



Efficient Debt
Green Infrastructure
Promising India

Annual Report 2021-22
INDIA INFRADEBT LIMITED

Contents

01

The i Advantage

02

Corporate Information

03

Shareholders
Vision & Mission

04

About Us

06

Milestones

08

Directors' Report

51

Independent Auditor's
Report

62

Balance Sheet

63

Statement of Profit and Loss

64

Statement of changes in
Equity

65

Cash Flow Statement

66

Significant Accounting
Policies and Notes to
Accounts

Financing of infrastructure in India has various challenges. India Infradebt Limited continues to demonstrate that a private sector AAA rated Non-Banking Financial Company can provide adequate returns to both its debt and equity investors and build a resilient and robust business for the long term.

 **INFRADEBT**
Leading Infrastructure Finance



Scan QR code to read more about
India Infradebt Limited
Website : www.infradebt.in

The Advantage

Invigorate

By financing infrastructure projects at competitive interest rates, with longer duration, serves to further strengthen financial viability and returns. Besides, executing partial/full takeout of the senior debt and providing structured benefits like moratorium and backended repayment schedule, it improves the risk profile and leads to stronger credit rating for projects and upgrades their marketability to the Capital Markets.

Incremental returns

There's always room for improvement, even at the top. Competitive interest rates, coupled with structured benefits, lead to sustained cash flows. This improves project valuations and transforms them into attractive investment opportunities for investors.

Insulate

With primarily fixed-rate funding, all projects stay insulated from fluctuating financial markets, thus improving their long-term viability and profitability. As for investments, it creates a stable risk-return profile through regulatory ring-fencing of asset exposure of Infradebt.

Inviolable commitment

Built on strong foundations, the Infradebt IDF-NBFC framework was conceived by the Ministry of Finance, and it has been operationalized by four of India's leading financial institutions – ICICI Bank Limited, Bank of Baroda, Citicorp Finance (India) Limited and Life Insurance Corporation of India.



With strong financial expertise,
India Infradebt Limited is a leading
IDF-NBFC that creates a profitable
position for both investors and projects.

Corporate Information

Board of Directors

Mrs. Lalita D. Gupte
Chairperson & Independent Director

Mr. Uday Chitale
Independent Director

Mr. Arun Tiwari
Independent Director

Mr. Partha Dey
Nominee Director

Mr. Debadatta Chand
Nominee Director

Ms. Nina Nagpal
Nominee Director

Mr. Suvek Nambiar
Managing Director & CEO

Senior Management

Mr. Akash Deep Jyoti
Chief Risk Officer

Mr. Surendra Maheshwari
Chief Financial Officer

Mr. Pankaj Chandak
Head – Assets

Mr. Ankur Sood
Head – HR

Company Secretary & Compliance Officer

Mr. Gaurav Tolwani

Statutory Auditors

B. K. Khare & Co.,
Chartered Accountants

Registered Office

The Capital
'B' Wing, 1101A,
Bandra-Kurla Complex
Mumbai – 400 051.

Registrar & Transfer Agent

For Equity:

3i Infotech Limited
Tower #5, 3rd Floor,
International Infotech Park,
Vashi Railway Station Complex,
Vashi, Navi Mumbai – 400 703.

For Debentures:

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (W),
Mumbai-400 083.

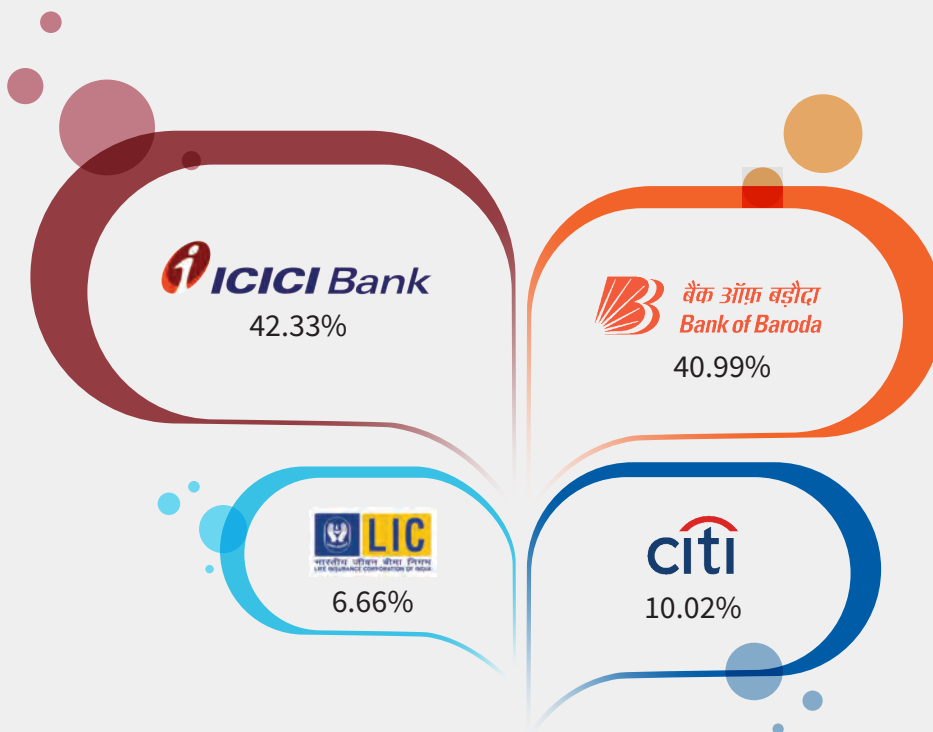
Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001.



Shareholders

Four leading financial institutions of the Country are the Shareholders of India Infradebt Limited.



Vision

To be the most preferred infrastructure finance provider in India and contribute to nation building.



Mission

To provide best in class takeout funding and to supplement bank funding of infrastructure development in India.

About Us

India Infradebt Limited (Infradebt) is an Infrastructure Debt Fund (IDF) set up by four of India's leading financial institutions under Non-Banking Financial Company (NBFC) format. The objective of the Company is to create an alternative class of funding infrastructure by bringing in long term domestic and offshore institutional investors such as insurance companies, provident and pension funds, banks amongst others.



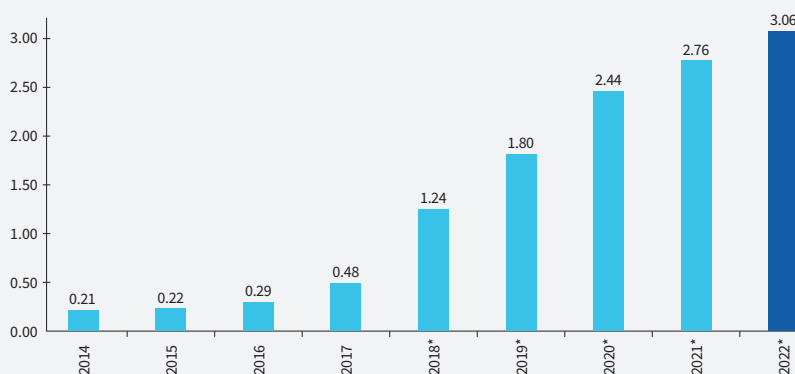
Infradebt was formed with an aim to finance the Infrastructure Projects (which have completed at least one year of commercial operations) and reinforce their long term financial resilience. In line with this, a major portion of Company's portfolio comprises of road projects awarded by the National Highways Authority of India and renewable energy projects (wind, solar and hydro). Infradebt has further widened its reach by financing infrastructure projects belonging to sectors such as telecommunications, education, transmission, airport and warehousing. Infradebt at present has the largest exposure to the renewable energy segment followed by exposure to road segment.

Further, Infradebt is allowed to borrow from the market by way of bonds (Non-Convertible debentures) with a minimum maturity of five years (except upto 10% of total outstanding borrowing as allowed by RBI vide circular dated April 21, 2016). With its strategic focus areas, it has a diverse range of long-term investors, of which the prominent categories include Life Insurance Companies, General Insurance Companies, Provident Funds, Pension Funds, Banks and Debt Mutual Funds.

Built on an experienced management team, strong credit framework, sound business practices and regulated business model, the Company has a long-term domestic credit rating of AAA with a stable outlook awarded by three leading rating agencies – CRISIL (majority-owned by S&P), ICRA (majority-owned by Moody's) and India Ratings (100% subsidiary of FITCH).

Profit after Tax

(₹ in billion)



*As per IndAS

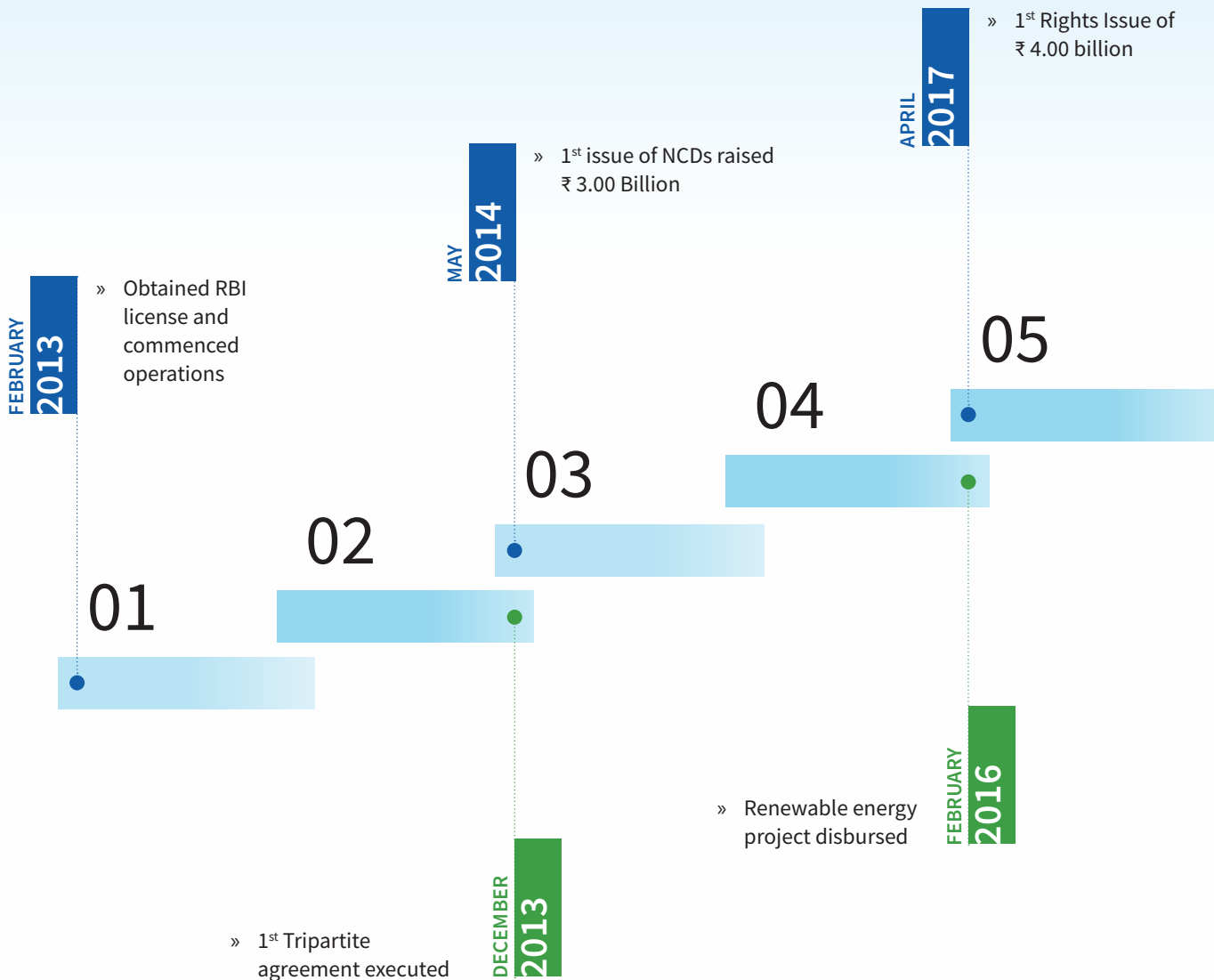
Performance

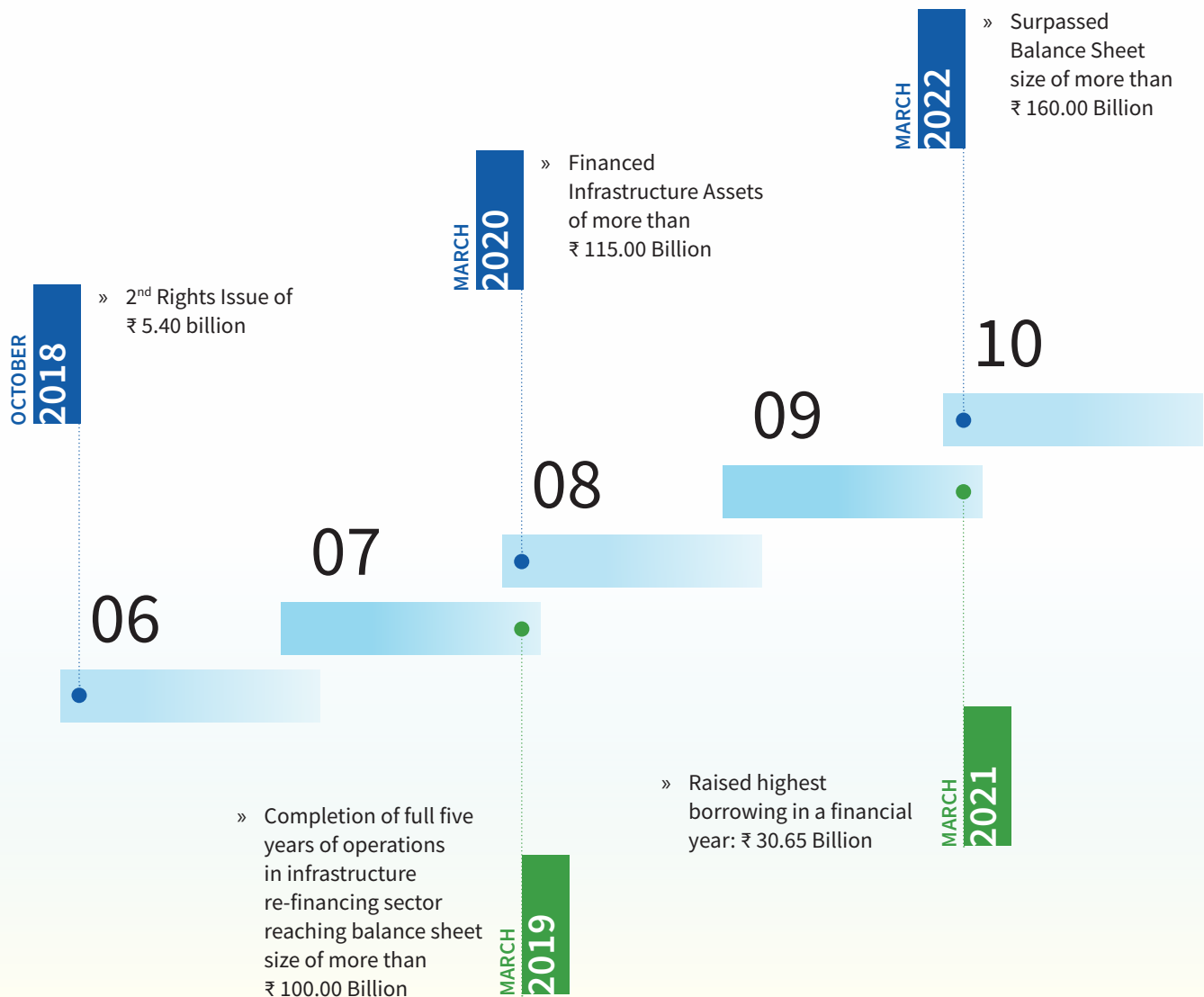
FY2022 Highlights

- » Asset book: ₹ 147.11 billion (109 projects)
- » Rupee bonds outstanding: ₹ 142.72 billion. More than 350 institutional investors, mostly in long-term category
- » Profit after tax of ₹ 3.06 billion and Return on Equity of 13.64%
- » Maintained highest credit rating by CRISIL, ICRA, India Ratings at AAA/Stable
- » Fifth consecutive year of dividend distributed
- » Credit rating of the portfolio at 'A' category
- » Contribution of ₹ 10.0 million to PM CARES Fund to strengthen the efforts of the Government of India towards fighting COVID-19

Milestones

India Infradebt Limited (Infradebt) continues to grow its business in a measured and calibrated manner with adequate mitigation of various risks. Since the last equity rights issue in FY2018, the earnings of Infradebt have been adequate for business growth requirements and this trend is expected to continue.





Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Tenth Annual Report of India Infradebt Limited (Infradebt/Company) with the audited statement of accounts for the year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

The summary of the financial results for the year under review is as follows:

	(₹ in million)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Income	14,434.45	13,061.82
Total Expenditure (excluding depreciation)	11,347.44	10,271.96
Profit Before Depreciation & Tax	3,087.01	2,789.86
Less: Depreciation	25.28	25.43
Profit Before Tax	3,061.73	2,764.43
Less: Provision for Tax ¹	-	-
Profit After Tax	3,061.73	2,764.43
Other Comprehensive Income	3.25	(7.23)
Total Comprehensive Income	3,064.98	2,757.20
Appropriation:		
Special Reserve u/s 45-IC of Reserve Bank of India Act, 1934	612.35	552.89
Dividend paid on Equity shares	251.68	251.68
Balance carried to Balance Sheet	2,200.95	1,952.63

¹As per Section 10(47) of the Income tax Act, 1961, income of Infradebt does not form part of total income and hence is exempt from income tax.

ANALYSIS OF THE FINANCIAL PERFORMANCE & DIVIDEND

In FY2022, Infradebt has made profit of ₹ 3,061.73 million as compared to profit of ₹ 2,764.43 million in FY2021. During FY2022, the income from operations was ₹ 14,433.67 million against ₹ 13,011.82 million of FY2021.

Infradebt proposes to transfer ₹ 612.35 million (Previous year: ₹ 552.89 million) to Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934 and carry forward ₹ 2,200.95 million (Previous year: ₹ 1,952.63 million) to the Balance Sheet.

Infradebt's Dividend Distribution Policy is based on the financial performance in the year, Statutory/ Regulatory requirements [Relating to minimum capital adequacy, Net Non-Performing Asset (NPA) Ratio, Maximum Dividend Payout

Ratio, etc.], Capital requirement for business growth and stakeholders objectives. Given the financial performance for FY2022 and in line with the Dividend Distribution Policy, your Directors are happy to recommend payment of a dividend of ₹ 0.29 per equity share for FY2022.

The payment of the final dividend is subject to approval by the Members at the ensuing Annual General Meeting. The payment of final dividend is in line with the Dividend Distribution Policy of the Company and in compliance with Section 123 of the Companies Act, 2013 and Reserve Bank of India Guidelines on declaration of dividends by NBFCs.

SHARE CAPITAL

There has been no change in the issued and paid-up share capital of the Company during the year.

Directors' Report *Contd...*

STATE OF AFFAIRS OF THE COMPANY & FUTURE OUTLOOK

The operating and financial performance along with the future outlook of Infradebt has been covered in the Management Discussion and Analysis Report which forms part of this Directors' Report. During the year under review, there has been no change in the nature of business of Infradebt.

COVID-19 PANDEMIC

The outbreak of COVID-19, declared as pandemic by the World Health Organization (WHO), has caused huge, unprecedented economic and financial disruptions during the year 2021 and continued in 2022. In response to the consequent lockdowns imposed by the Centre and the State from the last week of March 2020, Infradebt activated business continuity plan in line with government directives and mandated its employees to work from home. Infradebt remained fully operational in 2022 and continued to function seamlessly to provide best-in-class infrastructure funding and to supplement bank funding of infrastructure development in India.

In order to further strengthen the efforts of the Government of India towards fighting COVID-19, Infradebt contributed a sum of ₹ 10.0 million to The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) in the month of May 2022 as part of its CSR commitment for FY2023.

A detailed discussion on impact of COVID-19 on the NBFC sector and operations of the Company is covered in the Management Discussion and Analysis Report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF INFRADEBT

There have been no material changes and commitments affecting the financial position of Infradebt which have occurred between the end of the financial year of Infradebt to which the financial statements relate and the date of the report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is enclosed with this Directors' Report as Annexure – 1.

DEBENTURE TRUSTEE

As per SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 read with SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, the details of Debenture Trustee are as under:

Name: IDBI Trusteeship Services Limited
Address: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001
Tel No: 022-40807000
Fax No: 022-66311776
E-mail: itsl@idbitrustee.com
Website: www.idbitrustee.com

The details are available on the website of Infradebt - www.infradebt.in

DIRECTORS

The composition of the Board is in compliance with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, guideline(s) issued by the Reserve Bank of India and other applicable laws *inter alia* with respect to optimum combination of Executive and Non-Executive Directors, Independent Directors and appointment of Woman Director.

As at March 31, 2022, the Board of the Company comprised of six directors, of whom three were Non-Executive Independent Directors (including one-Woman Director), two were Nominee Directors and one was Executive Director (Managing Director & CEO).

During the year, the following change took place in the composition of the Board of Directors of Infradebt:

- Nina Nagpal, Managing Director, Citicorp Finance (India) Limited has been nominated by Citicorp Finance (India) Limited on the Board of Infradebt in place of Manish Kumar. Majority of the Board of Directors of Infradebt, by way of circulation on April 1, 2021, approved the appointment of Nina Nagpal as a Nominee Director on the Board of Infradebt effective April 1, 2021.

Following change took place in the composition of the Board of Directors of Infradebt post closure of financial year:

- Debadatta Chand, Executive Director, Bank of Baroda has been nominated by Bank of Baroda on the Board of Infradebt. Majority of the Board of Directors of Infradebt, by way of circulation on April 6, 2022, approved the appointment of Debadatta Chand as a Nominee Director on the Board of Infradebt effective April 6, 2022.

Directors' Report *Contd...*

RETIREMENT BY ROTATION

In terms of Section 152 of the Companies Act, 2013 and the Articles of Association of Infradebt, Nina Nagpal is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment. The ordinary resolution in respect of re-appointment of Nina Nagpal has been included in the Notice convening the Tenth Annual General Meeting of Infradebt *vide* item no. 3.

RE-APPOINTMENT OF MANAGING DIRECTOR & CEO

The Members of the Company at the Annual General Meeting (AGM) held on September 15, 2017 approved the re-appointment of Suvek Nambiar as Managing Director & Chief Executive Officer (MD & CEO) for a further term of five years upto November 21, 2022.

Suvek Nambiar has been managing the operations of the Company since its incorporation and has successfully grown the business under the nascent IDF-NBFC framework. Accordingly, considering his deep and varied experience of over 28 years in the financial sector, the Board at its Meeting held on July 22, 2022 (based on the recommendation of the Board Governance, Remuneration and Nomination Committee) approved the re-appointment of Suvek Nambiar for a further period of five years effective November 22, 2022 upto November 21, 2027 subject to the approval of the Members. The resolution for re-appointment is proposed to the Members in the Notice of the Tenth Annual General Meeting *vide* item no. 7 and the explanatory statement includes the duration and terms of appointment. You are requested to consider the re-appointment of Suvek Nambiar.

PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS WITH THE COMPANY

During the year under review, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company, other than the sitting fees and commission paid to Independent Directors. During the year under review, the Company did not provide any loans and advances to any of its directors.

DIRECTORS AND OFFICERS INSURANCE

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

ORDERLY SUCCESSION TO MANAGING DIRECTOR & CEO AND SENIOR MANAGEMENT

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. Infradebt has in place a framework for orderly succession for appointment to the Managing Director & CEO, Senior Management and Key Managerial Personnel.

CODE OF CONDUCT

Infradebt has a Board approved "Code of Business Conduct and Ethics" for Directors, Senior Management and Employees of the Company. This code has been placed on the Company's website at https://www.infradebt.in/en/about_us_policies.

All the Directors and Senior Management personnel have affirmed compliance with the Code for the year ended March 31, 2022.

DECLARATION BY INDEPENDENT DIRECTORS

Lalita D. Gupte, Uday Chitale and Arun Tiwari are Independent Directors on the Board of Infradebt. All Independent Directors have given declarations that they fulfilled the conditions specified in Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an Independent Director. All the Independent Directors also gave declarations that they are in compliance to sub-rule (1) and sub-rule (2) of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 pursuant to inclusion of name in Independent Directors Data bank. The same has been taken on record by the Board of Infradebt.

INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTOR(S) APPOINTED DURING THE YEAR

During the year, there was no instance of appointment of new Independent Director(s). The Board of Infradebt confirms and is of the opinion that the Independent Directors on the Board of Infradebt have adequate integrity, expertise and experience (including the proficiency) to act as an Independent Director.

FIT AND PROPER CRITERIA

All the Directors have given a fit and proper declaration prescribed by Reserve Bank of India (RBI) and meet the fit and proper criteria stipulated by RBI.

Directors' Report *Contd...*

REMUNERATION OF DIRECTORS

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board of Infradebt has approved the "Policy for Selection and Appointment of Directors & Officials in the Senior Management, their Remuneration and Remuneration of other Employees" (Appointment and Remuneration Policy). Salient features of the Appointment and Remuneration Policy, *inter alia*, includes criteria for determining qualifications,

positive attributes, independence of a Director, criteria for making payments to Non-Executive Directors in the form of sitting fees for each meeting of the Board or Committee of the Board attended by him and commission on an annual basis to be paid to Independent Directors and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013. The Appointment and Remuneration Policy have been hosted on the website of the Company at <https://www.infradebt.in/en/about-us/policies>.

DETAILS OF THE MANAGERIAL REMUNERATION FOR THE YEAR ENDED MARCH 31, 2022:

a. Non-Executive Directors:

The Company's Independent Directors do not have any pecuniary relationships or transactions with the Company, other than, sitting fees for attending Board and Committee Meetings and annual commission. The details of sitting fees and commission paid to Independent Directors of the Company during FY2022 are as follows:

			(₹ in million)
Sr.No.	Name of the Director	Commission	Sitting Fees
1.	Lalita D. Gupte, <i>Chairperson and Independent Director</i>	1.0	1.25
2.	Uday Chitale, <i>Independent Director</i>	1.0	0.90
3.	Arun Tiwari, <i>Independent Director</i>	1.0	0.98

b. Managing Director & CEO:

The Board Governance, Remuneration & Nomination Committee determines and recommends to the Board the amount of remuneration, including performance bonus and perquisites, payable to the Managing Director & CEO. The details of remuneration paid to Managing Director & CEO of the Company during FY2022 is as follows:

Sr.No.	Name of Executive Director	Gross Salary	Others Benefits, Perquisites and Allowances	Stock Options (numbers)
1.	Suvek Nambiar, Managing Director & CEO	₹ 40.10 million	₹ 13.43 million	35,35,917 ¹

Note: 1. Represents stock options granted during FY2022.

Directors' Report *Contd...*

STATEMENT ON FORMAL ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

The performance evaluation of the Board as a whole, its Committees and individual Directors is done on an annual basis, based on the questionnaire with specific focus on devotion of enough time and attention to long term strategic issues, openness and transparency in the discussion amongst Board Members, quality, quantity and timeliness of flow of information and discharge of fiduciary duties.

The Board and the Board Governance, Remuneration and Nomination Committee reviewed the performance of the individual Directors on the basis of the above mentioned criteria. In a separate meeting of Independent Directors, performance of the Board as a whole and Chairperson of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

KEY MANAGERIAL PERSONNEL

There was no change in the key managerial personnel during the year under review. The key managerial personnel of Infradebt (within the meaning of the Companies Act, 2013) include Suvek Nambiar, Managing Director & CEO, Surendra Maheshwari, Chief Financial Officer and Gaurav Tolwani, Company Secretary & Compliance Officer.

CORPORATE GOVERNANCE

PHILOSOPHY OF CORPORATE GOVERNANCE

For Infradebt, corporate governance is a reflection of principles entrenched in our values and policies and also embedded in our day-to-day business practices, leading to value driven growth. The commitment of Infradebt is to the highest standards of corporate governance pertaining to the business ethics, transparency, fairness, disclosure and accountability.

The Board of Directors supports the broad principles of Corporate Governance. The Board has a formal schedule of matters reserved for its consideration and decision. In view of COVID-19 pandemic and to adhere to the lockdown and social distancing norms, all the Board Meetings, Board Committee Meetings, Ninth Annual General Meeting and Extra-ordinary General Meeting of the Company held during the financial year were through video conferencing / other audio visual means.

DETAILS OF BOARD OF DIRECTORS AND BOARD MEETINGS

During the year, 6 (six) Board Meetings were held on April 23, 2021, July 15, 2021, August 11, 2021, October 18, 2021, January 18, 2022 and March 24, 2022. The details of attendance at Board Meetings, attendance at the last AGM and details of other Directorships and Board Committee Memberships held by them at March 31, 2022 are given below:

Name of Director	Category	Board Meetings		Whether attended last AGM	Number of directorships		Names of the other listed entity where a person is a director and category of directorship ⁴		Number of other committee memberships ⁵
		Held	Attended		of other Indian public limited companies	of other Indian companies ³	Company	Category of directorship	
Lalita D. Gupte (DIN: 00043559)	Chairperson & Independent Director	6	6	Yes	4	-	Godrej Properties Limited ICICI Lombard General Insurance Company Limited TVS Motor Company Limited Bharat Forge Limited	Non-Executive Independent Director	4(0)

Directors' Report *Contd...*

Name of Director	Category	Board Meetings		Whether attended last AGM	Number of directorships		Names of the other listed entity where a person is a director and category of directorship ⁴		Number of other committee memberships ⁵
		Held	Attended		of other Indian public limited companies	of other Indian companies ³	Company	Category of directorship	
Uday Chitale (DIN: 00043268)	Independent Director	6	6	Yes	2	-	ICICI Bank Limited ICICI Lombard General Insurance Company Limited	Non-Executive Independent Director	3(1)
Arun Tiwari (DIN: 05345547)	Independent Director	6	6	No	4	1	IndusInd Bank Limited	Non-Executive – Non-Independent Director	1(0)
Partha Dey (DIN: 00242825)	Nominee Director (ICICI Bank Limited)	6	6	No	2	-	-	-	1(0)
Nina Nagpal (DIN: 00138918) (appointed w.e.f. April 1, 2021)	Nominee Director (Citicorp Finance (India) Limited)	6	6	No	1	-	Citicorp Finance (India) Limited	Managing Director	2(0)
Suvek Nambiar (DIN: 06384380)	Managing Director & CEO	6	6	Yes	-	-	-	-	-

Note:

1. None of the Directors are related to each other.
2. None of the Directors hold equity shares of the Company.
3. Comprises private limited companies incorporated in India and foreign companies but excludes Section 8 companies and not for profit foreign companies.
4. Includes Directorships held in Debt Listed Company.
5. Memberships/Chairpersonships in Audit Committee and Stakeholder Relationship Committee of Indian public limited companies; number of Memberships includes Chairpersonships. Figures in parentheses indicate Committee Chairpersonships.

The number of Committee Membership (including Chairmanship) of the Audit Committee and Stakeholders Relationship Committee of public limited companies were within the limits prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for all the Directors of the Company. The number of Directorships of each Independent Director is also within the limits prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

None of the Directors are related to each other within the meaning of the term “relative” as per Section 2(77) of the Companies Act, 2013. None of the Directors are disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and are not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

BOARD COMMITTEES

To enable better and more focused attention on the affairs of Infradebt, the Board has delegated particular matters to Committees set up for the purpose. The Seven Board level Committees constituted by the Board are:

1. Audit Committee
2. Board Governance, Remuneration and Nomination Committee
3. Board Credit Committee (erstwhile Board Credit & Risk Committee)
4. Board Risk Management Committee (constituted effective April 23, 2021)
5. Corporate Social Responsibility Committee
6. Information Technology Strategy Committee; and
7. Committee of Directors

Directors' Report *Contd...*

AUDIT COMMITTEE

COMPOSITION:

The Board of Directors of Infradebt constituted the Audit Committee on November 22, 2012 in accordance with the provisions of Section 177 of the Companies Act, 2013. The composition is in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Reserve Bank of India Master Direction dated September 1, 2016 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The Audit Committee was re-constituted by the Board of Directors on February 26, 2013, January 22, 2014, October 15, 2014, February 23, 2015, April 22, 2015, August 24, 2018 and April 23, 2021. At March 31, 2022, the Audit Committee comprised of Uday Chitale, Lalita D. Gupte and Partha Dey.

TERMS OF REFERENCE (AS AT MARCH 31, 2022):

I. Financial related:

1. To examine the Company's financial statements and auditors' report thereon and to oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To review with the management, the quarterly financial statements before submission to the Board for approval.
3. To approve/agree on key accounting policies of the Company and/or changes therein.
4. To review with the management, the annual financial statements 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 (Act).
 - 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) Qualifications in the draft audit report.
5. To review the following information:
 - a) Management discussion and analysis of financial condition and results of operations.
 - b) Statement of significant related party transactions (as defined under Accounting Standard 18 of the Institute of Chartered Accountants of India and by the Audit Committee), submitted by management.
 - c) To approve the transaction of the Company with the related parties or any subsequent modifications.
 - d) To make omnibus approval for related party transactions proposed to be entered into by the company subject to the conditions as specified in the Act.
 - e) Management letters/letters of internal control weaknesses issued by the statutory auditors.
 - f) Internal audit reports relating to internal control weaknesses.
 - g) The appointment, removal and terms of remuneration of the chief internal auditor.
 - h) Scrutiny of inter corporate loans and investments.
6. Valuation of undertakings or assets of the Company, wherever it is necessary.

II. Audit related:

1. To recommend to the Board, the appointment, re-appointment, term of appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
2. To approve payment to statutory auditors for any other services rendered by the statutory auditors.
3. To review and monitor, with the management, independence and performance of statutory and internal auditors, adequacy of the internal control systems and effectiveness of audit process.
4. To evaluate risk management systems.
5. To review 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.

Directors' Report *Contd...*

6. To discuss with internal auditors any significant findings and follow up there on.
7. To review 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.
8. To discuss 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.
9. To provide for appropriate funding from the Company, as determined by the Audit Committee for payment of –
 - a) compensation to any advisers employed by the Committee; and
 - b) ordinary administrative expenses of the Committee that are necessary of appropriate in carrying out its duties.
10. To review the following matters:
 - a) Different types of inspection/audits conducted within the Company, their periodicity and scheduling.
 - b) Reports of inspection by Reserve Bank of India (RBI).
 - c) Follow-up action on the audit and inspection reports.
 - d) Compliance with the inspection and audit reports of RBI and reports of statutory auditors and Management Letters.
 - e) Accountability for unsatisfactory compliance with inspection reports, delay in compliance and non-ratification of deficiencies.
 - f) Omission on the part of inspecting officials to detect serious irregularities.

III. Miscellaneous:

1. 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.
2. To review functioning of the Whistle Blower mechanism, in case the same is existing.
3. To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
4. To recommend to the Board the action to be taken after reviewing the statement of funds utilised for purposes other than those stated in the offer document at the time of issue of securities.
5. To investigate any activity within its terms of reference.
6. To seek information from any employee.
7. To obtain outside legal or other professional advice.
8. To secure attendance of outsiders with relevant expertise, if it considers necessary.
9. To establish procedure for –
 - a) the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters; and
 - b) the confidential, anonymous submission by employees regarding questionable accounting or auditing matters.
10. To engage, without seeking Board approval, independent counsel and other advisors, as it determines necessary to carry out its duties.
11. Monitoring the end use of funds raised through public offers and related matters.

Directors' Report *Contd...*

MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year, 6 (six) Meetings of the Audit Committee were held on April 23, 2021, July 15, 2021, August 11, 2021, October 18, 2021, January 18, 2022 and March 24, 2022. The attendance of its Members at its Meetings held during the year is given below:

Name of the Member & Designation	Nature of Directorship	Number of Meetings	
		Held	Attended
Uday Chitale, <i>Chairman</i>	Independent Director	6	6
Lalita D. Gupte	Independent Director	6	6
Arun Tiwari (<i>ceased to be Member w.e.f April 23, 2021 end of the day</i>)	Independent Director	1	1
Partha Dey	Nominee Director	6	5

BOARD GOVERNANCE, REMUNERATION AND NOMINATION COMMITTEE, FAMILIARISATION PROGRAMME AND BOARD DIVERSITY

COMPOSITION:

The Board of Directors of Infradebt constituted the Board Governance, Remuneration and Nomination Committee (Board Governance Committee) on February 26, 2013 in accordance with the provisions of Section 178 of the Companies Act, 2013. The composition is in accordance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Reserve Bank of India Master Direction dated September 1, 2016 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The Board Governance Committee was re-constituted by the Board of Directors on February 23, 2015, April 22, 2015, April 21, 2017, August 24, 2018 and April 23, 2021. At March 31, 2022, the Board Governance Committee comprised of Uday Chitale, Lalita D. Gupte, Arun Tiwari, Partha Dey and Nina Nagpal.

TERMS OF REFERENCE (AS AT MARCH 31, 2022):

1. To submit recommendation to the Board with regard to –
 - a) Filling up of vacancies in the Board that might occur from time to time and appointment of additional Non-Whole-Time Directors. In making these recommendations, the Committee shall take into account the provisions of the applicable statutes and the special professional skills required for efficient discharge of the Board's functions;
- b) Directors liable to retire by rotation; and
- c) Appointment of Whole-Time Directors.
2. To evaluate performance of the Managing Director & Chief Executive Officer (MD & CEO) and other senior resources reporting to the MD & CEO.
3. To evaluate the performance of the Board and the individual members on certain predetermined parameters as may be laid down by the Board as part of a self-evaluation process.
4. To determine and recommend to the Board from time to time –
 - a) the amount of commission and fees payable to the Directors within the applicable provisions of the Companies Act, 2013 and other applicable statutes, if any;
 - b) the amount of remuneration, including performance or achievement bonus and perquisites payable to the Whole-Time Directors.
5. To approve the policy for, and quantum of bonus payable to, the members of the staff.
6. To frame guidelines for the Employee Stock Option Scheme and recommend granting of stock option to the staff of Infradebt.
7. To formulate code of ethics and governance.
8. To appoint persons in senior management.

Directors' Report *Contd...*

MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year, 2 (two) Meetings of the Board Governance Committee were held on April 23, 2021 and July 15, 2021. The attendance of its Members at its Meetings held during the year is given below:

Name of the Member & Designation	Nature of Directorship	Number of Meetings	
		Held	Attended
Uday Chitale, <i>Chairman</i>	Independent Director	2	2
Lalita D. Gupte	Independent Director	2	2
Arun Tiwari	Independent Director	2	2
Partha Dey	Nominee Director	2	2
Nina Nagpal (<i>Member w.e.f. April 1, 2021</i>)	Nominee Director	2	1

On resigning from the Board of Infradebt, Manish Kumar ceased to be a Member of the Board Governance Committee effective March 25, 2021 and Nina Nagpal became a Member of the Board Governance Committee with effect from April 1, 2021.

FAMILIARISATION PROGRAMME IMPARTED TO INDEPENDENT DIRECTORS

Independent Directors are familiarised with their roles, rights and responsibilities in Infradebt as well as with the nature of the industry and the business model of Infradebt through induction programme at the time of their appointment as Directors and through presentations on industry overview, key regulatory developments, strategy and performance which are made to the Directors during the Board/ Committee Meetings held throughout the year. Infradebt familiarises a new Director about the dynamics of the non-banking financial services industry to help them in meaningful deliberations and in taking informed decisions. The details of the familiarisation programme have been hosted on the website of the Company at https://www.infradebt.in/en/about_us_policies.

CORE SKILLS/EXPERTISE/COMPETENCIES

The profiles of the Directors (including the qualification) can be viewed on the website of the Company at https://www.infradebt.in/en/about_us_leadership_team.

As per Section C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of the core skills/expertise/competence possessed by the existing directors of the Company are detailed as under:

Name of Director	Areas of Expertise
Lalita D. Gupte	Corporate and Retail Banking, Strategy, Resources, and International Banking.
Uday Chitale	Banking, Corporate Auditing, Commercial Dispute Resolution (Mediation / Conciliation & Arbitration), Business negotiations and Valuation.
Arun Tiwari	Credit, Credit Monitoring, Human Resources, Information Technology, Risk Management, Finance & Accounts, Vigilance, Branch Expansion & Support Services, MSME & Wealth Management, Wholesale Banking.

WHISTLE BLOWER/VIGIL MECHANISM

As per the requirement of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Infradebt has established whistle blower/vigil mechanism and forms part of its Code of Business Conduct and Ethics. Code of Business Conduct and Ethics has been hosted on the website of Infradebt - https://www.infradebt.in/en/about_us_policies.

BOARD DIVERSITY

The Board of Infradebt 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 present composition broadly meets this objective. The Directors are persons of eminence in areas such as banking, finance, auditing, lending, strategy, administration, etc. and bring with them experience/skills which add value to the performance of the Board. The Directors are selected purely on the basis of merit and fulfillment of Fit & Proper criteria prescribed by Reserve Bank of India.

Directors' Report *Contd...*

Name of Director	Areas of Expertise
Partha Dey	Portfolio Management & Structured Finance, Syndication and Strategic Solutions, Project Finance.
Debadatta Chand	Corporate Credit, International Business, Global Treasury, Investment Banking and Market Risk Management.
Nina Nagpal	Financial Services, Market Infrastructure Institutions and Investment Banking.
Suvek Nambiar	Corporate and Retail Banking, Project finance, International Banking, Structuring and Financing of the private sector projects in infrastructure.

BOARD CREDIT COMMITTEE (ERSTWHILE BOARD CREDIT & RISK COMMITTEE)

COMPOSITION:

The Board of Directors of Infradebt constituted the Board Credit Committee (BCC) on February 26, 2013. The BCC was re-constituted by the Board of Directors on October 15, 2014, February 23, 2015, April 22, 2015, August 24, 2018, January 21, 2020 and April 23, 2021. At March 31, 2022, the BCC comprised of Arun Tiwari, Lalita D. Gupte, Partha Dey and Suvek Nambiar as Members and Akash Deep Jyoti in capacity of Chief Risk Officer as permanent invitee.

TERMS OF REFERENCE (AS AT MARCH 31, 2022):

1. To approve credit proposals and pricing of loans/ investments as per the authorisation matrix approved by the Board.
2. To delegate powers to Managing Director & CEO on matters as it may deem fit.
3. To ensure regulatory compliances across credit sanctions by the Company.
4. To review credit portfolios on periodic basis.
5. To review and propose revised limits on sectors, sub sectors and sponsor groups.

MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year, 8 (eight) Meetings of the BCC were held on May 28, 2021, July 8, 2021, August 11, 2021, September 23, 2021, November 18, 2021, December 16, 2021, February 24, 2022 and March 23, 2022. The attendance of its Members at its Meetings held during the year is given below:

Name of the Member & Designation	Nature of Directorship	Number of Meetings	
		Held	Attended
Arun Tiwari, <i>Chairman</i>	Independent Director	8	7
Lalita D. Gupte	Independent Director	8	7
Partha Dey	Nominee Director	8	7
Suvek Nambiar	Managing Director & CEO	8	8
Permanent invitee: Chief Risk Officer		8	8

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE, POLICY & INITIATIVE

COMPOSITION:

The Board of Directors of Infradebt constituted the Corporate Social Responsibility (CSR) Committee on April 15, 2014 in accordance with the provision of Section 135 of the Companies Act, 2013. The CSR Committee was re-constituted by the Board of Directors on February 23, 2015, April 22, 2015, April 21, 2017, August 24, 2018 and April 23, 2021. At March 31, 2022, CSR Committee comprised of Arun Tiwari, Uday Chitale, Nina Nagpal and Suvek Nambiar.

TERMS OF REFERENCE (AS AT MARCH 31, 2022):

1. To formulate and recommend to the Board of Directors, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by Infradebt as specified in Schedule VII of the Companies Act, 2013.
2. To formulate and recommend to the Board, an annual action plan in pursuance of Corporate Social Responsibility Policy, which shall include the following, namely:-
 - i. the amount of expenditure to be incurred on the activities referred to in clause 1 above.

Directors' Report *Contd...*

- ii. the list of Corporate Social Responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - iii. the manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4 of Companies (Corporate Social Responsibility Policy) Rules, 2014.
 - iv. the modalities of utilisation of funds and implementation schedules for the projects or programmes.
 - v. monitoring and reporting mechanism for the projects or programmes; and
 - vi. details of need and impact assessment, if any, for the projects undertaken by the company.
3. To monitor the Corporate Social Responsibility Policy of Infradebt from time to time.
 4. To institute a transparent monitoring mechanism for implementation of the Corporate Social Responsibility projects or programmes or activities undertaken by Infradebt.
 5. To review and recommend to the Board, an annual report on Corporate Social Responsibility for the financial year.
 6. To review and recommend the appointment of independent agency to conduct impact assessment of Corporate Social Responsibility projects (as applicable).

MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year, 1 (one) Meeting of the CSR Committee was held on April 23, 2021. The attendance of its Members at its Meeting held during the year is given below:

Name of the Member & Designation	Nature of Directorship	Number of Meetings	
		Held	Attended
Arun Tiwari, <i>Chairman</i>	Independent Director	1	1
Lalita D. Gupte (<i>ceased to be Member w.e.f. April 23, 2021 end of the day</i>)	Independent Director	1	1
Uday Chitale	Independent Director	1	1
Nina Nagpal (<i>Member w.e.f. April 1, 2021</i>)	Nominee Director	1	0
Suvek Nambiar	Managing Director & CEO	1	1

On resigning from the Board of Infradebt, Manish Kumar ceased to be a Member of the CSR Committee effective March 25, 2021 and Nina Nagpal became a Member of the CSR Committee with effect from April 1, 2021.

The CSR Policy has been hosted on the website of Infradebt https://www.infradebt.in/en/about_us_policies.

As per the provisions of the Companies Act, 2013, the Company is required to spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years towards CSR activities. This amount aggregated to ₹ 46.74 million and the Company spent ₹ 46.74 million towards CSR activities during FY2022, the details of which are part of Annual Report on CSR activities enclosed with this Directors' Report as Annexure - 2.

INFORMATION TECHNOLOGY STRATEGY COMMITTEE

COMPOSITION:

The Board of Directors of Infradebt constituted the Information Technology Strategy Committee on January 25, 2018 in accordance with the provision of RBI Master Direction dated June 8, 2017 pertaining to "Information Technology Framework for the NBFC Sector". The Information Technology Strategy Committee was re-constituted by the Board of Directors on August 24, 2018, July 17, 2019 and April 23, 2021. At March 31, 2022, Information Technology Strategy Committee comprised of Arun Tiwari, Suvek Nambiar in capacity of Managing Director & CEO, Akash Deep Jyoti in capacity of Chief Risk Officer and Ankur Sood in capacity of In-charge of IT Operations.

Directors' Report *Contd...*

TERMS OF REFERENCE (AS AT MARCH 31, 2022):

1. To define the ultimate goal of implementing policies, plan and procedures and organizational structure designed to provide reasonable assurance that business objectives are achieved and undesired events are prevented or detected and corrected.
2. To approve Information Technology (IT) strategy and policy documents and ensuring that the Management has put an effective strategic planning process in place.
3. To ascertain that management has implemented processes and practices that ensure that IT delivers value to the business.
4. To ensure IT investments represent a balance of risks and benefits and that budgets are acceptable.
5. To monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
6. To ensure proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.
7. To report to the Board of Directors on IT Governance.
8. To institute an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner.
9. To define approval authorities for outsourcing depending on nature of risks and materiality of outsourcing.
10. To develop sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope and complexity of outsourcing arrangements.
11. To undertake a periodic review of outsourcing strategies and all existing material outsourcing arrangements.
12. To evaluate the risks and materiality of all prospective outsourcing based on the framework developed by the Board.
13. To periodically review the effectiveness of policies and procedures.
14. To communicate significant risks in outsourcing to Infradebt's Board on a periodic basis.
15. To ensure an independent review and audit in accordance with approved policies and procedures.
16. To ensure that contingency plans have been developed and tested adequately.
17. To ensure that business continuity preparedness is not adversely compromised on account of outsourcing.
18. To make cyber security arrangements.
19. Any other matter related to IT Governance.

MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year, 2 (two) Meetings of the Information Technology Strategy Committee were held on July 15, 2021 and January 18, 2022. The attendance of its Members at its Meetings held during the year is given below:

Name of the Member & Designation	Nature of Directorship	Number of Meetings	
		Held	Attended
Arun Tiwari, <i>Chairman</i>	Independent Director	2	2
Suvek Nambiar	Managing Director & CEO	2	2
Akash Deep Jyoti, <i>Chief Risk Officer</i>		2	2
Ankur Sood, <i>In-charge of IT Operations</i>		2	2

Directors' Report *Contd...*

BOARD RISK MANAGEMENT COMMITTEE

COMPOSITION:

The Board of Directors of Infradebt constituted the Board Risk Management Committee on April 23, 2021 in accordance with Reserve Bank of India Master Direction dated September 1, 2016 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The composition is in accordance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. At March 31, 2022, Board Risk Management Committee comprised of Lalita D. Gupte, Uday Chitale, Suvek Nambiar in capacity of Managing Director & CEO, Akash Deep Jyoti in capacity of Chief Risk Officer and Surendra Maheshwari in capacity of Chief Financial Officer.

MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year, 3 (three) Meetings of the Board Risk Management Committee were held on July 15, 2021, October 18, 2021 and January 18, 2022. The attendance of its Members at its Meetings held during the year is given below:

Name of the Member & Designation	Nature of Directorship	Number of Meetings	
		Held	Attended
Lalita D. Gupte, <i>Chairperson</i>	Independent Director	3	3
Uday Chitale	Independent Director	3	3
Suvek Nambiar	Managing Director & CEO	3	3
Akash Deep Jyoti, <i>Chief Risk Officer</i>		3	3
Surendra Maheshwari, <i>Chief Financial Officer</i>		3	3

Pursuant to Reserve Bank of India (RBI) Circular on Risk Management System - Appointment of Chief Risk Officer (CRO) for NBFCs dated May 16, 2019, Infradebt had appointed Akash Deep Jyoti as CRO for a period of three years i.e. upto July 16, 2022 in order to carry out all functions and discharge all responsibilities as per the terms of the aforesaid RBI circular. Akash Deep Jyoti is the risk specialist with over 27 years of experience in risk assessment, analytics, advisory and management. He has worked on research, advisory and rating assignments in the areas of core and urban infrastructure, public finance and real estate. The Board at its Meeting held on April 26, 2022 has re-appointed Akash Deep Jyoti as CRO for another period of three years i.e. upto July 16, 2025.

COMMITTEE OF DIRECTORS

The Board of Directors of Infradebt constituted the Committee of Directors on January 22, 2014. Committee of Directors comprises of any two Directors as its Members.

TERMS OF REFERENCE (AS AT MARCH 31, 2022):

1. To review and guide on measures to mitigate various risks across functions of the Company.
2. Formulate the overall Risk Management Framework of the Company including risk appetite, risk culture and strategy.
3. Ensure that appropriate methodology, processes and systems are in place to monitor, analyse and report various risks.
4. Formulation and review of various risk management policies, including but not limited to credit, market, liquidity, operational and outsourcing.
5. Monitor breaches of risk limits and adequacy of corrective actions.

No Meeting of Committee of Directors was held during the year.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In terms of Schedule IV of the Companies Act, 2013, a Meeting of the Non-Executive Independent Directors of the Company was held on July 15, 2021 without the attendance of the Non-Independent Directors and Members of the Management of the Company. The attendance details of the said Meeting held during the year is given in the table below:

Name of the Director	Number of Meetings	
	Held	Attended
Lalita D. Gupte	1	1
Uday Chitale	1	1
Arun Tiwari	1	1

Directors' Report *Contd...*

OTHER COMMITTEES

In addition to the above, the Board has from time to time constituted various i.e. Executive Committees, namely, Debenture Allotment Committee (approving allotment of debentures issued by Infradebt), Information Technology Steering Committee (review of Information Technology (IT) related matters under supervision of the Information Technology Strategy Committee), Asset Liability Management Committee (responsible for review and managing of asset liability profile, implementation of liquidity risk and overseeing the liquidity positions), Executive Credit Committee (approving credit proposals as per authorisation matrix approved by Board and reviewing existing assets) and Management Committee (to act as a Committee of Senior Executives as per the Reserve Bank of India Circular on Risk-based Audit Plan and to discuss various issues applicable to Infradebt).

DETAILS OF GENERAL BODY MEETINGS

a. The details of the Annual General Meetings held in the last three financial years are given below:

General Body Meeting	Day, Date	Time	Venue/ Deemed Venue
9 th Annual General Meeting	Thursday, September 9, 2021	11:00 a.m.	Meeting held through Video Conferencing/Other Audio Visual Means (Deemed Venue: The Capital, 'B' Wing, 1101A, Bandra-Kurla Complex, Mumbai - 400 051)
8 th Annual General Meeting	Thursday, September 24, 2020	12:00 noon	Meeting held through Video Conferencing/Other Audio Visual Means (Deemed Venue: The Capital, 'B' Wing, 1101A, Bandra-Kurla Complex, Mumbai - 400 051)
7 th Annual General Meeting	Friday, September 20, 2019	04:00 p.m.	The Capital, 'B' Wing, 1101A, Bandra-Kurla Complex, Mumbai - 400 051

b. The details of the Special Resolutions passed in the Annual General Meetings held in previous three financial years are given below:

General Body Meeting	Day, Date	Special Resolution
9 th Annual General Meeting	Thursday, September 9, 2021	<ul style="list-style-type: none"> • Increase in Borrowing Powers. • Creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings. • Issue of additional Non-Convertible Debentures on private placement basis. • Adoption of the new set of Articles of Association under Companies Act, 2013.
8 th Annual General Meeting	Thursday, September 24, 2020	<ul style="list-style-type: none"> • Issue of additional Non-Convertible Debentures on private placement basis. • Approval of India Infradebt Limited - Employees Stock Option Plan 2020 (ESOP 2020/Scheme).
7 th Annual General Meeting	Friday, September 20, 2019	<ul style="list-style-type: none"> • Issue of additional Non-Convertible Debentures on private placement basis.

Directors' Report *Contd...*

c. The details of Extra-Ordinary General Meeting (EGM):

General Body Meeting	Day, Date	Time	Venue/ Deemed Venue	Special Resolution
Extra-Ordinary General Meeting	Wednesday, December 1, 2021	11:00 a.m.	Meeting held through Video Conferencing/ Other Audio Visual Means (Deemed Venue: The Capital, 'B' Wing, 1101A, Bandra-Kurla Complex, Mumbai - 400 051)	Appointment of M/s. B. K. Khare & Co., Chartered Accountant as Statutory Auditors of the Company to fill the casual vacancy caused due to ineligibility of M/s. S.R. Batliboi & Co. LLP to continue as the Statutory Auditors in terms of Reserve Bank of India guidelines.

d. **Whether special resolutions were put through postal ballot last year, details of voting pattern:** Not applicable for FY2022.

e. **Whether any special resolution is proposed to be conducted through postal ballot:** No special resolution is proposed to be conducted through postal ballot as on the date of the report.

RECOMMENDATIONS OF MANDATORY COMMITTEES

All the recommendations made by the Committees of the Board mandatorily required to be constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were accepted by the Board.

COMPLIANCE CERTIFICATE

Pursuant to compliance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director & CEO and Chief Financial Officer have certified to the Board with regard to the preparation of financial statements and maintenance of internal controls for financial reporting for the year ended March 31, 2022. The said Certificate is enclosed with this Directors' Report as Annexure - 3.

COMPLIANCE CERTIFICATE ON CONDITIONS OF CORPORATE GOVERNANCE BY A PRACTICING COMPANY SECRETARY

Infradebt is a High Value Debt Listed Entity pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 dated September 7, 2021. Accordingly, Regulation 16 to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) viz. Corporate Governance norms became applicable to Infradebt with effect from September 7, 2021 on comply or explain basis till March 31, 2023 and on mandatory basis thereafter. Infradebt has been submitting the quarterly compliance report on corporate governance to the Bombay Stock Exchange as required under Regulation 27(2) of the SEBI LODR Regulations from the applicable period.

Pursuant to Part E of Schedule V of SEBI LODR Regulations, Infradebt has obtained a compliance certificate from the practicing company secretary regarding compliance of conditions of corporate governance which is annexed with this Directors' Report as Annexure - 4.

ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with proviso to Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an Annual Return for FY2022 in Form No. MGT-7 is hosted on the website of Infradebt - www.infradebt.in.

ISSUE OF DEBENTURES

With an increase in the portfolio during the year, Infradebt has accessed borrowed funds to meet its funding requirement. Infradebt met its funding requirement through issue of senior secured Non-Convertible Debentures (NCDs) aggregating to ₹ 30.35 billion and issue of unsecured NCDs (in the form of subordinated debt) of ₹ 3.00 billion during FY2022. As at end of FY2022, the total outstanding borrowings (including accrued interest) have reached ₹ 142.72 billion.

The Company has been regular in repayment of its borrowings and payment of interest thereon.

CREDIT RATINGS

As at March 31, 2022, the secured Non-Convertible Debentures (NCDs) have been rated "AAA/Stable" by CRISIL Limited and ICRA Limited. As at March 31, 2022, the unsecured NCDs (in the form of subordinated debt) of Infradebt have been rated "AAA/Stable" by CRISIL Limited, ICRA Limited and India Ratings and Research Private Limited.

Directors' Report *Contd...*

The ratings mentioned above were reaffirmed by the Rating Agencies during FY2022. With the above rating affirmations, Infradebt continues to enjoy the highest level of rating from major rating agencies.

EMPLOYEES STOCK OPTION PLAN

The Members at the Sixth Annual General Meeting (AGM) held on September 17, 2018, approved an "India Infradebt Limited-Employees Stock Option Plan 2018" (ESOP 2018), to enable Infradebt to attract and retain talented human resources by offering them an opportunity to acquire a continuing equity interest in the Company which will reflect their efforts in building growth and profitability of the Company. The Scheme also aligns with the long-term interest of all stakeholders. The ESOP 2018 was successfully implemented, and the Company had, from time to time, granted, cancelled and reallocated stock options to the eligible employees from amongst the aforesaid employee stock option plan.

Further, to expand the pool for the purpose of awarding further stock options for the next few years and uninterruptedly enable the Company to attract and retain talented human resources by offering them an opportunity to acquire a continuing equity interest in the Company, the Members at the Eighth AGM of Infradebt held on September 24, 2020, approved the "India Infradebt Limited - Employees Stock Option Plan 2020" (ESOP 2020).

Disclosure with respect to the ESOP 2018 and ESOP 2020 in terms of Section 62 of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, is enclosed with this Directors' Report as Annexure - 5.

PUBLIC DEPOSITS

Infradebt being a Non-Deposit Taking Non-Banking Financial Company has not accepted any deposits from the public during the period under review and shall not accept any deposits from the public without obtaining prior approval of Reserve Bank of India.

RESERVE BANK OF INDIA GUIDELINES

Infradebt is having a valid Certificate of Registration dated February 8, 2013 issued by Reserve Bank of India (RBI) under Section 45-IA of the Reserve Bank of India Act, 1934. Infradebt has complied with the Regulations of the RBI as are applicable to it as a Systemically Important Non-Deposit Taking Non-Banking Financial Company.

The Board of Directors have framed various policies/ codes as applicable to Infradebt as per RBI Directions, Circulars and Guidelines. The Board periodically reviews the policies/ codes and approves amendments as and when necessary.

AUDITORS

The Board had at its meeting held on April 23, 2021 approved ratification of appointment of statutory auditors (S. R. Batliboi & Co. LLP) for FY2022 along with their remuneration. Subsequent thereto, as per the requirement of Reserve Bank of India (RBI) Guidelines for Appointment of Statutory Central Auditors/Statutory Auditors of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)(RBI Guidelines) dated April 27, 2021, Infradebt can appoint Statutory Auditors for a continuous period of maximum three years, subject to the firm satisfying the eligibility norms on a continuous basis. Since, existing Auditor (S. R. Batliboi & Co. LLP) had been associated with the company for more than nine years, they were ineligible to continue as Statutory Auditor. Accordingly, the Members at the Extra-Ordinary General Meeting held on December 1, 2021 approved the appointment of B. K. Khare & Co., Chartered Accountants, Mumbai as the Statutory Auditors till the conclusion of Tenth Annual General Meeting to be held for FY2022.

Appointment of Joint Statutory Auditors

Pursuant to Reserve Bank of India (RBI) guidelines, the Company with an asset size of ₹ 15,000 crores and above as at the end of previous year is required to appoint joint auditors for audit of their accounts. As Infradebt had crossed the said threshold as at March 31, 2022, in compliance with RBI guidelines and based on the recommendation of the Audit Committee, the Board at its meeting held on July 22, 2022 approved the:

- re-appointment of M/s. B. K. Khare & Co., (Firm Registration No. 105102W) to continue for a further period of two years, for audit of Financial Statements from FY2023 to FY2024, to hold office from conclusion of this Tenth Annual General Meeting (AGM) till the conclusion of Twelfth AGM to be held in the year 2024; and
- appointment of M/s. G. D. Apte & Co., (Firm Registration No. 100515W) for a period of three years, for audit of Financial Statements from FY2023 to FY2025, to hold office from the conclusion of the Tenth AGM till the conclusion of Thirteenth AGM to be held in the year 2025,

as joint Statutory Auditors of the Company subject to the approval of the Members. The resolution for appointment of joint Statutory Auditors is proposed to the Members in the Notice of the Tenth AGM *vide* item nos. 4 and 5. You are requested to consider the appointment of joint Statutory Auditors and authorise the Board to fix the remuneration payable to joint Statutory Auditors. The proposed firms have indicated their willingness to continue/ get appointed as

Directors' Report *Contd...*

joint Statutory Auditors of the Company and provided the certificate that they meet and satisfy the eligibility criteria (including independence) as required under the Companies Act, 2013 and RBI Guidelines.

AUDITORS' REPORT

The Auditors' Report to the Members does not contain any qualification. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and do not call for further comments.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

M/s. Alwyn Jay & Co., Company Secretaries were appointed to undertake the Secretarial Audit for FY2022. The Secretarial Audit Report is annexed herewith as Annexure - 6. There are no qualifications, reservation or adverse remark or disclaimer made by the auditor in the report save and except disclaimer made by them in discharge of their professional obligation.

ANNUAL SECRETARIAL COMPLIANCE REPORT

Infradebt has undertaken an audit for FY2022 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to Bombay Stock Exchange within 60 days of the end of the financial year and is available on the website of BSE Limited at www.bseindia.com and on the website of Infradebt at www.infradebt.in.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

During the year under review, the Statutory Auditors have not reported any incident of fraud to the Audit Committee.

SECRETARIAL STANDARDS

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meetings have been complied with by Infradebt.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT

Infradebt being an NBFC, is engaged in the business of financing or takeout financing of infrastructure facility in the ordinary course of business, accordingly, provisions of the Section 186 of the Companies Act, 2013 relating to the loans made, guarantee given or securities provided are not applicable to Infradebt. Thus, provisions of Section 134(3)(g)

of the Companies Act, 2013 requiring to provide the particulars of loans, guarantees or investments are not applicable and hence not given.

DISCLOSURES PURSUANT TO REGULATION 53(f) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (SEBI LODR REGULATIONS) AS ON MARCH 31, 2022

The disclosures in compliance with the Accounting Standard on "Related Party" required as per point 1 of Part A of Schedule V of SEBI LODR Regulations and disclosures of transactions of Infradebt with any person or entity belonging to its promoter/promoter group which hold(s) 10% or more shareholding as per point 2A of Part A of Schedule V of SEBI LODR Regulations have been provided in Note 2AC of Notes to Accounts included in the Financial Statements section of this Annual Report. The disclosure requirements referred to in point 2 of Part A of Schedule V of SEBI LODR Regulations are not applicable as Infradebt does not have any holding or subsidiary Company.

DISCLOSURE OF LARGE CORPORATE ENTITY

Infradebt has been identified as a "Large Corporate" under the framework provided by SEBI notification no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 and accordingly, has ensured that more than 25% of its incremental borrowings during the year was by way of issuance of debt securities.

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, Infradebt 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.

INFORMATION SYSTEM AUDIT

In terms of the Master Direction on Information Technology (IT) Framework for the NBFC Sector, NBFCs are required to have an Information System Audit at least once in a year. During FY2022, an Information System Audit was conducted by an audit firm and the report on the same was placed before the Board, Audit Committee and Information Technology Strategy Committee. The areas audited were, *inter alia*, review

Directors' Report *Contd...*

of IT Governance, review of Information Security Policies, perimeter security, antivirus measures, patch management, security incident management, E-mail security, access control & privileged access management, IT Vendor management and Loan & Liability system. The audit revealed no major observations.

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

Infradebt has in place a Progressive Risk Management System to identify, assess, monitor and mitigate various risks to key business objectives on an on-going basis. There are 35 Board approved policies which are dynamic in nature and are updated/modified at least on a yearly basis to adapt to the dynamics of business requirement (evolving in nature), external factors such as COVID-19 pandemic and also to streamline the existing procedures. Major policies include; Credit and Recovery Policy, Liquidity and Interest Rate Risk Policy, Know Your Client and Anti-Money Laundering Policy, Fair Practices Code, Corporate Social Responsibility Policy, Resource Planning Policy, Information Security and Technology Policy, Business Continuity Plan and Disaster Recovery Plan, Expected Credit Loss Policy, Policy on Resolution Framework for COVID-19 related stress, etc. The Board has also constituted various Committees (headed by Independent Directors) to focus on the critical functions of Infradebt such as (i) Board Governance, Remuneration and Nomination Committee (ii) Board Credit Committee (iii) Board Risk Management Committee (iv) Audit Committee (v) Corporate Social Responsibility Committee and (vi) Information Technology Strategy Committee. In addition to the above-mentioned Committees, the Board has also constituted other Committees (headed by Managing Director & CEO) such as (i) Executive Credit Committee (ii) Asset Liability Management Committee (iii) Information Technology Steering Committee (iv) Debenture Allotment Committee and (v) Management Committee. The Board has appointed a Chief Risk Officer (CRO) to function independently with specific roles and responsibilities ensuring independent functioning for highest standards of Risk Management. Infradebt has adequate internal controls and processes in place with respect to its financial statements, which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies, procedures and certification from Statutory Auditors. The Internal Auditors also review these internal control systems annually. The audit observations and follow up actions thereon are reported to the Audit Committee and Board of Directors.

RELATED PARTY TRANSACTIONS

Infradebt has formed a Board approved Policy on Related Party Transactions in line with the requirements of the Companies Act, 2013. The Policy provides a framework for proper approval and reporting of transactions between Infradebt and its related parties. The Policy on Related Party Transactions has been hosted on the website of Infradebt - https://www.infradebt.in/en/about_us_policies.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. The particulars of material contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2 which is enclosed with this Directors' Report as Annexure - 7.

Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) relating to related party transactions, has been newly applicable to Infradebt effective September 7, 2021 on 'comply or explain' basis until March 31, 2023 and on a mandatory basis thereafter. As per Regulation 23(4) of SEBI LODR Regulations all material related party transactions and subsequent material modifications as approved by Audit Committee shall require approval of Shareholders and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. Further as per Regulation 23(8) of SEBI LODR Regulations read with SEBI clarification circular dated March 30, 2022, all existing related party contracts or arrangements that has been approved by the Audit Committee prior to April 1, 2022 which continues beyond such date and becomes material as per the revised materiality threshold shall be placed before the Shareholders in the first General Meeting held after April 1, 2022.

Pursuant to above referred SEBI LODR Regulations, the resolution for seeking approval of the Members on existing material related party contracts or arrangements and continuing as on April 1, 2022 and new related party transactions to be entered upto the date of the Eleventh AGM, is proposed to the Members in the Notice of the Tenth Annual General Meeting *vide* item nos. 8 and 9. You are requested to consider and approve the same.

Directors' Report *Contd...*

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

Since InfraDebt does not own any manufacturing facility and considering its activities as an IDF-NBFC, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable and hence not given.

During FY2022, InfraDebt did not have any foreign exchange earnings and expenditures.

ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

MAINTENANCE OF COST RECORDS

The maintenance of cost records, for the services rendered by the Company, pursuant to Section 148(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 is not required. Hence, the disclosure requirement under sub-rule 5 (ix) of Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY

The Company does not have any subsidiary, associate and joint venture company within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 and no new subsidiary, associate and joint venture company was formed during FY2022.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

The Company, in the capacity of Financial Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during FY2022 for recovery of outstanding loans against any customer being Corporate Debtor.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During FY2022, there was no instance of onetime settlement with any Bank or Financial Institution.

PERSONNEL

In terms of Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement relating to particulars of employees of the Company is provided in the Annexure forming part of this report. In terms of proviso to Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. The said Statement is available for inspection by the Members at the Registered Office of the Company during business hours on working days. Any Member interested in obtaining a copy of this statement may write an email or letter to the Company Secretary at the Registered Office.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this, Directors' Report as Annexure - 8.

INFORMATION REQUIRED UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details pertaining to number of complaints during the year has been provided below:

- number of complaints filed during the financial year: Nil
- number of complaints disposed of during the financial year: Nil

Directors' Report *Contd...*

- c. number of complaints pending at end of the financial year: Nil

INTERNAL AUDIT

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee. The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures and compliance with laws and regulations. Based on the reports of Internal Audit function process, owners undertake corrective action in their respective areas.

An action taken report to the observations of Internal Audit is presented to the Audit Committee on quarterly basis. Reserve Bank of India *vide* its circular dated February 3, 2021, has introduced Risk based Internal Audit (RBIA) for NBFCs, by which applicable NBFCs shall put in place a RBIA framework by March 31, 2022. On the recommendation of the Audit Committee, the Board has approved a RBIA framework, along with appropriate processes and plan for internal audit.

INTERNAL FINANCIAL CONTROLS

As per the requirement of Section 134(3)(q) of the Companies Act, 2013 and Rule 8(viii) of Companies (Accounts) Rules, 2014, Infradebt has in place adequate financial controls commensurate with its size, scale and complexity of operations with reference to its financial statements. Standard Operating Procedures (SOPs) and Risk Control Matrices have been designed to provide reasonable assurance about recording and providing reliable financial information, ensuring integrity in conducting business, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors and is included in the Management Discussion and Analysis Report.

In addition to the above, Internal audits are undertaken on periodic basis to independently validate the existing controls as per scope assigned to them.

REGULATORY & STATUTORY COMPLIANCES

MEANS OF COMMUNICATION

1. Publication of Quarterly Results and Newspapers wherein results are normally published

Quarterly, Half-yearly and Annual Financial Results of the Company are sent to the Stock Exchanges where the securities of the Company are listed i.e. BSE Limited and can be accessed at www.bseindia.com and published

simultaneously in the leading English newspaper viz., Financial Express or Business Standard. Financial Results are also hosted on the Company's website and can be accessed at www.infradebt.in.

2. Website

The Company's website www.infradebt.in contains a separate dedicated section 'Investor Corner' and 'Regulatory Disclosures' where Shareholders/Debt holders information is available.

3. Annual Report

The Annual Report containing, *inter alia*, Audited Financial Statements, Board's Report, Auditors' Report and other important information is circulated to the Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Company's Annual Report is available in a downloadable form on the Company's website at www.infradebt.in. The Annual Report is also being submitted to Stock Exchange and can be accessed at www.bseindia.com.

4. Stock Exchange

The Non-Convertible Debentures issued by the Company are listed on BSE Limited. The Company makes timely disclosures of necessary information to the BSE Limited in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules and regulations issued by SEBI in relation to Non-Convertible Debentures.

GENERAL SHAREHOLDER INFORMATION

1. Company Registration Details:

The Company is registered in the State of Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U65923MH2012PLC237365.

2. Annual General Meeting:

Date : August 18, 2022

Day : Thursday

Time : 11.00 a.m.

Place : Through video conferencing (Deemed Venue: The Capital, 'B' Wing, 1101A, Bandra-Kurla Complex, Mumbai - 400 051)

3. Financial Year: April 1, 2021 to March 31, 2022

Directors' Report *Contd...*

- 4. Dividend Payment Date:** The final dividend, if approved, shall be paid/credited on or before September 16, 2022.
- 5. Record Date:** Record date for the purpose of payment of Dividend is August 18, 2022.
- 6. The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange:** Non-Convertible Debentures are listed on BSE Limited having its registered office at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001. Infradebt confirms payment of annual listing fee to BSE Limited.
- 7. Stock Code:** The equity shares of the Company are not listed on the Stock Exchange, hence the Stock code is not applicable.
- 8. Market Price Data – High, low during each month in last financial year:** Not applicable
- 9. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index:** Not applicable
- 10. Details of the Securities suspended from trading:** Not applicable.
- 11. Registrars & Transfer Agent:**
For Equity:
 3i Infotech Limited, Tower #5, 3rd Floor, International Infotech Park, Vashi Railway Station Complex, Vashi, Navi Mumbai - 400 703.
For Debentures:
 Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083.
- 12. Share Transfer System:** The Company's equity investor services are handled by 3i Infotech Limited and Non-Convertible Debentures investors services are handled by Link Intime India Private Limited. Both the RTAs are SEBI registered Category I - Registrar to an Issue & Share Transfer Agent. As per the SEBI mandate, securities of listed companies can be transferred/traded only in dematerialised form.

13. Distribution of Shareholding as on March 31, 2022:

Range - Shares	No. of Shareholders		No. of Shares	
	Number	% of Total	Shares	% of Total
Upto 1,000	3*	0.00	3*	0.00
1,001 – 5,000	-	-	-	-
5,001 – 10,000	-	-	-	-
10,001 – 50,000	-	-	-	-
50,001 & above	4	100.00	86,78,71,197	100.00
Total	7	100.00	86,78,71,200	100.00

* Note: Nominee Shareholders holding one share each.

- 14. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:** Not applicable. As on March 31, 2022, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments.
- 15. Dematerialisation of Shares and Liquidity:** All the equity shares and Non-Convertible Debentures issued by Infradebt are in dematerialized form.
- 16. Commodity price risk or foreign exchange risk and hedging activities:** Not applicable
- 17. Plant Locations:** Not applicable
- 18. Address for Correspondence:**
 Gaurav Tolwani
 Company Secretary & Compliance Officer
 India Infradebt Limited
 The Capital, 'B' Wing, 1101A,
 Bandra Kurla Complex,
 Mumbai - 400051
 Tel: + 91 22 6819 6900/ + 91 22 4334 6900
 Email: investor@infradebt.in

Directors' Report *Contd...*

19. Credit Ratings as on March 31, 2022:

Credit Rating Agency	Instruments	Ratings	Revisions if any	Revision Rational
CRISIL Limited	Secured and Unsecured Non-convertible Debentures	AAA/Stable	NA	NA
ICRA Limited	Secured and Unsecured Non-convertible Debentures	AAA/Stable		
India Ratings and Research Private Limited	Unsecured Non-convertible Debentures	AAA/Stable		

OTHER DISCLOSURES

- Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:** There are no materially significant transactions with related parties conflicting with the interests of the Company.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years:** BSE Limited vide its email dated August 20, 2021 has levied a fine of ₹ 55,460 (including taxes) on Infradebt for non-compliance of Regulation 54(2) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 (SEBI LODR) for the year ended March 31, 2021. Infradebt is in full compliance to Regulation 54(2) of SEBI LODR for the year ended March 31, 2021 and has accordingly submitted its response to the BSE Limited, stating 100% compliance. The matter is pending at the end of BSE Limited.
- Details of establishment of vigil mechanism/ whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee:** Whistle Blower Policy has been formulated. During FY2022, there was no instance of any employee seeking access to the Chairman of Audit Committee.
- Details of Compliance with the Mandatory requirements and adoption of Non-Mandatory Requirements:** The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) applicable to the Company being a High Value Debt Listed Company. The Company shall endeavor to comply with the requirements specified in Regulation 16 to Regulation 27 of SEBI LODR Regulations (applicable on 'comply or explain' basis).

The mandatory requirements as mentioned under Regulation 34 of SEBI LODR Regulations are not applicable to the Company.

Further, the Company has adopted the following non-mandatory requirements under SEBI LODR Regulations:

- The Board:**

The Board of Directors periodically reviews the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. A Chairperson's office has been made available for the non-executive Chairperson. She is allowed reimbursement of expenses incurred in performance of her duties.

- Shareholder rights:**

The Company ensures that all the information is disseminated on a non-discretionary basis to all the Members. The quarterly results intimated to the stock exchange are uploaded on the website of the Company at www.infradebt.in and the results are also published in the newspapers namely Financial Express or Business Standard.

- Modified opinion(s) in audit report:**

The financial statements of the Company are with unmodified audit opinion.

- Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:**

The Company has appointed separate persons to the post of the Chairperson and the Managing Director & CEO and such that the Chairperson is a Non-Executive Director and not be related to the Managing Director & CEO as per the definition of the term "relative" under the Companies Act, 2013.

Directors' Report *Contd...*

• Reporting of Internal Auditor:

The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

SEBI (Listing Obligations Disclosures Requirements) Regulations, 2015 were amended *vide* notification dated September 7, 2021, providing for the applicability of Regulations 16 to 27, relating to corporate governance on High Value Debt Listed Entity (HVDLE) on comply or explain basis until March 31, 2023 and on a mandatory basis thereafter. The Company being HVDLE is in the process of ensuring compliance with the new requirements to the extent applicable to the Company. The Company will ensure full compliance within regulatory prescribed timeline(s).

5. **Remuneration to Statutory Auditors:** The details of remuneration to Statutory Auditors have been provided in Note 2U of Notes to Accounts included in the Financial Statements section of this Annual Report.
6. **Disclosure by listed entity of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':** None
7. **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:** Board has accepted all recommendation(s) of the Committees of the Board which are mandatorily required to be constituted.
8. **Web-link where policy for determining "material" subsidiaries is disclosed:** Not applicable. Infradebt does not have subsidiary.
9. **Web-link where policy on dealing with the Related Party Transaction is disclosed:** https://www.infradebt.in/en/about_us_policies.
10. **Details of Utilisation of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A):** Infradebt has not raised any funds through preferential allotment or qualified institutional placement.
11. **Certificate from a Company Secretary in Practice that none of the Board Members of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory**

authority: Alwyn Jay & Co., Practicing Company Secretaries, has issued a certificate as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority. The certificate is attached as Annexure – 9.

12. **Transfer of amounts to Investor Education and Protection Fund (IEPF):** Not applicable.

13. **Disclosures with respect to demat suspense account/ unclaimed suspense account:** There were no shares lying in the demat suspense account/ unclaimed suspense account for FY2022.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of Infradebt for the year ended March 31, 2022 and of the profit of Infradebt for that year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of Infradebt and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis;
5. they have laid down internal financial controls to be followed by Infradebt and that such internal financial controls are adequate and were operating effectively; and
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors' Report *Contd...*

ACKNOWLEDGEMENTS

Infradebt is grateful to the Government of India, the Reserve Bank of India, Ministry of Finance, Ministry of Road Transport and Highways, National Highways Authority of India, Insurance Regulatory & Development Authority of India, other regulatory authorities, concession granting authorities, clients, consultants, credit rating agencies, debenture trustee, debt arrangers, debt investors, internal auditors, statutory auditors and other stakeholders for their valuable guidance and support and wishes to express sincere appreciation for their continued cooperation and assistance. Infradebt looks forward to their continued support in future.

Infradebt would also like to express its gratitude for the support and guidance received from ICICI Bank Limited, Bank of Baroda, Citicorp Finance (India) Limited and Life Insurance Corporation of India.

The Directors express their deep sense of appreciation for the commitment and hard work, put in by the Management and the employees, which have helped Infradebt improve its business performance.

For and on behalf of the Board

Date: July 26, 2022

Place: Mumbai

Lalita D. Gupte
Chairperson
(DIN: 00043559)

Declaration regarding compliance with the Code of Business Conduct & Ethics by the Board of Directors and senior management

I confirm that all Directors and Members of the senior management have affirmed compliance with Code of Business Conduct and Ethics for the year ended March 31, 2022.

Date: July 26, 2022

Place: Mumbai

Suvek Nambiar
Managing Director & CEO
(DIN: 06384380)

Annexure – 1

Management Discussion and Analysis

a) Industry structure and developments

Infrastructure sector continues to be recognized as one of the key pillars for growth of Indian economy. In the Union Budget of FY2022-23, the Government of India (GOI) has increased capex outlay by 35.4% (from ₹ 5.54 trillion to ₹ 7.50 trillion in FY2023), which is likely to strongly augment infrastructure spend. The proposed issuance of sovereign green bonds to mobilize resources for green infrastructure seeks to harness the potential of Indian green bond market. Some of the other major highlights of budget includes contracts for implementation of multimodal logistics parks at four locations through Public Private Partnership (PPP) mode, 400 new generation VandeBharat trains, 100 new cargo terminals and additional allocation of ₹ 195.00 billion towards Production Linked Incentive (PLI) scheme for domestic manufacturing of high efficiency solar modules to achieve target of 280 GW of installed solar capacity by 2030. Further, data centers and energy storage systems have now been approved “Infrastructure” status. These development augurs well for Infradebt’s long term business growth and diversification into new sectors such as data centers and multi model logistics parks

With sustained growth in renewable energy sector, Infradebt has continued its steady growth in financing operational renewable energy projects during FY2022, while taking selective exposure in other sectors such as airport, telecom towers and warehousing for diversification.

The operating renewable energy sector has seen consolidation by way of mergers and acquisitions and also renewed interest of international and domestic players to venture into commercial and industrial (C&I) space through open access/group captive structure. The year also witnessed various options for developers to refinance project debt such as dollar bonds, domestic green bonds and InvIT level financing. Consistency in policies, strong payment track record of central agencies and opportunity to deploy new technological advancements at large scale in India has brought in long term “patient” capital from pension funds, sovereign wealth funds and large private equity players. These players have brought in some of the international financing practices and structures in debt financing as well. On the back of strong operational & payment track record and excess liquidity conditions in the market, the sector has seen sharp increase in competition among various financing institutions to finance quality assets. In this competitive scenario,

Infradebt has continued to provide financing structures to renewable energy projects with credit enhancements in the form of co-obligor structures.

Infradebt has increased its asset book to ₹ 147.11 billion as on March 31, 2022, with financing extended to 109 companies, in aggregate, across renewable energy, roads and other infrastructure sectors. Along with the transportation sector, renewable energy sector (wind and solar) remains a focus sector for lending. As of March 31, 2022, Infradebt has ~74% of its asset book contributed through lending/investing in debt facilities in the renewable energy projects; out of the balance 26%, ~21% is contributed by road projects and balance 5% is contributed by airport, telecommunications, warehousing and transmission projects.

While the focus sectors of Infradebt are expected to grow at healthy pace, the interest rate cycle is likely to take a turn beginning from FY2023. The Reserve Bank of India, through various measures, is likely to systematically withdraw excess liquidity amid rising inflation and benchmark rates increase in developing countries. Infradebt shall continue to be agile and flexible in handling dynamic market conditions.

Infradebt shall continue to focus its business on the identified core sectors with large ticket size and wide role in selected financing transactions and also look to diversify its asset portfolio to other sectors like education, healthcare, power distribution, logistics, city gas distribution, railways, water treatment projects, ports, data center etc.

b) Opportunities and Threats

Opportunities–

The National Infrastructure Pipeline (NIP) envisages investment of ₹ 111.00 trillion during FY2020-2025. According to NIP, it is expected that ~ ₹ 10.00 trillion shall be invested in renewable energy sector, ~ ₹ 20.00 trillion shall be invested in road sector, ~ ₹ 4.00 trillion shall be invested in social infrastructure and ~ ₹ 3.00 trillion shall be invested in telecom sector by FY2025. To provide funding plan for such capital expenditure, the Central Government has set asset monetization target of ₹ 1.60 trillion in FY2023, while it has exceeded its asset monetization target of ₹ 0.88 trillion with actual monetization of ₹ 0.96 trillion in FY2022. Sectors like roads & highways, renewable energy, power transmission & distributions, logistics infrastructure and railways are expected to drive the investments in

Annexure – 1 *Contd...*

the coming years with private sector participation. The completion of these projects will provide a pipeline of financing opportunities for Infradebt.

Improvement in road infrastructure has been one of the key focus areas for the Government of India (GOI). National Highways Authority of India (NHAI) has doubled highway construction target for FY2023 to 25,000 kms (including ongoing projects) from 12,000 kms in FY2022. On February 15, 2021, the Ministry of Road Transport and Highways (MoRTH) has made it compulsory to install FASTag on all four wheeler vehicles on Indian roads and all lanes of fee plazas on national highways declared as FASTag lanes. This has improved efficiency, transparency of toll collection over the medium to long term and thereby reducing toll leakages. With growing mobility and increasing FASTag adoption, toll revenues on the platform reached ₹ 40.95 billion in March 2022, the highest since the digital toll collection system was introduced. NHAI also proposes to implement GPS based tolling mechanism in next two to three years thereby reducing traffic congestions and requirement of toll plazas. Recently, NHAI also hiked toll rates for 2022-23. Toll rates are linked to the Wholesale Price Index (WPI), which has remained at elevated levels. The consequent improvement in toll revenues would help in improving the credit profile of existing and new road projects.

GOI has also announced development of 2,500 kms expressways, 9,000 kms of economic corridors, 2,000 kms of coastal and land port roads and 2,000 kms of strategic highways. Further, NHAI is also planning to develop wayside amenities along the national highways and expressways at 600 locations in the next five years on PPP mode. As part of the commercialisation of highways, atleast 12 lots of highway bundles with total length of over 6,000 kms have been proposed to be monetised before 2024. HAM model has attracted interest from domestic bond market and banks, leading to competition in financing of such projects. Infradebt will continue to monitor the development in the financing space for such projects and would evaluate the projects from risk return perspective. The awards of these new projects and completion of the large number of awarded projects in the last few years will add to the opportunities in the roads sector.

Amongst various initiatives to boost infrastructure development in India, GOI has announced easing of restrictions on funding through foreign portfolio investors in Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs). In case changes

are allowed in regulatory framework to facilitate NBFC-IDFs to participate in financing of monetised assets as well as InvIT, it would add to the business opportunities of Infradebt. Infradebt has applied for participation in such financing structure and would await regulatory consent for the same.

Renewable energy has emerged as the core focus sector for GOI. As on March 31, 2022, India's total grid-interactive generation capacity stood at ~395 GW out of which ~106 GW is contributed by renewable energy sources. The GOI announced a large renewable power production target of 175 GW by 2022; this comprises generation of 100 GW from solar power, 60 GW from wind energy, 10 GW from biomass and 5 GW from small hydro power projects. Solar energy is the largest renewable energy source as on date with an operational capacity of ~51 GW followed by wind energy with an operational capacity of 40GW. Solar energy capacity has seen a rapid increase in the last 4-5 years from about 5 GW to 51 GW currently and has seen the largest capacity addition among the energy sources in the past year. This rapid increase in the renewable energy capacity aided by GOI's thrust on renewable energy will continue to add opportunities in the sector. The Government has set a target of 500 GW of renewable energy by 2030 with an aggressive approach towards reduction in power generation of the conventional power plants i.e., coal-based power plants. Post completion of construction, project sponsors are interested in refinancing their projects to benefit from the lower cost of debt and longer tenure debt thereby improving the viability of the projects. Infradebt plans to be a participant in the financing of these projects though such projects are now being refinanced by other lenders even before one year of satisfactory commercial operation. Infradebt will continue to partner with banks (including Shareholders), NBFCs, other IDFs and financial institutions/capital market participants to undertake financing/ take-out financing initiatives.

Additionally, while competition for financing completed infrastructure assets has increased, Infradebt would continue to endeavour to provide fixed rate loans to infrastructure projects. Such fixed rate loans provide a hedge to project owners against increasing interest rates.

Threats –

Interest from corporates in financing structure such as InvITs, dollar and rupee bond structures especially in roads and renewable energy is expected to increase going forward and this may affect the pipeline of operational projects available for finance. Many MNC banks have also

Annexure – 1 *Contd...*

participated in debt financing of infrastructure projects, thereby increasing competition in the infrastructure financing space. InvITs have tax exemptions which make it attractive for overseas funds, especially sovereign funds.

Sound credit profile of operational renewable energy projects, backed by pedigree of investors will continue to fuel competition for debt refinancing in this space. Public financial institutions, which were typically known to finance under-construction renewable energy projects, have also been financing operational projects and have rolled out specific pricing schemes to fund operational projects. Commercial banks and foreign banks have also become more competitive in operational renewable energy space due to lack of deployment opportunities in other segments of wholesale financing.

The key threats for the upcoming financial year would be supply chain issues, impact of the potential COVID-19 pandemic and inflation on both the Indian financial system and on the general economy including sectors to which Infradebt has exposure. Infradebt is dependent on the bond markets for its liabilities and any significant movement in terms of yields or liquidity will affect fund raising. Any significant long-term impact in such sectors could adversely impact the asset quality of Infradebt. Also, slowdown 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 projects for Infradebt.

Funding on a consolidated/pooled basis, refinancing by capital market participants like mutual funds and foreign bankers / FIs, volatility in debt capital markets for capital raising and regulatory changes could adversely impact the future performance of Infradebt. 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 Infradebt. Additionally, the surfeit of liquidity unleashed by the Central Banks together with pipeline of new projects being implemented proceeding at a slower pace has resulted in severe competition for financing of completed infrastructure projects. As the asset book of Infradebt comprises only such assets, there are increasing instances of such assets being targeted by other financing institutions.

c) Segment-wise or product-wise performance

The asset book as at the end of FY2022 stood at ₹ 147.11 billion after adjusting for redemption/ repayment of

facilities during the year. Out of this, ₹ 30.45 billion has been provided to 18 road projects under the PPP framework (backed by a tripartite agreement) and ₹ 116.65 billion has been provided to 91 projects under the Non-PPP framework i.e., renewable energy and other sectors.

Issuances of senior secured Non-Convertible Debentures (NCDs) aggregating to ₹ 30.35 billion and issue of unsecured NCDs (in the form of subordinated debt) of ₹ 3.00 billion, along with scheduled repayment of ₹ 15.25 billion were done in FY2022. As at end of FY2022, the total outstanding borrowings (including accrued interest) have reached ₹ 142.72 billion. All the above issuances were rated “AAA” by leading domestic credit rating agencies. These issuances were subscribed by a wide variety of investors, including insurance companies, pension funds, provident funds, banks and mutual funds among others.

d) Outlook

Based on the assessment of the projects completed and projects under construction, availability of projects for refinancing and discussions with the credit rating agencies, transportation and renewable energy remain the largest target sectors for Infradebt due to the presence of sizeable operational projects and awards/ongoing development of new projects in the sectors. Infradebt's asset book mainly consists of renewable energy (wind, solar & hydro) projects and NHAI road projects (PPP category). NHAI road projects are backed by a tripartite agreement which provides priority to Infradebt's debt over other project lenders in case of any termination payment received from NHAI. The renewable energy projects, with operating histories of over one year, have a very low likelihood of default. Also, the loss given default of renewable energy projects is the lowest amongst other projects in infrastructure sector. Hence, overall quality of Infradebt's asset book is likely to remain robust. Apart from the above, Infradebt will also focus on opportunities in sectors like hospitals, hotels, logistics, education, power transmission, power distribution, airports and telecommunications on a selective basis.

Infradebt proposes to continue raising long terms funds from insurance companies, pension funds, bank treasuries, mutual funds and other market participants.

e) Risks and concerns

Infradebt's exposure is primarily to operational renewable energy projects and road projects, which were minimally impacted by the COVID-19 lockdown. This was mainly on

Annexure – 1 *Contd...*

account of these infrastructure sectors being categorised under “essential services” as well as on account of the presence of in-built structural buffers in the individual projects. These buffers included upto six-month debt service reserve, bank lines of credit, co-obligor structures and sponsor support, in most of the projects. Further, the underlying counter-party contracts (NHAI Concessions in case of national highways, Power Purchase Agreements with various state discoms/corporate customers in case of renewable energy) are strong and provide credit protection to the borrower projects. Renewable energy projects are exposed to the variability in the climatic factors, namely changes in wind patterns, variations in wind speeds, impact of irradiation variations due to fluctuations in monsoon periods, etc. These variabilities in the climatic patterns and their impact on the power output are collectively factored in the stress analysis.

Environmental Social and Governance (ESG) factors can have a material impact on the long-term sustainable performance of the Infradebt. ESG contribution of Infradebt is by way of financing primarily (nearly two-thirds) to environment- friendly sectors, namely solar and wind-based power plants, which have lower carbon footprints. Infradebt consistently undertakes CSR contribution of 2% of its average net profit of last three years, towards leading CSR agencies. The recipient agencies provide free food, eye surgeries and cancer treatment for the under-privileged sections of society across India. Infradebt has endeavoured to have a transparent and ethical relationship with all its stakeholders. Being fair and ensuring right-selling of products has been a core element of the Infradebt’s strategy in its engagement with customers. Infradebt adheres to the prevalent governance standards in the financial sectors, with regular reporting/disclosures to regulatory agencies, stock exchanges and company website.

Infradebt’s exposure to road assets is safeguarded by way of tripartite agreement entered between NHAI (AAA, sub-sovereign authority), the borrowers and Infradebt and confirmed by other lenders, which entitles Infradebt to have first charge on the termination payments. Any reduction in the toll revenue is expected to be mitigated by the structural liquidity in the short term and first charge on the termination payments in the event of default in the long term. Similarly, the renewable energy projects supplying power to state discoms are backed by fixed-tariff power-purchase agreements with sub-sovereign, state governments. These projects enjoy “must

run” status resulting in a robust revenue model even in a situation of demand reduction.

Infradebt has prudently managed its business and financial risks during another year of COVID-19. This is particularly relevant in the context of increasingly volatile interest rates and their impact on borrowing costs, asset prepayments and redemption of the liabilities, increasing scale and complexity of operations and finally, changing regulatory regime for NBFCs in general and IDF-NBFCs in particular.

The credit strength of Infradebt is mainly reflected by the highest credit rating of “AAA” with stable outlook accorded by three leading rating agencies – CRISIL Limited, ICRA Limited and India Ratings and Research Private Limited – for its debt. Infradebt maintains strong credit standards and filters to ensure that asset quality remains robust. In addition to the internal policies, controls and governance framework, there is an oversight of credit rating agencies as well as various independent audit agencies to validate the robustness of risk-framework of Infradebt. Stringent credit appraisal framework ensures the minimization of credit risk. The Board has also appointed a Chief Risk Officer (CRO) to function independently with specific roles and responsibilities ensuring independent functioning for highest standards of Risk Management.

The asset-liability risk arises mainly out of the regulatory requirement of minimum five-year maturity of the borrowings and credit market’s practice of annual interest rate resets of the assets. This mismatch is partly offset by the relaxation provided by Reserve Bank of India (RBI) to allow IDF-NBFCs to raise less than five-year maturity of the borrowings to the extent of 10% of the overall outstanding borrowing. The liquidity risk is low mainly due to longer tenure of liabilities as compared to assets as well as high ability to access the debt market due to ‘Highest’ credit rating. The interest rate risk arises out of fixed-rate borrowings undertaken to fund the variable and semi-fixed rate investments within the overall asset portfolio. There is an additional risk of the bank lending rates not increasing, in line with the whole sale borrowing rates of Infradebt which leads to the pressure on the interest margins for Infradebt. There is also a regulatory risk of material changes in guidelines issued by RBI or government institutions. Finally, as the scale of operations increase along with the complexity, there is a need to manage the operational risks relating to business continuity, environment, crisis management, process, systems and operations, people and information technology.

f) Internal control systems and their adequacy

There are adequate internal controls and risk management systems to ensure compliance to internal policies and external regulations. These pertain to compliance with NBFC guidelines of RBI, guidelines issued by Ministry of Finance and timeliness and accuracy of reporting to RBI. The internal control mechanism involves ensuring adequate checks and balances for all major decisions, requires adequate Board oversight for all significant decisions and warrants Board control for all critical measures. Infradebt has adopted various policies (viz. Credit and Recovery Policy, Liquidity & Interest Rate Risk Policy among others) that are approved by the Board. The policies are reviewed and amended on regular basis, at least once a year.

g) Discussion on financial performance with respect to operational performance

During the year under review, Infradebt made disbursements to 50 project companies (including those under co-obligor structures) in the infrastructure sector, aggregating to ₹ 65.36 billion. Infradebt raised funds

through the issuance of NCDs aggregating to ₹ 33.35 billion (secured and unsecured). A wide range of investor class subscribed to these issuances viz. insurance companies, pension funds, banks, mutual funds, provident funds and corporates.

In FY2022, Infradebt has made profit of ₹ 3,061.73 million as compared to profit of ₹ 2,764.43 million in FY2021. During FY2022, the income from operations was ₹ 14,433.67 million against ₹ 13,011.82 million in FY2021.

h) Material developments in Human Resources/Industrial Relations front, including number of people employed

The human resources are a key component of Infradebt's business plan. Accordingly, there is a performance-based remuneration system for ensuring employee satisfaction and retention. As of March 31, 2022, there were 25 employees in the Company.

Date: July 26, 2022
Place: Mumbai

Lalita D. Gupte
Chairperson
(DIN: 00043559)

Annexure – 2

Annual Report on Corporate Social Responsibility Activities

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

As required under Section 135(4) of the Companies Act, 2013 (the Act) and Rule 9 of Companies (Accounts) Rules, 2014, the details with respect to CSR are as follows:

1. A brief outline on CSR policy of the Company:

The CSR Policy of Infradebt focuses on addressing critical social, environmental and economic needs of the marginalized/ underprivileged sections of the society with an approach to integrate the solutions to these problems to benefit the communities at large and create social and environmental impact.

The CSR Policy of Infradebt details the CSR projects that would be undertaken, governance structure, operating framework (which includes formulation of an annual action plan and implementation of the activities to be undertaken) and monitoring mechanism.

2. The Composition of CSR Committee:

As on March 31, 2022, the CSR Committee of Infradebt comprises two Independent Directors, one Nominee Director and one Executive Director. The composition of the CSR Committee as on March 31, 2022 is as below:

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.	Arun Tiwari	Chairman, Independent Director	1	1
2.	Uday Chitale	Member, Independent Director	1	1
3.	Lalita D. Gupte (ceased to be Member w.e.f April 23, 2021 end of the day)	Member, Independent Director	1	1
4.	Nina Nagpal (Member w.e.f April 1, 2021)	Member, Nominee Director	1	0
5.	Suvek Nambiar	Member, Managing Director & CEO	1	1

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:

Pursuant to Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Composition of CSR Committee, CSR Policy and CSR projects approved by the Board for FY2022 are disclosed on the Infradebt's website.

Web-link for Composition of CSR Committee: https://www.infradebt.in/en/about_us_board_committees

Web-link for CSR Policy: https://www.infradebt.in/en/about_us_policies.

Web-link of CSR Projects: <https://www.infradebt.in/content/dam/infradebt/Disclosure-on-Corporate-Social-Responsibility-for-FY2022.pdf>.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not applicable, as the average CSR obligation in the three immediately preceding financial years (i.e. FY2019, FY2020 and FY2021) is less than ₹ 10 crores i.e. ₹ 2,50,61,951.

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Not applicable.

6. Average net profit of the company for last three financial years:

The average net profit of the Company for the last three financial years (i.e. FY2019, FY2020 and FY2021) calculated as specified by the Companies Act, 2013 is ₹ 233,70,99,327.

Annexure – 2 Contd...

7.

Sl. No.	Particulars	Amount (in ₹)
a.	Two percent of average net profit of the company as per section 135(5)	4,67,41,987
b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
c.	Amount required to be set off for the financial year, if any	Nil
d.	Total CSR obligation for the financial year (7a+7b-7c)	4,67,41,987

8. (a) 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
4,67,42,000	Nil			Nil	

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency
				State District						Name CSR Registration number
							Nil			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency
				State District			Name CSR Registration number
1	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARE Fund)	Item no. viii - Contribution to PM CARES	N.A.	PAN India	1,00,00,000	No	PM CARES Fund N.A.

Annexure – 2 *Contd...*

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
2	Mid-Day Meal (MDM) for Children (Through this program Akshaya Patra Foundation strives to eliminate classroom hunger by implementing the MDM Scheme in the government and government-aided schools).	Item no. i - Eradicating extreme hunger and poverty; and Item no. ii - Promotion of education	No	Andhra Pradesh	Srikakulam and Kuppam	88,00,000	No	Akshaya Patra Foundation	CSR00000286
3	Distribution of Happiness Kits (Through this program Akshaya Patra Foundation ensure health-hygiene and continuous learning is not compromised to Government school children who were regular beneficiaries of the MDM programme).	Item no. i -Eradicating extreme hunger and poverty; and Item no. ii - Promotion of education	No	Maharashtra	Bhiwandi and Panvel	46,75,000	No	Akshaya Patra Foundation	CSR00000286
4	ImPaCCT holistic support strategy (Financial support to children and young adults with cancer).	Item no. i - Promoting Health Care	Yes	Multiple States	Multiple Districts	1,44,67,000	No	ImPaCCT Foundation of Tata Memorial Hospital	CSR00001287
5	Rashtriya Netra Yagna (Flagship programme of Vision Foundation of India, aims at treating more than 1.0 million needy people from all over India requiring eye surgery)	Item no. i - Promoting Health Care	No	Multiple States	Multiple Districts	88,00,000	No	Vision Foundation of India	CSR00002065
Total						4,67,42,000			

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 4,67,42,000

Annexure – 2 *Contd...*

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5).	4,67,41,987
(ii)	Total amount spent for the Financial Year.	4,67,42,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	13
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	13

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	FY2019	Nil	Nil		Nil		Nil
2	FY2020	Nil	Nil		Nil		Nil
3	FY2021	Nil	Nil		Nil		Nil
	Total	Nil	Nil		Nil		Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
								Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable.

- (a) Date of creation or acquisition of the capital asset(s): Nil
- (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Nil
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The CSR Committee hereby confirms that the Company has spent two per cent of the average net profit as per section 135(5) of the Companies Act, 2013.

Arun Tiwari
Chairman – CSR Committee
Date: July 26, 2022

Suvek Nambiar
Managing Director & CEO

Annexure – 3

To,
The Board of Directors
India Infradebt Limited

Compliance Certificate as per Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2022 and to the best of our knowledge and belief -
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting (No instances of fraud).

Suvek Nambiar
Managing Director & CEO

Date: April 19, 2022
Place: Mumbai

Surendra Maheshwari
Chief Financial Officer

Annexure – 4

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of INDIA INFRADEBT LIMITED,

1. We have examined the compliances of the conditions of Corporate Governance by INDIA INFRADEBT LIMITED (“the Company”) for the financial year ended 31st March, 2022, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 (‘Listing Regulations’).
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

ALWYN JAY & Co.

Company Secretaries

[Alwyn D’Souza, FCS.5559]

(Partner)

[Certificate of Practice No.5137]

[UDIN: F005559D000206971]

Place: Mumbai

Date: April 26, 2022

Office Address:

Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East), Mumbai 400101.

Annexure – 5

Disclosures under the India Infradebt Limited – Employees Stock Option Plan 2018 (ESOP 2018) and ESOP 2020 pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on financial year ended March 31, 2022:

Sr. No.	Particulars	Under ESOP 2018	Under ESOP 2020
1.	Number of options granted	2,31,11,111	37,82,888
2.	Number of options vested	1,19,17,396	0
3.	Number of options exercised	0	0
4.	Total number of shares arising as a result of exercise of options	0	0
5.	Number of options lapsed / cancelled	NA	NA
6.	Exercise Price of the options exercised in ₹/per equity share	NA	NA
7.	Variation of terms of options	NA	NA
8.	Money realised by the exercise of Options	NA	NA
9.	Total number of options in force	2,31,11,111	37,82,888

10. Employee wise details of options granted to:

1. Details of options granted to Key Managerial Personnel:-

Sr. No.	Name of Key Managerial Personnel	Designation	ESOP 2018		ESOP 2020	
			Options granted during the year ended March 31, 2022	Options Exercised during the year ended March 31, 2022	Options granted during the year ended March 31, 2022	Options Exercised during the year ended March 31, 2022
1	Suvek Nambiar	Managing Director & CEO	34,53,029	Nil	82,888	Nil
2	Surendra Maheshwari	Chief Financial Officer	Nil	Nil	10,10,000	Nil

II. Details of any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year:-

The details are available for inspection by the Members at the Registered Office of the Company during business hours on working days. Any Member interested in obtaining the said details may write to the Company Secretary at the Registered Office.

III. Details of identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant:-

Nil

Date: July 26, 2022

Place: Mumbai

Lalita D. Gupte
Chairperson
(DIN: 00043559)

Annexure – 6

FORM NO. MR.3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To
The Members,
India Infradebt Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **India Infradebt Limited** (CIN - U65923MH2012PLC237365) (hereinafter called “the Company”).

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express our opinion thereon.

Based on our verification of the Company’s statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required 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, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’), as amended from time to time - As applicable to the Company with respect to its listed debentures:

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – Not Applicable to the Company;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not Applicable to the Company;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- Not Applicable to the Company;
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable to the Company;
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not Applicable to the Company;
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable to the Company;
- h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- i) The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018;
- (vi) Other specific business/industry related laws applicable to the Company- The Company has complied with the Reserve Bank of India Act, 1934, Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016, Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 and the other applicable general laws, rules, regulations and guidelines.

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

- (a) the Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India; and
- (b) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 to the extent applicable to listed Non-Convertible Debentures.

Annexure – 6 *Contd...*

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

We further report that –

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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;
- (c) The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board /Committee of the Board, respectively hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the Meeting by the Chairman of the Meeting.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period, there were following specific events /actions have taken place that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. The Company has obtained approval of the Shareholders of the Company at the Annual General Meeting held on 9th September, 2021 for:
 - (a) Borrowing in excess of the aggregate of the paid-up share capital, free Reserves and the security premium of the Company under Section 180(1)(c) of the Companies Act, 2013 but not at any time exceeding the limits of ₹ 500.00 billion or the aggregate of the

paid-up capital, free reserves and security premium of the company whichever is higher.

- (b) Creation of charges/mortgage on the immovable and movable properties of the Company, both present and future, in respect of borrowings not exceeding ₹ 500.00 billion under Section 180(1)(a) of the Companies Act, 2013.
 - (c) Issue of Non-Convertible Debentures (including in the form of Fixed Coupon Bond, Floating Coupon Bond, Zero Coupon Bond and Market Linked Debentures) for an aggregate amount not exceeding ₹ 100.00 billion in one or more tranches on private placement basis under Section 42 of the Companies Act, 2013.
 - (d) Adoption of the new set of Articles of Association of the Company under the Companies Act, 2013.
2. The Company has obtained approval of the Shareholders of the Company at the Extra-Ordinary General Meeting held on 1st December, 2021 for appointment of Statutory Auditors.

During FY2022, the Company issued 30,350 Secured Listed Fully Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000 each on private placement basis, aggregating to ₹ 30.35 billion in tranches (on May 10, 2021, June 30, 2021, September 30, 2021, December 13, 2021, December 29, 2021 and February 22, 2022) and issued 3,000 Unsecured Listed Fully Redeemable NCDs of ₹ 10,00,000 each on private placement basis aggregating to ₹ 3.00 billion on August 4, 2021.

ALWYN JAY & Co.

Company Secretaries

[Alwyn D'Souza, FCS.5559]

(Partner)

Place: Mumbai

[Certificate of Practice No.5137]

Date: April 26, 2022

[UDIN: F005559D000206925]

Office Address:

Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East), Mumbai 400101.

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

Annexure A

To
The Members,
India Infradebt Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to India Infradebt Limited (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. We believe that the processes and the practices we followed, provide a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation on the list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

ALWYN JAY & Co.
Company Secretaries

[Alwyn D'Souza, FCS.5559]
(Partner)

[Certificate of Practice No.5137]
[UDIN: F005559D000206925]

Place: Mumbai
Date: April 26, 2022

Office Address:

Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East), Mumbai 400101.

Annexure – 7

FORM NO. AOC - 2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act
and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	Bank of Baroda, Investing Company	Term deposits placed with Bank of Baroda	Maturity period 7-11 days	Multiple fixed deposits aggregating to ₹ 13,670.00 million were placed during the year.	N.A. (Please refer Note no. 2)	N.A.
2.	Bank of Baroda, Investing Company	Non-convertible Debentures (NCDs) issued in line with prevailing market rates to Bank of Baroda.	-	Subscribed to multiple NCDs issue: 3,150 NCDs of the face value of ₹ 1.0 million each for cash at par aggregating to ₹ 3,150.00 million.	N.A. (Please refer Note no. 2)	N.A.
3.	ICICI Bank Limited, Investing Company	Purchase of Term Loan	-	Purchase of loan asset from ICICI Bank Limited amounting to ₹ 1,510.66 million (Client: Summit Digital Infrastructure Private Limited).	N.A. (Please refer Note no. 2)	N.A.

Note:

- Above table only includes those transactions which were undertaken during the financial year ended March 31, 2022.
- Since, the related party transactions are in ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, necessary approvals were granted by the Audit Committee from time to time.

Date: July 26, 2022
Place: Mumbai

Lalita D. Gupte
Chairperson
(DIN: 00043559)

Annexure – 8

DETAILS IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of remuneration of each director to the median remuneration of the employees for the financial year:

Managing Director & CEO - 12.15:1

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive officer, Company Secretary or Manager, if any, in the financial year:

No increase in commission paid to Independent Directors. The percentage increase in remuneration of the Managing Director & CEO, Chief Financial Officer and Company Secretary is 10%.

3. The percentage increase in the median remuneration of employees in the financial year:

The percentage increase in the median remuneration of the employees in the financial year is around 10%.

4. The number of permanent employees on the rolls of the company:

The number of permanent employees was 25 on March 31, 2022.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase made in the salaries of total employees other than Key Managerial Personnel is around 9.5%, while the average increase in the remuneration of the Key Managerial Personnel is 10%.

6. Affirmation that the remuneration is as per the remuneration policy of the Company:

Yes, it is confirmed.

Date: July 26, 2022
Place: Mumbai

Lalita D. Gupte
Chairperson
(DIN: 00043559)

Annexure – 9

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
India Infradebt Limited
The Capital, 'B' Wing,
1101-A, Bandra Kurla Complex,
Mumbai - 400051

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **India Infradebt Limited** having CIN U65923MH2012PLC237365 and having registered office at The Capital, 'B' Wing, 1101-A, Bandra Kurla Complex, Mumbai - 400051 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub-clause 10(i) of Clause C of Schedule V of the Securities Exchange Board of India (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 at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment
1	Lalita D. Gupte	00043559	Chairperson & Independent Director	22/04/2015
2	Uday Chitale	00043268	Independent Director	23/02/2015
3	Arun Tiwari	05345547	Independent Director	24/08/2018
4	Partha Dey	00242825	Nominee Director	08/09/2020
5	Nina Nagpal	00138918	Nominee Director	01/04/2021
6	Suvek Nambiar	06384380	Managing Director & CEO	31/10/2012

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.

ALWYN JAY & Co.
Company Secretaries

[Alwyn D'Souza, FCS.5559]
(Partner)

[Certificate of Practice No.5137]
[UDIN: F005559D000206971]

Place: Mumbai
Date: April 26, 2022

Office Address:
Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East), Mumbai 400101.

Independent Auditors' Report

To the members of India Infradebt Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of India Infradebt Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' 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 ("the 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 ICAI's 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 current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment of financial instruments (expected credit losses) (as described in Note 2X of the Financial Statements)	
<p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit losses (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <p>a) Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'.</p> <p>b) Determining effect of less frequent past events on future probability of default.</p>	<ul style="list-style-type: none"> Our audit procedures included considering the Company's accounting policies for impairment of loan receivables and assessing compliance with the policies in terms of Ind AS 109. Tested the assumptions used by the Company for staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.

Independent Auditors' Report *Contd...*

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment of financial instruments (expected credit losses) (as described in Note 2X of the Financial Statements)	
<p>Impact of Covid-19</p> <p>The spread of Covid-19 has severely impacted many economies around the globe. Businesses were being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown and economic uncertainties. Measures have also been taken by the Government and the Reserve Bank to ease the burden on businesses from hardship.</p> <p>Pursuant to the Reserve Bank of India circular dated August 6, 2020 ("RBI circular") for resolution framework for Covid-19 related stress allowing lending institutions to implement a resolution plan in respect of its eligible corporate exposure without change in ownership, and personal loans, while classifying such exposures as Standard, subject to specified conditions.</p> <p>The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (Covid-19) pandemic. In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonable and supportable information.</p> <p>In view of the high degree of management's judgement involved in estimation the effect of Covid-19 and the consequential effect on ECL, it was considered as a key audit matter.</p>	<ul style="list-style-type: none"> Performed inquiries with the Company's management and its risk management function to assess the impact of Covid-19 on the business activities of the Company and its loans and investment portfolio. Performed inquiries with the Company's management with respect to any resolution plan under Reserve Bank of India's circular for Resolution framework for Covid-19 related stress. Tested assumptions used by the management in determining the overlay for macro-economic factors (including Covid-19 pandemic) in accordance with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. Tested the arithmetical accuracy of computation of ECL provision performed by the Company. Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Read and assessed the specific disclosures made in the Ind AS financial statements with regards to management's evaluation of the uncertainties arising from Covid-19 and its impact on ECL. This significant matter is fundamental to the understanding of the user of the financial statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management 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

Independent Auditors' Report *Contd...*

and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, 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.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error,

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 any 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

Independent Auditors' Report *Contd...*

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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

Attention is drawn to the fact that the Statement includes amounts as at and for the year ended March 31, 2021 and notes thereto which are approved by the Board of Directors and have been audited by S. R. Batliboi & Co. LLP, Chartered Accountants ('the erstwhile auditors') vide their unmodified report dated April 23, 2021.

Our opinion on the Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matters.

Report on other Legal and Regulatory requirements

1. As required by 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 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Company does not have any pending litigations which would impact its financial position;
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Independent Auditors' Report *Contd...*

- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds 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 entities ("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 its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("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; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- (v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN:22040852AHUWAU2412

Place: Mumbai
Date: April 26, 2022

Annexure A to the Independent Auditors' Report

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of India Infradebt Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial

Annexure A to the Independent Auditors' Report *Contd...*

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on

Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN:22040852AHUWU2412

Place: Mumbai
Date: April 26, 2022

Annexure B to the Independent Auditors' Report

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

- i. a) A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.
- b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- d) According to the information and explanations given to us by the management, the Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year.
- e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. a) The Company's business does not involve inventories. Accordingly, the provision of Clause 3(ii) (a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.
- iii. a) The principal business of the Company is to give loans. Accordingly, the provisions of Clause 3(iii) (a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us by the management, there are no investments made, guarantees provided, security given and

advances given in the nature of loans by the Company during the year. In our opinion and according to information and explanation given to us, the terms and conditions of all loans granted by the Company during the year are not prejudicial to the interest of the Company.

- c) & d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/ Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 2X to the Standalone Ind AS Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations as also details of reasonable steps taken by the Company for recovery thereof.
- e) The principal business of the Company is to give loans. Accordingly, the provisions of Clause 3(iii) (e) of the Order is not applicable to the Company.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted

Annexure B to the Independent Auditors' Report *Contd...*

/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Income-tax and other statutory dues applicable to the Company have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, the provisions relating to Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Employees' State Insurance and cess are not applicable to the Company.

- b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident Fund, Income-tax, and other statutory dues as on last day of the financial year for a period of more than six months from the date they became payable. According to the information and explanations given to us and on the basis of our examination of records of the Company, the provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the dues of income-tax, goods and service tax and cess outstanding on account of any dispute, are as follows:

Nature of statute	Nature of dues	Amount (in INR million)	Period for which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Disallowance of exemption u/s 10(47) of Income Tax Act, 1961 with respect to certain incomes	0*	AY 2013-14 to AY 2017-18	Commissioner of Income Tax (Appeals)
		71.24	AY 2019-20	

* Outstanding tax demand adjusted against the income tax refund order for subsequent Assessment years

According to the information and explanations given to us and on the basis of our examination of records of the Company, the provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

- viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.
- ix. a) According to the information and explanation given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender during the year.
- b) According to the information and explanation given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender till the date of our audit report.
- c) According to the information and explanation given to us, the Company has not taken any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.
- d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.
- e) According to the information and explanation given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanation given to us and based on the audit procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.
- x. a) In our opinion and according to the information and explanations given by the management, the

Annexure B to the Independent Auditors' Report *Contd...*

- Company has utilized the monies raised by way of non-convertible debentures for the purposes for which they were raised.
- b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
 - xi. a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
 - b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
 - c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
 - xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
 - xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.
 - xiv. a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
 - b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.
 - xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
 - xvi. a) According to the information and explanations given to us, the Company has registered as required under Section 45-IA of the Reserve Bank of India Act, 1934.
 - b) In our opinion and according to the information and explanations given to us, the Company has conducted Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
 - c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.
 - d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has no CIC.
 - xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.
 - xviii. There has been resignation of the statutory auditors during the year consequent to the regulatory change. However, there are no issues, objections or concerns raised by the outgoing auditors.
 - xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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

Annexure B to the Independent Auditors' Report *Contd...*

causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

- xx. a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

- b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHUWAU2412

Place: Mumbai
Date: April 26, 2022

Balance sheet

as at March 31, 2022

			(₹ in million)
	Note	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	2A	19,142.16	16,675.57
(b) Loans	2B	145,223.17	126,750.75
(c) Other financial assets	2C	13.30	11.97
2 Non-financial assets			
(a) Property, plant and equipment	2D	34.69	60.35
(b) Intangible assets	2E	0.78	0.79
(c) Other non-financial assets	2F	2,360.42	1,718.93
Total assets		166,774.52	145,218.36
LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
(a) Debt securities	2G	135,454.41	119,816.55
(b) Subordinated liabilities	2H	7,261.14	4,143.16
(c) Other financial liabilities	2J	87.84	134.98
2 Non-financial liabilities			
(a) Provisions	2K	93.71	113.53
(b) Other non-financial liabilities	2L	21.14	18.05
Total liabilities		142,918.24	124,226.27
Equity			
(a) Equity share capital	2M	8,678.71	8,678.71
(b) Other equity	2N	15,177.57	12,313.38
Total equity		23,856.28	20,992.09
Total liabilities and equity		166,774.52	145,218.36
Significant accounting policies and notes on accounts		1& 2	
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For **B.K.Khare & Co.**

ICAI Firm registration number: 105102W
Chartered Accountants

Lalita D. Gupte

Chairperson
DIN: 00043559

Suvek Nambiar

Managing Director & CEO
DIN: 06384380

per **Aniruddha Joshi**

Partner
Membership No. 040852

Surendra Maheshwari

Chief Financial Officer

Gaurav Tolwani

Company Secretary

Place: Mumbai

Date: April 26, 2022

Statement of Profit and Loss

for the year ended March 31, 2022

	Note	Year ended March 31, 2022 (Audited)	(₹ in million) Year ended March 31, 2021 (Audited)
REVENUE FROM OPERATIONS			
(i) Interest income	2O	13,886.34	12,731.91
(ii) Fees income		258.26	42.84
(iii) Net gain on fair value changes	2P	289.07	237.07
(I) Total revenue from operations		14,433.67	13,011.82
Other income			
(i) Other income	2Q	0.78	50.00
(II) Total other income		0.78	50.00
(III) Total Income (I+II)		14,434.45	13,061.82
EXPENSES			
(i) Finance costs	2R	10,479.77	9,667.81
(ii) Impairment on financial instruments	2S	537.74	316.54
(iii) Employee benefit expenses	2T	231.52	199.60
(iv) Depreciation, amortization and impairment	2D & 2E	25.28	25.43
(v) Other expenses	2U	98.41	88.01
(IV) Total expenses		11,372.72	10,297.39
(V) Profit / (loss) before tax (V)=(III-IV)		3,061.73	2,764.43
(VI) Tax expense	2.3(K)	-	-
(VII) Profit / (loss) for the year (VII)=(V-VI)		3,061.73	2,764.43
(VIII) Other comprehensive income			
(i) Items that will not be reclassified to profit and loss			
(a) Remeasurement profit/loss on defined benefit plan		3.25	(7.23)
		3.25	(7.23)
(ii) Income tax effect		-	-
Other comprehensive income for the year (VIII)=(i-ii)		3.25	(7.23)
(IX) Total comprehensive income for the year (net of taxes) (IX)=(VII+VIII)		3,064.98	2,757.20
(X) Earnings per equity share in ₹	2V	3.53	3.19
Basic and diluted earnings per share of ₹10/-face value			
Significant accounting policies and notes on accounts			
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For **B.K.Khare & Co.**
ICAI Firm registration number: 105102W
Chartered Accountants

Lalita D. Gupte
Chairperson
DIN: 00043559

Suvek Nambiar
Managing Director & CEO
DIN: 06384380

per **Aniruddha Joshi**
Partner
Membership No. 040852

Surendra Maheshwari
Chief Financial Officer

Gaurav Tolwani
Company Secretary

Place: Mumbai
Date: April 26, 2022

as at March 31, 2022

As per our report of even date

For **B.K. Khare & Co.**

ICAI Firm registration number: 105102W
Chartered Accountants

per **Aniruddha Joshi**

Partner

Membership No. 040852

Place: Mumbai

Date: April 26, 2022

For and on behalf of the Board of Directors

Lalita D. Gupte

Chairperson
DIN: 0004355

Suvek Nambiar

Managing Director & CEO
DIN: 06384380

Gaurav Tolwani

Company Secretary

Cash Flow Statement

for the year ended March 31, 2022

	Year ended March 31, 2022 (Audited)	(₹ in million) Year ended March 31, 2021 (Audited)
Cash flow from operating activities		
Profit before Tax	3,061.73	2,764.43
Adjustment to reconcile profit before tax to net cash flows		
Interest on fixed deposit	(91.14)	(228.84)
Income on redemption of liquid mutual funds	(289.07)	(237.07)
Interest income on T-Bills	(147.38)	(8.43)
Impairment of financial assets	537.74	316.54
Unwinding of discount on security deposit	0.78	0.71
Remeasurement gain/(loss) on defined benefit plans	3.25	(7.23)
Shares option outstanding account	50.89	42.05
Depreciation on fixed assets charged during the year	25.28	25.43
Operating profit before working capital changes	3,152.07	2,667.58
Movements in working capital:		
(Decrease)/ Increase in other financial liabilities	(26.08)	(222.90)
(Decrease)/ Increase in other non-financial liabilities	(16.73)	63.92
Decrease/ (Increase) in Loans	(19,010.17)	(12,371.79)
Decrease/ (Increase) in other financial asset	(2.10)	(3.41)
Decrease/ (Increase) in other non-financial asset	5.83	(0.66)
Cash generated from / (used in) operations	(15,897.15)	(9,867.26)
Direct taxes paid (net of refunds)	(647.33)	395.85
Net Cash flow from/ (used in) operating activities (A)	(16,544.48)	(9,471.41)
Cash flow from investing activities		
Purchase of fixed assets	(1.04)	(3.23)
Interest received on fixed deposit	91.14	228.84
Income on redemption of liquid mutual funds	289.07	237.07
Interest income on T-Bills	147.38	8.43
Net cash flow from/ (used in) investing activities (B)	526.55	471.11
Cash flow from financing activities		
Lease payment	(19.64)	(16.01)
Proceeds from issuance of debt securities (Net)	34,005.84	31,851.64
Repayment of debt securities	(15,250.00)	(10,490.00)
Dividend paid on equity share	(251.68)	(251.68)
Net cash flow from/ (used in) financing activities (C)	18,484.52	21,093.95
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,466.59	12,093.65
Cash and cash equivalents at the beginning of the year	16,675.57	4,581.92
Cash and cash equivalents at the end of the year	19,142.16	16,675.57
Components of cash and cash equivalents		
With banks- on current account	1,763.97	758.82
- on deposit account	12,953.21	14,423.72
- Investment in Treasury Bills - Short Term	4,424.98	1,493.03
Total cash and cash equivalents (note. no. 2A)	19,142.16	16,675.57
Foot notes:		
1. Cash and bank balances reconciliation		
Cash and bank balance as at end of the year	19,142.16	16,675.57
Less: fixed deposits for a period greater than 3 months	-	-
Cash and cash equivalents as at end of the year	19,142.16	16,675.57

Note:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 on "Statement of Cash Flows".
Significant accounting policies and notes on accounts (refer note 2)
The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For **B.K.Khare & Co.**

ICAI Firm registration number: 105102W
Chartered Accountants

Lalita D. Gupta

Chairperson
DIN: 00043559

Suvek Nambiar

Managing Director & CEO
DIN: 06384380

per **Aniruddha Joshi**

Partner
Membership No. 040852
Place: Mumbai
Date: April 26, 2022

Surendra Maheshwari

Chief Financial Officer

Gaurav Tolwani

Company Secretary

Significant Accounting Policies and Notes to Accounts *Contd...*

1. BACKGROUND OF THE COMPANY AND NATURE OF OPERATION

India Infradebt Limited (the “Company”) was incorporated on October 31, 2012 in Mumbai, India, to carry out the business of a specialized financial institution classified as an Infrastructure Debt Fund- Non-Banking Financial Company under the Infrastructure Debt Fund- Non-Banking Financial Companies (Reserve Bank) Directions, 2011 of Reserve Bank of India (RBI). The Company’s principal activity is to finance the debt liabilities of the infrastructure projects (subject to each such project company completing the construction/implementation of the Infrastructure Project undertaken by it and satisfactorily operating the same for at least one year from completion of construction/implementation) in order to accelerate and enhance the flow of long term debt in infrastructure projects.

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

(A) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (‘Act’) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

These Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Change in Equity, Cash Flow Statements together with the Notes for the year ended March 31, 2022 have been prepared in accordance with Ind AS. The accounting policies have been consistently applied by the Company.

(B) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments,

and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value.

2.2 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is being presented in Note 2Z.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported on a net basis when, in addition to having an unconditional legally enforceable right to offset the recognised amounts; without being contingent on a future event.

2.3 Significant Accounting Policies

(A) Recognition of income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Where the ultimate collection of revenue lacks reasonable certainty, revenue recognition is postponed. Revenue of the Company mainly comprises of the Interest income from the Loans & advances and Investments, Loans/ Investments Processing fees income, Annual review fees, Profit and Loss on sale of liquid mutual funds, etc.

- (i) Interest income on financial instruments is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable. Effective Interest Rate (“EIR”) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The calculation of the EIR includes all fees paid or received between parties to the contract that

Significant Accounting Policies *Contd...*

are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. In case of stage 3 assets, interest income is recognised upon realisation basis. For financial assets measured at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the statement of profit and loss at initial recognition.

- (ii) The annual review fees, Prepayment Fees & Other Fees is recognized upfront when it becomes due.

(B) Property plant and equipments

(I) Recognition and measurement

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(II) Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. All other repair and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

(III) Depreciation

Depreciation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the respective assets. The estimated useful life used to provide depreciation are as follows:

Particulars	Estimated useful life by the Company
Computers	3 years
Office Equipments	5 years
Vehicles	5 years
Leasehold improvements	over the life of the lease

The management has estimated, supported by independent assessment by professionals, the useful lives of Vehicles are depreciated over the period of 5 years, which are lower than those indicated in schedule II. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss till the date of sale.

(IV) De-recognition

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

(C) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets consisting of Computer Softwares are carried at cost less accumulated amortisation.

Amortisation

Intangible assets are amortised using the straight line method over a period of 4 years, which is the management's estimate of its useful life. The

Significant Accounting Policies *Contd...*

amortisation period and the amortisation method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(D) Impairment of non-financial assets

At each balance sheet date, management assesses whether there is any indication, based on internal/external factors, that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. An assessment is made at the balance sheet date to see if there is an indication that a previously assessed impairment loss no longer exists or may have decreased. If such indication exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount, subject to maximum of depreciable historical cost. After impairment, depreciation is provided on the revised carrying amount of the asset over the remaining useful life.

(E) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when Company becomes party to the contractual provisions of the instruments.

1. Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities and

borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loan to customers are recognised when funds are disbursed to the customers. For tradable securities, the Company recognizes the financial instruments on settlement date.

2. Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs 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 or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

3. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- (i) Amortised cost,
- (ii) Fair Value through Other Comprehensive Income (FVOCI)
- (iii) Fair Value Through Profit or Loss (FVTPL),

All Financial liabilities are measured at amortized cost using effective interest method or fair value through profit and loss.

(I) Financial Assets at amortised cost

The Company measures Bank balances, Loans and other financial investments at amortised

Significant Accounting Policies *Contd...*

cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flow;
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below:

(a) Business model assessment

A Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Consequently, this assessment is not performed on the basis of scenarios that the entity does not reasonably expect to occur, such as so called 'worst case' or 'stress case' scenarios

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward

(b) The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and are consistent with a basic lending arrangement.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

(II) Financial Liabilities at amortized cost

After initial measurement, debt securities are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

(III) Financial instruments at FVOCI

Financial instruments are measured at FVOCI when both of the following conditions are met:

- (i) The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- ii) The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income are recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

Significant Accounting Policies *Contd...*

(IV) Financial instruments at FVTPL

Financial assets that do not meet the criteria for amortised cost or at FVOCI, are measured at FVTPL. Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L

(4) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities during the year.

(5) Derecognition of financial assets and liabilities

(i) Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- a. the contractual right to receive cash flows from the financial assets have expired; or
- b. the company has transferred its right to receive cash flows from the assets or has assumed an obligation to pay the received cash flows in full without material delay to third party; and either
- c. the Company has transferred substantially all the risks and rewards of the asset; or
- d. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or substantial modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability de-recognized and the consideration paid is recognised in profit or loss.

(6) Impairment of financial assets

(I) Overview of ECL principles

The Company records allowance for expected credit losses on financial assets that are measured at amortized cost and at FVOCI. Equity instruments are not subject to impairment under Ind AS 109.

The Company recognises 12-months expected credit losses ("12mECL") for all financial assets that are measured at amortized cost and at FVOCI, if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition.

The expected credit losses are measured as lifetime expected credit losses ("LTECL") if the credit risk on financial asset increases significantly since its initial recognition.

Both LTECLs and 12mECLs are calculated on an individual basis depending on the nature of the underlying financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial

Significant Accounting Policies *Contd...*

instrument's credit risk has increased significantly since initial recognition.

(II) The calculation of ECLs

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, all referred to as 'Financial Instruments'. Equity instruments are not subject to impairment under Ind AS 109.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL considers the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

The key elements of ECL are, as follows:

Probability of Default (PD): The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure At Default (EAD): It is the current outstanding balance of loans including interest accrued thereon together with any expected drawdowns of committed facilities.

Loss Given Default (LGD): The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between

the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

(F) Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values.

The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has set procedures for both recurring and non-recurring fair value measurement of financial assets, which includes valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability

Significant Accounting Policies *Contd...*

and the level of the fair value hierarchy as explained above.

(G) Leasing

The Company follows Ind AS 116 for setting out principles of the recognition, measurement, presentation and disclosure of leases.

Company as a lessee

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets.

The Company as a lessee at the commencement date of a lease, recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right-of-use the underlying asset during the lease term (i.e., the right-of-use asset). The Company separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

(H) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term bank deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having maturities of three months or less from the date of purchase, to be cash equivalents.

For the purpose of cash flows statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts, short term bank deposit with original maturities of three months or less and

other short term highly liquid investments with maturities of three months or less.

(I) Retirement and other employee benefits

(I) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages and performance incentives which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

(II) Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense, when an employee renders the related service.

(III) Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on

Significant Accounting Policies *Contd...*

projected unit credit method carried out for assessing liability as at the reporting date.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements;
- b. Net interest expense or income.

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other comprehensive income ('OCI') in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

(IV) 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 account and are not deferred.

(V) Employee Share Based payments

Employees of the Company receive remuneration also in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value of option at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions (if any) are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

(J) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the

Significant Accounting Policies *Contd...*

amount of the obligation. Contingent liability is disclosed when there is a possible obligation or a present obligation that may or may not result in outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

(K) Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company.

As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(L) Income Tax

As per Section 10(47) of the Income Tax Act, 1961 (the "Act") any income of the Company do not form part of total income and hence is exempt from income tax. Hence, no provision for tax has been made in the books of accounts.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made the following significant judgements, having risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(A) Fair value of financial instruments:

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 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.

(B) Impairment of financial assets:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Notes to accounts

for the year ended March 31, 2022

Financial assets

2A. Cash and cash equivalents

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
Balance with Banks	1,763.97	758.82
Bank deposits with original maturity of less than 3 months	12,953.21	14,423.72
Investment in Treasury Bills - Short Term	4,424.98	1,493.03
Total	19,142.16	16,675.57

2B. Loans

Other than public sector loans in India (at amortised cost)

(A)

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
Term loan	106,619.87	71,943.65
Debt securities	40,486.08	56,152.14
Total - Gross	147,105.95	128,095.79
Less: Impairment loss allowance	1,882.78	1,345.04
Total - Net	145,223.17	126,750.75

(B)

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
(a) Secured by tangible assets	147,105.95	128,095.79
(b) Secured by intangible assets	-	-
(c) Covered by Bank/Government guarantee	-	-
(d) Unsecured	-	-
Total - Gross	147,105.95	128,095.79
Less: Impairment loss allowance	1,882.78	1,345.04
Total - Net	145,223.17	126,750.75

2C. Other financial assets

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
Receivable from client	-	0.35
Security deposit	11.86	11.09
Staff advances	1.44	0.53
Total	13.30	11.97

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2D. Property, plant and equipment

Particulars	(₹ in million)						Total
	Land	Computers- hardware	Office equipments	Vehicle	Lease hold improvements	Right of use premises	
Deemed cost							
Balance as at March 31, 2020	0.77	2.37	0.05	4.42	23.15	80.81	111.57
Additions	-	0.41	1.98	-	0.40	-	2.79
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2021	0.77	2.78	2.03	4.42	23.55	80.81	114.36
Additions	-	0.67	0.03	-	-	-	0.70
Disposals	-	-	-	-	-	(1.42)	(1.42)
Balance as at March 31, 2022	0.77	3.45	2.06	4.42	23.55	79.39	113.64
Accumulated depreciation and impairment							
Balance as at March 31, 2020	-	1.42	0.02	1.78	6.96	18.68	28.86
Depreciation expense	-	0.65	0.08	0.88	4.91	18.63	25.15
Disposals of assets	-	-	-	-	-	-	-
Balance as at March 31, 2021	-	2.07	0.10	2.66	11.87	37.31	54.01
Depreciation expense	-	0.53	0.41	0.88	5.00	18.11	24.93
Disposals of assets	-	-	-	-	-	-	-
Balance as at March 31, 2022	-	2.59	0.51	3.54	16.87	55.43	78.94
Carrying amount							
Balance as at March 31, 2020	0.77	0.95	0.03	2.65	16.18	62.13	82.71
Balance as at March 31, 2021	0.77	0.71	1.94	1.76	11.67	43.50	60.35
Balance as at March 31, 2022	0.77	0.85	1.55	0.88	6.67	23.97	34.69

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2E. Intangible assets

Particulars	(₹ in million)	
	Computers - software	Total
Deemed cost		
Balance as at March 31, 2020	0.96	0.96
Additions	0.44	0.44
Disposals	-	-
Balance as at March 31, 2021	1.40	1.40
Additions	0.34	0.34
Disposals	-	-
Balance as at March 31, 2022	1.74	1.74

Particulars	(₹ in million)	
	Computers - software	Total
Accumulated depreciation and impairment		
Balance as at March 31, 2020	0.33	0.33
Depreciation expense	0.28	0.28
Disposals of assets	-	-
Balance as at March 31, 2021	0.61	0.61
Depreciation expense	0.35	0.35
Disposals of assets	-	-
Balance as at March 31, 2022	0.96	0.96

Particulars	(₹ in million)	
	Computers - software	Total
Carrying amount		
Balance as at March 31, 2020	0.62	0.62
Balance as at March 31, 2021	0.79	0.79
Balance as at March 31, 2022	0.78	0.78

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2F. Other non-financial assets

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
TDS receivable/advance tax	2,341.40	1,694.07
Goods & service tax input credit	0.75	0.82
Prepaid expenses	18.16	23.89
Other assets	0.11	0.15
Total	2,360.42	1,718.93

Financial liabilities

2G. Debt securities

In India (at amortised cost)

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
Secured non-convertible debentures (Refer note 2I below)	135,454.41	119,816.55

2H. Subordinated liabilities

In India (at amortised cost)

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
Unsecured non-convertible debentures (Refer note 2I below)	7,261.14	4,143.16

2I. Maturity profile of Non-Convertible Debentures are set out below:

Redeemable within	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
	Rate of Interest ≥5.75≤9.70	Rate of Interest ≥7.00≤9.70
0-12 Months	28,334.63	19,956.55
12-24 Months	14,870.00	22,900.00
24-36 Months	22,900.00	11,520.00
36-48 Months	31,760.00	22,900.00
48-60 Months	25,100.00	31,760.00
Above 60 Months	19,750.92	14,923.16
Total borrowings	142,715.55	123,959.71

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2J. Other financial liabilities

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
Advance interest/principal received from clients	58.77	84.85
Lease payment liability	29.07	50.13
Total	87.84	134.98

Non-Financial liabilities

2K. Provisions

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Employee benefit payable	44.00	38.73
Provisions for gratuity	29.85	25.12
Provision for leave encashment	14.49	13.66
Total provision for employee benefits (i)	88.34	77.51
Other provisions		
Provision for expenses	5.37	36.02
Total other provisions (ii)	5.37	36.02
Total (i+ii)	93.71	113.53

2L. Other non-financial liabilities

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
Statutory dues	21.14	18.05
Total	21.14	18.05

2M. Equity share capital

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
Authorized:		
1,700,000,000 (31 March 2021: 1,700,000,000) equity shares of ₹10 each	17,000.00	17,000.00
500,000,000 (31 March 2021: 500,000,000) Preference shares of ₹10 each	5,000.00	5,000.00
Issued capital		
900,358,422 (31 March 2021: 900,358,422) equity shares of ₹10 each	9,003.58	9,003.58
Subscribed and fully paid up		
867,871,200 (31 March 2021: 867,871,200) equity shares of ₹10 each, fully paid up	8,678.71	8,678.71
Total	8,678.71	8,678.71

Notes to accounts

for the year ended March 31, 2022 *Contd...*

(a). Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. in million	(₹ in million)	No. in million	(₹ in million)
At the beginning of the year	867.87	8,678.71	867.87	8,678.71
Issued during the year	-	-	-	-
Outstanding at the end of the year	867.87	8,678.71	867.87	8,678.71

(b). Terms/Rights attached to equity shares

The Company has only one class of equity shares referred to as 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 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.

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. in million	% holding in the class	No. in million	% holding in the class
Equity shares of ₹10 each fully paid				
ICICI Bank Limited (including its nominees)*	367.36	42.33%	367.36	42.33%
Bank of Baroda (including its nominee)*	355.73	40.99%	355.73	40.99%
Citicorp Finance (India) Limited*	87.00	10.02%	87.00	10.02%
Life Insurance Corporation of India	57.78	6.66%	57.78	6.66%

* Represents promoters of the Company. No change in promoters share holding in reported years.

As per records of the Company, including its register of shareholders and representation received from the management regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2N. Other equity

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
i) Statutory reserve u/s 45-IC of RBI Act, 1934		
Balance at the beginning of the year	1,923.31	1,370.43
Add: amount transferred from surplus balance in the statement of profit and loss	612.35	552.88
Closing balance (A)	2,535.66	1,923.31
ii) Securities premium		
Balance at the beginning of the year	3,717.02	3,717.02
Add: Additions during the year	-	-
Closing balance (B)	3,717.02	3,717.02
iii) Shares option outstanding account (ESOP reserve)		
Balance at the beginning of the year	93.19	51.14
Add: Additions during the year	50.89	42.05
Closing balance (C)	144.08	93.19
iv) Retained earning (Profit & Loss)		
Surplus in profit and loss account at the beginning of the year	6,579.86	4,627.23
Add: Profit for the year	3,061.73	2,764.43
Add: Remeasurement gain/(losses) on defined benefits plan	3.25	(7.23)
Less: Transfer to statutory reserve (@ 20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934)	(612.35)	(552.89)
Less: Dividend paid on equity shares	(251.68)	(251.68)
Total appropriations	(864.03)	(804.57)
Net surplus in the statement of profit and loss account at the end of the year (D)	8,780.81	6,579.86
Total other equity (A)+(B)+(C)+(D)	15,177.57	12,313.38

- i) Special reserves u/s 45-IC of RBI Act, 1934 :** In compliance with Section 45-IC of RBI Act, 1934 a reserve fund is created by transferring a sum not less than 20% of net profit every year as disclosed in the profit and loss account and before any dividend is declared.
- ii) Securities premium :** Securities premium represents the excess of issue price over face value of equity shares issued. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.
- iii) Shares option outstanding account (ESOP reserve) :** ESOP reserve represents fair value of live options granted and accounted as per Ind AS 102 over the life of vesting period.
- iv) Retained earning (Profit & Loss) :** Retained earning represents surplus in Profit and Loss account post Other Comprehensive Income (OCI) adjustment related to post employment benefit obligation.

Notes to accounts

for the year ended March 31, 2022 *Contd...*

Revenue from operations

20. Interest income

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Loans-(on financial assets measured at amortised cost)	13,647.82	12,494.64
Interest on deposits with banks	91.14	228.84
Interest income on T-Bills	147.38	8.43
Total	13,886.34	12,731.91

2P. Net gain on fair value changes

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
(A) Net gain on financial instruments at fair value through profit or loss		
(i) Net gain on sale of financial instruments or fair valuation of investment on mutual fund	289.07	237.07
Total Net gain on fair value changes	289.07	237.07
(B) Fair value changes:		
- Realised	289.07	237.07
- Unrealised	-	-
Total Net gain on fair value changes	289.07	237.07

2Q. Other income

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest Received on IT Refund	-	49.29
Miscellaneous income	0.78	0.71
Total	0.78	50.00

2R. Finance costs (on financial liabilities measured at amortised cost)

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest expenses on debt securities	10,433.86	9,644.78
Other borrowing costs	43.51	18.06
Interest expenses-lease	2.40	4.97
Total	10,479.77	9,667.81

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2S. Impairment of financial instruments (on financial assets measured at amortised cost)

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Impairment of loans	537.74	316.54
Total	537.74	316.54

2T. Employee benefits expenses

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	162.00	142.02
Contribution to provident fund and other funds	5.52	4.88
Share based payment to employees	50.89	42.05
Gratuity	7.98	4.21
Leave encashment	2.39	4.75
Staff welfare	2.73	1.69
Total	231.52	199.60

2U. Other expenses

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Rent, rates & energy costs	3.08	2.87
Communication	1.40	1.30
Director's fees, allowances and expenses	6.68	5.91
Software & IT related expenses	5.71	5.08
Auditors fees & expenses (refer details below)	3.72	4.70
Legal & professional fees	4.36	6.11
Insurance	0.31	0.05
Office maintenance cost	1.58	1.37
Guarantee fee	21.51	20.01
Corporate social responsibility expenses	46.74	37.15
Others	3.31	3.47
Total	98.41	88.01

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
As auditor		
Audit fees	0.92	1.34
Tax audit fees	0.15	0.13
Limited review fees	0.70	0.55
Out of pocket expense	0.00	0.03
In other capacity		
Certification and other fees	1.95	2.65
Total	3.72	4.70

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2V. Earnings Per Share

Basic EPS calculated by dividing the net profit for the period attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax (₹ in million)	3,061.73	2,764.43
Weighted average number of Equity Shares (No.)	867,871,200	867,871,200
Earnings per share	3.53	3.19
(Basic and diluted earnings per share of ₹10/-face value)		

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2W. Financial instruments – Fair values

A. Category wise financial asset & financial liability

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if, the carrying amount is a reasonable approximation of fair value.

	Year ended March 31, 2022						(₹ in million)
	Carrying amount		Total	Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income		Amortised cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	
Financial assets							
Cash and cash equivalents							
- Bank balance	-	-	1,763.97	1,763.97	-	-	-
- Bank deposits with original maturity of less than 3 months	-	-	12,953.21	12,953.21	-	-	-
- Investment in Treasury Bills			4,424.98	4,424.98			
Loans and advances	-	-	145,223.17	145,223.17	-	-	-
	-	-	164,365.33	164,365.33	-	-	-
Financial liabilities							
Debt securities	-	-	135,454.41	135,454.41	-	-	-
Subordinated liabilities	-	-	7,261.14	7,261.14	-	-	-
	-	-	142,715.55	142,715.55	-	-	-

Note: There are no other categories of financial instruments other than those mentioned above

	Year ended March 31, 2021							(₹ in million)
	Carrying amount			Fair value				
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets								
Cash and cash equivalents								
-	-	-	758.82	758.82	-	-	-	-
-	-	-	14,423.72	14,423.72	-	-	-	-
Bank deposits with original maturity of less than 3 months								
-	-	-	1,493.03	1,493.03	-	-	-	-
-	-	-	126,750.75	126,750.75	-	-	-	-
-	-	-	143,426.32	143,426.32	-	-	-	-
Financial liabilities								
Debt securities								
-	-	-	119,816.55	119,816.55	-	-	-	-
-	-	-	4,143.16	4,143.16	-	-	-	-
-	-	-	123,959.71	123,959.71	-	-	-	-
Subordinated liabilities								
-	-	-	-	-	-	-	-	-

Note: There are no other categories of financial instruments other than those mentioned above

The fair value of cash and cash equivalents approximated their carrying value largely due to short term maturities of these instruments.

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.

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2X. Financial instruments – Fair values and Risk management

Financial risk management

The Company (Infradebt) has exposure to the following key risks:

(a) Credit risk (b) Liquidity risk(c) Market risk (including interest rate risk)(d) Operational risk (e) ESG risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework - both policy and implementation.

The Company's risk management policies are established to identify, analyse, allocate and manage the risks faced by the projects. There are well-defined risk parameters and limits. The risk management policies are reviewed on the periodic basis and at least once every year. There are 34 Board-approved policies, which include- Credit Risk and Recovery Policy, Liquidity and Interest Rate risk Policy, Know Your Client and Anti-Money Laundering Policy, Fair Practices Code, Corporate Social Responsibility Policy, Resource Planning Policy, Information Security and Technology Policy, Business Continuity and Disaster Recovery Policy, Expected Credit Loss Policy, Policy on Resolution Framework for COVID-19 related stress etc.

The Board has constituted various Committees (headed by independent director's) consisting of directors to focus on the critical functions of Infradebt, viz.(i) Board Governance, Remuneration and Nomination Committee -to decide on the appointment and recommendation of Directors and senior management, remuneration of MD & CEO, appraisal framework of all the employees, etc. (ii) Board Credit Committee (BCC)- to decide on the credit sanctioning (iii) Board Risk Management Committee (BRMC)- scope related to credit policy formulation and supervision of the overall risks. (iv) Audit Committee - with a defined scope related to financial statements and auditors' report. (v) Corporate Social Responsibility Committee - to decide on the utilization of the CSR funds and monitoring the progress of the CSR funds through quarterly progress reports. In addition to the above-mentioned committees, the Board has also constituted other committees (headed by MD & CEO) viz. (i) Executive Credit Committee (ECC) with a defined scope related to approvals of credit proposals along with the risks

associated with a particular project. (ii) Asset Liability Management Committee (ALCO)- to look after the management of the balance sheet of Infradebt within the risk parameters laid down by the Board/BRMC and review of the asset-liability profile. (iii) Information Technology Steering Committee- for reviewing of Information Technology (IT) strategy and related IT matters. The Board has also appointed a Chief Risk Officer (CRO) to function independently with the specified roles and responsibilities.

(A) Credit risk

Credit risk arises from the risk of default and non-payment by the borrowers. The Company's exposure to credit risk is dependent on various aspects such as the financial health of the borrower, the severity of the consequences of default, the size of the loan, historical trends in default rates and various macro-economic considerations such as economic slowdown, pandemic such as COVID-19 etc. Infradebt is restricted, by regulation, to invest in only those infrastructure projects that have completed at least one year of commercial operations. Further, in-built structural buffers (available on case-to-case basis) in the form of 3-6-month DSRA, sanctioned working capital lines, sponsor support undertaking, co-obligor structure etc. are available towards any unexpected exigencies. These buffers can be increased for the individual project in the event of stress and, the buffers act as a first line of defense against potential stress situations. Recovery risk means the extent of realizable value in the event of default of a particular project asset. In the case of renewable energy projects and road projects, the underlying security value mainly derives from the long-term agreements, Power Purchase Agreements (PPAs) for renewable energy projects and, Concession Agreements (CAs) for road projects.

Expected Credit Loss (ECL) is calculated; based on probability of default (PD), loss given default (LGD) and Exposure at default (EAD) as mentioned below:

$$ECL = (PD) * (LGD) * (EAD)$$

Management of credit risk

The effective management of credit risk is a critical component of risk management and essential for the long-term success of the organization. Loans and Investments are the largest source of credit risk for the

Notes to accounts

for the year ended March 31, 2022 *Contd...*

Company. The credit risk management practices adopted by the Company primarily address the following areas:

- (i) Sound credit infrastructure- Documented Credit & Recovery Policy (CRP), credit concentration norms, risk management framework, internal credit rating process and Independent CRO and Risk department. As per the CRP, a minimum stand-alone threshold external rating (subject to time lines for obtaining the same) of "BBB-" is laid down for all the credit proposals. Further, ratings from CARE, CRISIL, ICRA and India Ratings are only acceptable.
- (ii) Robust credit process-Risk framework and Internal ratings (sector specific internal rating models; 18-scale rating from AAA (highest safety) to D (default)). Assigning of the internal ratings, which is done by the Risk department, is mandatory for all the proposals at the time of credit appraisal, the ratings are subject to periodical review.
- (iii) Maintaining an adequate credit administration- Mapping of sanctioned notes with term sheet, ensuring compliance of covenants, collection notices to the parties & reconciliation of the payment status.
- (iv) Effective post disbursement monitoring with periodicity of asset reviews linked to external ratings, review of internal ratings, regular site visits, client engagements, annual risk analysis of the asset portfolio (for providing coverage on the performance of the portfolio and to identify the project companies/ SPVs requiring close monitoring) and annual stress testing of the portfolio

1. Credit quality analysis

a) Staging criteria

Following staging criteria is used:

- (i) standard and 0 - 30 as stage I;
- (ii) 31- 90 as Stage II; and
- (iii) outstanding > 90 DPD as stage III

Staging of individual cases may be determined on case-to-case basis.

b) Probability of Default (PD)

The PD is an estimate of the likelihood of default over a given time horizon. As, Infradebt does not have significant historical record of past

defaults, it relies on published data of external rating agencies for the PD. Based on the external rating of the borrower the resultant PD is assigned. Lifetime PD is computed using basic exponentiation formula based on the average residual maturity of the loan / investment. With respect to the Stage III account, 100% PD is considered (based on CRISIL PD for 'D' rated assets). Latest CRISIL PD report, available on their website is used for the purpose of assigning PD to the particular rating category.

c) Loss Given Default (LGD%)

The LGD is an estimate (in percentage) of the loss arising in the case where a default occurs at a given time. LGD is calculated by dividing NPV of the stressed cashflow (EBIDTA) for the balance loan tenor by outstanding debt at the time of default. Since Infradebt has exposure to only operational projects and majority of its projects are backed by concessions/ fixed-tariff purchase agreements, the LGD of these projects will be low. The LGD of road projects is low on account of tripartite agreement with sub-sovereign entity (NHAI) which ensures Infradebt having first charge on the termination payment in the concessionaire's event of default. As a conservative and prudent approach, in certain cases, the Company has considered relatively higher LGD on account of project specific issues. Renewable energy projects are backed by a concession or fixed-tariff power-purchase agreements with sub-sovereign or state governments, hence there is a significant component of concession value of these projects so LGD for these projects is low. In case of projects other than roads and renewable energy sectors, the LGD is relatively higher.

d) Exposure At Default (EAD)

The current outstanding balance of loans and NCDs including interest accrued thereon as on 31st March 2022 is considered for ECL computation purpose.

2 Risk categorisation

The Company classifies its portfolio into the following risk categories:

Low risk- Assets whose performance is in line with

Notes to accounts

for the year ended March 31, 2022 *Contd...*

the projections and which could lead to low risk in recovery of principal and/ or interest.

Medium risk- Assets facing temporary challenges which could lead to medium risk in recovery of principal and/ or interest.

High risk- Assets facing continuous challenges for an extended period which could lead to high risk in recovery of principal and/ or interest.

Quantitative details in relation to Credit risk refer Annexure 1.

3. Collateral held and other credit enhancements

Security and other credit enhancements

The amount and type of security required depends on an assessment of the credit risk of the borrower.

The main types of security obtained are, as follows:

- a) Charge on movable and immovable property.
- b) Charge on current assets, inventory and receivables.
- c) Charge on intangible assets.
- d) Charge on bank accounts related to projects.
- e) Pledge of shares (Sponsor's holding in the borrower) and listed shares of the group entities (on a case-to-case basis)
- f) Corporate Guarantees/Personal Guarantees (on a case-to-case basis)/Explicit support undertaking.

Management monitors the security value on an annual basis and may request additional security / credit comforts as permitted in the underlying agreement.

(B) Liquidity risk

The goal of liquidity management would be to ensure that the Company is always in a position to efficiently meet both expected and unexpected current and future cash outflows without negatively affecting its daily operation or financial condition.

The Company uses various tools for measurement, monitoring and reporting of liquidity risk.

Liquidity Gap statement: It is used as a standard tool for measuring and managing net funding requirements and calculation of cumulative surplus or deficit of funds for selected maturity buckets. Liquidity risk is measured using various gap statements such as: Structural liquidity statement, short term dynamic liquidity statement. (ii) Ratios: such as (a) core assets to core liabilities- measures long-term liquidity of the Company. This indicates the extent to which core assets (assets maturing greater than 1 year) are funded by core liabilities (liabilities maturing greater than 1 year). (b) Liquid assets to short term liabilities- The ratio essentially indicates whether the Company is in a position to honour short-term liability repayments/potential outflows in next 30 days. Liquid assets comprise of high-quality liquid assets having residual maturity of less than or equal to one month. Short-term liabilities comprise of liabilities having residual maturity of less than or equal to one month. (c) Short-term liabilities to total assets d) Short term liabilities to long term assets.

The Company has defined liquidity buckets in line with the RBI master directions for NBFCs. Infradebt conducts Asset Liability Committee (ALCO) meetings on a periodic basis to assess the liquidity position among other things which is chaired by MD&CEO. Till date the Company has effectively managed its asset-liability profile through fund raising at desired times. There has not been a single instance of delay in liability repayments since inception of the Company. Aspects such as concentration of funding, compliance position of HQLA (High Quality Liquidity Assets) requirement, compliance status of Liquidity Risk Management Framework (LRMF) have also been included.

Quantitative details in relation to Liquidity risk refer Annexure 2

(C) Market risk

Market risk is the risk of losses in the balance sheet positions arising from adverse movement in market variables. The various market risk that can impact the Company are interest rate risk, debt market liquidity risk and regulatory risk. In terms of interest rate risk, the changes in interest rates can impact

Notes to accounts

for the year ended March 31, 2022 *Contd...*

differentially the assets and liabilities based on their maturity profile and reset covenants. To the extent possible the Company endeavors to minimize mismatches in maturity profile of its assets and liabilities by deploying funds in the assets with effective maturities that are similar to the period for which funds are raised from the market. The debt market liquidity determines the quantum of funds that the Company can raise as well as the interest rate at which the funds are available. Tight liquidity markets may be triggered by lack of systemic liquidity as well as lack of investor's interest in the NBFCs. The regulatory risk pertains to any drastic change in the policies of regulators mainly RBI and SEBI. Infradebt does not have any currency risk due to nil exposure towards foreign currency assets and liabilities.

(D) Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events such as Covid-19 etc. Operational risk exists in every organization, regardless of size or complexity from the largest institutions to regional or small setups which are confined to single location such as Infradebt. Examples of operational risk include: risks arising from events such as hurricanes, Tsunamis, computer hacking, internal and external fraud and most importantly failure to adhere to internal policies. To

the extent possible, company endeavours to control various factors such as data deletion or hacking or unauthorized access to the data base by various preventive measures such as password enabled programs, data storage at central location, IT audit etc.

(E) ESG risk

ESG (Environmental Social and Governance) factors can have a material impact on the long-term sustainable performance of the Infradebt. ESG contribution of Infradebt is by way of financing primarily (nearly two-thirds) to environment- friendly sectors, namely solar and wind-based power plants, which have lower carbon footprints. Infradebt consistently undertakes CSR contribution of 2% of average profit of last three years, towards leading institutions. The recipient institutions provide free food, eye surgeries and cancer treatment for the under-privileged sections of society across India. Infradebt has endeavored to have a transparent and ethical relationship with all its stakeholders. Being fair and ensuring right-selling of products has been a core element of the Infradebt's strategy in its engagement with customers. Infradebt adheres to the prevalent governance standards in the financial sectors, with regular reporting/disclosures to regulatory agencies, stock exchanges and company website.

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2X. Financial instruments – Risk management

Annexure I

1. The table below shows the credit quality and the maximum exposure to credit risk based on the Company's risk categorisation and year-end stage classification. The amounts presented are gross of impairment allowances.

Loans and advances to customers at amortized cost :

Particulars	(₹ in million)			
	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Infrastructure refinance:				
Low risk	144,180.89	-	-	144,180.89
Medium risk	-	1,730.74	1,194.32	2,925.06
High risk	-	-	-	-
	144,180.89	1,730.74	1,194.32	147,105.95

	(₹ in million)			
	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Infrastructure refinance:				
Low risk	125,093.29	-	-	125,093.29
Medium risk	392.77	1,415.86	1,193.87	3,002.50
High risk	-	-	-	-
	125,486.06	1,415.86	1,193.87	128,095.79

*Please refer note 2X(A)(2) for risk categorisation definition.

#The Company follows the due process for recovery of overdues. The recovery process is carried out in house. Proper legal process and regulatory requirements are followed in recovery and collection activities.

2. An analysis of changes in the gross carrying amount of loans and advances are as follows:

(i) Loans and advances to customers at amortized cost :

	(₹ in million)			
	For the period Apr - Mar 22			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	125,486.06	1,415.86	1,193.87	128,095.79
Assets disbursed and repaid(Note 1)	19,039.70	(29.98)	0.45	19,010.16
Transfers to stage 1	-	-	-	-
Transfers to stage 2	(344.86)	344.86	-	-
Transfers to stage 3	-	-	-	-
Gross carrying amount closing balance	144,180.89	1,730.74	1,194.32	147,105.95

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2X. Financial instruments – Risk management

	(₹ in million)			
	For the period Apr - Mar 21			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	114,530.67	-	1,193.32	115,723.99
Assets disbursed and repaid(Note 1)	12,371.25	-	0.55	12,371.80
Transfers to stage 1	-	-	-	-
Transfers to stage 2	(1,415.86)	1,415.86	-	-
Transfers to stage 3	-	-	-	-
Gross carrying amount closing balance	125,486.06	1,415.86	1,193.87	128,095.79

Note 1 - The addition in stage 3 assets represents amortisation impact.

3. Reconciliation of ECL balance is given below:

(i) **Loans and advances to customers at amortized cost :**

	(₹ in million)			
	For the period Apr - Mar 22			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	691.49	354.80	298.75	1,345.04
Assets disbursed and repaid	94.44	(7.50)	-	86.94
Transfers to stage 1	-	-	-	-
Transfers to stage 2	(1.02)	1.02	-	-
Transfers to stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	45.50	345.55	59.75	450.80
ECL allowance - closing balance	830.41	693.87	358.50	1,882.78

	(₹ in million)			
	For the period Apr - Mar 21			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	849.25	-	179.25	1,028.50
Assets disbursed and repaid	55.60	-	-	55.60
Transfers to stage 1	-	-	-	-
Transfers to stage 2	(222.18)	222.18	-	-
Transfers to stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	8.82	132.62	119.50	260.94
ECL allowance - closing balance	691.49	354.80	298.75	1,345.04

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2X. Financial instruments – Risk management

4. The following table shows the risk concentration by industry for the components of the balance sheet :

	(₹ in million)				
March 31, 2022	Financial services	Road	Power Sector	Others	Total
Financial assets					
Cash and cash equivalents	19,142.16	-	-	-	19,142.16
Loans	-	30,452.47	110,950.41	5,703.07	147,105.95
Other financial assets	13.30	-	-	-	13.30
Total	19,155.46	30,452.47	110,950.41	5,703.07	166,261.41

	(₹ in million)				
March 31, 2021	Financial services	Road	Power Sector	Others	Total
Financial assets					
Cash and cash equivalents	16,675.57	-	-	-	16,675.57
Loans	-	42,496.87	75,988.65	9,610.27	128,095.79
Other financial assets	11.97	-	-	-	11.97
Total	16,687.55	42,496.87	75,988.65	9,610.27	144,783.33

Notes to accounts

for the year ended March 31, 2022 *Contd...*

Annexure II

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 as at:

As at March 31, 2022	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
(₹ in million)											
Financial assets											
Cash and cash equivalents	3,389.19	5,050.86	5,936.10	1,958.26	2,850.00	-	-	-	-	-	19,184.41
Loans	83.92	0.00	1,045.18	1,092.09	2,782.86	5,705.85	10,615.17	43,516.10	37,952.03	131,085.89	233,879.08
Other financial assets	-	-	0.13	0.13	0.13	0.40	0.66	9.35	-	2.50	13.30
	3,473.11	5,050.86	6,981.42	3,050.48	5,632.99	5,706.24	10,615.84	43,525.45	37,952.03	131,088.39	253,076.79
Financial liabilities											
Debt securities	-	-	960.00	917.65	1,545.74	16,261.63	12,067.29	53,971.32	65,268.86	16,125.57	167,118.06
Subordinated liabilities	-	-	-	-	1,636.30	221.10	211.25	864.70	864.70	6,855.71	10,653.76
Other financial liabilities	-	-	-	-	-	-	-	-	-	58.77	58.77
Other financial liabilities - Lease	1.76	-	-	1.76	1.77	5.36	10.95	7.47	-	-	29.07
	1.76	-	960.00	919.41	3,183.81	16,488.09	12,289.49	54,843.49	66,133.56	23,040.05	177,859.66
Total net financial assets / (liabilities)	3,471.36	5,050.86	6,021.42	2,131.07	2,449.18	(10,781.85)	(1,673.65)	(11,318.05)	(28,181.54)	108,048.34	75,217.13
Cumulative Mismatch	3,471.36	8,522.21	14,543.63	16,674.70	19,123.87	8,342.03	6,668.38	(4,649.67)	(32,831.21)	75,217.13	

Notes to accounts

for the year ended March 31, 2022 *Contd...*

Annexure II

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 as at:

As at March 31, 2021	1 day to 7 days	8 days to 14 days	Up to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
											(₹ in million)
Financial assets											
Cash and cash equivalents	10,044.68	5,143.93	-	1,000.00	500.00	-	-	-	-	-	16,688.61
Loans	101.91	-	952.21	1,269.07	3,148.40	5,003.29	9,831.74	43,550.95	35,938.14	100,652.07	200,447.78
Other financial assets	-	-	0.06	0.06	0.06	0.18	0.18	8.57	-	2.85	11.97
	10,146.59	5,143.93	952.27	2,269.14	3,648.46	5,003.47	9,831.92	43,559.52	35,938.14	100,654.93	217,148.37
Financial liabilities											
Debt securities	-	-	960.00	3,069.10	3,638.66	3,246.67	13,631.53	47,791.69	63,749.93	15,016.24	151,103.83
Subordinated liabilities	-	-	-	-	-	-	357.25	2,058.80	422.50	2,988.46	5,827.01
Other financial liabilities	-	-	-	3.00	-	-	-	-	-	81.85	84.85
Other financial liabilities - Lease	1.40	-	-	1.40	1.42	4.84	10.56	30.50	-	-	50.13
	1.40	-	960.00	3,073.50	3,640.09	3,251.51	13,999.35	49,880.99	64,172.43	18,086.55	157,065.82
Total net financial assets / (liabilities)	10,145.19	5,143.93	(7.73)	(804.36)	8.37	1,751.96	(4,167.43)	(6,321.47)	(28,234.29)	82,568.38	60,082.55
Cumulative Mismatch	10,145.19	15,289.12	15,281.39	14,477.03	14,485.40	16,237.36	12,069.93	5,748.46	(22,485.83)	60,082.55	

2. The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

As at March 31, 2021	1 day to 7 days	8 days to 14 days	Up to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
											(₹ in million)
As at March 31, 2022											
Loans sanctioned not yet disbursed	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021											
Loans sanctioned not yet disbursed	2,921.62	-	-	-	-	-	-	-	-	-	2,921.62

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2Y. Capital disclosure

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the 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, among other measures, the regulations issued by RBI. Company has complied in full with all its externally imposed capital requirements over the reported period, as a prudent policy over and above this, company has made an additional provision of on account of Macro economic factors affecting infrastructure sector

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.

Quantitative details relating to Capital to Risk (weighted) Asset Ratio (CRAR) refer note 2AD of notes to accounts

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2Z. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	(₹ in million)			
	As at March 31, 2022		As at March 31, 2021	
	Within 12 months	After 12 months	Total	Total
ASSETS				
1 Financial assets				
(a) Cash and cash equivalents	19,142.16	-	19,142.16	16,675.57
(b) Loans	9,474.12	135,749.05	145,223.17	126,750.75
(c) Other financial assets	1.45	11.85	13.30	11.97
2 Non-financial assets				
(a) Property, plant and equipment	-	34.69	34.69	60.35
(b) Intangible assets	-	0.78	0.78	0.79
(c) Other non-financial assets	18.96	2,341.46	2,360.42	1,718.93
Total assets	28,636.69	138,137.83	166,774.52	145,218.36
LIABILITIES AND EQUITY				
Liabilities				
1 Financial liabilities				
(a) Debt securities	26,542.61	108,911.80	135,454.41	119,816.55
(b) Subordinated liabilities	1,792.02	5,469.12	7,261.14	4,143.16
(c) Other financial liabilities	21.60	66.24	87.84	134.98
2 Non-financial liabilities				
(a) Provisions	52.57	41.14	93.71	113.53
(b) Other non-financial liabilities	21.14	-	21.14	18.05
Equity				
(a) Equity share capital	-	8,678.71	8,678.71	8,678.71
(b) Other equity	-	15,177.57	15,177.57	12,313.38
Total Liabilities and Equity	28,429.94	138,344.58	166,774.52	145,218.36

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2AA. Lease

The company has elected to apply Ind AS 116 'Leases', applying the provisions of the standard retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application.

Quantitative details relating the carrying amounts of right-of-use assets recognised and the movements during the year refer note 2D.

The carrying amounts of lease liability and the movement during the year are as follows

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Opening Balance	50.13	66.14
Additions	-	-
Payments*	21.06	16.01
Closing Balance	29.07	50.13

*includes amount reduced due to modification of lease as per Ind AS 116 - 'Leases'

The maturity analysis of lease liabilities are disclosed in note 2X annexure II

The following are the amounts recognised in profit or loss

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation charge	18.11	18.63
Interest expense on lease liabilities	2.40	4.97
Total amount recognised in profit or loss	20.52	23.61

The Company had total cash outflows for leases of ₹22.04 million in 31 March 2022 and ₹20.99 million in 31 March 2021 excluding GST.

2AB. Employee benefit disclosure

(i) Employees Stock Option Scheme

The Board of Directors approved the share based employee benefits i.e. issue of stock options to the key employees and director of the company under ESOP scheme 2018 & ESOP scheme 2020 in their Meetings held on August 24, 2018 & April 23, 2021 respectively.

Notes to accounts

for the year ended March 31, 2022 *Contd...*

During the year end March 31, 2022, following grants under respective ESOP schemes were in existence. The relevant details of the schemes and the grants are as below.

Particulars	(₹ in million)				
	ESOP scheme 2018				ESOP scheme 2020
	Grant-2018	Grant-2019	Grant-2020	Grant-2021	Grant-2021
Vesting requirements	30% at the end of 1 st year, 30% at the end of 1.5 years and 40% at the end of 2.5 years from October 17, 2018 (Grant date)	30% at the end of 1 st year, 30% at the end of 2 years and 40% at the end of 3 years from April 24, 2019 (Grant date)	30% at the end of 1 st year, 30% at the end of 2 years and 40% at the end of 3 years from April 22, 2020 (Grant date)	30% at the end of 1 st year, 30% at the end of 2 years and 40% at the end of 3 years from April 23, 2021 (Grant date)	30% at the end of 1 st year, 30% at the end of 2 years and 40% at the end of 3 years from April 23, 2021 (Grant date)
Maximum term of option	10 years	10 years	10 years	10 years	10 years
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled

ii. Movement in the options outstanding and other information under multiple ESOP schemes are as follows

Particulars	ESOP scheme 2018				ESOP scheme 2020	Weighted average exercise price
	Grant-2018	Grant-2019	Grant-2020	Grant-2021	Grant-2021	
Options outstanding at March 31, 2020	5,733,307	6,688,858	-	-	-	18.65
Add: Options granted	-	-	7,235,917	-	-	20.60
Less: Options forfeited/lapsed	-	-	-	-	-	-
Less: Options exercised	-	-	-	-	-	-
Options outstanding at March 31, 2021	5,733,307	6,688,858	7,235,917	-	-	19.37
Add: Options granted	-	-	-	3,453,029	3,782,888	23.80
Less: Options forfeited/lapsed	-	-	-	-	-	-
Less: Options exercised	-	-	-	-	-	-
Options outstanding at March 31, 2022	5,733,307	6,688,858	7,235,917	3,453,029	3,782,888	20.56
Options exercisable at March 31, 2022	5,733,307	4,013,314	2,170,775	-	-	-
Options exercisable at March 31, 2021	3,439,984	2,006,657	-	-	-	-
Exercise price (₹)	18.60	18.70	20.60	23.80	23.80	-
Weighted average remaining contractual life at March 31, 2022	6.55	7.06	8.06	9.06	9.06	-
Weighted average remaining contractual life at March 31, 2021	7.55	8.08	9.06	NA	NA	-

Notes to accounts

for the year ended March 31, 2022 *Contd...*

iii. Measurement of fair value

The fair value of the options are derived using Black - Scholes Option pricing model. The volatility is calculated by using the standard deviation of daily change in index level. The historical data considered commensurate with the expected option term. Risk free rate is derived from Zero coupon sovereign bond yields utilizing maturity equal to expected term of the option. The inputs used in the measurement option of the grant-date fair values of the equity-settled share based payment options for the financial year 2021-22 is as follows:

Particulars	(₹ in million)
	Year ended March 31, 2021
Volatility	23.47% to 23.84%
Expected option life (Years)	5.50 to 6.50
Expected dividend yield	1.20%
Risk free interest rate	5.93% to 6.17%

iv. Carrying amount of liability in the financial statement

Carrying amount of liability is ₹ 144.08 millions for the year ended March 31, 2022 (March 31, 2021: ₹ 93.19 millions).

v. Expense recognised in the statement of profit and loss

Refer note 2T on employee benefit expense, for information on expense charged to the Statement of profit and loss on account of share based payments.

2AB. Employee benefit disclosure

(ii) Gratuity

Sensitivity analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	28.35	31.41
Impact of increase in 50 bps on DBO	(4.53%)	4.69%
Defined benefit obligation on decrease in 50 bps	31.46	28.38
Impact of decrease in 50 bps on DBO	4.84%	(4.44%)

Profit and loss account expense:

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	4.90	3.24
Past service cost	1.38	-
Administration expenses	-	-
Interest on net defined benefit liability/(asset)	1.70	0.97
(Gain)/Losses on settlement	-	-
Total expense charged to profit and loss account	7.98	4.21

Notes to accounts

for the year ended March 31, 2022 *Contd...*

Amount recorded in Other Comprehensive Income(OCI):

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Opening amount recognized in OCI	8.10	0.87
Remeasurement during the year due to	-	-
Changes in financial assumptions	(1.27)	6.30
Changes in demographic assumptions	-	-
Experience adjustments	(1.98)	0.93
Actual return on plan assets less interest on plan assets	-	-
Amount recognize the effect of asset ceiling	-	-
Closing Amount recognised in OCI	4.85	8.10

Movement in Benefit Obligation:

Particulars	(₹ in million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Opening net defined benefit liability/(asset)	25.12	14.00
Current service cost	4.90	3.24
Past service cost	1.38	-
Interest on net defined benefit liability/(asset)	1.70	0.97
Remeasurement during the year due to	-	-
Actuarial loss/ (gain) arising from change in financial assumptions	(1.27)	6.30
Actuarial loss/ (gain) arising from change in demographic assumptions	-	-
Actuarial loss/ (gain) arising from experience adjustments	(1.98)	0.93
Benefits Paid	-	(0.31)
Liabilities assumed / (settled)	-	-
Liabilities extinguished on settlements	-	-
Closing net defined benefit liability/(asset)	29.85	25.12

2AC. Related party transactions

i) Names of related parties as identified by the management and nature of relationship are as follows:

S.No	Nature of relationship	Name of party
1.	Investing Party	ICICI Bank Limited
2.		Bank of Baroda
3.		Citicorp Finance (India) Limited
4.	Subsidiary of Investing Party	ICICI Securities Primary Dealership Limited
5.		ICICI Prudential Life Insurance Company Limited
6.		ICICI Lombard General Insurance Company Limited (till Sep 07, 2021)
7.		BOB Capital Markets Limited
8.	Holding Company of Investing Party	Citi Bank N.A.

Notes to accounts

for the year ended March 31, 2022 *Contd...*

S.No	Nature of relationship	Name of party
9.	Subsidiaries, Joint Ventures, Employee Benefit Companies of Investing Party and their Group Companies	ICICI Bank Limited Provident Fund
10.		Pension Fund of ICICI Bank Limited
11.		Provident Fund of ICICI Bank Limited Ex
12.		ICICI Home Finance Company Limited Employees' Provident Fund
13.		ICICI Prudential Life Insurance Company Limited Employees' Provident Fund
14.		NPS Trust- A/C ICICI Prudential Pension Fund Scheme C - Tier I & Tier-II
15.		India First Life Insurance Company Limited
16.		Bank of Baroda (Employees) Pension Fund
17.		Bank of Baroda Provident Fund Trust
18.	Key Management Personnel	Mr. Suvek Nambiar, Managing Director & CEO
19.		Mrs. Lalita D. Gupte, Independent Director and Chairperson
20.		Mr. Uday Chitale, Independent Director
21.		Mr. Arun Tiwari, Independent Director

ii) **The following are the details of transactions during the year and balances as at March 31, 2022 with related parties:**

Particulars	(₹ in million)		
	Investing Party including their subsidiaries, joint ventures and employees benefit companies	Key Management Personnel	Total
Assets			
Bank balance & fixed deposits	2,063.85	-	2,063.85
	(4,308.71)	-	(4,308.71)
Processing Fee – EIR adjustment	9.37	-	9.37
	(11.40)	-	(11.40)
Accrued Interest on FDs	0.02	-	0.02
	(1.73)	-	(1.73)
Insurance premium paid- unamortized	0.61	-	0.61
	(0.28)	-	(0.28)
Liabilities			
Borrowing-debt securities	16,297.00	-	16,297.00
	(13,415.00)	-	(13,415.00)

Notes to accounts

for the year ended March 31, 2022 *Contd...*

Particulars	(₹ in million)		
	Investing Party including their subsidiaries, joint ventures and employees benefit companies	Key Management Personnel	Total
Accrued Interest on debt securities	741.48	-	741.48
	(647.09)	-	(647.09)
Arranger fees – EIR adjustment	97.57	-	97.57
	(93.01)	-	(93.01)
Processing fee expenses on NCDs-(unamortised)-EIR adjustment	35.09	-	35.09
	(23.32)	-	(23.32)
Directors commission payable (net of TDS)	-	2.70	2.70
	-	(2.78)	(2.78)
Income			
Interest on fixed deposits	10.17	-	10.17
	(12.87)	(-)	(12.87)
Fees income-EIR	2.03	-	2.03
	(2.03)	(-)	(2.03)
Expenditure			
Arrangers fees expense – EIR	39.05	-	39.05
	(35.33)	(-)	(35.33)
Processing fee expenses on NCDs-(amortised)-EIR adjustment	8.57	-	8.57
	(5.44)	(-)	(5.44)
Interest – debt securities	1,145.87	-	1,145.87
	(1,120.64)	(-)	(1,120.64)
Staff cost ³	1.05	53.53	54.58
	(1.27)	(51.73)	(53.00)
Director sitting fees & commission	-	6.13	6.13
	-	(5.42)	(5.42)
Other charges ⁴	0.13	-	0.13
	(0.03)	-	(0.03)
Transactions			
Fixed deposit placed	14,820.00	-	14,820.00
	(4,510.00)	-	(4,510.00)
Equity dividend paid	234.93	-	234.93
	(234.93)	(-)	(234.93)

Notes to accounts

for the year ended March 31, 2022 *Contd...*

Particulars	(₹ in million)		
	Investing Party including their subsidiaries, joint ventures and employees benefit companies	Key Management Personnel	Total
Purchase of loan asset	1,510.66	-	1,510.66
	(-)	(-)	(-)
Debt securities subscribed	4,150.00	-	4,150.00
	(4,250.00)	(-)	(4,250.00)
Debt securities redemption- on maturity	902.00	-	902.00
	(935.00)	(-)	(935.00)

- Figures in bracket pertains to March 31, 2021.
- Disclosure of the name of the related party and nature of their relationship has been made only when there have been transactions with those parties other than those as required to be disclosed by Ind AS 24.
- As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the Key Management Personnel (KMP) is not included above.
- Other charges include bank charges, pos machine charges, transaction cost and CCIL charges-Treasury bill 1 & de-mat charges.
- Party wise details of above are available with management.

2AD. The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (Ref. No. DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016.)

(i) Capital

		(₹ in million)	
S.No	Particulars	As at March 31, 2022	As at March 31, 2021
i)	CRAR (%)	23.15%	22.34%
ii)	CRAR - Tier I Capital (%)	18.31%	19.13%
iii)	CRAR - Tier II Capital (%)	4.84%	3.21%
iv)	Amount of subordinated debt raised as Tier-II capital during the year	3,000	-
v)	Amount raised by issue of Perpetual Debt Instruments during the year	-	-
vi)	Liquidity coverage ratio	Refer note 2AG	

Notes to accounts

for the year ended March 31, 2022 *Contd...*

(ii) Investment

		(₹ in million)	
S.No	Particulars	As at March 31, 2022	As at March 31, 2021
(1)	Particulars		
	Value of Investments	-	-
	(i) Gross Value of Investments	-	-
	(a) In India	-	-
	(b) Outside India,	-	-
	(ii) Provisions for Depreciation	-	-
	(a) In India	-	-
	(b) Outside India,	-	-
	(iii) Net Value of Investments	-	-
	(a) In India	-	-
	(b) Outside India,	-	-
(2)	Movement of provisions held towards depreciation on investments.	-	-
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write-off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

(iii) Derivatives

(iii) (a) Forward rate agreement / Interest rate swap

There are no forward rate agreement/interest rate swaps entered during the current financial year and the previous financial year.

		(₹ in million)	
S.No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	-	-

Notes to accounts

for the year ended March 31, 2022 *Contd...*

(iii) (b) Exchange traded interest rate (IR) derivatives

		(₹ in million)	
S.No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31 st March 2022 (instrument-wise)	-	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

(iii) (c) Quantitative disclosures

		(₹ in million)	
S.No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Derivatives (Notional Principal Amount)	-	-
	For hedging	-	-
(ii)	Marked to Market Positions [1]	-	-
	a) Asset (+)	-	-
	b) Liability (-)	-	-
(iii)	Credit Exposure [2]	-	-
(iv)	Unhedged Exposures	-	-

(iv) (a) Disclosures relating to securitisation

		(₹ in million)	
S.No	Particulars	No./ Amount	
		As at March 31, 2022	As at March 31, 2021
1	No of SPVs sponsored by the NBFC for securitisation transactions	-	-
2	Total amount of securitised assets as per books of the SPVs sponsored	-	-
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
	a) Off-balance sheet exposures	-	-
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures	-	-
	First loss	-	-
	Others	-	-

Notes to accounts

for the year ended March 31, 2022 *Contd...*

(₹ in million)

S.No	Particulars	No./ Amount	
		As at March 31, 2022	As at March 31, 2021
4	Amount of exposures to securitisation transactions other than MRR	-	-
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitizations	-	-
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations	-	-
	First loss	-	-
	Loss	-	-
	b) On-balance sheet exposures	-	-
	i) Exposure to own securitizations	-	-
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations	-	-
	First loss	-	-
	Loss	-	-

(iv) (b) Details of financial assets sold to securitisation /reconstruction company for asset reconstruction

(₹ in million)

S.No	Particulars	No./ Amount	
		As at March 31, 2022	As at March 31, 2021
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

(iv) (c) Details of assignment transactions undertaken by NBFCs

(₹ in million)

S.No	Particulars	No./ Amount	
		As at March 31, 2022	As at March 31, 2021
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

Notes to accounts

for the year ended March 31, 2022 *Contd...*

(iv) (d) Details of non-performing financial assets purchased/sold

A. Details of non-performing financial assets purchased :

		(₹ in million)	
S.No	Particulars	No./ Amount	
		As at March 31, 2022	As at March 31, 2021
1	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
2	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

B. Details of non-performing financial assets sold :

		(₹ in million)	
S.No	Particulars	No./ Amount	
		As at March 31, 2022	As at March 31, 2021
1	No. of accounts sold	-	-
2	Aggregate outstanding	-	-
3	Aggregate consideration received	-	-

Notes to accounts

for the year ended March 31, 2022 *Contd...*

(v) (a) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as at March 31, 2022

	1 day to 7 days	8 days to 14 days	Up to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & up to 3 months 6 months	Over 6 months & up to 1 year	Over 1year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	85.61	-	132.53	120.12	1,803.80	2,533.78	4,798.28	22,648.62	20,575.11	94,408.11	147,105.95
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	903.86	790.48	2,798.37	15,313.71	8,528.20	37,770.00	56,860.00	19,750.92	142,715.55
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as at March 31, 2021

	1 day to 7 days	8 days to 14 days	Up to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & up to 3 months 6 months	Over 6 months & up to 1 year	Over 1year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	106.95	-	190.14	369.74	2,230.83	2,322.56	4,466.75	24,437.91	20,897.95	73,072.96	128,095.79
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	903.86	2,943.70	3,327.37	2,340.28	10,441.33	34,420.00	54,660.00	14,923.16	123,959.71
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

Notes to accounts

for the year ended March 31, 2022 *Contd...*

(vi) Exposures

(vi) (a) Exposure to real estate sector

		(₹ in million)	
Category		As at March 31, 2022	As at March 31, 2021
(a) Direct exposure			
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits		-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		-	-
a. Residential		-	-
b. Commercial Real Estate		-	-
Total exposure to real estate sector		-	-

(vi) (b) Exposure to capital market

		(₹ in million)	
S.No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-

Notes to accounts

for the year ended March 31, 2022 *Contd...*

		(₹ in million)	
S.No	Particulars	As at March 31, 2022	As at March 31, 2021
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market		-	-

(vi) (c) Details of financing of parent company products

Not applicable, since no parent company in current year and previous year.

(vi) (d) Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the NBFC

The Company has not exceeded the Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the financial year ended March 31, 2022, (March 31, 2021: Nil)

(vi) (e) Unsecured advances

There are no unsecured advances as at March 31, 2022, (March 31, 2021: Nil)

(vii) (a) Registration obtained from other financial sector regulators

The Company has not obtained registration from other financial sector regulators except Reserve Bank of India.

(vii) (b) Disclosure of penalties imposed by RBI and other regulators

No penalties were imposed by the regulator during the financial year ended March 31, 2022, (March 31, 2021: Nil)

vii) (c) Related party transactions

A) Details of all material transactions with related parties has been disclosed in the notes to accounts.

B) Policy on dealing with related party transactions

The Company undertakes various transactions with related parties in the ordinary course of business. The Company has a Board approved policy on related party transactions, which has been disclosed on the website of the Company and can be viewed at <https://www.infradebt.in/content/dam/infradebt/infradebt-rpt-policy-v1.pdf>

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

The Company has been assigned following credit rating from all rating agencies during the financial year ended March 31, 2022:-

S.No	Name of rating agencies	Rating of product	Rating assigned
1	Crisil Ltd	Debentures	AAA/Stable
2	ICRA Ltd	Debentures	AAA/Stable
3	ICRA Ltd	Sub-ordinated Debt	AAA/Stable
4	Crisil Ltd	Sub-ordinated Debt	AAA/Stable
5	ICRA Ltd	Commercial Paper	A1+
6	India Ratings & Research Pvt.Ltd.	Sub-ordinated Debt	IND AAA/Stable

*There has been no change in the credit rating assigned to the Company from previous year to current year.

Notes to accounts

for the year ended March 31, 2022 *Contd...*

(vii) (e) Remuneration of directors

		(₹ in million)	
S.No	Name of Directors	As at March 31, 2022	As at March 31, 2021
1	Mrs Lalita D. Gupte*	2.25	1.78
2	Mr. Uday Chitale*	1.90	1.82
3	Mr. Arun Tiwari*	1.98	1.82
	Total	6.13	5.42

*Remuneration of Independent Directors includes commission payable for the respective financial year.

(viii) Additional disclosures

(a) Provisions and Contingencies

		(₹ in million)	
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		As at March 31, 2022	As at March 31, 2021
Provisions for depreciation on Investment		-	-
Provision towards NPA		59.75	119.50
Provision made towards Income tax		-	-
Other Provision and Contingencies (with details)		-	-
Provision for Standard Assets/ Investments		477.99	197.04

Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of Deposits (for deposit taking NBFCs)

		(₹ in million)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Total Deposits of twenty largest depositors	-	-	
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-	

(b) Concentration of advances

		(₹ in million)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Total Advances to twenty largest borrowers	69,484.33	55,606.88	
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	47%	43%	

Notes to accounts

for the year ended March 31, 2022 *Contd...*

(c) Concentration of exposures

(₹ in million)		
Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers / customers (Investment & advances)	69,484.33	55,606.88
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	47%	43%

(d) Concentration of NPAs

(₹ in million)		
Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts	1,194.32	1,193.87

(e) Sector-wise NPAs

S.No	Sector	Percentage of NPAs to Total Advances in that sector	
		As at March 31, 2022	As at March 31, 2021
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	1%	1%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

(x) Movement of NPAs

		(₹ in million)	
S.No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Net NPAs to Net Advances (%)	1%	1%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1,193.87	1,193.32
	(b) Additions during the year	0.45	0.55
	(c) Reductions during the year	-	-
	(d) Closing balance	1,194.32	1,193.87

Notes to accounts

for the year ended March 31, 2022 *Contd...*

		(₹ in million)	
S.No	Particulars	As at March 31, 2022	As at March 31, 2021
(iii)	Movement of Net NPAs		
	(a) Opening balance	895.12	1,014.07
	(b) Additions during the year	-	-
	(c) Reductions during the year	(59.30)	(118.95)
	(d) Closing balance	835.82	895.12
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	298.75	179.25
	(b) Provisions made during the year	59.75	119.50
	(c) Write-off / write-back of excess provisions	-	-
	(d) Closing balance	358.50	298.75

(xi) Overseas assets (for those with Joint Ventures and Subsidiaries abroad)

		(₹ in million)	
Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
Not Applicable, as the company does not have any Joint venture and Subsidiaries abroad			

(xii) Off-balance Sheet SPVs sponsored

		(₹ in million)	
Name of the SPV sponsored	Domestic	Overseas	
	As at March 31, 2022	As at March 31, 2021	
-	-	-	-

(xiii) Disclosure of complaints

(a) Customer complaints

		(₹ in million)	
S.No	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	-	-
(c)	No. of complaints redressed during the year	-	-
(d)	No. of complaints pending at the end of the year	-	-

ANNEXURE I

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

Particulars		(₹ in million)			
Liabilities side :		As at March 31, 2022		As at March 31, 2021	
		Amount out-standing	Amount overdue	Amount out-standing	Amount overdue
(1)	Loans and advances availed by the non-banking finance company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	135,454.41	-	119,816.55	-
	: Unsecured	7,261.14	-	4,143.16	-
	(other than falling within the meaning of public deposits*)"				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposits*	-	-	-	-
	(g) Other Loans (specify nature) – Banks Loans	-	-	-	-
	(h) Other Loans (specify nature) – Cash Credit	-	-	-	-
	(i) Other Loans (specify nature) – Finance Lease Obligation	-	-	-	-
	* Please see Note 1 below				
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :	Amount out-standing	Amount overdue	Amount out-standing	Amount overdue
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	-	-	-	-
	* Please see Note 1 below				
Assets side :		As at March 31, 2022		As at March 31, 2021	
		Amount outstanding		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] (Note 04) :				
	(a) Secured		147,105.95		128,095.79
	(b) Unsecured		-		-
(4)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities				
	(i) Lease assets including lease rentals under sundry debtors :				
	(a) Finance lease		-		-
	(b) Operating lease		-		-

Notes to accounts

for the year ended March 31, 2022 *Contd...*

Particulars		(₹ in million)	
	Liabilities side :	As at March 31, 2022	As at March 31, 2021
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities (refer note 4)		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
(5)	Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)	-	-
	Long Term investments :		
	1. Quoted :		
	(i) Share : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)	-	-

Notes to accounts

for the year ended March 31, 2022 *Contd...*

- (6) Borrower group-wise classification of assets financed as in (3) and (4) above : Please see Note 2 below

	As at March 31, 2022			As at March 31, 2021		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties **						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	-	-	-	-	-
Total	--	--	--	--	--	--

- (7) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Please see note 3 below

Category	As at March 31, 2022		As at March 31, 2021	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
(1) 1. Related Parties **	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
Total				

** As per Accounting Standard of ICAI (Ind AS) (Please see Note 3)

- (8) **Other information**

		(₹ in million)	
		As at March 31, 2022	As at March 31, 2021
(i) Gross Non-Performing Assets			
(a) Related parties			
(b) Other than related parties		1,194.32	1,193.87
(ii) Net Non-Performing Assets			
(a) Related parties		-	-
(b) Other than related parties		835.82	895.12
(iii) Assets acquired in satisfaction of debt		Nil	Nil

Notes:

- As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All accounting standards and guidance notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.
- Loans and advances includes total portfolio of loans & investments together

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2AE. Disclosure as per RBI circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 (Mar-22)

(₹ in million)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	144,180.89	830.41	143,350.48	578.96	251.45
	Stage 2	1,730.74	693.87	1,036.87	138.08	555.79
Subtotal		145,911.63	1,524.28	144,387.35	717.04	807.24
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	1,194.32	358.50	835.82	358.50	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		1,194.32	358.50	835.82	358.50	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,194.32	358.50	835.82	358.50	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	144,180.89	830.41	143,350.48	578.96	251.45
	Stage 2	1,730.74	693.87	1,036.87	138.08	555.79
	Stage 3	1,194.32	358.50	835.82	358.50	-
	Total	147,105.95	1,882.78	145,223.17	1,075.54	807.24

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2AF. Disclosure on liquidity risk for the quarter/year ended March 31, 2022 under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount ¹ (₹ crore)	% of Total deposits	% of Total Liabilities
1	24	9,573	Not Applicable	67%

(ii) Top 20 large deposits: Not Applicable

(iii) Top 10 borrowings

Amount ¹ (₹ crore)	% of Total Borrowings
6,530	47%

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount ¹ (₹ crore)	% of Total Liabilities
1	Non-Convertible Debentures	13,753	96%

(v) Stock Ratios:

Sr. No.	Particulars	Ratio
1	Commercial Paper to Total Liabilities	NIL
2	Commercial Paper to Total Assets	NIL
3	NCDs (Original maturity < 1 Year) to Total Liabilities	NIL
4	NCDs (Original maturity < 1 Year) to Total Assets	NIL
5	Other Short-Term Liabilities to Total Liabilities ²	20%
6	Other Short-Term Liabilities to Total Assets ²	17%

(vi) Institutional set-up for liquidity risk management

India Infradebt Limited (Infradebt) has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. At least four meetings of ALCO are conducted in a financial year. The Board Risk Management Committee (BRMC), a sub-committee of the Board of Directors of the Company oversees the liquidity risk management. The BRMC subsequently updates the Board of Directors on the same. Infradebt has a Board approved Liquidity & Interest Rate Risk Policy which covers the aspects of Liquidity Risk Management, Interest Rate Risk Management, Resource Planning & Funding Strategies, Stress Testing & Contingency Funding Plan and Management Information System.

Notes:

1. Face Value of the debentures
2. Other Short-Term liabilities include current maturities of long-term debentures

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2AG. The following tables set forth, for the periods indicated, unweighted and weighted values of the LCR.

Particulars	Three months ended Mar. 31, 2022			Three months ended Dec. 31, 2021			Three months ended Sep. 30, 2021			Three months ended Jun. 30, 2021				
	Unweighted Value (average)*	Weighted Value (average)#	Total	Unweighted Value (average)*	Weighted Value (average)#	Total	Unweighted Value (average)*	Weighted Value (average)#	Total	Unweighted Value (average)*	Weighted Value (average)#	Total		
High Quality Liquid Assets														
1 Total High Quality Liquid Assets (HQLA)	452.65	452.65	-	523.25	523.25	-	561.45	561.45	-	291.50	291.50	-		
Cash & Bank Balances	22.57	22.57	9.92	29.92	29.92	3.43	27.44	27.44	-	27.18	27.18	-		
Investment in T-Bills	430.08	430.08	-	493.33	493.33	-	534.00	534.00	-	264.32	264.32	-		
Cash Outflows ¹														
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-	-	-	-	-		
3 Unsecured wholesale funding	8.62	9.92	2.99	143.88	165.47	87.40	-	-	-	-	-	-		
4 Secured wholesale funding	309.20	355.58	-	-	-	-	-	-	-	254.98	293.23	-		
5 Additional requirements, of which	-	-	-	-	-	-	-	-	-	-	-	-		
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-	-	-	-		
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-	-	-		
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-	-	-	-	-		
6 Other contractual funding obligations	-	-	-	-	-	-	-	-	-	-	-	-		
7 Other contingent funding obligations	109.58	126.02	191.52	220.24	220.24	27.70	31.85	31.85	203.22	233.71	233.71	-		
8 Total Cash Outflows	427.40	491.52	338.38	389.14	389.14	115.09	132.36	132.36	458.20	526.93	526.93	-		
Cash Inflows														
9 Secured lending	-	-	-	-	-	-	-	-	-	-	-	-		
10 Inflows from fully performing exposures	170.50	127.88	159.73	119.80	119.80	154.90	116.17	116.17	153.13	114.84	114.84	-		
11 Other cash inflows ²	1,124.62	843.47	1,184.88	888.66	888.66	1,023.88	767.91	767.91	952.59	714.44	714.44	-		
12 Total Cash Inflows	1,295.13	971.34	1,344.61	1,008.46	1,008.46	1,178.78	884.08	884.08	1,105.71	829.28	829.28	-		
Total			Total			Total			Total			Total		
Adjusted Value			Adjusted Value			Adjusted Value			Adjusted Value			Adjusted Value		
452.65			523.25			561.45			291.50			291.50		
122.88			97.29			33.09			131.73			131.73		
368.37%			537.85%			1696.76%			221.28%			221.28%		
LIQUIDITY COVERAGE RATIO (%)														
13 Total HQLA	452.65			523.25			561.45			291.50				
14 Total Net Cash Outflows	122.88			97.29			33.09			131.73				
15 LIQUIDITY COVERAGE RATIO (%)	368.37%			537.85%			1696.76%			221.28%				

* Unweighted values calculated as average monthly outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective stress factors on inflow (75%) and outflow (115%)

Notes :

- Does not include operating costs as guided by BCBS circular Basel III: LCR and liquidity risk monitoring tools published in January 2013
- Includes FD maturing within 30 days and liquid fund balances

Notes to accounts

for the year ended March 31, 2022 *Contd...*

Liquidity coverage ratio

Liquidity coverage ratio (LCR) was introduced by Reserve Bank of India (RBI) as part of Liquidity Risk Management Framework (LRMF) for NBFCs from December, 2020 to ensure that an NBFC has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. As on March 31, 2022, the applicable minimum LCR required to be maintained by NBFCs is 60.0%.

Liquidity of Infradebt is managed by the Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. Atleast four meetings of ALCO are conducted in a financial year. The Board Risk Management Committee (BRMC), a sub-committee of the Board of Directors of the Company along with Chief Risk Officer being the permanent invitee, oversees the liquidity risk management. The BRMC subsequently updates the Board of Directors on the same.

During the three months ended March 31, 2022, Infradebt maintained daily average HQLA (after haircut) of ₹ 4526.5 million against the average HQLA requirement of ₹ 737.3 million at minimum LCR requirement of 60.0%. The daily average LCR of Infradebt for the three months ended March 31, 2022 was 368.37%. HQLA primarily includes government securities and current account balances maintained with Scheduled Commercial Banks.

Infradebt being an IDF-NBFC is allowed to raise funds only through bonds as per extant RBI regulations. As on March 31, 2022, only significant liability instrument (single instrument amounting to more than 1% of the Infradebt's total liabilities) was Non-Convertible Debentures (inclusive of accrued interest) and its percentage contribution to the total liabilities was 99.86%. Further, the total borrowings mobilised from significant counterparties (from whom the funds borrowed were more than 1.00% of the Infradebt's total liabilities) were 66.98% of the total liabilities of Infradebt as on March 31, 2022.

The weighted cash outflows are primarily driven by Secured wholesale funding which includes debt obligations on Secured NCDs. During the three months ended March 31, 2022, Secured wholesale funding contributed 72.34% of the total weighted cash outflows (daily average). The contingent funding obligation (undisbursed committed loan facility to the customer) and unsecured wholesale funding contributed remaining total weighted cash outflows. The total weighted cash inflows are primarily driven by Fixed Deposits (FDs) maturing within 30 days and liquid fund balances contributing 86.84% of weighted cash inflows while cash inflows from performing exposures contributed for the remaining total weighted cash inflows.

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2AH. Segment information

The Company is engaged primarily in business of financing and accordingly there are no reportable segment as per Ind AS-108 on 'Operating Segments' notified under the Companies (Indian Accounting Standard) Rules, 2015 (as amended). The Company operates in a single geographical segment i.e. domestic.

2AI. Income taxes

As per section 10 (47) of the Income Tax Act, 1961, any income of Infrastructure Debt Fund will be exempt from income tax. CBDT vide its notification no. 83/2016/F.No.173/50/2013-ITA-I dated September 16, 2016, has notified India InfraDebt Limited as an Infrastructure Debt Fund for the purpose of clause (47) of section 10 of Income Tax Act, 1961.

2AJ. Due to micro and small enterprises

There are no amounts that need to be disclosed pertaining to Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED').

2AK. As per Section 135 of the Companies Act, 2013, the Company is under obligation to incur ₹46.74 million (Previous year ₹37.14 million) and has incurred ₹46.74 million (Previous year ₹37.15 million) in cash, being 2% of the average net profit during the three immediately preceding financial years, calculated in the manner as stated in the Act towards Corporate Social Responsibility through contribution to fund prescribed in Schedule VII of the Companies Act, 2013 and the non-profit centre(s) engaged in the provision of health care.

2AL. The Company has not accepted deposits, within the meaning of 'Public Deposits' as defined in the prudential norms issued by the Reserve Bank of India.

2AM. In accordance with RBI Master Direction No. DNBS. PPD.01/66.15.001/2016-17 dated September 29, 2016, no fraud was detected and reported during the year and previous year.

2AN. In accordance with RBI Master Direction No. DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, the Company did not enter into any credit default swaps during the year and previous year.

2AO. In accordance with RBI Master Direction No. DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, the Company has not lent against gold jewellery during the year and previous year.

2AP. The Company has neither transferred nor acquired any stressed or SMA account. Also no account which was not in default was transferred or acquired without request / instance of borrower as mentioned in the 'Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021' dated September 24, 2021. Accordingly, the disclosures as mentioned in above mentioned directions are not required to be made.

Notes to accounts

for the year ended March 31, 2022 *Contd...*

2AQ. Disclosure as per Notification no: DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 for the period ended March 31, 2022.

Format - B

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)**	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	1,472.81	-	-	86.93	1,385.88
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,472.81	-	-	86.93	1,385.88

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**Amount mentioned in exposure to accounts is as of September 30, 2021 including interest accrued but not due.

2AR. Details of expenditure in foreign currency for the year ended March 31, 2022 Nil (March 31, 2021 – Nil)

2AS. Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to confirm to this year's classification

As per our report of even date

For and on behalf of the Board of Directors

For **B.K.Khare & Co.**

ICAI Firm registration number: 105102W
Chartered Accountants

Lalita D. Gupte

Chairperson
DIN: 00043559

Suvek Nambiar

Managing Director & CEO
DIN: 06384380

per **Aniruddha Joshi**

Partner
Membership No. 040852

Surendra Maheshwari

Chief Financial Officer

Gaurav Tolwani

Company Secretary

Place: Mumbai

Date: April 26, 2022





INFRADEBT

Leading Infrastructure Finance

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