. involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Shiva Rajaraman
Chief Executive Officer

Sudeep Bhatia
Chief Financial Officer

Place: Mumbai
Date: August 1, 2024

Annexure D

DECLARATION BY CHIEF EXECUTIVE OFFICER

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

To,
The Board of Directors,
NIIF Infrastructure Finance Limited

I, Shiva Rajaraman, Chief Executive Officer of NIIF Infrastructure Finance Limited hereby declare that all Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct of the Company laid down for them for the year ended March 31, 2024.

Shiva Rajaraman
Chief Executive Officer

Place: Mumbai
Date: August 1, 2024

ANNEXURE V

List of key policies of NIIF Infrastructure Finance Limited updated on the Website

Sr. No.	Name of Policy	Website Link
1.	Interest Rate Policy	niifil.in/pdf/corporate-governance/Interest Rate Policy.pdf
2.	Fair Disclosure Code	https://www.niifil.in/pdf/corporate-governance/Fair%20Practice%20Code.pdf
3.	Related Party Transactions	https://www.niifil.in/pdf/corporate-governance/Policy%20for%20Related%20Party%20Transaction.pdf
4.	Internal guidelines on Corporate Governance	https://www.niifil.in/pdf/corporate-governance/Internal%20Guidelines%20on%20Corporate%20Governance.pdf
5.	Whistle Blower Policy	https://www.niifil.in/pdf/corporate-governance/Whistleblower%20Policy.pdf
6.	Corporate Social Responsibility Policy	https://www.niifil.in/pdf/corporate-governance/Policy%20for%20Corporate%20Social%20Responsibility.pdf
7.	Insider Trading Policy	https://www.niifil.in/pdf/corporate-governance/Insider%20Trading%20Policy.pdf
8.	Remuneration Policy	https://www.niifil.in/pdf/corporate-governance/Remuneration%20Policy%20for%202023.pdf
9.	Code of conduct and Ethics	https://www.niifil.in/pdf/corporate-governance/Code%20of%20Conduct%20and%20Ethics.pdf
10.	Familiarisation Programme for Independent Directors	https://www.niifil.in/pdf/corporate-governance/NIIF%20IFL%20-%20Familiarization%20Programme%20FY%202023%20-%202024.pdf
11.	Policy on appointment of statutory auditors	https://www.niifil.in/pdf/corporate-governance/Policy%20on%20appointment-of%20SCA%20and%20SA.pdf
12.	Prevention of Sexual Harassment Policy	https://www.niifil.in/pdf/corporate-governance/NIIF%20IFL%20-%20Prevention%20of%20Sexual%20Harassment%20Policy%20-%20Nov%202023.pdf
13.	Policy For Claim Of Unclaimed Amounts Lying With The Issuer Of Non-Convertible Securities	https://www.niifil.in/pdf/corporate-governance/NIIF%20IFL%20-%20Policy%20for%20Claim%20of%20Unclaimed%20amounts%20lying%20with%20the%20issuer%20of%20NCS.pdf

Financial Statements

Independent Auditors' Report

To the Members of

NIIF Infrastructure Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NIIF Infrastructure Finance Limited ("the Company"), which comprises of Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, 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, 2024. 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>Impairment of financial assets –</p> <p>Provision for expected credit losses as on March 31, 2024 for loans carried at amortised cost amounts to Rs.154.83 Crores [As at March 31, 2023 – 124.88 Crores]</p> <p>[Refer Note no. 2 & 31.3 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>Audit Procedure performed:</p> <p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> Performed process walkthroughs to identify the key systems, applications and controls used in the impairment allowance processes. Tested the design and operating effectiveness of the key controls over the completeness and accuracy of data, inputs, assumptions into the Ind AS 109 Impairment model. Reviewed the Board approved loss allowance policy and verified the alignment of methodology adopted for computation of ECL including management overlay that addresses the policies approved by the Board of Directors We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status.

Independent Auditors' Report (Contd.)

Sr. No	Key Audit Matters	Auditor's response
	<p>(ii) Model estimations – Judgmental model used to estimate ECL which involves determination of Probability of Default (PD), Loss given default (LGD), Exposure at default (EAD) and management overlay.</p> <p>(iii) Completeness and accuracy of the data from internal and external sources used in the Models.</p> <p>Considering the significance of ECL to the overall standalone financial statements and the degree of Management's estimates and judgements involved in this matter that requires significant auditors' attention. We have considered the expected credit loss allowance on financial assets to be a key audit matter.</p>	<ul style="list-style-type: none"> 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. We tested the arithmetical accuracy of the computation of ECL provision performed by the Company in spreadsheets. Assessing whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in financial statements are appropriate and sufficient. We have also obtained management representations wherever considered necessary

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.

Independent Auditors' Report (Contd.)

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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

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.

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.

Independent Auditors' Report (Contd.)

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, 2024 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2024 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 does not have any pending litigations.
 - 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,

Independent Auditors' Report (Contd.)

- contains any material misstatement. [Refer note 34(g) and (h) to the financial statements.]
- v. The Company has declared and paid dividend for Compulsorily Convertible Preference Shares during the financial year in accordance with section 123 of Companies Act, 2013.
 - vi. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the

accounting software, except that audit trail feature is not enabled for direct changes to data as described in note 33 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For LODHA & CO. LLP
Chartered Accountants
ICAI FRN – 301051E / E300284

R. P. Baradiya
Partner
ICAI M No.- 044101
UDIN: 24044101BKCJAU4144

Place: Mumbai
Date: May 03, 2024

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN – 101851W

Ashutosh Pednekar
Partner
ICAI M No.- 041037
UDIN: 24041037BKEINV9080

Place: Mumbai
Date: May 03, 2024

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:

1. a) In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets:
The Company has maintained proper records, showing full particulars, including quantitative details and situation of PPE and relevant details of right-of-use assets.
A. The Company has maintained proper records showing full particulars of intangible assets.
B. During the year, the management has carried out physical verification of all the PPE. In our opinion, the frequency of verification is reasonable considering the size of the Company and nature of its PPE. No material discrepancies were noticed on such verification.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable property disclosed in the financial statements included under PPE are held in the erstwhile name of the Company.
- c) The Company has not revalued any of its PPE (including right- of-use assets) and intangible assets during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- d) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 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]
2. 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 availed working capital limits from banks and financial institutions during the year and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
3. In respect of Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:
 - a) The Company's principal business is to give loans and hence reporting under Clause 3(iii)(a) and 3(iii)(e) of the Order are not applicable to the Company.
 - b) In our opinion and 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. In respect of the loans granted during the year, having regard to the nature of business carried on by the Company, the terms and conditions thereof are not prejudicial to the interest of the Company.
 - c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as stipulated.
 - d) 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.
4. 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.
5. According to the information and explanations given to us and based on our examination of the records, 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.
6. According to the information and explanations given to us and based on our examination of the records, the Central Government has not specified the maintenance of cost records under section 148(1) of

Annexure "A" (Contd.)

- the Act for the services of the Company and hence reporting under Clause 3(vi) of the Order is not applicable to the Company.
7. a) 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 and based on our examination of the records, there are no statutory dues mentioned in clause vii (a) which have been not deposited on account of any dispute.
 8. According to the information and explanations given to us and based on our examination of the records, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the Order is not applicable to the Company.
 9. a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders and hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
 - b) According to the information and explanations given to us and based on our examination of the records, 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 including temporarily parking the funds received in fixed deposits with Banks / mutual funds until its deployment for the stated purposes.
 - d) The Company has not raised any short term funds during the year and hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
 - e) The Company does not have any subsidiaries, associates or joint ventures and hence reporting under clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.
 10. a) 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, there were no preferential allotment and private placement of shares and debentures during the year.
 11. a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.
 - b) During the year, no report under sub section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in rule 13 of 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.
 12. 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.

Annexure "A" (Contd.)

13. 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)
14. 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.
15. According to the information and explanations given to us, and based on our examination of the records, 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.
16. a) The Company being an Infrastructure Debt Fund - Non-Banking Financial Company (IDF-NBFC) is registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) Since, the Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi)(b) and (c) of the Order is not applicable to the Company.
- c) In our opinion, the Company is not a Core Investment Company and there is no core investment company within the "Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
17. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
18. There has not been a resignation of the statutory auditors of the Company during the year and hence reporting under clause 3(xviii) of the Order is not applicable to the Company.
19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and it should not be construed as a guarantee or assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. 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.
21. Since the Company did not have any subsidiary, joint venture or an associate, it is not required to prepare consolidated financial statements and hence reporting under Clause 3(xxi) of the Order is not applicable to the Company.

For LODHA & CO. LLP
Chartered Accountants
ICAI FRN – 301051E / E300284

R. P. Baradiya
Partner
ICAI M No.- 044101
UDIN: 24044101BKJAU4144

Place: Mumbai
Date: May 03, 2024

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN – 101851W

Ashutosh Pednekar
Partner
ICAI M No.- 041037
UDIN: 24041037BKEINV9080

Place: Mumbai
Date: May 03, 2024

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

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

We have audited the internal financial controls with reference to financial statements of the NIIF Infrastructure Finance Limited (“the Company”) as of March 31, 2024 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 with reference to financial statements based on 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included

obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Annexure “B” (Contd.)

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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO. LLP
Chartered Accountants
ICAI FRN – 301051E / E300284

R. P. Baradiya
Partner
ICAI M No.- 044101
UDIN: 24044101BKCJAU4144

Place: Mumbai
Date: May 03, 2024

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN – 101851W

Ashutosh Pednekar
Partner
ICAI M No.- 041037
UDIN: 24041037BKEINV9080

Place: Mumbai
Date: May 03, 2024

Balance Sheet

as at March 31, 2024

CIN No: U67190MH2014PLC253944

	Note No.	As at March 31, 2024	As at March 31, 2023
(₹ in Crores)			
ASSETS			
I Financial assets			
(a) Cash and cash equivalents	1a	911.50	533.58
(b) Bank Balance other than (a) above		0.02	-
(c) Investment	1b	582.84	-
(d) Loans	2	21,989.77	17,717.01
(e) Other financial assets	3	0.26	0.29
		23,484.39	18,250.88
II Non Financial assets			
(a) Current tax assets (net)	4	250.92	147.65
(b) Property, plant and equipment	5a	0.90	0.48
(c) Capital work in progress	5b	0.98	-
(d) Right of use Assets	5c	7.86	5.75
(e) Intangible assets	5d	1.37	0.88
(f) Intangible Asset under Development	5e	0.55	0.28
(g) Other non-financial assets	6	1.01	0.50
		263.59	155.54
Total assets		23,747.98	18,406.42
LIABILITIES AND EQUITY			
LIABILITIES			
I Financial liabilities			
(a) Payables			
(I) Trade payables	7		
(i) total outstanding dues of micro enterprises and small enterprises		β	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.63	0.65
(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		4.42	3.32
(b) Debt Securities	9	19,782.14	14,949.81
(c) Finance Lease liabilities	10 (a)	8.17	5.96
(d) Other financial liabilities	10 (b)	74.03	2.38
		19,870.39	14,962.14
II Non-Financial liabilities			
(a) Provisions	11	6.47	2.87
(b) Other non-financial liabilities	12	11.47	1.69
		17.94	4.56
EQUITY			
(a) Equity share capital	13A	1,375.28	1,030.28
(b) Instruments Entirely Equity in Nature	13A	-	878.74
(c) Other equity	13B	2,484.37	1,530.70
		3,859.65	3,439.72
Total liabilities and equity		23,747.98	18,406.42

The accompanying notes are an integral part of these financial statements (See notes 1 to 42)

As per our attached report of even date

For Lodha & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301051E/E300284

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

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

R. P. Baradiya
Partner
Membership No. 044101

Ashutosh Pednekar
Partner
Membership No. 041037

Padmanabh Sinha
Director
DIN no.00101379

Nilesh Shrivastava
Director
DIN no.09632942

Shiva Rajaraman
Chief Executive Officer

Pankil Mehta
Chief Financial Officer

Ankit Sheth
Company Secretary

Place: Mumbai
Date: May 03, 2024

Statement of Profit and Loss

for year ended March 31, 2024

CIN No: U67190MH2014PLC253944

	Notes	For year ended March 31, 2024	For year ended March 31, 2023
(₹ in Crores)			
Revenue from operations			
Interest income	14	1,797.54	1,397.00
Fees and commission income	15 (a)	10.90	5.27
Net gain on fair value changes	15 (b)	28.18	1.85
I Total revenue from operations		1,836.62	1,404.12
II Other income	16	10.40	0.11
III Total income (I+II)		1,847.02	1,404.23
Expenses			
Finance costs	17	1,351.83	1,017.01
Fees and commission expense	18	0.33	0.16
Impairment on financial instruments	19	29.95	25.47
Employee benefits expenses	20	30.76	21.56
Depreciation, amortisation and impairment	5 & 21	3.07	2.37
Other expenses	22	15.66	11.92
IV Total expenses		1,431.60	1,078.49
V Profit before tax (III - IV)		415.42	325.74
VI Tax expense			
Current tax	23	-	-
Deferred tax		-	-
Earlier year tax adjustment		(5.05)	-
Total tax expenses		(5.05)	-
VII Profit for the year (V - VI)		420.47	325.74
VIII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(0.52)	(0.95)
- Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income (A+B)		(0.52)	(0.95)
IX Total comprehensive income for the year (VII + VIII) (Comprising profit and other comprehensive income for the year)		419.95	324.79
X Earnings per equity share (nominal value of share- ₹ 10 each) (not annualised)			
Basic (₹)		3.06	2.37
Diluted (₹)		3.06	2.37

The accompanying notes are an integral part of these financial statements (See notes 1 to 42)

As per our attached report of even date

For Lodha & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301051E/E300284

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

**For and on behalf of the Board of Directors of
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DIN no.00101379

Nilesh Shrivastava
Director
DIN no.09632942

Shiva Rajaraman
Chief Executive Officer

Pankil Mehta
Chief Financial Officer

Ankit Sheth
Company Secretary

Place: Mumbai
Date: May 03, 2024

Cash Flow Statement

for the year ended March 31, 2024

CIN No: U67190MH2014PLC253944

	(₹ in Crores)	
	For year ended March 31, 2024	For year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax	415.42	325.74
Adjustments for:		
Depreciation, amortisation & Impairment	3.07	2.37
Interest on Debt Securities - EIR Adjustments	17.77	11.03
Interest on Loan - EIR adjustment	(19.11)	(10.69)
Net (gain) / loss on sale of property, plant and equipments	(0.03)	(0.02)
Gain on Mutual fund investment	(28.18)	-
Discount accreted on T-Bills	(21.85)	-
Interest on Borrowings other than debt securities (Ind AS 116 impact)	0.45	0.49
Impairment on financial instruments	29.95	25.47
Operating profit before working capital changes	397.49	354.39
Changes in working capital:		
(Decrease)/Increase in trade payables	0.96	(0.11)
(Decrease)/Increase in Other payables	1.10	0.28
(Increase)/Decrease in other financial assets	0.01	(0.04)
(Decrease)/Increase in other financial liabilities	71.65	(5.30)
Increase/(Decrease) in Provision	3.07	0.87
Increase/(Decrease) in other non financial liabilities	9.79	(0.24)
Increase/(Decrease) Interest accrual on debt securities	222.04	102.86
(Increase)/Decrease in non-financial assets	(0.51)	0.13
(Increase)/Decrease in loans	(4,283.60)	(3,638.80)
Cash flow generated from/(used in) operations	(3,578.00)	(3,185.96)
(Payment) of tax (net)	(98.22)	(32.43)
Net Cash flow generated from/(used in) operations (A)	(3,676.22)	(3,218.39)
B. Cash flows from investing activities		
Purchase of property, plant and equipment/intangible assets	(2.84)	(1.44)
Sale of property, plant and equipments	0.03	0.43
Purchase of Mutual Fund	(9,288.59)	-
Sale of Mutual fund	9,316.77	-
Purchase of T-bills	(5,965.98)	-
Redemption of T-bills	5,405.00	-
Net cash flow generated from/(used in) investing activities (B)	(535.61)	(1.01)
C. Cash flows from financing activities		
Proceeds from debt securities & CPs issued (Net)	4,592.52	2,513.18
Payment for the lease liability	(2.77)	(1.75)
Net cash generated from/(used in) financing activities (C)	4,589.75	2,511.43
Net Increase / (Decrease) in cash and cash equivalents (D) = (A + B + C)	377.92	(707.97)
Cash and cash equivalents at the beginning of the Year (E)	533.58	1,241.55
Cash and cash equivalents at the end of the Year (F) = (D) + (E)	911.50	533.58
Cash and cash equivalents include the following		
Balances with banks in current account	214.98	11.41
Fixed deposits with maturity less than 3 months	696.52	522.17
Total cash and cash equivalents	911.50	533.58

The accompanying notes are an integral part of these financial statements (See notes 1 to 42)

As per our attached report of even date

For Lodha & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301051E/E300284

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

**For and on behalf of the Board of Directors of
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Membership No. 041037

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Director
DIN no.00101379

Nilesh Shrivastava
Director
DIN no.09632942

Shiva Rajaraman
Chief Executive Officer

Pankil Mehta
Chief Financial Officer

Ankit Sheth
Company Secretary

Place: Mumbai
Date: May 03, 2024

Statement of changes in equity

as at March 31, 2024

CIN No: U67190MH2014PLC253944

A1 Equity share capital

	Note	Number	Amount
As At March 31, 2022		1,03,02,83,466	1,030.28
Issued during the year	13	-	-
Changes in Equity Share Capital due to prior period errors		-	-
As At March 31, 2023		1,03,02,83,466	1,030.28
Conversion of CCPS during the year	13	34,49,97,165	345.00
As At March 31, 2024		1,37,52,80,631	1,375.28

A2 Compulsorily convertible preference share capital

	Note	Number Series I	Amount	Number Series II	Amount
As At March 31, 2022		8,79,27,757	184.65	25,70,69,408	694.09
Issued during the year	14	-	-	-	-
As At March 31, 2023		8,79,27,757	184.65	25,70,69,408	694.09
Conversion of CCPS during the year	14	(8,79,27,757)	(184.65)	(25,70,69,408)	(694.09)
As At March 31, 2024		-	-	-	-

A3 Other equity

	Reserves and surplus					
	Securities Premium	Special reserve u/s. 45-IC of the RBI Act, 1934	Impairment Reserve	Surplus in the statement of profit and loss	General Reserve	Total
As At March 31, 2022	547.59	134.45	0.04	522.95	0.88	1,205.91
Transfers to Special reserve u/s. 45-IC of the RBI Act, 1934	-	64.96	-	(64.96)	-	-
Profit for the year	-	-	-	325.74	-	325.74
Other comprehensive income	-	-	-	(0.95)	-	(0.95)
As at March 31, 2023	547.59	199.41	0.04	782.78	0.88	1,530.70
Dividend on CCPS	-	-	-	(0.02)	-	(0.02)
Transfers to Special reserve u/s. 45-IC of the RBI Act, 1934	-	84.00	-	(84.00)	-	-
Premium on CCPS Converted into equity shares	533.74	-	-	-	-	533.74
Profit for the year	-	-	-	420.47	-	420.47
Other comprehensive income	-	-	-	(0.52)	-	(0.52)
As At March 31, 2024	1,081.33	283.41	0.04	1,118.71	0.88	2,484.37

The accompanying notes are an integral part of these financial statements (See notes 1 to 42)

As per our attached report of even date

For Lodha & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301051E/E300284

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

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

R. P. Baradiya
Partner
Membership No. 044101

Ashutosh Pednekar
Partner
Membership No. 041037

Padmanabh Sinha
Director
DIN no.00101379

Nilesh Shrivastava
Director
DIN no.09632942

Shiva Rajaraman
Chief Executive Officer

Pankil Mehta
Chief Financial Officer

Place: Mumbai
Date: May 03, 2024

Ankit Sheth
Company Secretary

Notes forming part of financial statements

as at and for year ended March 31, 2024

1 Corporate information

NIIF Infrastructure Finance Limited (Formerly IDFC Infrastructure Finance Limited) ('the Company') is a public limited company, incorporated in India on March 07, 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, 2024 were authorised for issue in accordance with a resolution of the board of directors on May 03, 2024.

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

2 Material accounting policy information

The principal accounting policies applied in the preparation of these 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 March 13, 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 (₹) and all values are rounded to nearest rupee Crores 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 as the Company does not supply goods or services within a clearly identifiable operating cycle. 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 29. 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.

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

(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 realised 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 amortised cost or fair value through other comprehensive income that are derecognised 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 recognises loss allowances for expected credit losses on its financial assets measured at amortised 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) and in the internal reporting provided to the CEO for corporate planning, there are no separate reportable segments (including geographical segments).

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

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 & Camera)	2 years
Office Equipments (Others)	5 years
Leasehold Improvements	Tenure of lease
Buildings (Right of use assets)	Tenure of lease
Server/networking equipment	6 years
Furniture and 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 asset's 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

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

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

E Impairment of non-financial asset

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which

there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

F Taxes on Income

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

G Financial instruments

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

Initial Recognition

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

Financial assets

Classification and subsequent measurement of financial assets:

Classification of financial assets

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

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

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

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

Debt Instruments

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

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset (SPPI)

Business model assessment

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

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

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

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

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

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

Equity Instruments

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

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

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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 & mutual fund is recognised on accrual basis by the Company.

Income on discounted instrument is recognised over the tenor of the instrument on a straight line basis.

Modification of loans

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

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

If the terms are substantially different, the Company derecognises the original financial asset and recognises a 'new' asset at fair

Notes

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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 (March 30, 2021), whichever is earlier. CCPS have liquidation preference over Equity Shares, in accordance with the Insolvency and Bankruptcy Code, 2016.

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

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.

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forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

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

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

K Employee benefits

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

Defined contribution plan

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

Defined benefit plan

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

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

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

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

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

Compensated absences

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

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forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

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

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

L Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year, conversion of mandatorily convertible instruments from the date the contract is entered into and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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

Expenses and assets are recognised net of the goods and services tax paid, except :

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

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

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forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

1a Cash and cash equivalents

	(₹ in Crores)	
	As at March 31, 2024	As at March 31, 2023
Cash on Hand	β	β
Balance with bank:		
In current account	214.98	11.41
In deposit account (with original maturity less than 3 months)	696.52	522.17
Total	911.50	533.58

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

1b Investment in T bills	582.84	-
Total	582.84	-

2 Loans (At amortised costs)

	(₹ in Crores)	
	As at March 31, 2024	As at March 31, 2023
Term loans	15,677.75	13,377.29
Debt Securities	6,406.05	4,443.40
Total Loans (*)	22,083.80	17,820.69
Interest accrued on loans	11.64	4.38
Interest accrued on debt securities	49.16	16.82
Total Gross Loans	22,144.60	17,841.89
Less: Impairment loss allowance	(154.83)	(124.88)
Total Net Loans	21,989.77	17,717.01
(*) The loans outstanding before adjustment of Effective Interest Rate, Premium Amortisation and Discount Accretion	22,118.19	17,839.47
(a) The above amount includes:		
(i) Secured by tangible assets	22,118.19	17,839.47
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank / Government guarantees	-	-
(iv) Unsecured	-	-
Total- Gross	22,118.19	17,839.47
Less: Impairment loss allowance	(154.83)	(124.88)
Total- Net	21,963.36	17,714.59
(b) Loans in India	21,963.36	17,714.59

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forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

3 Other financial assets

	(₹ in Crores)	
	As at March 31, 2024	As at March 31, 2023
Deposits	0.25	0.25
Receivables from Group Company	-	0.04
Other receivable	0.01	-
Total	0.26	0.29

4 Current tax assets (Net)

	(₹ in Crores)	
	As at March 31, 2024	As at March 31, 2023
Advance payment of income tax	250.92	147.65
Total	250.92	147.65

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 April 01, 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 ₹ 108.01 Crores had been provided for in the financial statements of year ended March 31, 2020.

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forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

5 a Property, plant and equipment

As at March 31, 2024	Gross block			Accumulated depreciation			Net block	
	Balance as at April 01, 2023	Additions	Disposals	Balance as at March 31, 2024	Balance as at April 01, 2023	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2024
Freehold Land (Refer note below)	0.04	-	-	0.04	-	-	-	0.04
Vehicles (owned)	0.24	-	-	0.24	0.23	0.01	-	0.24
Computers	0.76	0.74	0.15	1.34	0.44	0.30	0.15	0.75
Office Equipments	0.22	0.07	0.01	0.28	0.13	0.07	0.01	0.09
Leasehold Improvements	1.76	-	-	1.76	1.76	-	-	1.76
Furniture	0.04	-	-	0.04	0.02	0.00	-	0.02
Total tangible assets	3.05	0.81	0.16	3.71	2.58	0.38	0.16	2.80

As at March 31, 2023	Gross block			Accumulated depreciation			Net block	
	Balance as at April 01, 2022	Additions	Disposals	Balance as at March 31, 2023	Balance as at April 01, 2022	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2023
Freehold Land (Refer note below)	0.04	-	-	0.04	-	-	-	0.04
Vehicles (owned)	0.56	-	0.32	0.24	0.49	0.06	0.32	0.23
Computers	0.66	0.14	0.06	0.76	0.35	0.14	0.06	0.43
Office Equipments	0.15	0.09	0.02	0.22	0.10	0.04	0.01	0.13
Leasehold Improvements	1.76	-	-	1.76	1.61	0.15	-	1.76
Furniture	0.04	-	-	0.04	0.01	0.00	-	0.01
Total tangible assets	3.21	0.23	0.40	3.05	2.56	0.39	0.39	2.56

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

5 b Capital working in progress

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

Particulars	Amount in Capital working in progress for the year ended March 31, 2023			Total
	Less than 1 year	1-2 Years	> 3 years	
Projects in progress	-	-	-	-

5 c Right of use Assets

As at March 31, 2024	Gross block			Accumulated depreciation			Net block	
	Balance as at April 01, 2023	Additions	Disposals	Balance as at March 31, 2024	Balance as at April 01, 2023	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2024
Right of use Assets	7.66	4.54	-	12.20	1.92	2.42	-	7.86
Total	7.66	4.54	-	12.20	1.92	2.42	-	7.86

As at March 31, 2023	Gross block			Accumulated depreciation			Net block	
	Balance as at April 01, 2022	Additions	Disposals	Balance as at March 31, 2022	Balance as at April 01, 2022	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2023
Right of use Assets	-	7.66	-	7.66	-	1.92	-	5.75
Total	-	7.66	-	7.66	-	1.92	-	5.75

5 d Intangible Asset

As at March 31, 2024	Gross block			Accumulated depreciation			Net block	
	Balance as at April 01, 2023	Additions	Disposals	Balance as at March 31, 2024	Balance as at April 01, 2023	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2024
Intangible Asset	0.94	0.76	-	1.70	0.06	0.27	-	1.37
Total Intangible Asset	0.94	0.76	-	1.70	0.06	0.27	-	1.37

As at March 31, 2023	Gross block			Accumulated depreciation			Net block	
	Balance as at April 01, 2022	Additions	Disposals	Balance as at March 31, 2023	Balance as at April 01, 2022	Depreciation charge for the year/period	On disposals	Balance as at March 31, 2023
Intangible Asset	-	0.94	-	0.94	-	0.06	-	0.88
Total Intangible Asset	-	0.94	-	0.94	-	0.06	-	0.88

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forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

5 e Intangible assets under development

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Liability Management Software	0.55	-
ICRA Module		0.28
Total Intangible assets under development	0.55	0.28

(₹ in Crores)

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

(₹ in Crores)

Particulars	Amount in Intangible assets under development for the year ended March 31, 2023				
	Less than 1 year	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	0.28	-	-	-	0.28
Projects temporarily suspended	-	-	-	-	-

6 Other non-financial assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	0.88	0.35
Supplier Advance	0.02	0.01
Other Advance	0.11	0.14
Total	1.01	0.50

7 Trade payables*

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	β	0.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.63	0.65
Total	1.63	0.67

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

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forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

Trade Payables ageing schedule	Outstanding as on March 31, 2023 from due date of payment				
	< 1 year	1 to 2 Years	2 to 3 Years	> 3 Years	Total
MSME	0.02	-	-	-	0.02
Others	0.51	0.14	-	-	0.65
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

8 Other payables

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4.42	3.32
Total	4.42	3.32

9 Debt Securities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised cost		
Debentures (Secured, non convertible)(*) fully paid up, privately placed	19,136.07	14,525.78
Interest accrued but not due	646.07	424.03
Total (A)	19,782.14	14,949.81
(*)The borrowings outstanding before adjustment of unamortised fees under Effective Interest Rate	19,214.00	14,598.00
Debt securities in India	19,782.14	14,949.81
Debt securities outside India	-	-
Total (B)	19,782.14	14,949.81

Face value per debenture is ₹ 10,00,000 & ₹ 1,00,000 for FY 2024 & for FY 2023 its ₹ 1,00,000.

Based on Original Maturity	Rate of interest range			
	4% to 6%	6% to 8%	8% to 10%	Grand Total
1) Less than 1 year	-	115.00	1,386.00	1,501.00
2) 1 Year to 3 Years	-	5,852.00	770.00	6,622.00
3) 3 Years to 5 Years	-	4,573.00	851.00	5,424.00
4) >5 Years	-	2,891.00	2,776.00	5,667.00
Grand Total	-	13,431.00	5,783.00	19,214.00

10 (a) Finance Lease liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Finance Lease liabilities	8.17	5.96
Total	8.17	5.96

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

10 (b) Other financial liabilities

(₹ in Crores)

Particulars	As at	
	March 31, 2024	March 31, 2023
Advance receipts from borrowers	74.01	2.38
Dividend payable to CCPS holder	0.02	-
Total	74.03	2.38

11 Provisions

(₹ in Crores)

Particulars	As at	
	March 31, 2024	March 31, 2023
Provision for gratuity	0.73	0.19
Provision for employee benefits	-	0.09
Provision for compensated absences	0.82	0.43
Provision for long term incentive plan & share appreciation rights	4.92	2.16
Total	6.47	2.87

12 Other non-financial liabilities

(₹ in Crores)

Particulars	As at	
	March 31, 2024	March 31, 2023
Statutory dues	11.47	1.69
Total	11.47	1.69

13 A Share capital

(₹ in Crores)

	As at March 31, 2024		As at March 31, 2023	
	Number	(₹ in Crores)	Number	(₹ in Crores)
Authorised shares				
Equity shares of ₹ 10 each	1,81,50,00,000	1,815.00	1,81,50,00,000	1,815.00
Compulsorily convertible preference shares of ₹ 21 each (Series I)	8,80,95,238	185.00	8,80,95,238	185.00
Compulsorily convertible preference shares of ₹ 27 each (Series II)	25,92,59,259	700.00	25,92,59,259	700.00
Non convertible redemable preference shares of ₹ 1,00,000 each	1,50,000	1,500.00	-	-
Issued, subscribed & fully paid-up shares				
Equity shares of ₹ 10 each	1,37,52,80,631	1,375.28	1,03,02,83,466	1,030.28
Compulsorily convertible preference shares of ₹ 21 each (Series I)	-	-	8,79,27,757	184.65
Compulsorily convertible preference shares of ₹ 27 each (Series II)	-	-	25,70,69,408	694.09
Total		1,375.28		1,909.02

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

(a) Movements in equity share capital.

(₹ in Crores)

	As at March 31, 2024		As at March 31, 2023	
	Number	(₹ in Crores)	Number	(₹ in Crores)
Outstanding at the beginning of the year	1,03,02,83,466	1,030.28	1,03,02,83,466	1,030.28
Conversion of CCPS during the year	34,49,97,165	345.00	-	-
Outstanding at the end of the year	1,37,52,80,631	1,375.28	1,03,02,83,466	1,030.28

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

(₹ in Crores)

	As at March 31, 2024		As at March 31, 2023	
	Number	(₹ in Crores)	Number	(₹ in Crores)
Outstanding at the beginning of the year	8,79,27,757	184.65	8,79,27,757	184.65
Conversion of CCPS during the year	(8,79,27,757)	(184.65)	-	-
Outstanding at the end of the year	-	-	8,79,27,757	184.65

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

(₹ in Crores)

	As at March 31, 2024		As at March 31, 2023	
	Number	(₹ in Crores)	Number	(₹ in Crores)
Outstanding at the beginning of the year	25,70,69,408	694.09	25,70,69,408	694.09
Conversion of CCPS during the year	(25,70,69,408)	(694.09)	-	-
Outstanding at the end of the year	-	-	25,70,69,408	694.09

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

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

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

Equity shares	As at March 31, 2024		As at March 31, 2023	
	Number	% of Holding	Number	% of Holding
National Investment & Infrastructure Fund II & Nominees	54,63,50,979	39.73%	54,63,50,979	53.03%
Aseem Infrastructure Finance Limited	42,39,32,487	30.83%	42,39,32,487	41.15%
President of India (*)	34,49,97,165	25.09%	-	-
HDFC Bank LTD	6,00,00,000	4.36%	6,00,00,000	5.82%
0.001% Compulsorily Convertible Preference Shares (Series I)				
President of India (*)	-	-	8,79,27,757	100.00%
0.001% Compulsorily Convertible Preference Shares (Series II)				
President of India (*)	-	-	25,70,69,408	100.00%

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

13 B Other Equity

	(₹ in Crores)	
	As at March 31, 2024	As at March 31, 2023
(a) Surplus in the statement of profit and loss	1,118.71	782.78
(b) Securities premium	1,081.33	547.59
(c) General Reserves	0.88	0.88
(d) Special reserve u/s. 45-IC of the RBI Act, 1934	283.41	199.41
(e) Impairment Reserve	0.04	0.04
Total	2,484.37	1,530.70

(a) Surplus in the Statement of Profit and Loss

	(₹ in Crores)	
Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	782.78	522.95
Net profit for the year	420.47	325.74
Items of other comprehensive income recognised directly in retained earnings	-	-
- Remeasurements of post-employment benefit obligations, net of tax	(0.52)	(0.95)
Transfer to Special Reserve u/s. 45-IC of RBI Act, 1934	(84.00)	(64.96)
Dividend on CCPS	(0.02)	-
Closing balance	1,118.71	782.78

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

(b) Securities Premium

	(₹ in Crores)	
Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	547.59	547.59
Changes during the year	533.74	-
Share capital issue expenses	-	-
Closing balance	1,081.33	547.59

(c) General Reserve

	(₹ in Crores)	
Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	0.88	0.88
addition	-	-
Closing balance	0.88	0.88

(d) Special Reserve u/s. 45-IC of RBI Act, 1934

	(₹ in Crores)	
Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	199.41	134.45
Appropriations during the year	84.00	64.96
Closing balance	283.41	199.41

(e) Impairment Reserve

	(₹ in Crores)	
Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	0.04	0.04
Appropriations during the year	-	-
Closing balance	0.04	0.04
Total	2,484.37	1,530.70

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.

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 percent (20%) of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company annually.

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

d) Impairment Reserve

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

14 Interest Income

	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
On financial assets measured at amortised costs		
Interest on loans (refer note no.41)	1,740.80	1,350.14
Interest on deposit	34.89	46.86
Discount accreted on T-Bills	21.85	-
Total	1,797.54	1,397.00

15 (a) Fees and commission income

	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Fees and commission income	10.90	5.27
Total	10.90	5.27

15 (b) Net gain on fair value changes

	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
- Income from Mutual fund Investment	28.18	1.85
Total	28.18	1.85

16 Other Income

	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Shared Service Cost Recovery	-	0.09
Profit on sale of asset	0.03	0.02
Interest on IT Refunds	10.37	-
Total	10.40	0.11

17 Finance Costs

	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
On financial liabilities measured at amortised costs		
Interest expense		
(i) Debt securities	1,348.99	1,014.45
(ii) Lease Liabilities	0.45	0.49
(iii) Other borrowing cost (Rating fee & Other expenses)	2.39	2.07
Total	1,351.83	1,017.01

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

18 Fees and commission expense

	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Commission paid to project authorities	0.33	0.16
Total	0.33	0.16

19 Impairment on financial instruments

	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
On financial instruments measured at amortised costs		
Term loans & Debentures and Bonds	29.95	25.47
Total	29.95	25.47

20 Employee benefits expense

	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	27.76	19.42
Contribution to gratuity fund {Refer note 28(c)}	0.52	0.42
Contribution to provident and other funds {Refer note 28(b)}	1.42	1.20
Staff welfare expenses	1.06	0.52
Total	30.76	21.56

21 Depreciation, amortisation and impairment

	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment	0.38	0.39
Depreciation of right to use assets	2.42	1.92
Intangible Assets	0.27	0.06
Total	3.07	2.37

22 Other expenses

	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Professional fees	2.14	2.05
Rates and taxes	1.65	1.46
Computer and IT related expenses	3.08	2.12
Insurance charges	0.27	0.26
Electricity charges	0.18	0.16
Travelling and conveyance	0.70	0.55
Printing and stationery	0.09	0.05
Communication costs	0.03	0.02
Stamp duty and registration fees	0.54	0.31
Directors' sitting fees	0.82	0.41
Contribution towards corporate social responsibility (Refer Note no. 22(b))	5.27	3.73

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

(₹ in Crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Auditor's remuneration [see note (b) below]	0.45	0.38
Advertising & publicity	0.03	0.09
Miscellaneous expenses	0.41	0.33
Total	15.66	11.92

(a) Breakup of Auditors' remuneration

(₹ in Crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Audit fees	0.37	0.32
Tax audit fees	0.02	0.02
Certification fees	0.04	0.04
Out-of-pocket expenses	0.02	0.00
Total	0.45	0.38

(b) Contribution for corporate social responsibility (CSR)

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year ₹ 5.27 Crores (previous year ₹ 3.73 Crores). Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is ₹ 5.27 Crores (previous year ₹ 3.73 Crores), which comprise of following:

(₹ in Crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	5.27	3.73
(iii) On purposes other than (i) above- unspent balance for FY 2020	-	-
Total	5.27	3.73
(a) shortfall at the end of the year	-	-
(b) total of previous years shortfall	-	-
(c) reason for shortfall	NA	NA
(d) nature of CSR activities	Promoting Healthcare, Rural Development, Education and Environment	Promoting Healthcare & 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

The Company is registered as Infrastructure Debt Fund (IDF-NBFC) with RBI. As per Section 10(47) of the Income Tax Act, any income of IDFs notified by Central Board of Direct Taxes (CBDT) for this purpose is exempt from income tax.

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

24 (i) Employee benefit obligations

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

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:

(₹ in Crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Provident fund	1.05	0.82
Pension fund	0.38	0.38

c) Defined benefit plans

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. As per internal policy gratuity liabilities for all employees is uncapped and ₹ 20 Lakhs limit is not applicable.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance sheet

(₹ in Crores)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2022	4.25	3.82	0.43
Current service cost	0.40	-	0.40
Interest expense/(income)	0.18	-	0.18
Return on plan assets	-	1.62	(1.62)
Remeasurements due to actual return on plan assets less interest on plan assets	-	0.13	(0.13)
Actuarial loss / (gain) arising from change in financial assumptions	(0.04)	-	(0.04)
Actuarial loss / (gain) arising from change in demographic assumptions	(0.09)	-	(0.09)
Actuarial loss / (gain) arising on account of experience changes	1.06	-	1.06
Benefit payments	(2.20)	(2.20)	-
As at March 31, 2023	3.56	3.37	0.19
Current service cost	0.65	-	0.65
Past service cost	(0.14)	-	(0.14)
Interest expense/(income)	0.22	-	0.22
Return on plan assets	-	0.21	(0.21)
Employer contributions	-	0.54	(0.54)

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

(₹ in Crores)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Remeasurements due to actual return on plan assets less interest on plan assets		0.08	(0.08)
Actuarial loss / (gain) arising from change in financial assumptions	0.02		0.02
Actuarial loss / (gain) arising from change in demographic assumptions	0.08		0.08
Actuarial loss / (gain) arising on account of experience changes	0.50		0.50
Benefit payments	(0.70)	(0.70)	-
As at March 31, 2024	4.19	3.50	0.69

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Present value of plan liabilities	4.19	3.56
Fair value of plan assets	3.50	3.37
Plan liability net of plan assets	0.69	0.19

ii) Statement of profit and loss

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Employee benefit expense	-	-
Losses on acquisition	-	-
Current service cost	0.65	0.40
Past service cost	(0.14)	-
Total	0.51	0.40
Finance costs	0.01	0.02
Gains/(losses) on settlements	-	-
Net impact on the profit before tax	0.52	0.42

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Remeasurements of the net defined benefit liability:		
Opening amount recognised in OCI outside profit and loss account	0.87	(0.09)
Return on plan assets excluding amounts included in interest expense/income	(0.08)	0.03
Actuarial loss / (gain) arising from change in financial assumptions	0.02	(0.04)
Actuarial loss / (gain) arising from change in demographic assumptions	0.08	(0.09)
Actuarial loss / (gain) arising on account of experience changes	0.50	1.06
Actuarial gains/(losses) arising from changes in experience	-	-
Net impact on the other comprehensive income before tax	1.39	0.87

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

iii) Defined benefit plan assets

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Insurer managed funds	3.50	3.37
Total	3.50	3.37

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.

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.15%	7.30%
Salary escalation rate*	10.00%	10.00%

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

v) Sensitivity

Gratuity

(₹ in Crores)

As at March 31, 2024	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	0.50%	(4.12)	4.27
Salary escalation rate	0.50%	4.27	(4.12)

(₹ in Crores)

As at March 31, 2023	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	0.50%	(0.17)	0.17
Salary escalation rate	0.50%	0.17	(0.17)

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.

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

vi) Maturity

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

Particulars	₹ in Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Within the next 12 months (next annual reporting period)	0.73	1.06
Between 2 and 5 years	3.07	2.43
Between 5 and 10 years	0.83	0.65
Beyond 10 years	1.17	0.41
Total expected payments	5.80	4.55

The weighted average duration of the defined benefit obligation is 2.94 years (previous year - 2.94 years)

vii) Provision for long term incentive plan (LTIP)

Particulars	₹ in Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Liability for long term incentive plan	3.82	2.16

viii) Provision for leave encashment

Particulars	₹ in Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Liability for compensated absences	0.82	0.43

ix) Provision for long term incentive units (Cash settled share option)

During the year certain eligible employees of the Company are entitled to LTIP units, value of which is based on underlying value of the share of the Company. The Company recognises the fair value of such units and expenses out the same over the vesting period based on the management's estimate of the vesting and forfeiture conditions. Units awarded are cash settled share base payment transaction.

Details of the plan:

Vesting requirement	33% at the end of 2nd year, 33% at the end of 3rd years and 34% at the end of 4 years from June 2023 (Grant date)
Method of settlement	Cash settled
Exercise price	Nil
No of Option granted during the year	10,49,063
No of Option exercised during the year	Nil
No of Option outstanding As on March 31, 2024	10,49,063
Measurement of fair value	Black - Scholes Option pricing model
Expense recognised during the year (₹ in Crores)	1.10

24 (ii) Lease

Disclosure on Lease in accordance with Indian Accounting Standard (Ind AS) 116 on 'Leases'

A) Actual Payment of Rent from April 01, 2023 to March 31, 2024 is ₹ 2.76 Crores (Previous Year ₹ 2.21 Crores).

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

B) The following is the breakup of Current and non-current portion of Lease Liability:

Particulars	₹ in Crores	
	March 31, 2024	March 31, 2023
Current	3.93	1.85
Non Current	4.24	4.11
Total Lease Liability	8.17	5.96

C) The following is the movement of Lease Liability

Particulars	₹ in Crores	
	March 31, 2024	March 31, 2023
Opening Balance	5.96	-
Addition	4.53	7.66
Interest Expense on lease liability	0.45	0.49
Actual payment of rent	2.76	2.20
Closing Balance	8.17	5.96

D) The Carrying Value of Right of Use Asset

Particulars	₹ in Crores	
	March 31, 2024	March 31, 2023
Opening Balance	5.75	-
Addition	4.53	7.66
Gross Carrying value	10.28	7.66
Depreciation	2.42	1.91
Carrying value of right of use asset	7.86	5.75

E) The following represents the Contractual Maturity of the Lease Liability on an undiscounted basis

Particulars	₹ in Crores	
	March 31, 2024	March 31, 2023
On demand	-	-
Upto 3 months	1.10	0.55
Above 3 months to 12 months	3.31	1.66
Above 1 Year -3 Years	4.42	4.42
Above 3 Years-5 Years	-	-
Above 5 Years	-	-
Total	8.83	6.62

25. Segment information

The Company is engaged in business of financing by way of loans (non banking financial services). All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per Ind AS 108 – Operating Segments.

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

26. Earnings per share (EPS)

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

Particulars	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Net profit after tax available for equity shareholders (A)	420.47	325.74
Less : Dividend to CCPS holder	(0.02)	-
Net profit after tax available for equity shareholders (A)	420.45	325.74
Weighted average number of ordinary shares/(CCPS)	1,37,52,80,631	1,37,52,80,631
Weighted average number of shares (B)	1,37,52,80,631	1,37,52,80,631

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

Particulars	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Basic earnings per share (A/B)	3.06	2.37
Diluted earnings per share (A/B)	3.06	2.37

27. Capital commitments

Particulars	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances)	1.64	-
Total	1.64	-

Contingent liabilities	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Claims not acknowledged as debts in respect of :		
Income-tax demands under appeal	-	-

28. Capital management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, amongst other measures, the regulations issued by RBI. Company has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

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The following additional information is disclosed in terms of the RBI scale based circular (Ref No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24)

Capital to risk assets ratio (CRAR):	(₹ in Crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Tier I capital	3,849.87	3,432.83
Tier II capital	154.83	124.88
Total capital	4,004.70	3,557.71
Risk weighted assets	16,534.49	17,061.47
CRAR (%)	24.22%	20.85%
CRAR - Tier I capital (%)	23.28%	20.12%
CRAR - Tier II capital (%)	0.94%	0.73%
Amount of subordinated debt considered as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

Regulatory Tier I capital, which comprises share capital, share premium, special reserves, share option outstanding account, retained earnings including current year profit and non-controlling interests less accrued dividends & Intangible assets. Certain adjustments are made to Ind AS based results and reserves, as prescribed by the Reserve Bank of India.

29 The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Equity shares	(₹ in Crores)					
	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	911.50	-	911.50	533.58	-	533.58
Bank Balance other than above	0.02	-	0.02	-	-	-
Investments	582.84	-	582.84	-	-	-
Loans	1,564.08	20,425.69	21,989.77	1,066.77	16,650.24	17,717.01
Other financial assets	0.01	0.25	0.26	0.04	0.25	0.29
Non-financial assets						
Income tax assets (Net)	-	250.92	250.92	-	147.65	147.65
Property, plant and equipment	-	0.90	0.90	-	0.48	0.48
Capital work in progress	0.98	-	0.98	-	-	-
Right of use Assets	-	7.86	7.86	-	5.75	5.75
Intangible assets	-	1.37	1.37	-	-	-
Intangible Asset under Development	0.55	-	0.55	-	1.16	1.16
Other non-financial assets	1.01	-	1.01	0.50	-	0.50
Total assets	3,060.99	20,686.99	23,747.98	1,600.89	16,805.53	18,406.42
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	0.02	-	0.02

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forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

(₹ in Crores)

Equity shares	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.63	-	1.63	0.65	-	0.65
(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	4.42	-	4.42	3.32	-	3.32
Debt securities	2,147.07	17,635.07	19,782.14	1,163.03	13,786.78	14,949.81
Borrowings (Other than debt securities)	-	-	-	-	-	-
Finance Lease liabilities	3.93	4.24	8.17	1.84	4.11	5.95
Other financial liabilities	74.03	-	74.03	2.38	-	2.38
Non-financial Liabilities						
Provisions	-	6.47	6.47	0.75	2.12	2.87
Other non-financial liabilities	11.47	-	11.47	1.69	-	1.69
Total liabilities	2,242.55	17,645.78	19,888.33	1,173.68	13,793.01	14,966.69
Net	818.44	3,041.21	3,859.65	427.21	3,012.52	3,439.73

30 Fair value measurement

a) Financial Instruments by Category

The following table provides categorisation 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.

(₹ in Crores)

As at March 31, 2024	At FVTPL	At FVOCI	Amortised Cost
Financial Assets			
Loans			
- Term loans	-	-	15,576.49
- Debentures and bonds	-	-	6,352.48
- Accrued interest on loans, debentures and bonds	-	-	60.79
Cash and Cash Equivalents	-	-	911.50
Bank Balance other than above	-	-	0.02
Investments	-	-	582.84
Other financial assets	-	-	0.26
Total financial assets	-	-	23,484.39
Financial Liabilities			
Debt Securities			
- Debentures and bonds	-	-	19,136.07
- Accrued interest on borrowings	-	-	646.07
Trade payables	-	-	1.63

(₹ in Crores)

As at March 31, 2024	At FVTPL	At FVOCI	Amortised Cost
Other Payables	-	-	4.42
Finance Lease liability	-	-	8.17
Other financial liabilities	-	-	74.03
Total financial liabilities	-	-	19,870.39

(₹ in Crores)

As at March 31, 2023	At FVTPL	At FVOCI	Amortised Cost
Financial Assets			
Loans			
- Term loans	-	-	13,283.55
- Debentures and bonds	-	-	4,412.26
- Accrued interest on loans, debentures and bonds	-	-	21.20
Cash and Cash Equivalents	-	-	533.58
Bank Balance other than above	-	-	-
Other financial assets	-	-	0.29
Total financial assets	-	-	18,250.88

(₹ in Crores)

As at March 31, 2023	At FVTPL	At FVOCI	Amortised Cost
Financial Liabilities			
Debt Securities			
- Debentures and bonds	-	-	14,525.78
- Accrued interest on borrowings	-	-	424.03
Trade payables	-	-	0.67
Other Payables	-	-	3.32
Lease liability	-	-	5.96
Other financial liabilities	-	-	2.38
Total financial liabilities	-	-	14,962.14

Note: There are no other categories of financial instruments other than those mentioned above. The financial assets are shown net of provision for Expected Credit Loss.

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2024

(₹ in Crores)

Assets and liabilities measured at amortised cost for which fair values are disclosed	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Loans					
- Term loans	4	-	-	15,576.49	15,576.49
- Debentures and bonds	4	-	-	6,352.48	6,352.48
- Accrued interest on loans, debentures and bonds	4	-	-	60.79	60.79

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forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

ANNEXURE V

(₹ in Crores)

Assets and liabilities measured at amortised cost for which fair values are disclosed	Note	Level 1	Level 2	Level 3	Total
Investments	4			582.84	582.84
Total financial assets		-	-	22,572.60	22,572.60
Financial liabilities					
Debt securities					
- Debentures and bonds	11	-	-	19,136.07	19,136.07
- Accrued interest on borrowings	11	-	-	646.07	646.07
Total financial liabilities		-	-	19,782.14	19,782.14

As at March 31, 2023

(₹ in Crores)

Assets and liabilities measured at amortised cost for which fair values are disclosed	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Loans					
- Term loans	4	-	-	13,283.55	13,283.55
- Debentures and bonds	4	-	-	4,412.26	4,412.26
- Accrued interest on loans, debentures and bonds	4	-	-	21.20	21.20
Total financial assets		-	-	17,717.01	17,717.01
Financial liabilities					
Debt securities					
- Debentures and bonds	11	-	-	14,525.78	14,525.78
- Accrued interest on borrowings	11	-	-	424.03	424.03
Total financial liabilities		-	-	14,949.81	14,949.81

- There are no transfers between levels 1, 2 and 3 during the year
- The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1: Level 1: The fair value of financial instruments traded in active markets (such as mutual funds) is based on quoted market prices at the end of the reporting period. The mutual funds are valued using the closing NAV. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

c) Valuation technique used to determine fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Specific valuation techniques used to value financial instruments include:

- the fair value of the unquoted mutual fund units is determined using observable NAV representing repurchase price issued by the mutual fund/venture capital fund
- the fair values of interest rate swaps is calculated as the present value of the estimated future cash flows based on the observable yield curves
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis and the discount rates used were adjusted for counterparty or own credit risk

d) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Loans				
Rupee loans	15,576.49	15,576.49	13,377.29	13,377.29
Debentures and Bonds	6,352.48	6,352.48	4,443.40	4,443.40
Accrued interest on loans, debentures and bonds	60.79	60.79	21.20	21.20
Investments	582.84	582.84		
Total financial assets	22,572.60	22,572.60	17,841.89	17,841.89
Financial liabilities				
Debt securities				
Debentures	19,136.07	19,136.07	14,525.78	14,525.78
Commercial papers	-	-		
Total financial liabilities	19,136.07	19,136.07	14,525.78	14,525.78

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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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 Chief Risk Officer (CRO), who in turn reports directly to the Chief Executive Officer (CEO) of the Company. The board has put in place the policy to safeguard the independence of CRO (The CRO meets the Risk Management Committee (RMC) on a quarterly basis without the presence of CEO).
- The Company's Resources team is primarily responsible for funding and liquidity risks and is guided by the asset liability management policy. The market risks of the Company are supervised by the asset liability committee.
- The Company'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 monthly basis. It also conducts annual site visits and monitors financial covenants.
- Annual review of financial and operational performance of projects and their re-rating is conducted by the risk team.
- Risk management processes are also audited quarterly by internal audit and findings and recommendations are provided to the audit committee.

31.3. Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from loans and advances arising from lending activities.

Credit risk is the single largest risk for the Company's business, management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in 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 and operational performance is regularly monitored). The Company manages and controls credit risk by setting limits on the amount of exposure at each sector/sub-sector level. The concentration of risk is monitored in relation to such limits.

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31.3.1. Credit risk measurement - loans and advances

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a loans and advances entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations counterparties. The Company measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD). This is similar to the approach used for the purpose of measuring expected credit loss (ECL) under Ind AS 109.

The Company's concentration risk is managed at the sector/sub-sector level. These limits are approved by the 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		Amount Outstanding (₹ in Crores)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Energy Generation - Wind	25%	25%	6.89%	10.98%	1,657.61	2,186.59
Energy Generation - Solar	45%	45%	36.54%	39.47%	7,894.39	6,431.85
Energy Generation - Hydro	15%	15%	2.19%	0.00%	525.95	-
Energy Generation - Other	25%	25%	21.09%	18.45%	4,521.46	3,716.07
Energy Transmission	25%	25%	3.07%	3.73%	738.10	746.80
Total Energy Sector	85%	85%	69.78%	72.63%	15,337.51	13,081.30
Transport - Roads	-	-	4.50%	4.06%	1,073.58	119.79
Ports, Airports, Railways etc. (without tripartite)	25%	25%	9.06%	8.59%	2,160.61	1,720.24
Logistics	25%	25%	2.73%	1.98%	656.16	399.94
Bulk Material Transportation	25%	25%	1.59%	2.31%	381.99	464.99
Other social and commercial infrastructure	25%	25%	0.55%	0.00%	123.40	-
Hospitals	25%	25%	0.66%	0.88%	158.96	178.05
Education Institutions	25%	25%	0.29%	0.37%	68.65	73.87
Water & Sanitation	15%	15%	2.31%	2.75%	521.79	521.79
Communication	15%	15%	8.53%	6.43%	1,635.54	1,279.49
Total			100.00%	100.00%	22,118.19	17839.47

a) Credit risk grading

The Company uses internal credit risk grading framework that reflects its assessment of the probability of default of individual counterparty. Borrower and loan specific information collected at the time of initial application and annual re-rating exercise is fed into risk rating model. This is supplemented by external data such as credit bureau scoring information.

The framework is robust and comparable to credit models used by premier credit rating bureaus. The credit rating model considers various parameters (such as promoter strength, operating risk, market risk, financial factors, etc.) and a score is assigned to each parameter between 1 (lowest) to 5 (highest). The internal rating grade is based on the final score derived from the credit rating model.

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The Company's internal rating grades

Internal rating grades	Description of the grade
iAAA	Highest Safety
iAA+	High Safety
iAA	
iAA-	
iA+	Adequate Safety
iA	
iA-	
iBBB+	Moderate Safety
iBBB	
iBBB-	
iBB+, iBB & iBB-	Moderate Risk
iB, iC & iD	High Risk/ Very High Risk/ Default

As per risk rating policy, the Company does not finance the projects 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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
iAAA	0%	0%	0%	0%
iAA+, iAA, iAA-	28%	31%	46%	44%
iA+, iA, iA-	52%	48%	41%	39%
iBBB+	11%	16%	7%	15%
iBBB	9%	4%	6%	2%
iBBB-	0%	1%	0%	0%
Total	100%	100%	100%	100%

b) Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer note 31(b)(i) below for a description of how the Company determines when a significant increase in credit risk has occurred.

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- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer note 31(b)(ii) below for a description of how the Company defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 have their ECL measured based on expected credit losses on a lifetime basis while for Stage 3, probability of default is taken as 100%. Refer note 31(b)(iii) below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with Ind AS 109 is that it should consider forward-looking information.

The following diagram summarises the impairment requirements under Ind AS 109:

Change in credit quality since initial recognition		
Stage 1 (Initial recognition)	Stage 2 (Significant increase in credit risk since initial recognition)	Stage 3 (Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	PD taken as 100%

i) Significant increase in credit risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the quantitative, qualitative or backstop criteria have been met.

Quantitative criteria:

The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are 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, 2024.

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

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The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the probability of default (PD), exposure at default (EAD) and loss given default (LGD) throughout the Company's expected loss calculations.

iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD), and loss given default (LGD), defined as follows:

PD Estimation:

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The credit quality of the portfolio is assessed using internally developed credit rating model. The internal rating grade is determined for every initial application and annual re-rating is also performed for all existing counterparties. In the absence of default/SMA history and limited number of counterparties involved, credit rating data available in public domain has been used to assign PDs to Internal rating grades.

- For Stage 1, 12 month PD are calculated. 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		PIT PD
Highest Safety	iAAA	0.07%
	iAA+	0.13%
High Safety	iAA	0.13%
	iAA-	0.13%
Adequate Safety	iA+	0.18%
	iA	0.18%
	iA-	0.18%
Moderate Safety	iBBB+	1.03%
	iBBB	1.03%
	iBBB-	1.03%
Moderate Risk	iBB+	4.83%
	iBB	4.83%
	iBB-	4.83%
High Risk	iB	11.18%
Very High Risk	iC	27.26%
Default	iD	100.00%

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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 NHA/any other project authority for ensuring a compulsory buyout with termination payments. The LGD for road project loans is taken as 5% since the entire credit exposure arising out of loan agreement is secured by way of tripartite agreement with Government authorities. 5% assumption on LGD is hence assumed only to capture any time delay in enforcing the tripartite agreement.
- In case of re-financing of other operating infrastructure project loans, the primary credit support is cash flow control and additional comfort is taken as project assets as collateral. In absence of actual instances of default and consequential recoveries, the LGD rates under "Foundation IRB approach" as prescribed by RBI, after considering the threshold level of collateralisation and required level of over collateralisation for full recognition of collateral, have been taken as a proxy measure.

ECL computation:

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

iv) Forward-looking information incorporated in the ECL model

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for portfolio.

Judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided on a regular basis and provide the best estimate view of the economy over the next five years.

The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Company measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has

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analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The Company has identified the "GDP growth rate" as a key driver for the expected credit loss. To smoothen the GDP growth rate for past 15 years, GDP growth rates achieved during black swan events such as during the COVID period (FY 2021) and subsequent high revival growth rate (FY 2022) have not been considered while taking the GDP numbers for March 2024 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, 2024

ECL Scenario	Assigned probabilities %	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Base case	50%	6.81%	6.46%	6.47%	6.48%	6.49%
Best case	20%	9.55%	9.20%	9.20%	9.21%	9.22%
Worst case	30%	4.07%	3.72%	3.73%	3.74%	3.75%

Year ended March 31, 2023

ECL Scenario	Assigned probabilities %	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Base case	50%	5.89%	6.33%	6.21%	6.07%	6.00%
Best case	20%	8.71%	9.15%	9.03%	8.89%	8.82%
Worst case	30%	3.07%	3.51%	3.39%	3.25%	3.18%

The GDP estimates are used to project the grade wise PD for base case, best case and worst case scenario. The final (weighted) ECL is arrived at by assigning 50%, 20% and 30% weights to the base case, best case and worst case ECL respectively.

The GDP estimates are presented for financials years

Particulars	As at March 31, 2024 (₹ in Crores)	As at March 31, 2024 (%)	As at March 31, 2024 (% of Total Loans)	As at March 31, 2023 (₹ in Crores)	As at March 31, 2023 (%)	As at March 31, 2023 (% of Total Loans)
Scenario weighted computed ECL	31.55	20%	0.14%	45.06	36%	0.25%
Management Overlay	123.28	80%	0.56%	79.82	64%	0.45%
Total Impairment Loss Allowance on Loans (Note 2)	154.83	100%	0.70%	124.88	100%	0.70%

Scenario weighted computed ECL as on March 31, 2024 is ₹ 31.55 Crores (March 31, 2023 is ₹ 45.06 Crores). Over and above this, there is management overlay of ₹ 123.28 Crores (₹ 79.82 Crores) such that the Total Impairment Loss Allowance will be 0.7% of Total Loans which amounts to ₹ 154.83 Crores (₹ 124.88 Crores)

v) Financial assets measured on a collective basis

ECL is calculated on individual basis for all loan assets.

vi) Proposal appraisal

The Company collects relevant project/ corporate documents and initiate appraisal of the proposal. The evaluation process encompasses establishment of viability of proposal including borrower's ability to service the loan. The evaluation is undertaken through a combination of review of project/corporate documents, external rating rationales (if any), meetings with project promoters/key officials, site visits, etc.

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Proposals shall be approved by the Board/ Committee of the Board post recommendation by the Decision Committee.

Term loans /debentures can have fixed rate or floating rate of interest linked to the Company's benchmark rate or another agreed benchmark. There may be reset of spreads after defined intervals.

Below is the mix of assets with spread reset dates falling within 1 year and more than 1 year:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 1 year	6.00%	4.00%
More than 1 year	94.00%	96.00%

vii) Overview of modified and forborne loan

All the loan assets of the Company are categorised under Stage 1 and there are no modified or forborne loans.

c) Credit risk exposure

i) Maximum exposure to credit risk - Loans and debenture measured at amortised subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

(₹ in Crores)

Term loans and debentures	As at March 31, 2024			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety		-	-	-
High Safety	10,136.38	-	-	10,136.38
Adequate Safety	9,016.28	-	-	9,016.28
Moderate Safety	2,965.53	-	-	2,965.53
Non-performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	22,118.19	-	-	22,118.19

(₹ in Crores)

Term loans and debentures	As at March 31, 2023			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety	-	-	-	-
High Safety	7,835.66	-	-	7,835.66
Adequate Safety	6,972.42	-	-	6,972.42
Moderate Safety	3,031.39	-	-	3,031.39
Non-performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	17,839.47	-	-	17,839.47

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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. 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):

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 Crores)

Particulars	Gross Exposure	Impairment allowance	Undrawn amount	EIR Adjustment	Carrying amount
As at March 31, 2024					
Loans to corporate entities/ individuals:					
- Term loans	15,746.13	110.22	-	24.48	15,611.42
- Debentures and bonds	6,372.07	44.60	-	9.91	6,317.55
- Accrued interest on loans, debentures and bonds	60.79	-	-	-	60.79
Total	22,178.98	154.83	-	34.39	21,989.76
As at March 31, 2023					
Loans to corporate entities/ individuals:					
- Term loans	13,431.57	94.02	-	14.14	13,323.41
- Debentures and bonds	4,407.90	30.86	-	4.64	4,372.41
- Accrued interest on loans, debentures and bonds	21.19	-	-	-	21.19
Total	17,860.66	124.88	-	18.78	17,717.01

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;

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- impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- impacts on the measurement of ECL due to changes made to models and assumptions;
- financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

An analysis of change in the gross carrying amount of the loan portfolio and corresponding loss allowance:

The following table further explains changes in the gross carrying amount of the loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed below:

(₹ in Crores)

Term loans and debentures	Year ended March 31, 2024			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	17,841.89	-	-	17,841.89
New assets originated or purchased	6,985.74	-	-	6,985.74
Assets derecognised or repaid	(2,683.04)	-	-	(2,683.04)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	22,144.60	-	-	22,144.60

(₹ in Crores)

Term loans and debentures	Year ended March 31, 2023			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	14,192.40	-	-	14,192.40
New assets originated or purchased	6,560.59	-	-	6,560.59
Assets derecognised or repaid	(2,911.10)	-	-	(2,911.10)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	17,841.89	-	-	17,841.89

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 Crores)

Term loans and debentures	Year ended March 31, 2024			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	124.88	-	-	124.88
New assets originated or purchased	48.90	-	-	48.90
Assets derecognised or repaid	(18.95)	-	-	(18.95)
Net remeasurement of loss allowance	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	154.83	-	-	154.83

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Term loans and debentures	Year ended March 31, 2023			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	99.41	-	-	99.41
New assets originated or purchased	45.92	-	-	45.92
Assets derecognised or repaid	(20.45)	-	-	(20.45)
Net remeasurement of loss allowance	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	124.88	-	-	124.88

The origination of new loan assets is the primary factor that contributed to the change in the loss allowance during the period.

31.3.2. Other financial assets

The Company has credit risk exposure in cash and cash equivalents, deposits with banks, and other financial assets. Cash and cash equivalents and bank deposits are held with only high rated banks/financial institutions only, therefore credit risk is perceived to be low. The Company has no significant concentration of credit risk.

31.4. Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stressful circumstances. To limit this risk management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a monthly basis. The Company has developed internal control processes and contingency plans for managing liquidity risk.

Prudent liquidity risk management implies maintaining liquid investments. In accordance with the Company's policy, the liquidity position is assessed by setting limits on the amount of liquidity exposure and monitoring exposures in relation to each such limits:

a) Liquidity Risk framework

Category	Limits
Limits on cumulative negative gaps, as a % of cumulative outflows [maximum]	<ul style="list-style-type: none"> - 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]	0.85
Earnings at risk (EaR) [maximum]	₹ 35 Crores
Liquidity ratio - Long-term assets/Total Assets	Min. 80% - Max 95%

The Company has assumed prepayment in 1-3 yr and 3-5 yr bucket based on behavioral pattern as allowed under RBI circular from October 31, 2023.

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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.

As at March 31, 2024	₹ in Crores)										
	0 - 7 Days	8 - 14 Days	15 Days - 1 Month	Over 1 Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Above 5 Years	Total
Financial assets											
Loans	31.42	-	13.78	18.12	218.97	300.53	920.48	3,369.39	4,168.92	13,042.22	22,083.83
T Bill	-	-	229.17	104.15	-	-	-	-	-	-	582.84
Total undiscounted financial assets	31.42	249.52	242.94	122.27	218.97	300.53	920.48	3,369.39	4,168.92	13,042.22	22,666.67
Financial liabilities											
Debt securities	-	-	-	20.00	-	376.00	1,105.00	6,622.00	5,424.00	5,589.07	19,136.07
Total undiscounted financial liabilities	-	-	-	20.00	-	376.00	1,105.00	6,622.00	5,424.00	5,589.07	19,136.07
As at March 31, 2023											
Financial assets											
Loans	-	-	17.46	26.09	200.47	253.99	568.76	2,504.93	2,499.38	11,749.61	17,820.69
Total undiscounted financial assets	-	-	17.46	26.09	200.47	253.99	568.76	2,504.93	2,499.38	11,749.61	17,820.69
Financial liabilities											
Debt securities	-	-	-	60.00	-	217.00	462.00	2,870.00	9,177.00	1,739.80	14,525.80
Total undiscounted financial liabilities	-	-	-	60.00	-	217.00	462.00	2,870.00	9,177.00	1,739.80	14,525.80

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c) Public disclosure on liquidity risk

The disclosure in terms of RBI scale based circular ref. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated March 21, 2024 on liquidity risk management framework for NBFCs is provided below-

(i) Funding concentration based on significant counterparty

Sr no	Year	No. of counterparties	Amount (₹ in Crores)	% of Total Borrowings	% of Total Liabilities
1	March 31, 2024	20	14,500.00	75.47%	72.91%
2	March 31, 2023	21	10,695.00	73.26%	71.46%

(ii) Top 20 large deposits - Nil

(iii) Top 10 borrowings: ₹ 11,540 Crores (represent 60.06% of total borrowings) (previous year ₹ 7,995 Crores (represent 54.77% of total borrowings))

(iv) Funding concentration based on significant instrument/product

(₹ in Crores)

Sr no	Name of instrument	March 31, 2024		March 31, 2023	
		Amount (₹ in Crores)	% of Total Liabilities	Amount (₹ in Crores)	% of Total Liabilities
1	Non Convertible Debentures	19,214.00	100.00%	14,598.00	100.00%

(v) Stock ratios:

Sr no	Instrument	March 31, 2024			March 31, 2023		
		As a % of total public funds	As a % of total liabilities	As a % of total assets	As a % of total public funds	As a % of total liabilities	As a % of total assets
(b)	Non Convertible Debentures (original maturity <1 year)	NA	Nil	Nil	NA	Nil	Nil
(c)	Other short term liabilities	NA	11%	9%	NA	8%	6%

(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-

- Board** - which provides the overall direction for the Policy and framework.
- ALCO** - comprises Chief Executive Officer (CEO), Chief Risk Officer (CRO), Chief Financial Officer (CFO) and Chief Business Officer (CBO), Director - Resources. It is a decision making body responsible for strategic management of interest rate and liquidity risks.
- Asset Liability Management Support Group** - which consist of operating staff from Risk, Finance and Resources group, who analyse/monitor liquidity profile, limits & report to ALCO & RBI.
- Finance Committee** - comprises CEO, CRO, CBO and CFO which is authorised to borrow monies through various instruments permitted by RBI.
- 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.
- Investment Committee** - Comprises CEO,CRO,CBO,CFO,CCO and is responsible for investment of surplus funds.

d) Disclosure on Liquidity Coverage Ratio (LCR) under RBI scale based circular no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated March 21, 2024 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

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Particulars	Total Unweighted Value (average)*	Total Weighted Value (average)#	September 30, 2023		June 30, 2023	
			Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
High Quality Liquid Assets	1,283.07	1,283.07	1,336.91	835.53	835.53	768.44
Cash Outflows						
1 Total High Quality Liquid Assets (HQLA),	1,283.07	1,283.07	1,336.91	835.53	835.53	768.44
2 Deposits (for deposit taking companies)	-	-	-	-	-	-
3 Unsecured wholesale funding	-	-	-	-	-	-
4 Secured wholesale funding	852.73	980.64	385.03	881.45	1,013.66	1,234.24
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	998.33	1,068.02	1,125.05	789.81	791.16	643.57
7 Other contingent funding obligations	-	-	-	-	-	-
8 Total Cash Outflows	1,851.06	2,048.66	1,510.08	1,671.26	1,804.82	2,062.94
Cash Inflows						
9 Secured lending	372.57	279.42	248.84	377.25	282.94	181.82
10 Inflows from fully performing exposures	1,448.91	1,200.29	1,170.27	1,102.64	974.84	1,252.88
11 Other cash inflows	1,821.48	1,479.71	1,419.12	1,479.89	1,257.78	1,434.69
12 Total Cash Inflows			Total Adjusted Value			Total Adjusted Value
			1,336.91		835.53	768.44
13 Total HQLA			377.52		547.04	628.24
14 Total Net Cash Outflows (Higher of inflow less outflows or 25% of outflows)			226%		153%	122%
15 LIQUIDITY COVERAGE RATIO (%)						

*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%).

\$ Other cash Inflows mainly contains Fixed deposit, Mutual fund & funds raised through NCD/CP.

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1. Liquidity Coverage Ratio without considering disbursements & borrowings for the quarter is 379%.
 2. HQLA includes unencumbered portion of current account balance, eligible Corporate bonds & Investment in T-bills.
 3. Above HQLA is computed excluding callable short term fixed deposits with scheduled commercial banks.
 4. The above numbers of quarter end reporting date are simple average values of daily observations 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:
(b) intra-period changes as well as changes over time: Quarterly LCR mentioned in table above
(c) the composition of HQLAs: Mentioned above
(d) concentration of funding sources: Refer 31.4 (c) liquidity risk
(e) derivative exposures and potential collateral calls: NA
(f) currency mismatch in the LCR: NA
(g) other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile: NA

31.5. Market Risk

The risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and mutual fund NAV's.

a) Interest rate risk-lending

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's main interest rate risk arises from lending with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2024 and March 31, 2023, 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

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, 2024	As at March 31, 2023
Variable rate lending portfolio	437.85	262.33
Fixed rate loans	21,680.34	17,577.14
Total	22,118.19	17,839.47

ii) Sensitivity

a) Interest rate risk - Loans and debenture

Profit or loss may be impacted due to change in interest rate on rate-sensitive assets and liabilities.

Particulars	Impact on profit after tax	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest rates – increase by 100 basis points	15.13	5.03
Interest rates – decrease by 100 basis points	(15.13)	(5.03)

*The sensitivity is derived holding all other variables constant

- iii) Company does not have any variable rate borrowings; hence its not exposed to borrowing interest rate risk exposure.

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b) Price risk

Since the Company does not hold any quoted equity instruments, it is not exposed to price risk, however investment in Mutual fund are exposed to market price risk.

c) Foreign currency risk:

The Company does not have any foreign currency exposures in respect of financial assets and financial liabilities as at the balance sheet date that will result in net currency gains or losses in the statement of profit and loss due to change foreign currency exchange rates. This mitigates the foreign currency risk exposure for the Company.

31.6. Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. Operational risk management process comprises of identification, assessment, measurement, monitoring / controlling, reporting and mitigation of operational risk. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit. Periodic Business Operational Risk Committee (BORC) meetings are convened to keep a track of operational risks and mitigation plans across the Company.

32 Related Party Disclosure

List of Related Parties

a) Controlling Stake Holder

National Investment and Infrastructure Fund II

b) Entity/Person with significant influence

National Investment and Infrastructure Fund Limited (Investment Manager of National Investment and Infrastructure Fund II)

Aseem Infrastructure Finance Limited

President of India

c) Key Management Personnel

Mr. Shiva Rajaraman - Chief Executive Officer (Appointed wef July 01, 2022)

Mr. Sadashiv S. Rao - Chief Executive Officer (Cease to be CEO wef June 30, 2022)

Mr. V. Narayanan Iyer - Chief Financial Officer (Cease to be CFO wef October 10, 2023)

Mr. Pankil Mehta - Chief Financial Officer (Appointed wef March 28, 2024)

Mr. Ankit Sheth - Company Secretary

d) Directors

Mr. Surya Prakash Rao Pendyala - Nominee Director, NIIF Fund II (Ceased to be a Director w.e.f. November 30, 2023)

Mr. AKT Chari - Nominee Director, NIIF

Ms. Ritu Anand - Independent Director (Ceased to be a Director w.e.f. May 06, 2022)

Mr. Rajiv Dhar - Nominee Director, NIIF Fund II (Ceased to be a Director w.e.f. March 28, 2024)

Mr. Ashwani Kumar - Independent Director

Ms. Rosemary Sebastian - Independent Director (Appointed w.e.f. June 07, 2022)

Mr. Prashant Kumar Ghose - Independent Director (Appointed w.e.f. February 01, 2023)

Mr. Padmanabh Sinha - Nominee Director NIIF Fund II (Appointed w.e.f. March 28, 2024)

Mr. Nilesh Shrivastava – Nominee Director NIIF Fund II (Appointed w.e.f. March 28, 2024)

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

Related Party	Parent		Subsidiaries		Entity with significant influence		KMPs		Relatives of KMPs		Directors		Relatives of Directors		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Recovery against Shared Service Cost	-	-	-	-	0.26	0.54	-	-	-	-	-	-	-	-	0.26	0.54
Processing fees received	-	-	-	-	0.20	-	-	-	-	-	-	-	-	-	0.20	-
Reimbursement of expenses to related Party	-	-	-	-	0.13	0.08	-	-	-	-	-	-	-	-	0.13	0.08
Purchase of Loans & Advances	-	-	-	-	478.33	-	-	-	-	-	-	-	-	-	478.33	-
Proceeds from issue of equity share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from issue of equity share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managerial Remuneration	-	-	-	-	-	-	3.88	6.57	-	-	-	-	-	-	3.88	6.57
Sitting Fees	-	-	-	-	-	-	-	-	-	-	0.82	-	-	-	0.82	0.41
Balances outstanding	-	-	-	-	-	0.04	-	-	-	-	-	-	-	-	-	0.04
Total	-	-	-	-	478.92	0.67	3.88	6.57	-	-	0.82	0.41	-	-	483.62	7.65

33 The Company has used accounting software for maintaining its books of account which has a feature of recording audit-trail (edit log) and same was operated through-out the year for all relevant transactions recorded in the software. The Company did not use database feature to enable audit trail due to security and performance consideration. However, company has effective control mechanism with respect to database management to check if there is any change in database. Further, the Company is in the process of allowing access to Database and Server only through Privileged Accesses Management.

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

34 Other Disclosures:

a) Ratios

Ratios	Description	March 31, 2024	March 31, 2023
Debt-Equity Ratio	Total Debt / Total Equity	5.13	4.35
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	0.83	0.81
Debtors Turnover	NA	NA	NA
Inventory Turnover	NA	NA	NA
Operating Margin (%)	Operating Profit / Total Revenue	22.30%	23.12%
Net Profit Margin (%)	PAT / Total Revenue	22.74%	23.13%
Net Worth (in ₹ in Crores)	Share capital + Reserves and surplus	3,859.65	3,439.73
Net Profit After Tax (in ₹ in Crores)		420.47	325.74
Earnings Per Share (Basic)	PAT / Total number of shares	3.06	2.37
Earnings Per Share (Diluted)	PAT / Total diluted number of shares	3.06	2.37
Gross/ Net Non-Performing Assets (NPAs)		Nil	Nil
Capital Redemption Reserve/ Debenture Redemption Reserve *	NA	NA	NA
LCR (Refer note no: 31.4)	Liquidity coverage ratio	2.26	2.16

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

- b)** There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- c)** No proceeding has been initiated during the year or pending against the Company for holding any Benami property.
- d)** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- e)** During the current year the Company has not traded or invested in Crypto currency or Virtual Currency.
- f)** The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- g)** The Company, has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- 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 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:
- 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

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

- 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, 2024	As at March 31, 2023
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:	₹	0.02
- Principal amount	₹	0.02
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

35 The following additional information is disclosed in terms of the RBI scale based circular RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24.

- (a) **Capital to risk assets ratio (CRAR):** Refer note 28

- (b) **Details of Investments are set out below:**

Particulars	As at March 31, 2024	As at March 31, 2023
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	582.84	-
(b) Outside India	-	-
(A)	582.84	-
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(B)	-	-
(iii) Net Value of Investments		
(a) In India	582.84	-
(b) Outside India	-	-
(A-B)	582.84	-
2 Movement of provisions held towards depreciation on investments.		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-offs/ write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

- (c) **Investor group wise classification of all investments (Current and Long Term) in shares and securities (both Quoted and Unquoted):**

(₹ in Crores)

	As at March 31, 2024		As at March 31, 2023	
	Market Value/ Breakup Value / Fair Value / NAV	Book Value Net of Provision	Market Value/ Breakup Value / Fair Value / NAV	Market Value/ Breakup Value / Fair Value / NAV
1 Related parties	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	582.84	582.84	-	-
Total	582.84	582.84	-	-

- (d) **Securitisation /Assignment**

The Company has not undertaken 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 31.4 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, 2024 and as at March 31, 2023.

- (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, 2024 and as at March 31, 2023.

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

During the years ended March 31, 2024 and as at March 31, 2023, 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:**

Particulars	As at March 31, 2024	As at March 31, 2023
1 Related parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties *	21,989.77	17,717.01
Total	21,989.77	17,717.01

(*) Net of provision for standard assets

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

(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, 2024 there was no penalty imposed by the RBI and other regulators (Previous Year ₹ Nil).

(n) Break up of 'Provisions and Contingencies' shown under the head 'Expenses' in the Statement of Profit and Loss

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	-	-
Other Provision and Contingencies	-	-
Provision for Standard Assets	29.95	25.47
	29.95	25.47

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 March 31, 2024	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 IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	22,144.60	154.83	21,989.77	88.58	66.25
	Stage 2	-	-	-	-	-
Subtotal		22,144.60	154.83	21,989.77	88.58	66.25
Non Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful- up to 1 year	Stage 3	-	-	-	-	-
1-3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		-	-	-	-	-
Loss		-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc which are in the scope of Ind AS 109 but not	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

Asset Classification as per RBI norms March 31, 2024	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 IRACP norms
1	2	3	4	5=3-4	6	7=4-6
covered under Current Income Recognition,	Stage 3	-	-	-	-	-
Asset Classification and Provisioning (IRACP) norms						
Total	Stage 1	22,144.60	154.83	21,989.77	88.58	66.25
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	22,144.60	154.83	21,989.77	88.58	66.25

Asset Classification as per RBI norms March 31, 2023	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 IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	17,841.89	124.88	17,717.01	71.37	53.51
	Stage 2	-	-	-	-	-
Subtotal		17,841.89	124.88	17,717.01	71.37	53.51
Non Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful- up to 1 year	Stage 3	-	-	-	-	-
1-3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		-	-	-	-	-
Loss		-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc which are in the scope of Ind AS 109 but not covered under Current Income Recognition,	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Asset Classification and Provisioning (IRACP) norms						
Total	Stage 1	17,841.89	124.88	17,717.01	71.37	53.51
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	17,841.89	124.88	17,717.01	71.37	53.51

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

(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 Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Advances to twenty largest borrowers/ customers	10,277.85	8,479.53
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	46.47%	47.53%

(q) Concentration of Exposures

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Exposure to twenty largest borrowers / customers	14,500.00	9,375.31
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	75.47%	46.49%

(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 Crores)

Name of the Joint Venture/ Subsidiary	For the year ended March 31, 2024		
	Other Partner in the JV	Country	Total Assets
	Nil	Nil	Nil

(₹ in Crores)

Name of the Joint Venture/ Subsidiary	For the year ended March 31, 2023		
	Other Partner in the JV	Country	Total Assets
	Nil	Nil	Nil

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

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
		Nil

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

(u) Disclosure of complaints :

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Complaints received by the NBFC from its customers		
1 Number of complaints pending at beginning of the year	-	-
2 Number of complaints received during the year	-	-
3 Number of complaints disposed during the year	-	-
3.1 Of which, number of complaints rejected by the NBFC	-	-
4 Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman		
5* Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombud	-	-
5.2 Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	-	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6* Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
March 31, 2024					
Ground - 1	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-
March 31, 2023					
Ground - 1	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

Notes

forming part of financial statements as at and for year ended March 31, 2024 (Contd.)

36 The additional information required to be disclosed in terms of RBI scale based circular (Ref. No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24) is not applicable for the Company.

37 Intra group Exposure

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total amount of intra-group exposures	-	-
Total amount of top 20 intra-group exposures	-	-
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-

38 Details of loans not in default acquired during the year ended March 31, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

Details of loans not in default acquired from other entities:

Mode of acquisition	Assignment and Novation
Aggregate principal outstanding of loans acquired	₹ 373.24 Crores
Aggregate consideration paid	₹ 377.64 Crores
Weighted average residual maturity	12.87 years
Weighted average holding period	N.A.
Retention of beneficial economic interest by the originator	Nil
Coverage of tangible security	100% secured
Rating-wise distribution of loans acquired by value:	AA - 100%

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

40 There are no contingent liabilities as of March 31, 2024 (Previous year Nil)

41 The figures of ₹ 50,000 or less have been denoted by B.

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

For Lodha & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 301051E/E300284

R. P. Baradiya

Partner
Membership No. 044101

For M.P.Chitale & Co.

Chartered Accountants
ICAI Firm Registration No. 101851W

Ashutosh Pednekar

Partner
Membership No. 041037

Place: Mumbai
Date: May 03, 2024

For and on behalf of the Board of Directors of

NIIF Infrastructure Finance Limited

Padmanabh Sinha

Director
DIN no.00101379

Shiva Rajaraman

Chief Executive Officer

Ankit Sheth

Company Secretary

Nilesh Shrivastava

Director
DIN no.09632942

Pankil Mehta

Chief Financial Officer

NOTES



NIIF IFL INFRASTRUCTURE
FINANCING

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