



# ENABLING INDIA'S INFRASTRUCTURE TRANSFORMATION

Efficient Debt | Green Infrastructure | Prosperous India

**India InfraDebt Limited**

Annual Report 2022-23

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*Infrastructure growth has a multiplier effect on a country's economy. Hence, infrastructure growth for India is critical towards achieving a USD Ten trillion economy by 2035. While financing of infrastructure in India has faced various challenges in the past, 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.*

## The Advantage

### NVIGORATE

By financing infrastructure projects at competitive interest rates, with longer duration, serves to further strengthen financial viability and returns. Besides, executing partial 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.

### INVIOLEABLE 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.*

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## Corporate Information

### Board of Directors

**Mr. Arun Tiwari**  
*Chairman & Independent Director*

**Mr. Vijay Maniar**  
*Independent Director*

**Ms. Lata Pillai**  
*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 & Chief Compliance Officer

**Mr. Gaurav Tolwani**

### Joint Statutory Auditors

**B. K. Khare & Co.,**  
*Chartered Accountants*

**G. D. Apte & 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, 3<sup>rd</sup> 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

### Debenture Trustee

**IDBI Trusteeship Services Limited**  
Universal Insurance Building,  
Ground Floor, Sir P.M. Road, Fort,  
Mumbai - 400 001



## Shareholders



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

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). 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 other Corporates.

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).

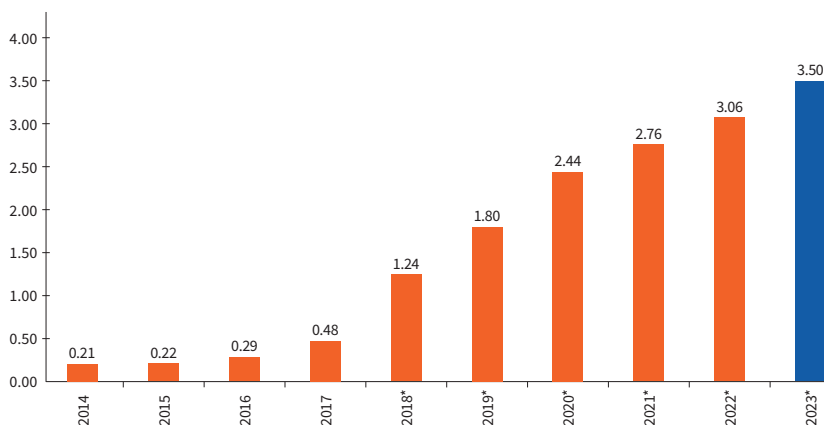
## Performance

### FY2023 Highlights

- **Asset book: ~₹ 178.00 billion (131 projects)**
- **Share of renewable energy projects at ~68.00% of portfolio by value**
- **Rupee bonds outstanding: ~₹ 157.00 billion. More than 375 debt investors (primarily institutional), mostly in long-term category**
- **Profit after tax of ₹ 3.50 billion and Return on Equity of 13.8%**
- **Maintained highest credit rating by CRISIL, ICRA, India Ratings at AAA/Stable**
- **Sixth consecutive year of dividend distribution**

### Profit after Tax

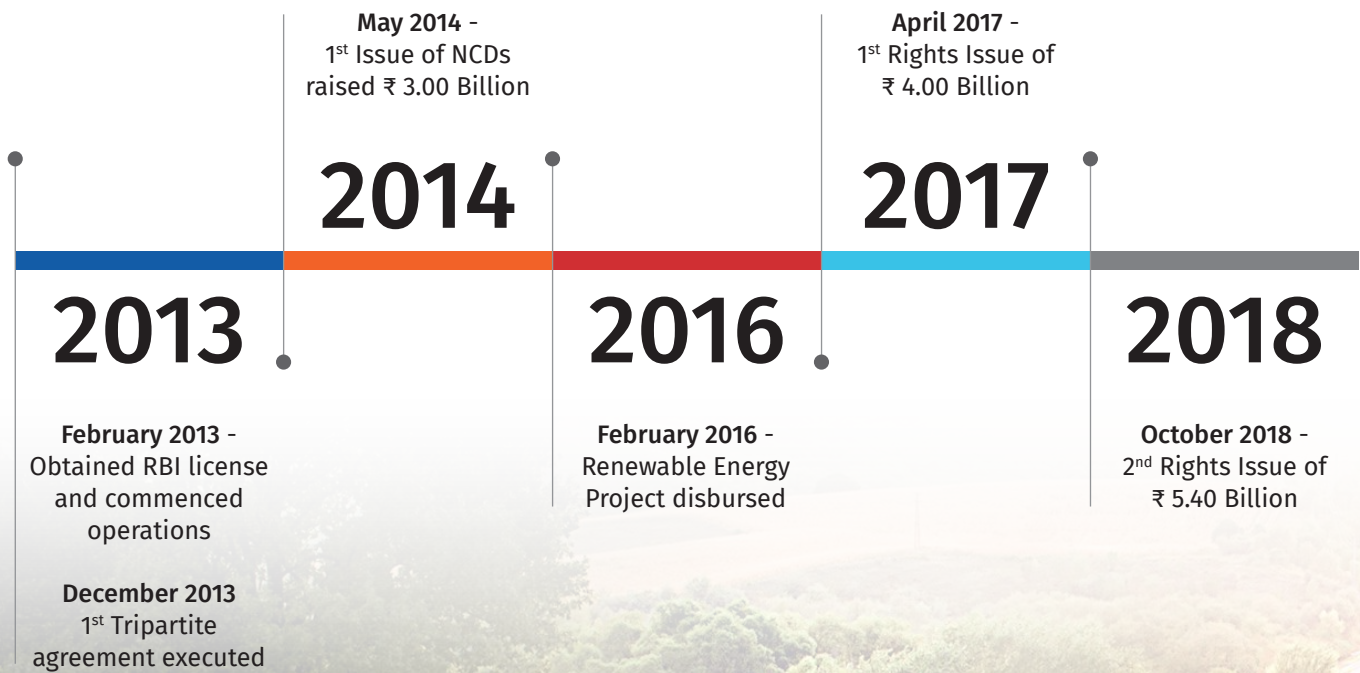
(₹ in billion)



\*As per IndAS

## 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.*





**March 2019 -**  
Completion of  
full five years  
of operations in  
infrastructure  
re-financing sector  
reaching Balance  
Sheet size of more  
than ₹ 100.00 Billion

**2019**

**March 2021 -**  
Net worth surpassed  
₹ 20.00 Billion

**2021**

**March 2023 -**  
Highest growth in  
Asset Book in a  
financial year:  
₹ 30.08 Billion

Over 375 primarily  
institutional Debt  
investors

**2023**

**2020**

**March 2020 -**  
Financed  
Infrastructure Assets  
of more than  
₹ 115.00 Billion

**2022**

**March 2022 -**  
Surpassed  
Balance Sheet size  
of more than  
₹ 160.00 Billion



# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Eleventh Annual Report of India Infradebt Limited (Infradebt/Company) with the audited statement of accounts for the year ended March 31, 2023.

## FINANCIAL HIGHLIGHTS

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

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Income	16,135.88	14,434.45
Total Expenditure (excluding depreciation)	12,604.97	11,347.44
Profit Before Depreciation & Tax	3,530.91	3,087.01
Less: Depreciation	26.36	25.28
<b>Profit Before Tax</b>	<b>3,504.55</b>	<b>3,061.73</b>
Less: Provision for Tax <sup>1</sup>	-	-
<b>Profit After Tax</b>	<b>3,504.55</b>	<b>3,061.73</b>
Other Comprehensive Income	(0.01)	3.25
Total Comprehensive Income	3,504.54	3,064.98
<b>Appropriation:</b>		
Special Reserve u/s 45-IC of Reserve Bank of India Act, 1934	700.91	612.35
Dividend paid on Equity shares	251.68	251.68
Balance carried to Balance Sheet	2,551.95	2,200.95

1. As 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 FY2023, Infradebt has made profit after tax of ₹ 3,504.55 million as compared to ₹ 3,061.73 million in FY2022. For FY2023, the total income was ₹ 16,135.88 million against ₹ 14,434.45 million in FY2022.

Infradebt proposes to transfer ₹ 700.91 million (Previous year: ₹ 612.35 million) to Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934 and carry forward ₹ 2,551.95 million (Previous year: ₹ 2,200.95 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 Ratio, Maximum Dividend Payout Ratio, etc.), Capital requirement for business growth and

stakeholders objectives. Given the financial performance for FY2023 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 FY2023.

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

*continued*

### STATE OF AFFAIRS OF THE COMPANY & FUTURE OUTLOOK

The operating and financial performance alongwith 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.

### 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 required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Debenture Trustee are as under:

Name: IDBI Trusteeship Services Limited  
 Address: Universal Insurance Building,  
 Ground Floor, Sir P. M. Road, Fort,  
 Mumbai - 400 001  
 Tel No: 022-40807000  
 Fax No: 022-66311776  
 E-mail: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)  
 Website: [www.idbitrustee.com](http://www.idbitrustee.com)

The details are available on the website of Infradebt at [www.infradebt.in](http://www.infradebt.in).

### DIRECTORS

The composition of the Board is in compliance with the applicable provisions of the Companies Act, 2013 (the Act) and the rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), 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, 2023, the Board of the Company comprised of seven directors, of whom three were Non-Executive, Independent Directors (including one Woman Director), three were Nominee Directors and one was Executive Director (Managing Director & CEO).

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

- 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 approved the appointment of Debadatta Chand as a Nominee Director on the Board of Infradebt effective April 6, 2022.
- Vijay Maniar was appointed as an Additional Director (Non-Executive, Independent) of Infradebt effective January 23, 2023 by the Board. In the opinion of the Board, Vijay Maniar fulfilled the conditions specified in the Act, SEBI LODR and the applicable RBI Master Direction/guidelines for his appointment as a Non-Executive, Independent Director of Infradebt and he is a person of integrity and possesses relevant experience and expertise to be appointed as a Non-Executive, Independent Director of Infradebt.

The appointment of Vijay Maniar as a Non-Executive, Independent Director of Infradebt for a term of five years commencing January 23, 2023 upto January 22, 2028 was also approved by the Members by means of a Special Resolution through Postal Ballot on March 25, 2023.

- Uday Chitale, Non-Executive, Independent Director retired from the Board of Infradebt effective February 23, 2023 on completion of his two consecutive terms. The Board placed on record its deep appreciation for valuable contribution and guidance given by Uday Chitale to Infradebt.

Post closure of the financial year, the following changes took place in the composition of the Board of Directors of Infradebt:

- Lalita D. Gupte, Non-Executive, Independent Director retired from the Board of Infradebt effective April 22, 2023 on completion of her two consecutive terms.

## Directors' Report

*continued*

The Board placed on record its deep appreciation for valuable contribution and guidance given by Lalita D. Gupte to Infradebt.

- The Board at its Meeting held on April 19, 2023, elected and appointed Arun Tiwari, Non-Executive, Independent Director as Chairman of the Board of Infradebt effective April 22, 2023 till the expiry of his term i.e. upto August 23, 2023.
- Lata Pillai, (DIN: 02271155) was appointed as an Additional Director (Non-Executive, Independent) by the Board at its Meeting held on July 19, 2023, with immediate effect. Lata Pillai holds office upto the date of the forthcoming Annual General Meeting (AGM) and is eligible for appointment. In the opinion of the Board, Lata Pillai fulfilled the conditions specified in the Act, SEBI LODR and the applicable RBI Master Direction/guidelines for her appointment as a Non-Executive, Independent Director of Infradebt and she is a person of integrity and possesses relevant experience and expertise to be appointed as a Non-Executive, Independent Director of Infradebt.

### RETIREMENT BY ROTATION

In terms of Section 152 of the Companies Act, 2013 and the Articles of Association of Infradebt, Partha Dey is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment. In the opinion of the Board, Partha Dey has requisite qualification and experience and therefore, the ordinary resolution in respect of re-appointment of Partha Dey has been included in the Notice convening the Eleventh AGM of Infradebt vide item no. 3.

### APPOINTMENT AND RE-APPOINTMENT OF NON-EXECUTIVE, INDEPENDENT DIRECTORS

- The Members of the Company at the AGM held on September 17, 2018 approved the appointment of Arun Tiwari as a Non-Executive, Independent Director for a term of five years upto August 23, 2023.

Arun Tiwari has over 42 years of professional experience in banking and financial market operations. He holds a post-graduate degree in chemistry and a certificate in computer programming. He last served as a Non-Executive Chairman of IndusInd Bank from January 31, 2020 to January 30, 2023. He has also served as the Chairman and Managing Director of Union Bank of India, a premier Public Sector Bank from December 2013 to June 2017. He has also served as an Executive Director of Allahabad Bank. Prior to that, he has spent 33 years in diverse functions and roles at Bank of

Baroda and left Bank of Baroda as a General Manager (GM). Arun Tiwari as the Corporate GM (Wholesale Banking) at Bank of Baroda was responsible for the entire wholesale portfolio (including infrastructure) of the Bank. Accordingly, considering his deep and varied experience of over 42 years in the financial sector, the Board at its Meeting held on July 19, 2023 (based on the recommendation of the Board Governance, Remuneration and Nomination Committee) approved the re-appointment of Arun Tiwari as a Non-Executive, Independent Director for a further period of five years effective August 24, 2023 to August 23, 2028 subject to the approval of the Members. The resolution for re-appointment is proposed to the Members in the Notice of the Eleventh AGM vide item no. 4 and the explanatory statement includes the duration and terms of re-appointment. You are requested to consider the re-appointment of Arun Tiwari.

- The Members of the Company at the AGM to be held on August 21, 2023 shall consider the appointment of Lata Pillai as a Non-Executive, Independent Director for a term of five years upto July 18, 2028.

Lata Pillai has over 34 years of experience in the financial sector. Presently, she acts as a Head of the India Capital Markets team of JLL Limited. Prior to this, she was associated with Yes Bank Limited as Head of the Corporate Finance - Urban Infrastructure vertical (April 2019 to May 2021). From April 2018 to March 2019, she was associated with Edelweiss group as Head of the real estate financing business. She was also associated with Deutsche Bank AG as Head of the Commercial Real Estate group (January 2007 to March 2018). From August 1988 to December 2006, she was associated with ICICI Limited/ ICICI Bank Limited in the project financing team. Accordingly, considering her deep and varied experience of over 34 years in the financial sector, the Board at its Meeting held on July 19, 2023 (based on the recommendation of the Board Governance, Remuneration and Nomination Committee) approved the appointment of Lata Pillai (DIN: 02271155) as an Additional Director (Non-Executive, Independent) with immediate effect. Lata Pillai holds office upto the date of the forthcoming Annual General Meeting (AGM). The resolution for appointment of Lata Pillai as a Non-Executive Independent Director for a period of five years effective July 19, 2023 to July 18, 2028 is proposed to the Members in the Notice of the Eleventh AGM vide item no. 5 and the explanatory statement includes the duration and terms of appointment. You are requested to consider the appointment of Lata Pillai.

## Directors' Report

*continued*

### 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 advance 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 Personnels.

### 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 website of Infradebt at [https://www.infradebt.in/en/about\\_us\\_policies](https://www.infradebt.in/en/about_us_policies).

All the Directors and Senior Management have affirmed compliance with the Code for the year ended March 31, 2023.

### DECLARATION BY INDEPENDENT DIRECTORS

As at March 31, 2023, Lalita D. Gupte, Arun Tiwari and Vijay Maniar, Independent Directors on the Board of Infradebt have given declarations that they fulfilled the conditions specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an Independent Director and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective

independent judgment and without any external influence. All the Independent Directors have also given declarations that they are in compliance to Rule 6(1) & 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 pursuant to inclusion of name in Independent Directors Data bank. The declarations have been taken on record by the Board of Infradebt.

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

During the year, one Independent Director was appointed. Further, an Additional Director (Non-Executive, Independent) was also appointed on the Board of Infradebt after the end of the financial year effective July 19, 2023. The Board of Infradebt confirms and is of the opinion that the Independent Directors on the Board of Infradebt have adequate expertise & experience (including proficiency) to act as an Independent Director and hold the highest standards of integrity.

### 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 attended by them or Committee of the Board attended by them and commission on an annual basis to be paid to Independent Directors and other matters provided under Section 178(3) of the Companies Act, 2013. The Appointment and Remuneration Policy also covers matters as per RBI guidelines on "Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFC's" dated April 29, 2022, such as criteria of remuneration for the Senior Management, KMP and other employees (including components like Principles of Compensation, Principles for Variable Pay, Deferral of Variable Pay and provision of Malus/ Clawback). The Appointment and Remuneration Policy has been placed on the website of Infradebt at [https://www.infradebt.in/en/about\\_us\\_policies](https://www.infradebt.in/en/about_us_policies).

## Directors' Report

*continued*

### DETAILS OF THE MANAGERIAL REMUNERATION FOR THE YEAR ENDED MARCH 31, 2023:

#### a. Non-Executive Directors:

The details of sitting fees and commission paid to Independent Directors of the Company for FY2023 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	0.89
2.	Uday Chitale, <i>Independent Director</i> (Retired w.e.f. February 23, 2023)	0.90 <sup>1</sup>	0.66
3.	Arun Tiwari, <i>Independent Director</i>	1.0	0.74
4.	Vijay Maniar, <i>Independent Director</i> (Director w.e.f. January 23, 2023)	0.18 <sup>1</sup>	0.13

Note: 1. Annual commission paid on pro-rata basis i.e. for the period served as an Independent Director during FY2023.

#### b. Managing Director & CEO:

Pursuant to the authority granted by the Shareholders at the Annual General Meeting held on August 18, 2022, 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 FY2023 is as follows:

Sr. No.	Name of Executive Director	Gross Salary	Others Benefits, Perquisites and Allowances	Stock Options (numbers)
1.	Suvek Nambiar, <i>Managing Director &amp; CEO</i>	₹ 42.70 million	₹ 14.77 million	35,35,917 <sup>1</sup>

Note: 1. Represents number of stock options granted during FY2023.

## Directors' Report

*continued*

### 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, Chairperson of the Company and the Board Committees 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 (KMP) during the year under review. Post closure of the financial year, the Board at its Meeting held on April 19, 2023, designated Gaurav Tolwani, Company Secretary & Compliance Officer, as Company Secretary & Chief Compliance Officer in compliance to RBI Circular on Compliance Function and Role of Chief Compliance Officer (CCO) dated April 11, 2022. The KMP 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 & Chief Compliance Officer.

### CORPORATE GOVERNANCE

Infradebt is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by Reserve Bank of India, Securities and Exchange Board of India (SEBI)

and the Companies Act, 2013. The report on Corporate Governance of the Company is enclosed with this Directors' Report as Annexure - 2. The report on Corporate Governance is prepared in accordance with Section 134 of the Companies Act, 2013, Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, RBI Circular on Scale Based Regulation-Revised Regulatory Framework for NBFCs and relevant circulars issued by RBI.

### CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Companies Act, 2013 (the Act), the Company has constituted a Corporate Social Responsibility (CSR) Committee. The details of composition of the CSR Committee is provided in the report on Corporate Governance. The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy has been hosted on the website of Infradebt at [https://www.infradebt.in/en/about\\_us\\_policies](https://www.infradebt.in/en/about_us_policies). Pursuant to Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Composition of the CSR Committee, CSR Policy and CSR projects approved by the Board for FY2023 are disclosed on Infradebt's website at [https://infradebt.in/en/about\\_us\\_regulatory\\_disclosures](https://infradebt.in/en/about_us_regulatory_disclosures).

Infradebt lays significant emphasis on development of the communities around which it operates. Infradebt's CSR plan/programmes are designed based on the requirements of Schedule VII read with Section 135 of the Act. Over the past seven years, the Company has focused on CSR programmes (through projects undertaken by the CSR implementing agencies) relating to eradicating hunger, poverty and malnutrition, promoting health care and education. Infradebt follows a robust process including appraising and selecting technically sound NGOs.

As per the provisions of the Act, the Company is required to spend atleast 2% of the average net profits of the Company made during the three immediately preceding financial years towards CSR activities. This amount aggregated to ₹ 55.14 million and the Company has spent ₹ 55.14 million towards CSR activities during FY2023. The annual report on CSR activities for the financial year ended March 31, 2023, as per Rule 8 of the Companies

## Directors' Report

*continued*

(Corporate Social Responsibility Policy) Rules, 2014 is enclosed with this Directors' Report as Annexure - 3.

The details of CSR programmes with respect to the CSR funds disbursed to each CSR implementing agency/ government fund is as follows:

1. **Contribution of ₹ 10.0 million towards Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund):** To strengthen the efforts of the Government of India in dealing with any kind of emergency or distress situation, like posed by the COVID-19 pandemic.
2. **Mid-day Meal (MDM) for Children (by The Akshaya Patra Foundation) - CSR no. CSR00000286:** Through this programme The Akshaya Patra Foundation strives to eliminate classroom hunger by implementing the MDM Scheme in the government and government-aided schools in India. To support this initiative Infradebt disbursed ₹ 160,00,000 to The Akshaya Patra Foundation for MDM programme for Children in government and government-aided schools at Kuppam and Srikakulam in the State of Andhra Pradesh. The entire funds have been utilized towards the MDM feeding programme.
3. **Financial support for cancer treatment (by ImPaCCT Foundation) - CSR no. CSR00001287:** Through ImPaCCT Foundation, Infradebt had provided financial support to pediatric and young adult cancer patients taking treatment at Tata Memorial Hospital. With the support of Infradebt, ImPaCCT Foundation has fully utilized ₹ 1,96,40,000 towards providing financial support for cancer treatment to beneficiaries within the age group of four months to 18 years through its hospitals/ affiliated hospitals in Mumbai and Varanasi.
4. **Rashtriya Netra Yagna (by Vision Foundation of India) - CSR no. CSR00002065:** Rashtriya Netra Yagna is a Flagship programme of Vision Foundation of India (VFI), aims at treating needy people from all over India requiring eye surgery. To support this initiative Infradebt disbursed ₹ 95,00,000 to VFI, which was utilized for free cataract and other eye surgeries of the marginalized strata of the society through associate hospitals of VFI in the State of Gujarat, Maharashtra, Karnataka and Punjab.

In line with the requirement of Rule 4(5) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Chief

Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for the financial year ended March 31, 2023.

### 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, 2023. The said Certificate is enclosed with this Directors' Report as Annexure - 4.

### 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. Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023, an extension in timeline to comply or explain until March 31, 2024 and on a mandatory basis thereafter was granted. Infradebt has been submitting the quarterly compliance report on corporate governance to BSE Limited 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 enclosed with this Directors' Report as Annexure - 5.

### ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, and Regulation 62(1)(k) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Annual Return for FY2023 in Form MGT-7 is hosted on the website of Infradebt at [www.infradebt.in](http://www.infradebt.in).



## Directors' Report

*continued*

### 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 secured Non-Convertible Debentures (NCDs) aggregating to ₹ 42.40 billion during FY2023. As at end of FY2023, the total outstanding borrowings (including accrued interest) have reached ₹ 162.99 billion.

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

### CREDIT RATINGS

As at March 31, 2023, the secured Non-Convertible Debentures (NCDs) have been rated "AAA/Stable" by CRISIL Limited, ICRA Limited and India Ratings and Research Private Limited. As at March 31, 2023, the unsecured NCDs (in the form of subordinated debt) of Infradebt have been rated "AAA/Stable" by CRISIL Limited and ICRA Limited.

The ratings mentioned above were reaffirmed by the Rating Agencies during FY2023. 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 the "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 ESOP 2018.

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 - 6.

### 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 to act as Infrastructure Debt Fund - Non-Banking Financial Company. Infradebt has complied with the Regulations of the RBI as are applicable to it as a Non-Deposit Taking Non-Banking Financial Company – Middle layer. The details of compliance with the RBI guidelines are included in the report on Corporate Governance.

### 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 statutory auditors for audit of its accounts. As Infradebt had crossed the said threshold as at March 31, 2022, in compliance with RBI guidelines, Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules framed thereunder 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) (BKK) to continue for a further period of two years, for audit of Financial Statements of FY2023 and FY2024, to hold office from conclusion of the 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) (GDA) 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. Accordingly, the Members

## Directors' Report

*continued*

at the Tenth AGM held on August 18, 2022 approved the appointment of joint Statutory Auditors and authorised the Board to fix the remuneration payable to joint Statutory Auditors.

The proposed firms have indicated their willingness to continue as joint Statutory Auditors of the Company for FY2024 and provided the certificate that they continue to meet and satisfy the eligibility criteria (including independence) as required under the Act and RBI Guidelines. The Audit Committee at its Meeting held on April 19, 2023 evaluated the individual performance of BKK and GDA and found their performance as "Good". Further, the Board on the recommendation of Audit Committee noted the eligibility and confirmed to continue BKK and GDA as joint Statutory Auditors of Infradebt for FY2024.

### 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

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Alwyn Jay & Co., Company Secretaries were appointed to undertake the Secretarial Audit for FY2023. The Secretarial Audit Report is enclosed with this Directors' Report as Annexure - 7. 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 FY2023 for all applicable compliances as per SEBI Regulations, Circulars/Guidelines issued thereunder and Circulars/Notices issued by BSE Limited. The Annual Secretarial Compliance Report has been submitted to BSE Limited within 60 days of the end of the financial year and is available on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Infradebt at [www.infradebt.in](http://www.infradebt.in).

### INSTANCES OF FRAUD, IF ANY, REPORTED BY THE AUDITORS

During the year under review, in terms of the provisions

of Section 143(12) of the Companies Act, 2013, the joint 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 Section 186 of the Companies Act, 2013 (the Act) relating to the loans made, guarantee given, or securities provided are not applicable to Infradebt. Thus, provisions of Section 134(3)(g) of the Act 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, 2023

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 Chapter XII of

## Directors' Report

*continued*

SEBI Master circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 (updated as on July 7, 2023) and accordingly, has ensured that not less than 25% of its incremental borrowings during the financial 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.

### **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 36 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 viz. COVID-19 pandemic, Russia-Ukraine war, interest rate movements, inflation trends and to streamline the existing procedures. Key policies include; Credit and Recovery Policy, Internal Capital Adequacy Assessment Process (ICAAP) 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 and Expected Credit Loss Policy. The Board has also constituted following 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 the 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. In addition, the Internal Auditor undertakes risk based internal audit of the various functions of the Company and review these internal control systems annually. The audit observations and follow up actions thereon are reported to the Audit Committee and Board of Directors. In line with RBI Circular on Scale Based Regulation- Revised Regulatory Framework for NBFCs, Infradebt has adopted ICAAP Policy at its Board Meeting held on July 22, 2022. Accordingly, the first annual ICAAP exercise for the financial year FY2023 has been completed and approved at the Board Meeting held on April 19, 2023.

### **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 Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations). The Policy provides definition to terms like Material Related Party Transaction, Material modification and Arm's Length Transaction; a framework for proper approval; reporting and disclosure of transactions between Infradebt and its related parties. The Policy on Related Party Transactions has been hosted on the website of Infradebt at [https://www.infradebt.in/en/about\\_us\\_policies](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 Act and SEBI LODR Regulations. Pursuant to the provisions of Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of material contract or arrangements entered into by the Company with related parties referred to in Section 188(1) of the Act including certain arm's length transactions under fourth proviso thereto are disclosed in Form No. AOC-2 which is enclosed with this Directors' Report as Annexure - 8.

As per the Policy on Related Party Transactions read with Regulation 23 of SEBI LODR Regulations (applicable

## Directors' Report

*continued*

to Infradebt effective September 7, 2021 on 'comply or explain' basis until March 31, 2024 and on a mandatory basis thereafter), all material related party transactions and material modifications requires Shareholders approval. Accordingly, the resolution for seeking approval of the Members on material related party transactions to be entered for FY2024 and FY2025 is proposed to the Members in the Notice of the Eleventh AGM vide item nos. 7 and 8. You are requested to consider and approve the same.

### **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 Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable and hence not given.

During FY2023, Infradebt did not have any foreign exchange earnings and expenditure.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

There are no significant and material 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 Rule 8(5)(ix) 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 FY2023.

### **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH 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 FY2023 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 ALONGWITH THE REASONS THEREOF**

During FY2023, there was no instance of one time settlement with any Bank or Financial Institution.

### **PERSONNEL**

In terms of Section 197 of the Companies Act, 2013 (the Act) 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 Act, 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

## Directors' Report

*continued*

terms of Section 197(12) of the Act 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 - 9.

The Board of Directors affirms that the remuneration paid to the employees of the Company is as per the Policy for selection and appointment of directors & officials in the senior management, their remuneration and remuneration of other employees and is in accordance with the requirements of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI guidelines and none of the employees listed in the said Annexure are related to any Directors of the Company.

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

The Company has complied with the 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:

- a. number of complaints filed during the financial year: Nil
- b. number of complaints disposed of during the financial year: Nil
- c. number of complaints pending at the end of the financial year: Nil

### 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 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 audit is undertaken on periodic basis to independently validate the existing controls as per the assigned scope.

### 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 alongwith 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, 2023 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.

### ACKNOWLEDGEMENTS

Infradebt is grateful to the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Ministry of Finance, Ministry of Road Transport and

## Directors' Report

*continued*

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 27, 2023**  
**Place : Mumbai**

**Arun Tiwari**  
**Chairman**  
**(DIN: 05345547)**

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### Declaration regarding compliance with the Code of Business Conduct and 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, 2023.

**Date : July 27, 2023**  
**Place : Mumbai**

**Suvek Nambiar**  
**Managing Director & CEO**  
**(DIN: 06384380)**

## Annexure - 1

### MANAGEMENT DISCUSSION AND ANALYSIS

#### A) INDUSTRY STRUCTURE AND DEVELOPMENTS

India remained the fastest growing large economy in the world despite global headwinds in FY2023. During first quarter of FY2023, the economy grew by 13.2% on account of lower base effect. However, global supply chains were disrupted due to Ukraine war and Covid outbreak in China during first half of FY2023. This disturbed the momentum and economy grew by 6.3% and 4.4% during second and third quarter of FY2023 respectively. Overall, the economic growth for FY2023 is expected to be around 7% as per Government of India (GOI) estimates (6.9% as per World Bank estimates). Inflation remained elevated during the year, with some signs of easing in the last quarter of FY2023.

Infrastructure sector continues to be recognized as one of the key pillars for growth of Indian economy. In the Union Budget of FY2023-24, the GOI has increased capex outlay by 37.4% (from ₹ 7.28 trillion to ₹ 10.00 trillion in FY2024), which is likely to strongly augment infrastructure spend. Some of the other major highlights of budget includes viability gap funding for battery energy storage systems with capacity of 4,000 MWH, construction of 50 additional airports, heliports, water aerodromes for improving regional connectivity, establishment of urban infrastructure development fund through use of priority sector lending for creating urban infrastructure in tier 2 and tier 3 cities, 100 critical transport infrastructure projects with capital expenditure of ~₹ 750.00 billion identified for last and first mile connectivity (including ₹ 150.00 billion from private sector) and investment of ₹ 200.00 billion proposed for inter-state transmission system for evacuation and grid integration of 13 GW renewable energy projects. Further, data centers and energy storage systems have now been included in harmonized list of “Infrastructure” sub-sectors. These development augurs well for Infradebt’s long term business growth and diversification into new sectors such as data centers, logistics parks and urban infrastructure.

With sustained growth in renewable energy sector, Infradebt has continued its steady growth in financing operational renewable energy projects during FY2023, while taking selective exposure in other sectors such as airports, education and tourism infrastructure 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. Consistency in policies, strong payment track record of central agencies, introduction of Late Payment Surcharge (LPS) rules (which has streamlined payments from state discoms) 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 track record, the sector has seen sharp increase in competition among various domestic financing institutions and foreign banks to finance quality assets. In this competitive scenario, Infradebt has continued to provide financing solutions for renewable energy projects with co-obligor/pool structures for sharing of project cashflows, to enhance the credit profile of projects.

Infradebt has increased its asset book to ₹ 177.19 billion as on March 31, 2023, with financing extended to 131 projects/ companies, in aggregate, across renewable energy, roads and other infrastructure sectors. Alongwith the transportation sector, renewable energy sector (solar and wind) remains a focus sector for lending. As of March 31, 2023, Infradebt has ~68% of its asset book contributed through lending/ investing in debt facilities in the renewable energy projects; out of the balance 32%, ~17% is contributed by road projects and balance 15% is contributed by airports, telecommunications, tourism infrastructure, education and warehousing projects among others.

While the focus sectors of Infradebt have grown at healthy pace, the interest rate cycle has taken a turn beginning from FY2023. The Reserve Bank of India has increased repo rate by 250 bps during FY2023 and has also taken other measures to systematically withdraw excess liquidity amid rising inflation and benchmark rates increase in developing countries. While banks are yet to pass on full impact of this repo rate in their benchmark rates, interest rate transmission for infrastructure sector credit is expected to be dependent on competition. Further, large public sector institutions have not passed on increase in interest rates due to their ability to borrow funds at lower rates on account of government shareholding. Infradebt shall continue to endeavour to be agile and flexible in handling dynamic market conditions.

## Annexure - 1

*continued*

Infradebt shall continue to focus its business on the identified core sectors with large ticket size in selected financing transactions and look to diversify its asset portfolio to other sectors like data centre, healthcare, education, power transmission, logistics, city gas distribution, railways, water treatment projects, ports 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 ₹ 500.00 trillion in FY2024. Sectors like roads & highways, renewable energy, power transmission & distributions, logistics infrastructure, urban infrastructure and railways are expected to drive the investments in the coming years with private sector participation. The completion of these projects will provide a pipeline of financing opportunities for Infradebt.

Renewable energy has continued to be core focus sector for GOI. As on February 28, 2023 India's total grid-interactive generation capacity stood at ~412 GW out of which ~169 GW is contributed by renewable energy sources. 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. Solar energy is the largest renewable energy source as on date with an operational capacity of ~64 GW followed by wind energy with an operational capacity of 42 GW. Solar energy capacity has seen the largest capacity addition among the energy sources in the past year, despite supply chain challenges and increased module prices during FY2023. The extension in timelines for implementation of solar module procurement from manufacturers only from Approved List of Module Manufacturers (ALMM) till March 2024 is expected to accelerate the pace of solar capacity addition in FY2024. Though capacity addition in wind sector has slowed down in last 3-4 years, decision of Ministry of New and Renewable Energy (MNRE) to invite closed bids for 8 GW of wind

power capacity bids annually till FY2030 is expected to improve margins for wind power developers and increase wind capacity addition going forward.

There is increasing focus on wind-solar hybrid projects, Round the Clock (RTC) renewable energy projects and pumped hydro projects with pipeline of ~30 GW in these new segments.

This rapid increase in the renewable energy capacity aided by GOI's thrust on renewable energy will continue to add opportunities in the sector for Infradebt. 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 also being refinanced by other lenders even before one year of satisfactory commercial operation. Infradebt will continue to partner with banks, NBFCs, other IDFs and financial institutions/capital market participants to undertake financing/ take-out financing initiatives.

Improvement in road infrastructure has been one of the key focus areas for the Government of India (GOI). During FY2023, Ministry of Road Transport & Highways (MoRTH) constructed 5,337 km of national highways and awarded 6,318 km of national highways till December 2022. Further, in line with National Logistics Policy announced in September 2022, 27 greenfield expressways shall be developed across the country with an overall length of 9000+ kms. India's largest expressway, i.e. 1,386 km long Delhi-Mumbai Expressway is being developed and some sections such as Delhi – Dausa (Jaipur), Vadodara – Ankleshwar sections of the Expressway have been completed.

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



## Annexure - 1

*continued*

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.

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

### Threats –

Interest from corporates in financing structures such as InvITs, dollar and rupee bond structures especially in roads and renewable energy is expected to continue going forward and this may affect the pipeline of operational projects available for finance. Many MNC banks have also 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. While new financing institutions such as National Bank of Financing Infrastructure and Development (NaBFID) and Aseem Infrastructure Finance are expected to focus more on financing under-construction projects, they are active in financing operational projects also as they are in the initial phase of building asset book.

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 at competitive interest rates 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. Further, acquisition of renewable energy portfolios by reputed groups may put pressure on margins.

The key threats for the upcoming financial year would be supply chain issues 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. Considering interest rate cycle post Covid, many borrowers are hesitant to fix the interest rates for long tenors anticipating correction in interest rates going forward. Also, slowdown in project execution in various sectors due to disturbance of supply chain may impact timelines for commissioning of projects and thus delay the pipeline of projects for 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.

## C) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The asset book as at the end of FY2023 stood at ₹ 177.19 billion after adjusting for redemption/ repayment of facilities during the year. Out of this, ₹ 30.46 billion has been provided to 19 road projects under the PPP framework (backed by a tripartite agreement) and ₹ 146.73 billion has been provided to 112 projects under the non-PPP framework or PPP without tripartite agreement i.e., renewable energy and other sectors.

Issuances of senior secured Non-Convertible Debentures (NCDs) aggregating to ₹ 42.40 billion, alongwith scheduled repayment of ₹ 22.90 billion were done in FY2023. As at end of FY2023, the total outstanding borrowings (including accrued interest) have reached ₹ 162.99 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

## Annexure - 1

*continued*

projects for refinancing and discussions with the credit rating agencies, transportation and renewable energy remain the largest target sectors for Infradebt due to Infradebt's targeted investment in these 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 tripartite agreement provides a high degree of security but the requirement of a mandatory tripartite agreement limits the market opportunities for Infradebt/ IDF-NBFCs. Since the transportation sector had matured, the requirement of mandatory tripartite agreement may be re-assessed by the regulators. Infradebt has submitted its suggestion for making the tripartite agreement optional and regulatory consent is awaited for the same. 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, data centres, logistics, education, power transmission, power distribution, airports and telecommunications on a selective basis.

Infradebt proposes to continue raising long term 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 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 (NHA 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. During the year, Infradebt has initiated exposures in select new sectors including waste to energy, hotels and education institutions.

As per the latest risk report of the World Economic Forum, the top five risks the world is likely to face over the coming decade are all climate related viz. extreme weather, climate action failure, natural disasters, biodiversity loss and human-made environmental disasters. Climate 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. For the national highway road projects, approvals from the environment, forest department etc. are generally obtained prior to commencement of commercial operations.

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.

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

## Annexure - 1

*continued*

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.

In line with RBI circular on Scale Based Regulation-Revised Regulatory Framework for NBFCs, Infradebt has adopted Internal Capital Adequacy Assessment Processes (ICAAP) Policy at its Board Meeting held on July 22, 2022. Accordingly, the first annual ICAAP exercise for FY2023 has been completed and approved at its Board Meeting held on April 19, 2023.

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 wholesale 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 increases 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, atleast once a year.

### G) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, Infradebt made disbursements to 38 project companies (including those under co-obligor structures) in the infrastructure sector, aggregating to ₹ 56.79 billion. Infradebt raised funds through the issuance of NCDs aggregating to ₹ 42.40 billion. A wide range of investor class subscribed to these issuances viz. insurance companies, pension funds, banks, mutual funds, provident funds and corporates.

In FY2023, Infradebt has made profit after tax of ₹ 3,504.55 million as compared to ₹ 3,061.73 million in FY2022. For FY2023, the total income was ₹ 16,135.88 million against ₹ 14,434.45 million in FY2022.

### 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, 2023, there were 28 employees in the Company.

Date : July 27, 2023  
Place : Mumbai

Arun Tiwari  
Chairman  
(DIN: 05345547)

## Annexure - 2

# REPORT ON 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 continuous prevention measures for COVID-19 and to adhere to social distancing norms, the Tenth Annual General Meeting of the Company held during the financial year was through video conferencing. Further, the directors were given the option/ facility to attend the Board Meetings and Board Committee Meetings, through video conferencing.

### DETAILS OF BOARD OF DIRECTORS AND BOARD MEETINGS

During the year, 4 (four) Board Meetings were held on April 26, 2022, July 22, 2022, October 20, 2022 and January 23, 2023 (Session I and Session II). The details of attendance at Board Meetings, attendance at the last Annual General Meeting and details of other directorships and Board Committee Memberships held by them at March 31, 2023 are given below:

Name and DIN of the Director	Director since	Category	Board Meetings <sup>3</sup>		Whether attended last AGM	Number of directorships		Names of the other listed entity where a person is a director and category of directorship <sup>6</sup>		Number of other committee memberships <sup>7</sup>
			Held	Attended		of other Indian public limited companies <sup>4</sup>	of other companies <sup>5</sup>	Company	Category of directorship	
Lalita D. Gupte (DIN: 00043559)	April 22, 2015	Chairperson & Independent Director	4	4	Yes	4	1	Godrej Properties Limited ICICI Lombard General Insurance Company Limited TVS Motor Company Limited Bharat Forge Limited	Non-Executive Independent Director	4(0)
Uday Chitale (DIN: 00043268) (Retired w.e.f. February 23, 2023)	February 23, 2015	Independent Director	4	4	Yes	2	-	ICICI Bank Limited ICICI Lombard General Insurance Company Limited	Non-Executive Independent Director	3(1)
Arun Tiwari (DIN: 05345547)	August 24, 2018	Independent Director	4	4	Yes	3	1	-	-	1(0)
Vijay Maniar (DIN: 00750905) (appointed w.e.f. January 23, 2023)	January 23, 2023	Independent Director	1	1 <sup>3</sup>	N.A.	1	-	FDC Limited	Non-Executive Independent Director	1(0)
Partha Dey (DIN: 00242825)	September 8, 2020	Nominee Director (ICICI Bank Limited)	4	3	No	1	-	-	-	-

## Annexure - 2

*continued*

Name and DIN of the Director	Director since	Category	Board Meetings <sup>3</sup>		Whether attended last AGM	Number of directorships		Names of the other listed entity where a person is a director and category of directorship <sup>6</sup>		Number of other committee memberships <sup>7</sup>
			Held	Attended		of other Indian public limited companies <sup>4</sup>	of other companies <sup>5</sup>	Company	Category of directorship	
Debadatta Chand (DIN: 07899346) (appointed w.e.f. April 6, 2022)	April 6, 2022	Nominee Director (Bank of Baroda)	4	3	No	3	4	Bank of Baroda	Wholetime Director (Executive Director)	1(0)
								BOB Financial Solutions Limited	Nominee Director	
Nina Nagpal (DIN: 00138918)	April 1, 2021	Nominee Director (Citicorp Finance (India) Limited)	4	4	No	1	1	Citicorp Finance (India) Limited	Managing Director	2(0)
Suvek Nambiar (DIN: 06384380)	October 31, 2012	Managing Director & CEO	4	4	Yes	-	-	-	-	-

### Notes:

- None of the Directors are related to each other.
- None of the Directors hold equity shares or convertible instruments of the Company (except ESOPs as disclosed in Annexure - 6).
- The Board Meeting held on January 23, 2023, was conducted in two sessions. Vijay Maniar was eligible for /and attended the second session of Meeting.
- Includes Banks.
- Comprises private limited companies incorporated in India and foreign companies but excludes Section 8 companies and not for profit foreign companies.
- Includes Directorships held in Debt Listed Company.
- Memberships/Chairpersonships in Audit Committee and Stakeholder Relationship Committee of Indian public limited companies (including listed Public Sector Banks); number of Memberships includes Chairpersonships. Figures in parentheses indicate Committee Chairpersonships.

The number of Committee Membership (including Chairpersonship) 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.

## Annexure - 2

*continued*

### 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 Eight Board level Committees constituted by the Board are:

1. Audit Committee
2. Board Governance, Remuneration and Nomination Committee
3. Board Risk Management Committee
4. Board Credit Committee
5. Corporate Social Responsibility Committee
6. Information Technology Strategy Committee
7. Stakeholders Relationship Committee (constituted effective January 23, 2023); and
8. Committee of Directors

### 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 Act). The composition is in accordance with Section 177 of the Act, 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, April 23, 2021 and January 23, 2023. At March 31, 2023, the Audit Committee comprised of Vijay Maniar, Lalita D. Gupte and Partha Dey.

#### TERMS OF REFERENCE (AS AT MARCH 31, 2023):

##### 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 Section 134(3)(c) 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/ modified opinion(s) 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.

## Annexure - 2

*continued*

- 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.
  7. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- 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 financial 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.
  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 or 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.

## Annexure - 2

*continued*

2. To review functioning of the Whistle Blower mechanism, in case the same is existing.
3. To review, with the management, the quarterly statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the quarterly 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.
12. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.

### MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year, 4 (four) Meetings of the Audit Committee were held on April 26, 2022, July 22, 2022, October 20, 2022 and January 23, 2023. The attendance of its Members at its Meetings held during the year is given below:

Name of the Member & Designation	Member since	Nature of Directorship	Number of Meetings	
			Held	Attended
Uday Chitale, <i>Chairman (upto February 22, 2023)</i>	February 23, 2015	Independent Director	4	4
Lalita D. Gupte	April 22, 2015	Independent Director	4	4
Vijay Maniar <i>(Member w.e.f. January 23, 2023 and Chairman w.e.f. February 23, 2023)</i>	January 23, 2023	Independent Director	1	1
Partha Dey	September 8, 2020	Nominee Director	4	2

On completion of two terms as Independent Director on the Board of Infradebt, Uday Chitale ceased to be a Chairman of the Audit Committee effective February 23, 2023 and Vijay Maniar became a Member and Chairman of the Audit Committee effective January 23, 2023 and February 23, 2023, respectively.

### 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](https://www.infradebt.in/en/about_us_policies).



## Annexure - 2

*continued*

### **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 Act). The composition is in accordance with Section 178 of the Act, 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, April 23, 2021, January 23, 2023 and March 9, 2023. At March 31, 2023, the Board Governance Committee comprised of Vijay Maniar, Lalita D. Gupte, Arun Tiwari and Partha Dey as Members and Debadatta Chand and Nina Nagpal as permanent invitees.

#### **TERMS OF REFERENCE (AS AT MARCH 31, 2023):**

1. Board Composition and Succession related 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. For making these recommendations: (i) the Committee shall “Formulate the criteria for determining qualifications, positive attributes and independence of a director”, (ii) 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, & (iii) For every appointment of an independent director, evaluate the balance of skills, knowledge, time commitments of the candidates and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director;

- b) Directors liable to retire by rotation;
  - c) Appointment of Whole-Time Directors;
  - d) Identifying persons who are qualified to become directors and who may be appointed in senior management<sup>1</sup> in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
  - e) To ensure ‘fit and proper’ status of proposed/ existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management.
2. Evaluation related:
- a) Shall recommend the manner and criteria for effective evaluation of Independent Directors and the Board of Directors to the Board.
  - b) To evaluate performance of the Managing Director & Chief Executive Officer (MD & CEO) and other senior resources reporting to the MD & CEO.
  - c) To evaluate the performance of the Board and the individual members (including independent directors) on certain predetermined parameters.
  - d) Recommend to the Board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
3. To determine and recommend to the Board on the matters related to remuneration 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.
  - c) all remuneration, in whatever form, payable to senior management.

## Annexure - 2

*continued*

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|---|---|
| <p>d) to oversee the framing, review and implementation of compensation policy of the company.</p> <p>e) to work in close coordination with Board Risk Management Committee (BRMC) to achieve effective alignment between compensation and risks. To take feedback from BRMC, to ensure effective alignment between compensation and risks.</p> <p>f) to ensure that compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).</p> | <p>5. To frame guidelines for the Employee Stock Option Scheme and recommend granting of stock option to the staff of Infradebt.</p> <p>6. To formulate code of ethics and governance.</p> <p>7. To devise a Policy on diversity of Board of Directors.</p> |
|---|---|
4. To approve the policy for, and quantum of bonus payable to, the members of the staff.
- “Senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

### MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year, 3 (three) Meetings of the Board Governance Committee were held on April 26, 2022, July 22, 2022 and January 23, 2023. The attendance of its Members at its Meetings held during the year is given below:

Name of the Member & Designation	Member since	Nature of Directorship	Number of Meetings	
			Held	Attended
Uday Chitale, <i>Chairman (upto February 22, 2023)</i>	February 23, 2015	Independent Director	3	3
Lalita D. Gupte	April 22, 2015	Independent Director	3	3
Arun Tiwari	August 24, 2018	Independent Director	3	3
Vijay Maniar <i>(Member w.e.f. January 23, 2023 and Chairman w.e.f. February 23, 2023)</i>	January 23, 2023	Independent Director	-	-
Partha Dey	September 8, 2020	Nominee Director	3	2
Debadatta Chand <i>(Member w.e.f. April 6, 2022 upto March 8, 2023; Permanent Invitee w.e.f. March 9, 2023)</i>	April 6, 2022	Nominee Director	3	2
Nina Nagpal <i>(ceased to be a Member w.e.f. March 9, 2023; Permanent Invitee w.e.f. March 9, 2023)</i>	April 1, 2021	Nominee Director	3	3

On completion of two terms as Independent Director on the Board of Infradebt, Uday Chitale ceased to be a Chairman of the Board Governance Committee effective February 23, 2023 and Vijay Maniar became a Member and Chairman of the Board Governance Committee effective January 23, 2023 and February 23, 2023, respectively.

## Annexure - 2

*continued*

### 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 Infradebt at [https://www.infradebt.in/en/about\\_us\\_policies](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 fulfilment of Fit & Proper criteria prescribed by the Reserve Bank of India.

### CORE SKILLS/EXPERTISE/COMPETENCIES

The profile of the Directors (including the qualification) can be viewed on the website of Infradebt at [https://www.infradebt.in/en/about\\_us\\_leadership\\_team](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 directors of the Company are detailed as under:

Name of Director	Areas of Expertise
Lalita D. Gupte (retired effective April 22, 2023)	Corporate and Retail Banking, Strategy, Resources and International Banking.
Arun Tiwari	Credit, Credit Monitoring, Human Resources, Information Technology, Risk Management, Finance & Accounts, Vigilance, Branch Expansion & Support Services, MSME & Wealth Management, Wholesale Banking.

Name of Director	Areas of Expertise
Vijay Maniar	Accounting, Auditing and Consulting.
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 RISK MANAGEMENT COMMITTEE

#### COMPOSITION:

The Board of Directors of Infradebt constituted the Board Risk Management Committee on April 23, 2021 in accordance with the 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 (RBI Master Direction). The composition is in accordance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Master Direction. The Board Risk Management Committee was re-constituted by the Board of Directors on January 23, 2023. At March 31, 2023, Board Risk Management Committee comprised of Lalita D. Gupte, Vijay Maniar, Debadatta Chand, 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.

#### TERMS OF REFERENCE (AS AT MARCH 31, 2023):

1. Formulate the overall Risk Management Framework of the Company including risk appetite, risk culture and strategy.
2. Formulate and periodically review (atleast once in a year) various risk management policies, including but not limited to credit, market, liquidity, sustainability (ESG related risks), operational, outsourcing, information & cyber security risks, considering the evolving business complexities.

## Annexure - 2

*continued*

3. Ensure that appropriate methodology, processes and systems are in place to monitor, analyse and report various risks.
4. Review & guide on measures to mitigate various risks across functions of the Company.
5. Monitor breaches of risk limits and adequacy of corrective actions.
6. Formulate and review of business continuity plan.<sup>1</sup>
7. Recommend to the Board about appointment, removal and formulation of terms of remuneration of the Chief Risk Officer. <sup>1 & 2</sup>
8. Update Board of Directors about discussions, recommendations and actions taken (Minutes of the meeting shall be submitted at the next Board Meeting). <sup>1</sup>
9. To work in close coordination with Board Governance, Remuneration and Nomination Committee (BGRNC) to achieve effective alignment between compensation and risks. To provide feedback to BGRNC, to ensure effective alignment between compensation and risks.

<sup>1</sup>Inserted as per the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. May 05, 2021.

<sup>2</sup>In compliance with the RBI Circular “Risk Management System – Appointment of Chief Risk Officer (CRO) for NBFCs” dated May 16, 2019, appointment & removal of CRO shall be with the approval of the Board.

### MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year, 3 (three) Meetings of the Board Risk Management Committee were held on April 26, 2022, July 22, 2022 and January 23, 2023. The attendance of its Members at its Meetings held during the year is given below:

Name of the Member & Designation	Member since	Nature of Directorship	Number of Meetings	
			Held	Attended
Lalita D. Gupte, <i>Chairperson</i>	April 23, 2021	Independent Director	3	3
Uday Chitale (ceased to be Member w.e.f. February 23, 2023)	April 23, 2021	Independent Director	3	3
Vijay Maniar (Member w.e.f. January 23, 2023)	January 23, 2023	Independent Director	-	-
Debadatta Chand	April 6, 2022	Nominee Director	3	2
Suvek Nambiar	April 23, 2021	Managing Director & CEO	3	3
Akash Deep Jyoti, <i>Chief Risk Officer</i>	April 23, 2021		3	3
Surendra Maheshwari, <i>Chief Financial Officer</i>	April 23, 2021		3	3

On completion of two terms as Independent Director on the Board of Infradebt, Uday Chitale ceased to be a Member of the Board Risk Management Committee effective February 23, 2023 and Vijay Maniar became a Member of the Board Risk Management Committee effective January 23, 2023.

Pursuant to Reserve Bank of India (RBI) Circular on Risk Management System - Appointment of Chief Risk Officer (CRO) for NBFCs dated May 16, 2019, the Board of Infradebt at its Meeting held on April 26, 2022 had re-appointed Akash Deep Jyoti as CRO for another period of three years i.e. from July 17, 2022 upto July 16, 2025.

## Annexure - 2

*continued*

### BOARD CREDIT 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, 2023, the BCC comprised of Arun Tiwari, Lalita D. Gupte, Partha Dey, Debadatta Chand 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, 2023):

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, 6 (six) Meetings of the BCC were held on May 19, 2022, July 27, 2022, August 18, 2022, September 29, 2022, November 24, 2022 and February 27, 2023. The attendance of its Members at its Meetings held during the year is given below:

Name of the Member & Designation	Member since	Nature of Directorship	Number of Meetings	
			Held	Attended
Arun Tiwari, <i>Chairman</i>	August 24, 2018	Independent Director	6	6
Lalita D. Gupte	April 22, 2015	Independent Director	6	5
Partha Dey	September 8, 2020	Nominee Director	6	4
Debadatta Chand ( <i>Member w.e.f. April 6, 2022</i> )	April 6, 2022	Nominee Director	6	3
Suvek Nambiar	February 26, 2013	Managing Director & CEO	6	6
Permanent invitee: Chief Risk Officer	January 21, 2020		6	5

## Annexure - 2

*continued*

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### 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, April 23, 2021 and January 23, 2023. At March 31, 2023, CSR Committee comprised of Arun Tiwari, Vijay Maniar, Nina Nagpal and Suvek Nambiar.

#### TERMS OF REFERENCE (AS AT MARCH 31, 2023):

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.
  - 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 Rule 4(1) 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.

The Board may alter such plan at any time during the financial year, as per the recommendation of its Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

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 26, 2022. The attendance of its Members at its Meeting held during the year is given below:

Name of the Member & Designation	Member since	Nature of Directorship	Number of Meetings	
			Held	Attended
Arun Tiwari, <i>Chairman</i>	August 24, 2018	Independent Director	1	1
Uday Chitale ( <i>ceased to be Member w.e.f. February 23, 2023</i> )	February 23, 2015	Independent Director	1	1
Vijay Maniar ( <i>Member w.e.f. January 23, 2023</i> )	January 23, 2023	Independent Director	-	-
Nina Nagpal	April 1, 2021	Nominee Director	1	0
Suvek Nambiar	April 21, 2017	Managing Director & CEO	1	1

On completion of two terms as Independent Director on the Board of Infradebt, Uday Chitale ceased to be a Member of the CSR Committee effective February 23, 2023 and Vijay Maniar became a Member of the CSR Committee effective January 23, 2023.

## Annexure - 2

*continued*

### 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, 2023, 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.

#### TERMS OF REFERENCE (AS AT MARCH 31, 2023):

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 the 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.

## Annexure - 2

*continued*

### MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year, 2 (two) Meetings of the Information Technology Strategy Committee were held on April 26, 2022 and October 20, 2022. The attendance of its Members at its Meetings held during the year is given below:

Name of the Member & Designation	Member since	Nature of Directorship	Number of Meetings	
			Held	Attended
Arun Tiwari, <i>Chairman</i>	August 24, 2018	Independent Director	2	2
Suvek Nambiar	January 25, 2018	Managing Director & CEO	2	2
Akash Deep Jyoti, <i>Chief Risk Officer</i>	January 25, 2018		2	2
Ankur Sood, <i>In-charge of IT Operations</i>	January 25, 2018		2	2

### STAKEHOLDERS RELATIONSHIP COMMITTEE

#### COMPOSITION:

The Board of Directors of Infradebt constituted the Stakeholders Relationship Committee on January 23, 2023 in accordance with the provision of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. At March 31, 2023, Stakeholders Relationship Committee comprised of Arun Tiwari, Partha Dey and Suvek Nambiar in capacity of Managing Director & CEO.

#### TERMS OF REFERENCE (AS AT MARCH 31, 2023):

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

- Look into various aspects of interest of shareholders, debenture holders and other security holders.
- Oversee the statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.
- Authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- To specifically look into matters of payment of interest/redemption to the debenture holders.

#### MEETINGS AND ATTENDANCE DURING THE YEAR:

No Meeting of Stakeholders Relationship Committee was held during the year.



## Annexure - 2

*continued*

### 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.

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

#### TERMS OF REFERENCE (AS AT MARCH 31, 2023):

- To allot the securities excluding debentures to be issued by Infradebt from time to time after ensuring compliance of the provisions of applicable acts, rules and regulations.
- To approve obtaining of working capital facility by Infradebt from any of the Banks and the terms pertaining to the same after ensuring compliance of the provisions of applicable acts, rules and regulations.

- To approve the transfer of equity shares (in physical form) of Infradebt.

### 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 April 26, 2022 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

### OTHER COMMITTEES

In addition to the above, the Board has from time to time constituted various Executive Committees, namely, Debenture Allotment Committee (approving allotment of debentures issued by Infradebt), Information Technology Steering Committee (review of Information Technology 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
10 <sup>th</sup> Annual General Meeting	Thursday, August 18, 2022	11:00 a.m.	Meeting held through Video Conferencing (Deemed Venue: The Capital, 'B' Wing, 1101A, Bandra-Kurla Complex, Mumbai - 400 051)
9 <sup>th</sup> Annual General Meeting	Thursday, September 9, 2021	11:00 a.m.	Meeting held through Video Conferencing (Deemed Venue: The Capital, 'B' Wing, 1101A, Bandra-Kurla Complex, Mumbai - 400 051)
8 <sup>th</sup> Annual General Meeting	Thursday, September 24, 2020	12:00 noon	Meeting held through Video Conferencing (Deemed Venue: The Capital, 'B' Wing, 1101A, Bandra-Kurla Complex, Mumbai - 400 051)

## Annexure - 2

*continued*

- 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
10 <sup>th</sup> Annual General Meeting	Thursday, August 18, 2022	<ul style="list-style-type: none"> <li>Issue of additional Non-Convertible Debentures on private placement basis.</li> <li>Re-appointment of Suvek Nambiar (DIN: 06384380) as Managing Director &amp; CEO.</li> </ul>
9 <sup>th</sup> Annual General Meeting	Thursday, September 9, 2021	<ul style="list-style-type: none"> <li>Increase in Borrowing Powers.</li> <li>Creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.</li> <li>Issue of additional Non-Convertible Debentures on private placement basis.</li> <li>Adoption of the new set of Articles of Association under Companies Act, 2013.</li> </ul>
8 <sup>th</sup> Annual General Meeting	Thursday, September 24, 2020	<ul style="list-style-type: none"> <li>Issue of additional Non-Convertible Debentures on private placement basis.</li> <li>Approval of India Infradebt Limited - Employees Stock Option Plan 2020 (ESOP 2020/Scheme).</li> </ul>

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

During FY2023, no Extra-ordinary General Meeting of the Company was held.

- d. Whether special resolutions were put through postal ballot last year, details of voting pattern: Yes, a special resolution was put through postal ballot during FY2023.

Date of Notice	Date of Scrutinizer's report	Date of passing the resolution	Special resolution passed
February 21, 2023	March 27, 2023	March 25, 2023	Appointment of Vijay Maniar (DIN: 00750905) as a Non-Executive, Independent Director

Note: The voting pattern of special resolution put through postal ballot is provided at point no. f below.

- e. Person who conducted the postal ballot exercise:

Ms. Ashwini Inamdar (FCS 9409, CP No. 11226), Partner of M/s. Mehta & Mehta, Practicing Company Secretaries, was appointed as the Scrutinizer for conducting the Postal Ballot process, in a fair and transparent manner.

## Annexure - 2

*continued*

**f. Voting results of Special resolution passed through Postal Ballot Notice dated February 21, 2023:**

The scrutinizer submitted its report dated March 27, 2023. The results were declared on March 27, 2023 and communicated to the stock exchange and displayed on the Company's website at <https://www.infradebt.in>. The resolution was passed with requisite majority on March 25, 2023 (the last date for voting). The details of the voting pattern are given below:

Particulars	Number of Shareholders	Number of votes cast by them	Percentage of valid votes (%)
Votes in favour of the Resolution	4	86,78,71,197	100
Votes against the Resolution	-	-	-
Invalid Votes	-	-	-
<b>Total</b>	<b>4</b>	<b>86,78,71,197</b>	<b>100</b>

**g. Whether any special resolution is proposed to be conducted through postal ballot:**

No special resolution is proposed to be passed through postal ballot as on the date of the report.

**h. Procedure for postal ballot:**

In compliance with Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014, Postal ballot notice alongwith Postal Ballot Form is sent to those Members whose e-mail addresses are registered with the Company. Physical copy of the Notice along with Postal ballot form and postage prepaid self-addressed business reply envelope are also sent to Members. The Company also publishes notice in the newspapers for the information of the Members. Voting rights are reckoned on the equity shares held by the Members as on the Cut-Off date. Pursuant to the provisions of the Act, the Company appoints a scrutinizer for conducting the postal ballot process in a fair and transparent manner. The scrutinizer submits its consolidated report to the Chairperson, or any other person authorised by the Chairperson, and the voting results are announced by the Chairperson or any other person authorized by placing the same alongwith the scrutinizer's report on the Company's website, besides being communicated to the Stock Exchange(s). The resolution, if passed by requisite majority, is deemed to have been passed on the last date specified for voting.

## 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

Infradebt has a Board approved Compliance Policy to effectively monitor and supervise the compliance function, define responsibility of compliance function and framework for compliance programme in accordance with the statutory requirements. The Audit Committee reviews the performance of the compliance functions, the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary/considered appropriate.

## REGULATORY & STATUTORY COMPLIANCES

### MEANS OF COMMUNICATION

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

Quarterly, Half-yearly, Nine Monthly 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](http://www.bseindia.com) and published simultaneously in the leading English newspaper viz. Business Standard. Financial Results are also hosted on the Company's website and can be accessed at [www.infradebt.in](http://www.infradebt.in).

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*continued*

### 2. Website

The Company's website [www.infradebt.in](http://www.infradebt.in) contains a separate dedicated section 'Investors' and 'Regulatory Disclosures' where Shareholders/Debtenture 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](http://www.infradebt.in). The Annual Report is also being submitted to BSE Limited and can be accessed at [www.bseindia.com](http://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 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 Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U65923MH2012PLC237365.

### 2. Annual General Meeting:

Date : August 21, 2023

Day : Monday

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, 2022 to March 31, 2023

### 4. Dividend Payment Date: The final dividend, if approved, shall be paid/credited on or before September 19, 2023.

### 5. Record Date: Record date for the purpose of payment of Dividend is August 14, 2023.

### 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 - 400 001. 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. As on March 31, 2023, the Company has 45 active ISINs listed on Stock Exchanges.

### 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. Registrar & Transfer Agents:

#### For Equity:

3i Infotech Limited, Tower #5, 3<sup>rd</sup> 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.

## Annexure - 2

continued

### 13. Distribution of Shareholding as on March 31, 2023:

Range - Shares	No. of Shareholders		No. of Shares	
	Shareholders	% 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
<b>Total</b>	<b>7</b>	<b>100.00</b>	<b>86,78,71,200</b>	<b>100.00</b>

\*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, 2023, 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

### 19. Credit Ratings as on March 31, 2023:

Credit Rating Agency	Instruments	Ratings	Revisions if any	Revision Rationale
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	Secured Non-Convertible Debentures	AAA/Stable		

**17. Plant Locations:** Not applicable

### 18. Address for Correspondence:

Gaurav Tolwani,  
 Company Secretary & Chief Compliance Officer  
 India Infradebt Limited  
 The Capital, 'B' Wing, 1101A,  
 Bandra Kurla Complex,  
 Mumbai - 400 051  
 Tel: + 91 22 6819 6900/ + 91 22 4334 6900  
 Email: [investor@infradebt.in](mailto:investor@infradebt.in)

## OTHER DISCLOSURES

**1. 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.

**2. 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 had levied fines (4 nos.)

during FY2022 and FY2023. Infradebt had submitted its response to BSE Limited, stating 100% compliance. Considering the responses, BSE has withdrawn all the fines (4 nos.).

**3. 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 FY2023, no personnel was denied access to the Audit Committee. No whistle blower complaint was received during the year.

## Annexure - 2

*continued*

**4. 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 endeavour to comply with the requirements specified in Regulation 16 to Regulation 27 of SEBI LODR Regulations (applicable on 'comply or explain' basis until March 31, 2024 and on a mandatory basis thereafter).

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. Chairperson is allowed reimbursement of expenses incurred in performance of the 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 Infradebt at [www.infradebt.in](http://www.infradebt.in) and the results are also published in the newspaper namely 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 is not related to the Managing Director & CEO as per the definition of the term "relative" under the Companies Act, 2013.

- **Reporting of Internal Auditor:**

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

SEBI (Listing Obligations & Disclosure 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, 2024 and on a mandatory basis thereafter. The Company will ensure full compliance within regulatory prescribed timeline.

**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](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

## Annexure - 2

*continued*

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 continue as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is attached as Annexure – 10.

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 FY2023.
14. **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:** Not applicable.
15. **Particulars of senior management including the changes therein since the close of the previous financial year:**

There was no change in the senior management during the year under review. As on March 31, 2023, Infradebt's senior management (in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015) comprised of the following:

- Suvek Nambiar, Managing Director & CEO
- Akash Deep Jyoti, Chief Risk Officer
- Surendra Maheshwari, Chief Financial Officer
- Pankaj Chandak, Head – Assets
- Ankur Sood, Head – Human Resources (including Head of Internal Audit and In-charge Information Technology)
- Gaurav Tolwani, Company Secretary & Chief Compliance Officer.

## DETAILS OF COMPLIANCE WITH RBI DIRECTIONS/GUIDELINES

### Information Systems Audit

In terms of the Master Direction on Information Technology (IT) Framework for the NBFC Sector, NBFCs are required to have an Information Systems Audit at least once in a year. During FY2023, an Information Systems 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 of IT Governance, review of Information Security Policies and procedures, cyber security policy, physical and environmental controls review, logical access controls review, operating systems controls review, controls review of in-scope business processes or systems, review of IT asset inventory management, datacenter, back up controls review, Incident handling mechanism, Business Continuity Planning and Disaster Recovery, review of Policy and process for IT services outsourcing and review of user IS awareness. The audit for FY2023 revealed no major observations.

### Risk-Based Internal Audit

Reserve Bank of India *vide* its circular dated February 3, 2021, had 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, alongwith appropriate processes and plan for internal audit. The RBIA framework is commensurate with the nature of the business, size, scale and complexity of its operations.

At the beginning of each financial year, a RBIA Plan is rolled out after approval of the Audit Committee. The RBIA 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. The RBIA plan is developed based on the risk profile of business and activities of the organisation. Based on the reports of RBIA, process owners undertake corrective action in their respective areas.

## Annexure - 2

*continued*

A RBIA report containing the audit findings/ observations and process improvements is presented to the Audit Committee on half-yearly basis and an action taken report along with the current status to the observations of RBIA is presented to the Audit Committee Meeting on quarterly basis. The Audit Committee reviews the performance of the Internal Audit function on an annual basis.

### Disclosures as per RBI Scale Based Regulation

Disclosures pursuant to RBI circular on Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022 read with RBI Scale Based Regulation dated October 22, 2021, are provided below:

- **Composition of the Board and details of change in current & previous financial year:** The details as required in the above mentioned circular have been provided in the Directors' Report under the head "Directors" (refer Page no. 9 of the Directors' Report) and "Remuneration of Directors" (refer Page no. 11 of the Directors' Report) and in the Report on Corporate Governance under the head "Details of Board of Directors and Board Meetings" (refer Page no. 26). No Director held any shares or convertible instruments in the Company (except ESOPs as disclosed in Annexure - 6). The Directors of the Company are not related to each other.
- **Committees of the Board and their composition:** The details as required in the above mentioned circular have been provided in the Report on Corporate Governance under the head "Board Committees".
- **General Body Meetings:** The details as required in the above mentioned circular have been provided in the Report on Corporate Governance under the head "Details of General Body Meetings".
- **Details of non-compliance with requirements of Companies Act, 2013:** During the financial year ended March 31, 2023, there has been no non-compliance with respect to requirements of Companies Act, 2013 including with respect to compliance with accounting and secretarial standards.
- **Details of penalties and strictures:** During financial year ended March 31, 2023, no penalties or stricture was imposed on the Company by RBI or any other statutory authority.
- **Breach of covenant:** During the financial year ended March 31, 2023, there was no breach in covenants of debt securities issued and outstanding as at March 31, 2023 (March 31, 2022: Nil).
- **Divergence in Asset Classification and Provisioning:** During the financial year ended March 31, 2023 there is no divergence assessed by RBI in asset classification and provisioning for NPAs for the Company.

### Policies Adopted

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

### Other Disclosures

1. The Company has in place a functional website and the details required to be uploaded on the website as per RBI Master Directions have been duly uploaded.
2. The Company has put in place a policy on the fit and proper criteria including process of due diligence at the time of appointment/ renewal of appointment of the Directors. 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.
3. Necessary information and declaration/ undertaking from the proposed/ existing directors have been obtained, which have also been scrutinized by the Board Governance, Remuneration and Nomination Committee and were also placed before the Board.
4. The Company has obtained Deed of Covenants and other relevant disclosures signed by the Directors, in the format specified under RBI Master Directions.
5. Pursuant to Reserve Bank of India (RBI) circular on Risk Management System - Appointment of Chief Risk Officer (CRO) for NBFCs dated May 16, 2019, the Board of Infradebt at its Meeting held on April 26, 2022 had re-appointed Akash Deep Jyoti as CRO for another period of three years i.e. from July 17, 2022 upto July 16, 2025. As CRO, he is responsible for the overall risk management for the company. This primarily includes the management of credit risk, liquidity risk, interest rate risk, asset-liability risk and operational risk.



## Annexure - 2

*continued*

6. Pursuant to Reserve Bank of India (RBI) circular on Risk-Based Internal Audit (RBIA) dated February 3, 2021, the Board of Infradebt at its Meeting held on March 24, 2022 appointed Mr. Ankur Sood as the Head of Internal Audit (HIA) for a period of three years i.e. upto March 23, 2025. As HIA, he is responsible for internal audit function.
7. Pursuant to Reserve Bank of India (RBI) circular on Compliance Function and Role of Chief Compliance Officer (CCO) dated April 11, 2022, Board of Infradebt at its Meeting held on April 19, 2023, appointed Gaurav Tolwani as CCO from April 19, 2023 to April 18, 2026. As CCO, he is responsible to function independently so as to ensure highest standards of compliance.
8. Pursuant to RBI guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) for Banks and NBFCs (including HFCs) dated April 27, 2021, Infradebt being a Company with an asset size of ₹ 15,000 crores and above, the Members of Infradebt has appointed M/s. B. K. Khare & Co., Chartered Accountants (for a period of two years) and M/s G. D. Apte & Co., Chartered Accountants (for a period of three years) as joint statutory auditors.
9. The Company is in compliance with the requirements arising out of the Master Direction on Information Technology Framework for the NBFC Sector issued by RBI (RBI Master Direction on IT) and has constituted an IT Strategy Committee. The Company has adopted an Information Security and Technology Policy. As per the requirements of RBI Master Direction on IT, an annual Information systems audit and a comprehensive risk assessment of IT systems was conducted by an Independent Auditor.
10. Relevant disclosures as applicable under the RBI Master Directions have been made in the Annual Financial Statements for the financial year ended March 31, 2023.

## Annexure - 3

### 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. The CSR Policy of the Company is in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013.

#### 2. The Composition of CSR Committee:

As on March 31, 2023, 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, 2023 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 upto February 22, 2023)	Member, Independent Director	1	1
3.	Vijay Maniar (Member w.e.f. January 23, 2023)	Member, Independent Director	-	-
4.	Nina Nagpal	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 FY2023 are disclosed on the Infradebt's website.

Web-link for Composition of CSR Committee: [https://infradebt.in/en/about\\_us\\_board\\_committees](https://infradebt.in/en/about_us_board_committees)

Web-link for CSR Policy: [https://infradebt.in/en/about\\_us\\_policies](https://infradebt.in/en/about_us_policies)

Web-link of CSR Projects: <https://infradebt.in/content/dam/infradebt/Disclosure-on-Corporate-Social-Responsibility-for-FY2023.pdf>

#### 4. Provide the executive summary alongwith web-link(s) of Impact Assessment of CSR projects carried out in pursuance of Rule 8(3) 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. FY2020, FY2021 and FY2022) is less than ₹ 10 crores i.e. ₹ 3,59,79,982.

## Annexure - 3

continued

### 5. (a) Average net profit of the company as per section 135(5):

The average net profit of the Company for the last three financial years (i.e. FY2020, FY2021 and FY2022) calculated as specified by the Companies Act, 2013 is ₹ 275,69,34,553.

(b) Two percent of average net profit of the company as per Section 135(5): ₹ 5,51,38,692

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year (b+c-d): ₹ 5,51,38,692

### 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 5,51,40,000

(b) Amount spent in Administrative Overheads: Nil

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

(d) Total amount spent for the Financial Year (a+b+c): ₹ 5,51,40,000

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5,51,40,000	Nil		Nil		

(f) 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).	5,51,38,692
(ii)	Total amount spent for the Financial Year.	5,51,40,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,308
(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)]	1,308

### 7. 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 ₹)	Balance Amount in Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY2020	Nil	Nil	Nil	Nil		Nil	NA
2	FY2021	Nil	Nil	Nil	Nil		Nil	NA
3	FY2022	Nil	Nil	Nil	Nil		Nil	NA
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>		<b>Nil</b>	<b>NA</b>

## Annexure - 3

*continued*

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

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

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

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

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

### 9. Specify the reason(s), if the company has failed to spend two 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

**Suvek Nambiar**  
 Managing Director & CEO

Date: July 27, 2023

## Annexure - 4

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, 2023 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

**Surendra Maheshwari**  
Chief Financial Officer

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

## Annexure - 5

### 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 **31<sup>st</sup> March, 2023**, as prescribed in Regulations 17 to 27, clauses (a) to (i) of sub-regulation (1A) of regulation 62 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.

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

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

**ALWYN JAY & Co.**  
Company Secretaries  
**[Alwyn D’Souza, FCS.5559]**  
(Partner)  
[Certificate of Practice No.5137]  
[UDIN: F005559E000147580]

## Annexure - 6

### 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, 2023:

Sr. No.	Particulars	Under ESOP 2018	Under ESOP 2020
1.	Number of options granted	2,31,11,111	1,10,18,805
2.	Number of options vested	1,77,99,624	11,34,866
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	1,10,18,805

#### 10. Employee wise details of options granted to:

##### i. Details of options granted to Key Managerial Personnel:-

Sr. No.	Name of Key Managerial Personnel	Designation	ESOP 2020	
			Options granted during the year ended March 31, 2023	Options Exercised during the year ended March 31, 2023
1	Suvek Nambiar	Managing Director & CEO	35,35,917	NIL
2	Surendra Maheshwari	Chief Financial Officer	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 27, 2023

Place : Mumbai

Arun Tiwari  
 Chairman  
 (DIN: 05345547)

## Annexure - 7

**FORM NO. MR.3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

[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 **31<sup>st</sup> March, 2023** 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 **31<sup>st</sup> March, 2023**, 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**;



## Annexure - 7

*continued*

- 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 (Debenture Trustee) Regulations, 1993 – **to the extent applicable to listed Non-convertible Debentures;**
  - i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - j) 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.**

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 including shorter 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.

## Annexure - 7

*continued*

**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 Board of Directors of the Company at its Meeting held on 22<sup>nd</sup> July, 2022 for:
  - (a) Issue of Non-Convertible Debentures (including Fixed Coupon Bonds, Floating Coupon Bonds, Zero Coupon Bonds and Market Linked Debentures) for cash aggregating to ₹ 150.00 billion across one or more tranches on private placement basis under Section 42 of the Companies Act, 2013.
  - (b) Borrowing money by Issuing Commercial Paper for a sum not exceeding ₹ 10.00 billion such that the total short-term borrowing does not exceed 10% of the total outstanding borrowing of the Company at any point of time.
2. The Company has obtained approval of the Shareholders of the Company at the Annual General Meeting of the Company held on 18<sup>th</sup> August, 2022 for Issue of Non-Convertible Debentures (including Fixed Coupon Bonds, Floating Coupon Bonds, Zero Coupon Bonds and Market Linked Debentures) for cash not exceeding to ₹ 150.00 billion across one or more tranches on private placement basis under Section 42 of the Companies Act, 2013.
3. During FY2023, the Company issued and allotted 42,400 Secured Listed Fully Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000 each for cash at par, on private placement basis, aggregating to ₹ 42.40 billion in tranches (on 28<sup>th</sup> June, 2022, 29<sup>th</sup> August, 2022, 31<sup>st</sup> October, 2022 and 22<sup>nd</sup> December, 2022).

Place : Mumbai  
Date : April 19, 2023  
Office Address :  
Annex-103, Dimple Arcade,  
Asha Nagar, Kandivali (East),  
Mumbai 400101.

**ALWYN JAY & Co.**  
Company Secretaries  
**[Alwyn D'Souza, FCS.5559]**  
(Partner)  
[Certificate of Practice No.5137]  
[UDIN: F005559E000147536]

**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.

Place : Mumbai  
Date : April 19, 2023  
Office Address :  
Annex-103, Dimple Arcade,  
Asha Nagar, Kandivali (East),  
Mumbai 400101.

**ALWYN JAY & Co.**  
Company Secretaries  
[Alwyn D'Souza, FCS.5559]  
(Partner)  
[Certificate of Practice No.5137]  
[UDIN: F005559E000147536]

**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 - 8

### FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 (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 Section 188(1) of the Act 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	Non-convertible Debentures (NCDs) issued in line with prevailing market rates to Bank of Baroda.	-	Subscribed to NCD issue: 2,000 NCDs of the face value of ₹ 1.0 million each for cash at par aggregating to ₹ 2,000.00 million.	July 22, 2022 (Please refer Note no. 2)	N.A.
2.	ICICI Bank Limited, Investing Company	Purchase of Term Loan	-	Purchase of loan asset from ICICI Bank Limited amounting to ₹ 2,002.65 million (Client: Summit Digital Infrastructure Private Limited).	July 22, 2022 (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 ₹ 5,017.06 million (Client: GMR Hyderabad International Airport Limited).	July 22, 2022 (Please refer Note no. 2)	N.A.
4.	ICICI Securities Primary Dealership Limited, Investing Company	NCDs issued in line with prevailing market rates to ICICI Securities Primary Dealership Limited.	-	Subscribed to multiple NCDs issue: 1,850 NCDs of the face value of ₹ 1.0 million each for cash at par aggregating to ₹ 1,850.00 million.	July 22, 2022 (Please refer Note no. 2)	N.A.

**Note:**

1. Above table only includes those transactions which were undertaken during the financial year ended March 31, 2023.
2. 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 under the Act. However, necessary approvals were granted by the Audit Committee, Board of Directors and Shareholders for material related party transactions pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Date : July 27, 2023  
Place : Mumbai

Arun Tiwari  
Chairman  
(DIN: 05345547)

## Annexure - 9

### 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 - 13.14:1
- 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 6%, 10% and 20% respectively.
- 3. The percentage increase in the median remuneration of employees in the financial year:**  
There is no increase in the median remuneration of the employees in the financial year.
- 4. The number of permanent employees on the rolls of the company:**  
The number of permanent employees was 28 on March 31, 2023.
- 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 12.8%, while the average increase in the remuneration of the Key Managerial Personnel is 7.6%.
- 6. Affirmation that the remuneration is as per the remuneration policy of the Company:**  
Yes, it is confirmed.

Date : July 27, 2023  
Place : Mumbai

Arun Tiwari  
Chairman  
(DIN: 05345547)

## Annexure - 10

### 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 - 400 051 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](http://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 31<sup>st</sup> March, 2023 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.	Arun Tiwari	05345547	Independent Director	24/08/2018
3.	Vijay Maniar	00750905	Independent Director	23/01/2023
4.	Partha Dey	00242825	Nominee Director	08/09/2020
5.	Debadatta Chand	07899346	Nominee Director	06/04/2022
6.	Nina Nagpal	00138918	Nominee Director	01/04/2021
7.	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: F005559E000147571]

Place: Mumbai  
 Date: April 19, 2023

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, 2023, 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, 2023, 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
<p><b>Impairment of financial instruments (expected credit losses) (as described in Note 2X of the Financial Statements)</b></p> <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>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.</li> <li>• 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.</li> </ul>

# INDEPENDENT AUDITORS' REPORT *continued...*

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>b) Determining effect of less frequent past events on future probability of default.</p>	<ul style="list-style-type: none"> <li>• Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> <li>• 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.</li> <li>• Read and assessed the specific disclosures made in the Ind AS financial statements with regards to managements 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.</li> </ul>

## 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 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.

Those 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



## INDEPENDENT AUDITORS' REPORT *continued...*

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 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, 2022 and notes thereto which are approved by the Board of Directors and have been audited by B. K. Khare & Co., Chartered Accountants ('one of the joint auditors') vide their unmodified report dated April 26, 2022.

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

## INDEPENDENT AUDITORS' REPORT *continued...*

### 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, 2023 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.
    - (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

## INDEPENDENT AUDITORS' REPORT *continued...*

- 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.
- (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

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

**Aniruddha Joshi**  
Partner  
Membership No: 040852  
UDIN: 23040852BGUQZJ3108  
Mumbai  
Date: April 19, 2023

For **G. D. Apte & Co.**  
Chartered Accountants  
Firm Registration No: 100515W

**Chetan Sapre**  
Partner  
Membership No: 116952  
UDIN: 23116952BGTHUO4219  
Mumbai  
Date: April 19, 2023

# 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, 2023 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.

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT *continued...*

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

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

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

**Aniruddha Joshi**  
Partner  
Membership No: 040852  
UDIN: 23040852BGUQZJ3108  
Mumbai  
Date: April 19, 2023

### **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, 2023, 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 **G. D. Apte & Co.**  
Chartered Accountants  
Firm Registration No: 100515W

**Chetan Sapre**  
Partner  
Membership No: 116952  
UDIN: 23116952BGTHUO4219  
Mumbai  
Date: April 19, 2023

## 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) The Company has a regular programme of physical verification of its property, plant and equipment during the year by which the property, plant and equipment are verified by the management according to a programme. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. 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 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) According to the information and explanations given to us, 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

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT *continued...*

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 / 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	
MGST / CGST Act 2017	Receipts and transactions on which tax liability arises on various grounds	7.88	FY 2017-18	Commissioner of Appeals#

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

# As represented by the management, the Company is in the process of filing an appeal with Commissioner of Appeals

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

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT *continued...*

- 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 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 subsection (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



## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT *continued...*

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) 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.

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

**Aniruddha Joshi**  
 Partner  
 Membership No: 040852  
 UDIN: 23040852BGUQZJ3108  
 Mumbai  
 Date: April 19, 2023

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 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 **G. D. Apte & Co.**  
 Chartered Accountants  
 Firm Registration No: 100515W

**Chetan Sapre**  
 Partner  
 Membership No: 116952  
 UDIN: 23116952BGTHUO4219  
 Mumbai  
 Date: April 19, 2023

# Balance sheet

as at March 31, 2023

(₹ in million)

Particulars	Note No.	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
<b>ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and cash equivalents	2A	12,145.03	19,142.16
(b) Loans	2B	174,863.84	145,223.17
(c) Other financial assets	2C	14.66	13.30
<b>2. Non-financial assets</b>			
(a) Property, plant and equipment	2D	19.07	34.69
(b) Intangible assets	2E	0.69	0.78
(c) Other non-financial assets	2F	3,376.72	2,360.42
<b>Total assets</b>		<b>190,420.01</b>	<b>166,774.52</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1. Financial liabilities</b>			
(a) Debt securities	2G	157,330.71	135,454.41
(b) Subordinated liabilities	2H	5,659.53	7,261.14
(c) Other financial liabilities	2J	133.32	87.84
<b>2. Non-financial liabilities</b>			
(a) Provisions	2K	107.36	93.71
(b) Other non-financial liabilities	2L	16.47	21.14
<b>Total liabilities</b>		<b>163,247.39</b>	<b>142,918.24</b>
<b>Equity</b>			
(a) Equity share capital	2M	8,678.71	8,678.71
(b) Other equity	2N	18,493.91	15,177.57
<b>Total equity</b>		<b>27,172.62</b>	<b>23,856.28</b>
<b>Total liabilities and equity</b>		<b>190,420.01</b>	<b>166,774.52</b>

Significant accounting policies and notes on accounts 1&amp;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

 per **Aniruddha Joshi**

Partner

Membership No. 040852

**Lalita D. Gupte**

Chairperson

DIN: 00043559

**Suvek Nambiar**

Managing Director &amp; CEO

DIN: 06384380

 For **G. D. Apte & Co.**

ICAI Firm registration number: 100515W

Chartered Accountants

 per **Chetan Sapre**

Partner

Membership No. 116952

**Surendra Maheshwari**

Chief Financial Officer

**Gaurav Tolwani**

Company Secretary

**Place :** Mumbai

**Date :** April 19, 2023

# Statement of Profit & Loss

for the year ended March 31, 2023

(₹ in million)

Particulars	Note No.	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Revenue from operations</b>			
(i) Interest income	20	15,545.95	13,886.34
(ii) Fees income		108.17	258.26
(iii) Net gain on fair value changes	2P	277.67	289.07
<b>(I) Total revenue from operations</b>		<b>15,931.79</b>	<b>14,433.67</b>
<b>Other income</b>			
(i) Other income	2Q	204.09	0.78
<b>(II) Total other income</b>		<b>204.09</b>	<b>0.78</b>
<b>(III) Total Income (I+II)</b>		<b>16,135.88</b>	<b>14,434.45</b>
<b>Expenses</b>			
(i) Finance costs	2R	11,796.95	10,479.77
(ii) Impairment on financial instruments	2S	440.31	537.74
(iii) Employee benefit expenses	2T	264.12	231.52
(iv) Depreciation, amortization and impairment	2D & 2E	26.36	25.28
(v) Other expenses	2U	103.59	98.41
<b>(IV) Total expenses</b>		<b>12,631.33</b>	<b>11,372.72</b>
<b>(V) Profit / (loss) before tax (V)=(III-IV)</b>		<b>3,504.55</b>	<b>3,061.73</b>
<b>(VI) Tax expense</b>		-	-
<b>(VII) Profit / (loss) for the year (VII)=(V-VI)</b>		<b>3,504.55</b>	<b>3,061.73</b>
<b>(VIII) Other comprehensive income</b>			
(i) Items that will not be reclassified to profit and loss			
(a) Remeasurement profit/loss on defined benefit plan		(0.01)	3.25
		(0.01)	3.25
(ii) Income tax effect		-	-
<b>Other comprehensive income for the year (VIII)=(i-ii)</b>		<b>(0.01)</b>	<b>3.25</b>
<b>(IX) Total comprehensive income for the year (net of taxes) (IX)=(VII+VIII)</b>		<b>3,504.54</b>	<b>3,064.98</b>
<b>(X) Earnings per equity share in ₹</b>			
Basic and diluted earnings per share of ₹10/-face value	2V	4.04	3.53

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

ICAI Firm registration number: 105102W

Chartered Accountants

per **Aniruddha Joshi**

Partner

Membership No. 040852

For **G. D. Apte & Co.**

ICAI Firm registration number: 100515W

Chartered Accountants

per **Chetan Sapre**

Partner

Membership No. 116952

Place : Mumbai

Date : April 19, 2023

For and on behalf of the Board of Directors

**Lalita D. Gupte**

Chairperson

DIN: 00043559

**Suvek Nambiar**

Managing Director & CEO

DIN: 06384380

**Surendra Maheshwari**

Chief Financial Officer

**Gaurav Tolwani**

Company Secretary

# Statement of changes in equity

as at March 31, 2023

(A) Equity share capital	Note No.	Amount
Balance as at March 31, 2021		8,678.71
Changes in equity share capital during the year		-
Balance as at March 31, 2022	2M	8,678.71
Changes in equity share capital during the year		-
Balance as at March 31, 2023		8,678.71

(₹ in million)

	Reserves and surplus				Retained earning	Total
	Securities premium	Statutory reserve u/s 45-IC of RBI Act, 1934	Shares option outstanding account (ESOP reserve)	-		
<b>(B) Other equity</b>	(₹ in million)					
As at March 31, 2021	3,717.02	1,923.31	93.19	6,579.86	12,313.38	
Profit/(Loss) for the year	-	-	-	3,061.73	3,061.73	
Remeasurement of defined benefit plan	-	-	-	3.25	3.25	
<b>Total comprehensive income for the year</b>	-	-	-	<b>3,064.98</b>	<b>3,064.98</b>	
Dividend paid on equity shares (Dividend for 2021 : ₹ 0.29 per share)	-	-	-	(251.68)	(251.68)	
ESOP reserve	-	-	50.89	-	50.89	
Transfer from retained earnings	-	612.35	-	(612.35)	-	
As at March 31, 2022	3,717.02	2,535.66	144.08	8,780.81	15,177.57	
Profit/(Loss) for the year	-	-	-	3,504.55	3,504.55	
Remeasurement of defined benefit plan	-	-	-	(0.01)	(0.01)	
<b>Total comprehensive income for the year</b>	-	-	-	<b>3,504.54</b>	<b>3,504.54</b>	
Dividend paid on equity shares (Dividend for 2022: ₹ 0.29 per share)	-	-	-	(251.68)	(251.68)	
ESOP reserve	-	-	63.48	-	63.48	
Transfer from retained earnings	-	700.91	-	(700.91)	-	
As at March 31, 2023	3,717.02	3,236.57	207.56	11,332.76	18,493.91	

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

**For G. D. Apte & Co.**  
 ICAI Firm registration number: 100515W  
 Chartered Accountants  
 per **Chetan Sapre**  
 Partner  
 Membership No. 116952

For and on behalf of the Board of Directors

**Lalita D. Gupte**  
 Chairperson  
 DIN: 00043559  
**Surendra Maheshwari**  
 Chief Financial Officer

**Suvek Nambiar**  
 Managing Director & CEO  
 DIN: 06384380  
**Gaurav Tolwani**  
 Company Secretary

# Cash Flow Statement

for the year ended March 31, 2023

(₹ in million)

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Cash flow from operating activities</b>		
Profit before Tax	3,504.55	3,061.73
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Interest on fixed deposit	(283.91)	(91.14)
Income on redemption of liquid/overnight mutual funds	(277.67)	(289.07)
Interest income on T-Bills	(170.01)	(147.38)
Net (gain)/ loss on sale of property, plant and equipment	(0.01)	-
Impairment of financial assets	440.31	537.74
Unwinding of discount on security deposit	0.85	0.78
Remeasurement gain/(loss) on defined benefit plans	(0.01)	3.25
Shares option outstanding account	63.48	50.89
Depreciation on fixed assets charged during the year	26.36	25.28
Interest on income tax refund	(145.37)	-
<b>Operating profit before working capital changes</b>	<b>3,158.56</b>	<b>3,152.07</b>
Movements in working capital:		
(Decrease)/ Increase in other financial liabilities	67.08	(26.08)
(Decrease)/ Increase in other non-financial liabilities	8.98	(16.73)
Decrease/ (Increase) in Loans	(30,080.98)	(19,010.17)
Decrease/ (Increase) in other financial asset	(2.21)	(2.10)
Decrease/ (Increase) in other non-financial asset	(0.25)	5.83
Cash generated from / (used in) operations	(26,848.82)	(15,897.15)
Direct taxes paid (net of refunds)	(870.68)	(647.33)
<b>Net Cash flow from/ (used in) operating activities (A)</b>	<b>(27,719.50)</b>	<b>(16,544.48)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(10.65)	(1.04)
Sale of property, plant and equipment	0.01	-
Interest received on fixed deposit	283.91	91.14
Income on redemption of liquid/ overnight mutual funds	277.67	289.07
Interest income on T-Bills	170.01	147.38
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>720.96</b>	<b>526.55</b>
<b>Cash flow from financing activities</b>		
Lease payment	(21.60)	(19.64)
Proceeds from issuance of debt securities (Net)	43,174.69	34,005.84

# Cash Flow Statement

for the year ended March 31, 2023

(₹ in million)

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
Repayment of debt securities	(22,900.00)	(15,250.00)
Dividend paid on equity share	(251.68)	(251.68)
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>20,001.41</b>	<b>18,484.52</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(6,997.13)</b>	<b>2,466.59</b>
Cash and cash equivalents at the beginning of the year	19,142.16	16,675.57
<b>Cash and cash equivalents at the end of the year</b>	<b>12,145.03</b>	<b>19,142.16</b>
<b>Components of cash and cash equivalents</b>		
With banks- on current account	111.73	1,763.97
- on deposit account	10,548.53	12,953.21
- Investment in Treasury Bills - Short Term	1,484.77	4,424.98
<b>Total cash and cash equivalents (note. no. 2A)</b>	<b>12,145.03</b>	<b>19,142.16</b>
<b>Foot notes:</b>		
1. Cash and bank balances reconciliation		
Cash and bank balance as at end of the year	12,145.03	19,142.16
Less: fixed deposits for a period greater than 3 months	-	-
<b>Cash and cash equivalents as at end of the year</b>	<b>12,145.03</b>	<b>19,142.16</b>

**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 1&amp;2)

The accompanying notes are an integral part of the financial statements

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

**For G. D. Apte & Co.**

ICAI Firm registration number: 100515W

Chartered Accountants

 per **Chetan Sapre**

Partner

Membership No. 116952

**Place :** Mumbai

**Date :** April 19, 2023

For and on behalf of the Board of Directors

**Lalita D. Gupte**

Chairperson

DIN: 00043559

**Suvek Nambiar**

Managing Director &amp; CEO

DIN: 06384380

**Surendra Maheshwari**

Chief Financial Officer

**Gaurav Tolwani**

Company Secretary

# Significant Accounting Policies and Notes to Accounts

## 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 re-finance/ partially 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, 2023 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 are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. In case of stage 3 assets or Non-Performing Asset (NPA) as per RBI Master Directions (irrespective of staging), 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.

## Significant Accounting Policies *continued...*

- (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 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



## Significant Accounting Policies *continued...*

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 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.

## Significant Accounting Policies *continued...*

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.

### (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

## Significant Accounting Policies *continued...*

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 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 consider 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).

## Significant Accounting Policies *continued...*

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 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 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:

## Significant Accounting Policies *continued...*

- 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 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.

## Significant Accounting Policies *continued...*

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, 2023

### 2A. Cash and cash equivalents

(₹ in million)

Particulars	At	At
	March 31, 2023	March 31, 2022
Balance with Banks	111.73	1,763.97
Bank deposits with original maturity of less than 3 months	10,548.53	12,953.21
Investment in Treasury Bills - Short Term	1,484.77	4,424.98
<b>Total</b>	<b>12,145.03</b>	<b>19,142.16</b>

### 2B. Loans

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

(A)

(₹ in million)

Particulars	At	At
	March 31, 2023	March 31, 2022
Term loan	113,887.17	106,619.87
Debt securities	63,299.76	40,486.08
<b>Total - Gross</b>	<b>177,186.93</b>	<b>147,105.95</b>
Less: Impairment loss allowance	2,323.09	1,882.78
<b>Total - Net</b>	<b>174,863.84</b>	<b>145,223.17</b>

(B)

(₹ in million)

Particulars	At	At
	March 31, 2023	March 31, 2022
(a) Secured by tangible assets	177,186.93	147,105.95
(b) Secured by intangible assets	-	-
(c) Covered by Bank/Government guarantee	-	-
(d) Unsecured	-	-
<b>Total - Gross</b>	<b>177,186.93</b>	<b>147,105.95</b>
Less: Impairment loss allowance	2,323.09	1,882.78
<b>Total - Net</b>	<b>174,863.84</b>	<b>145,223.17</b>

### 2C. Other financial assets

(₹ in million)

Particulars	At	At
	March 31, 2023	March 31, 2022
Receivable from client	0.35	-
Security deposit	12.76	11.86
Staff advances	1.55	1.44
<b>Total</b>	<b>14.66</b>	<b>13.30</b>

# Notes to accounts

 for the year ended March 31, 2023 *contd...*

## 2D. Property, plant and equipment

(₹ in million)

Particulars	Land	Computers- hardware	Office equipments	Vehicle	Lease hold improvements	Right of use premises	Total
Deemed cost							
<b>Balance as at March 31, 2021</b>	<b>0.77</b>	<b>2.78</b>	<b>2.03</b>	<b>4.42</b>	<b>23.55</b>	<b>80.81</b>	<b>114.36</b>
Additions	-	0.67	0.03	-	-	-	0.70
Disposals	-	-	-	-	-	(1.42)	(1.42)
<b>Balance as at March 31, 2022</b>	<b>0.77</b>	<b>3.45</b>	<b>2.06</b>	<b>4.42</b>	<b>23.55</b>	<b>79.39</b>	<b>113.64</b>
Additions	-	0.63	0.07	9.40	0.22	-	10.32
Disposals	-	(0.08)	-	-	-	-	(0.08)
<b>Balance as at March 31, 2023</b>	<b>0.77</b>	<b>4.00</b>	<b>2.13</b>	<b>13.82</b>	<b>23.77</b>	<b>79.39</b>	<b>123.88</b>

Particulars	Land	Computers- hardware	Office equipments	Vehicle	Lease hold improvements	Right of use premises	Total
Accumulated depreciation and impairment							
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>2.07</b>	<b>0.10</b>	<b>2.66</b>	<b>11.87</b>	<b>37.31</b>	<b>54.01</b>
Depreciation expense	-	0.53	0.41	0.88	5.00	18.11	24.93
Disposals of assets	-	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>2.59</b>	<b>0.51</b>	<b>3.54</b>	<b>16.87</b>	<b>55.43</b>	<b>78.94</b>
Depreciation expense	-	0.53	0.41	1.85	5.16	18.00	25.95
Disposals of assets	-	(0.08)	-	-	-	-	(0.08)
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>3.05</b>	<b>0.91</b>	<b>5.39</b>	<b>22.03</b>	<b>73.43</b>	<b>104.81</b>

Particulars	Land	Computers- hardware	Office equipments	Vehicle	Lease hold improvements	Right of use premises	Total
Carrying amount							
<b>Balance as at March 31, 2021</b>	<b>0.77</b>	<b>0.71</b>	<b>1.94</b>	<b>1.76</b>	<b>11.67</b>	<b>43.50</b>	<b>60.35</b>
<b>Balance as at March 31, 2022</b>	<b>0.77</b>	<b>0.85</b>	<b>1.55</b>	<b>0.88</b>	<b>6.67</b>	<b>23.97</b>	<b>34.69</b>
<b>Balance as at March 31, 2023</b>	<b>0.77</b>	<b>0.95</b>	<b>1.22</b>	<b>8.43</b>	<b>1.74</b>	<b>5.96</b>	<b>19.07</b>



## Notes to accounts

for the year ended March 31, 2023 *contd...*

### 2E. Intangible assets

(₹ in million)

Particulars	Computers - software	Total
Deemed cost		
<b>Balance as at March 31, 2021</b>	<b>1.40</b>	<b>1.40</b>
Additions	0.34	0.34
Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>1.74</b>	<b>1.74</b>
Additions	0.33	0.33
Disposals	-	-
<b>Balance as at March 31, 2023</b>	<b>2.07</b>	<b>2.07</b>

(₹ in million)

Particulars	Computers - software	Total
Accumulated depreciation and impairment		
<b>Balance as at March 31, 2021</b>	<b>0.61</b>	<b>0.61</b>
Depreciation expense	0.35	0.35
Disposals of assets	-	-
<b>Balance as at March 31, 2022</b>	<b>0.96</b>	<b>0.96</b>
Depreciation expense	0.41	0.41
Disposals of assets	-	-
<b>Balance as at March 31, 2023</b>	<b>1.38</b>	<b>1.38</b>

(₹ in million)

Particulars	Computers - software	Total
Carrying amount		
<b>Balance as at March 31, 2021</b>	<b>0.79</b>	<b>0.79</b>
<b>Balance as at March 31, 2022</b>	<b>0.78</b>	<b>0.78</b>
<b>Balance as at March 31, 2023</b>	<b>0.69</b>	<b>0.69</b>

## Notes to accounts

 for the year ended March 31, 2023 *contd...*

### 2F. Other non-financial assets

(₹ in million)

Particulars	At	
	March 31, 2023	March 31, 2022
TDS receivable/advance tax	3,357.44	2,341.40
Goods & service tax input credit	1.44	0.75
Prepaid expenses	17.59	18.16
Other assets	0.25	0.11
<b>Total</b>	<b>3,376.72</b>	<b>2,360.42</b>

### 2G. Debt securities

In India (at amortised cost)

(₹ in million)

Particulars	At	
	March 31, 2023	March 31, 2022
Secured non-convertible debentures (Refer note 2I below)	157,330.71	135,454.41

### 2H. Subordinated liabilities

In India (at amortised cost)

(₹ in million)

Particulars	At	
	March 31, 2023	March 31, 2022
Unsecured non-convertible debentures (Refer note 2I below)	5,659.53	7,261.14

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

(₹ in million)

Redeemable within	At	
	March 31, 2023	March 31, 2022
	Rate of Interest >=5.75<=9.70	Rate of Interest >=5.75<=9.70
0-12 Months	21,063.64	28,334.63
12-24 Months	22,900.00	14,870.00
24-36 Months	31,760.00	22,900.00
36-48 Months	25,100.00	31,760.00
48-60 Months	41,275.00	25,100.00
Above 60 Months	20,891.60	19,750.92
<b>Total borrowings</b>	<b>162,990.24</b>	<b>142,715.55</b>

## Notes to accounts

for the year ended March 31, 2023 *contd...*

### 2J. Other financial liabilities

(₹ in million)

Particulars	At	
	March 31, 2023	March 31, 2022
Advance interest/principal received from clients	125.85	58.77
Lease payment liability	7.47	29.07
<b>Total</b>	<b>133.32</b>	<b>87.84</b>

### 2K. Provisions

(₹ in million)

Particulars	At	
	March 31, 2023	March 31, 2022
Provision for employee benefits		
Employee benefit payable	48.74	44.00
Provisions for gratuity	36.86	29.85
Provision for leave encashment	16.10	14.49
<b>Total provision for employee benefits (i)</b>	<b>101.70</b>	<b>88.34</b>
<b>Other provisions</b>		
Provision for expenses	5.66	5.37
<b>Total other provisions (ii)</b>	<b>5.66</b>	<b>5.37</b>
<b>Total (i+ii)</b>	<b>107.36</b>	<b>93.71</b>

### 2L. Other non-financial liabilities

(₹ in million)

Particulars	At	
	March 31, 2023	March 31, 2022
Statutory dues	16.47	21.14
<b>Total</b>	<b>16.47</b>	<b>21.14</b>

### 2M. Equity share capital

(₹ in million)

Particulars	At	
	March 31, 2023	March 31, 2022
<b>Authorized:</b>		
1,700,000,000 (31 March 2022: 1,700,000,000) equity shares of ₹ 10 each	17,000.00	17,000.00
500,000,000 (31 March 2022: 500,000,000) Preference shares of ₹ 10 each	5,000.00	5,000.00
<b>Issued capital</b>		
900,358,422 (31 March 2022: 900,358,422) equity shares of ₹ 10 each	9,003.58	9,003.58
<b>Subscribed and fully paid up</b>		
867,871,200 (31 March 2022: 867,871,200) equity shares of ₹ 10 each, fully paid up	8,678.71	8,678.71
<b>Total</b>	<b>8,678.71</b>	<b>8,678.71</b>

## Notes to accounts

 for the year ended March 31, 2023 *contd...*

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

#### Equity shares

Particulars	At March 31, 2023		At March 31, 2022	
	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	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>867.87</b>	<b>8,678.71</b>	<b>867.87</b>	<b>8,678.71</b>

### (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	At March 31, 2023		At March 31, 2022	
	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, 2023 *contd...*

### 2N. Other equity

(₹ in million)

Particulars	At March 31, 2023	At March 31, 2022
<b>i) Statutory reserve u/s 45-IC of RBI Act, 1934</b>		
Balance at the beginning of the year	2,535.66	1,923.31
Add: amount transferred from surplus balance in the statement of profit and loss	700.91	612.35
<b>Closing balance (A)</b>	<b>3,236.57</b>	<b>2,535.66</b>
<b>ii) Securities premium</b>		
Balance at the beginning of the year	3,717.02	3,717.02
Add: Additions during the year	-	-
<b>Closing balance (B)</b>	<b>3,717.02</b>	<b>3,717.02</b>
<b>iii) Shares option outstanding account (ESOP reserve)</b>		
Balance at the beginning of the year	144.08	93.19
Add: Additions during the year	63.48	50.89
<b>Closing balance (C)</b>	<b>207.56</b>	<b>144.08</b>
<b>iv) Retained earning (Profit &amp; Loss)</b>		
Surplus in profit and loss account at the beginning of the year	8,780.81	6,579.86
Add: Profit for the year	3,504.55	3,061.73
Add: Remeasurement gain/(losses) on defined benefits plan	(0.01)	3.25
Less: Transfer to statutory reserve (@ 20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934)	(700.91)	(612.35)
Less: Dividend paid on equity shares	(251.68)	(251.68)
<b>Total appropriations</b>	<b>(952.59)</b>	<b>(864.03)</b>
<b>Net surplus in the statement of profit and loss account at the end of the year (D)</b>	<b>11,332.76</b>	<b>8,780.81</b>
<b>Total other equity (A)+(B)+(C)+(D)</b>	<b>18,493.91</b>	<b>15,177.57</b>

- 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 end 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, 2023 *contd...*

## Revenue from operations

### 20. Interest income

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Loans-(on financial assets measured at amortised cost)	15,092.03	13,647.82
Interest on deposits with banks	283.91	91.14
Interest income on T-Bills	170.01	147.38
<b>Total</b>	<b>15,545.95</b>	<b>13,886.34</b>

### 2P. Net gain on fair value changes

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) Net gain on financial instruments at fair value through profit or loss		
- Net gain on sale of financial instruments or fair valuation of investment on mutual fund	277.67	289.07
<b>Total Net gain on fair value changes</b>	<b>277.67</b>	<b>289.07</b>
(B) Fair value changes:		
- Realised	277.67	289.07
- Unrealised	-	-
<b>Total Net gain on fair value changes</b>	<b>277.67</b>	<b>289.07</b>

### 2Q. Other income

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Received on IT Refund	203.23	-
Profit/(Loss) on sale/discard of Fixed Assets	0.01	-
Miscellaneous income	0.85	0.78
<b>Total</b>	<b>204.09</b>	<b>0.78</b>

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

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expenses on debt securities	11,753.72	10,433.86
Other borrowing costs	42.25	43.51
Interest expenses-lease	0.98	2.40
<b>Total</b>	<b>11,796.95</b>	<b>10,479.77</b>

## Notes to accounts

for the year ended March 31, 2023 *contd...*

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

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Impairment of loans	440.31	537.74
<b>Total</b>	<b>440.31</b>	<b>537.74</b>

### 2T. Employee benefits expenses

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	179.19	162.00
Contribution to provident fund and other funds	6.12	5.52
Share based payment to employees	63.48	50.89
Gratuity	7.33	7.98
Leave encashment	3.18	2.39
Staff welfare	4.82	2.73
<b>Total</b>	<b>264.12</b>	<b>231.52</b>

### 2U. Other expenses

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rent, rates & energy costs	3.39	3.08
Communication	1.73	1.40
Director's fees, allowances and expenses	6.00	6.68
Software & IT related expenses	6.01	5.71
Auditors fees & expenses (refer details below)	2.95	3.72
Legal & professional fees	5.57	4.36
Insurance	0.40	0.31
Office maintenance cost	1.93	1.58
Guarantee fee	16.34	21.51
Corporate social responsibility expenses	55.14	46.74
Others	4.13	3.31
<b>Total</b>	<b>103.59</b>	<b>98.41</b>

(₹ in million)

Payment to auditor	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Audit fees	0.84	0.92
Tax audit fees	0.15	0.15
Limited review fees	0.45	0.70
Out of pocket expense	0.06	0.00
In other capacity		
Certification and other fees	1.45	1.95
<b>Total</b>	<b>2.95</b>	<b>3.72</b>

# Notes to accounts

for the year ended March 31, 2023 *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, 2023	Year ended March 31, 2022
Net profit after tax (₹ in million)	3,504.55	3,061.73
Weighted average number of Equity Shares (No.)	867,871,200	867,871,200
Earnings per share	4.04	3.53

(Basic and diluted earnings per share of ₹10/-face value)



# Notes to accounts

for the year ended March 31, 2023 *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.

	As at March 31, 2023						
	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
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	111.73	-	-	-
- Bank balance	-	-	111.73	111.73	-	-	-
- Bank deposits with original maturity of less than 3 months	-	-	10,548.53	10,548.53	-	-	-
- Investment in Treasury Bills	-	-	1,484.77	1,484.77	-	-	-
Loans and advances	-	-	174,863.84	174,863.84	-	-	-
	-	-	<b>187,008.87</b>	<b>187,008.87</b>	-	-	-
<b>Financial liabilities</b>							
Debt securities	-	-	157,330.71	157,330.71	-	-	-
Subordinated liabilities	-	-	5,659.53	5,659.53	-	-	-
	-	-	<b>162,990.24</b>	<b>162,990.24</b>	-	-	-

(₹ in million)

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

	As at March 31, 2022						
	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
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	1,763.97	-	-	-
- 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	-	-	-
	-	-	<b>164,365.33</b>	<b>164,365.33</b>	-	-	-
<b>Financial liabilities</b>							
Debt securities	-	-	135,454.41	135,454.41	-	-	-
Subordinated liabilities	-	-	7,261.14	7,261.14	-	-	-
	-	-	<b>142,715.55</b>	<b>142,715.55</b>	-	-	-

(₹ in million)

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, 2023 *contd...*

## 2X. Financial instruments – Risk management

### Financial risk management

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, analyze, 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 35 Board-approved policies, which mainly include - Credit Risk and Recovery Policy, Internal Capital Adequacy Assessment Process (ICAAP) 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.

The Board has constituted various Committees (headed by independent directors) 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 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 monitor the progress of the CSR funds through quarterly progress reports.
- (vi) Information Technology Strategy Committee- to oversee IT system and IT Infrastructure related matters.
- (vii) Stakeholders Relationship Committee- to consider and resolve grievances, if any of all the security holders. Also look into various aspects of interests of various security holders.

In addition to the above-mentioned Board committees, the Board has also constituted executive 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.
- (iv) Debenture Allotment Committee- to approve the allotment of the debentures.
- (v) Management Committee- to consider various matters pertaining to the company.

The Board has also appointed a Chief Risk Officer (CRO) to function independently with the specified roles and responsibilities.

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

- (a) Credit risk (b) Liquidity risk (c) Market risk (including interest rate risk) (d) Operational risk (e) Climate risk.

### (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, impact of the Russia-Ukraine war, 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

# Notes to accounts

for the year ended March 31, 2023 *contd...*

the organization. Loans and Investments are the largest source of credit risk for the 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, Independent CRO and the 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).

## 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 the 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 the 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 2023 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 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:

- i) Charge on movable and immovable property.
- ii) Charge on current assets, inventory and receivables.

# Notes to accounts

for the year ended March 31, 2023 *contd...*

- iii) Charge on intangible assets.
- iv) Charge on bank accounts related to projects.
- v) Pledge of shares (Sponsor's holding in the borrower) and listed shares of the group entities (on a case-to-case basis)
- vi) 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 risk is measured using various tools as:

- (i) Structural liquidity statement/ short term dynamic liquidity statement- These are used as standard tools for measuring and managing net funding requirements and calculation of cumulative surplus or deficit funds for various maturity buckets.
- (ii) Liquidity Ratios: such as (a) **Liquidity Coverage Ratio** (b) **Short-term liabilities to total assets** (c) **Short term liabilities to long term assets** (d) **Short term liabilities to total liabilities** (e) **Long term assets to Total 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. To 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 the inception of the Company. Aspects such as concentration of funding, regulatory compliance 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 risks 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 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 locations 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 endeavour to control various factors such as data deletion or hacking or unauthorized access to the database by various preventive measures such as password enabled programs, data storage at central location, IT audit etc.

## (E) Climate risk

As per the latest risk report of the World Economic Forum, the top five risks the world is likely to face over the coming decade are all climate -related viz. extreme weather, climate action failure, natural disasters, biodiversity loss and human-made environmental disasters. Climate 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. For the national highway road projects, approvals from the environment, forest department etc. are generally obtained prior to commencement of commercial operations.

## Notes to accounts

for the year ended March 31, 2023 *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.

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

(₹ in million)

	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Infrastructure refinance:				
Low risk	175,483.45	-	-	175,483.45
Medium risk	-	386.11	1,317.37	1,703.48
High risk	-	-	-	-
	<b>175,483.45</b>	<b>386.11</b>	<b>1,317.37</b>	<b>177,186.93</b>

(₹ in million)

	As at 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	-	-	-	-
	<b>144,180.89</b>	<b>1,730.74</b>	<b>1,194.32</b>	<b>147,105.95</b>

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

Note: 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)

	During FY-2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	144,180.89	1,730.74	1,194.32	147,105.95
Assets disbursed and repaid <sup>(Note 1)</sup>	31,035.48	(146.29)	(808.21)	30,080.98
Transfers to stage 1	267.08	(267.08)	-	-
Transfers to stage 2	-	386.11	(386.11)	-
Transfers to stage 3	-	(1,317.37)	1,317.37	-
<b>Gross carrying amount closing balance</b>	<b>175,483.45</b>	<b>386.11</b>	<b>1,317.37</b>	<b>177,186.93</b>

## Notes to accounts

 for the year ended March 31, 2023 *contd...*

### 2X. Financial instruments – Risk management

(₹ in million)

	During FY-2022			
	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 <sup>(Note 1)</sup>	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	-	-	-	-
<b>Gross carrying amount closing balance</b>	<b>144,180.89</b>	<b>1,730.74</b>	<b>1,194.32</b>	<b>147,105.95</b>

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

### 2X. Financial instruments – Fair values and Risk management

#### 3. Reconciliation of ECL balance is given below:

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

(₹ in million)

	During FY-2023			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	830.41	693.87	358.50	1,882.78
Assets disbursed and repaid	223.77	(71.20)	(241.40)	(88.83)
Transfers to stage 1	160.71	(160.71)	-	-
Transfers to stage 2	-	117.10	(117.10)	-
Transfers to stage 3	-	(461.97)	461.97	-
Changes to models and inputs used for ECL calculations	265.16	-	263.98	529.14
<b>ECL allowance - closing balance</b>	<b>1,480.05</b>	<b>117.10</b>	<b>725.95</b>	<b>2,323.09</b>

(₹ in million)

	During FY-2022			
	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
<b>ECL allowance - closing balance</b>	<b>830.41</b>	<b>693.87</b>	<b>358.50</b>	<b>1,882.78</b>

## Notes to accounts

for the year ended March 31, 2023 *contd...*

### 2X. Financial instruments – Fair values and Risk management

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

(₹ in million)

As at March 31, 2023	Financial services	Road	Power Sector	Others	Total
<b>Financial assets</b>					
Cash and cash equivalents	12,145.03	-	-	-	12,145.03
Loans	-	30,460.53	122,264.86	24,461.54	177,186.93
Other financial assets	14.66	-	-	-	14.66
<b>Total</b>	<b>12,159.69</b>	<b>30,460.53</b>	<b>122,264.86</b>	<b>24,461.54</b>	<b>189,346.62</b>

(₹ in million)

As at March 31, 2022	Financial services	Road	Power Sector	Others	Total
<b>Financial assets</b>					
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
<b>Total</b>	<b>19,155.46</b>	<b>30,452.47</b>	<b>110,950.41</b>	<b>5,703.07</b>	<b>166,261.41</b>

# Notes to accounts

 for the year ended March 31, 2023 *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, 2023	(₹ in million)										
	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
<b>Financial assets</b>											
Cash and cash equivalents*	2,949.57	1,223.38	7,998.71	-	-	-	-	-	-	-	12,171.67
Loans*	117.27	-	1,161.96	1,388.00	3,369.80	8,821.61	11,964.20	47,111.83	49,294.62	152,617.95	275,847.23
Other financial assets	-	-	0.53	0.17	0.17	10.66	0.57	-	-	2.56	14.67
<b>Financial liabilities</b>	<b>3,066.84</b>	<b>1,223.38</b>	<b>9,161.19</b>	<b>1,388.17</b>	<b>3,369.97</b>	<b>8,832.27</b>	<b>11,964.77</b>	<b>47,111.83</b>	<b>49,294.62</b>	<b>152,620.51</b>	<b>288,033.57</b>
Debt securities	-	-	3,220.00	2,916.45	3,459.24	8,292.46	9,083.07	74,236.69	76,971.12	18,804.83	196,983.87
Subordinated liabilities	-	-	-	-	-	221.10	211.25	864.70	864.70	6,426.14	8,587.89
<b>Other financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125.85</b>	<b>125.85</b>
<b>Other financial liabilities - Lease</b>	<b>1.86</b>	<b>-</b>	<b>-</b>	<b>1.86</b>	<b>1.87</b>	<b>1.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.47</b>
	<b>1.86</b>	<b>-</b>	<b>3,220.00</b>	<b>2,918.31</b>	<b>3,461.11</b>	<b>8,515.44</b>	<b>9,294.32</b>	<b>75,101.39</b>	<b>77,835.82</b>	<b>25,356.82</b>	<b>205,705.08</b>
<b>Total net financial assets / (liabilities)</b>	<b>3,064.99</b>	<b>1,223.38</b>	<b>5,941.19</b>	<b>(1,530.15)</b>	<b>(91.14)</b>	<b>316.83</b>	<b>2,670.45</b>	<b>(27,989.56)</b>	<b>(28,541.20)</b>	<b>127,263.70</b>	<b>82,328.49</b>
<b>Cumulative Mismatch</b>	<b>3,064.99</b>	<b>4,288.37</b>	<b>10,229.56</b>	<b>8,699.41</b>	<b>8,608.27</b>	<b>8,925.10</b>	<b>11,595.55</b>	<b>(16,394.00)</b>	<b>(44,935.21)</b>	<b>82,328.49</b>	



# Notes to accounts

for the year ended March 31, 2023 *contd...*

## Annexure II Analysis of financial assets and liabilities by remaining contractual maturities

As at March 31, 2022	(₹ in million)										Total	
	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		
<b>Financial assets</b>												
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	-	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
	<b>3,473.11</b>	<b>5,050.86</b>	<b>6,981.42</b>	<b>3,050.48</b>	<b>5,632.99</b>	<b>5,706.24</b>	<b>10,615.84</b>	<b>43,525.45</b>	<b>37,952.03</b>	<b>131,088.39</b>	<b>253,076.79</b>	
<b>Financial liabilities</b>												
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
<b>Other financial liabilities - Lease</b>	<b>1.76</b>	<b>-</b>	<b>-</b>	<b>1.76</b>	<b>1.77</b>	<b>5.36</b>	<b>10.95</b>	<b>7.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.07</b>
	<b>1.76</b>	<b>-</b>	<b>960.00</b>	<b>919.41</b>	<b>3,183.81</b>	<b>16,488.09</b>	<b>12,289.49</b>	<b>54,843.49</b>	<b>66,133.56</b>	<b>23,040.05</b>	<b>177,859.66</b>	
<b>Total net financial assets / (liabilities)</b>	<b>3,471.36</b>	<b>5,050.86</b>	<b>6,021.42</b>	<b>2,131.07</b>	<b>2,449.18</b>	<b>(10,781.85)</b>	<b>(1,673.65)</b>	<b>(11,318.05)</b>	<b>(28,181.54)</b>	<b>108,048.34</b>	<b>75,217.13</b>	
<b>Cumulative Mismatch</b>	<b>3,471.36</b>	<b>8,522.21</b>	<b>14,543.63</b>	<b>16,674.70</b>	<b>19,123.87</b>	<b>8,342.03</b>	<b>6,668.38</b>	<b>(4,649.67)</b>	<b>(32,831.21)</b>	<b>75,217.13</b>		

\* interest income is considered net of TDS

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, 2022	(₹ in million)										Total	
	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		
<b>As at March 31, 2023</b>												
Loans sanctioned not yet disbursed	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>												
Loans sanctioned not yet disbursed	-	-	-	-	-	-	-	-	-	-	-	-

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, 2023 *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, 2023 *contd...*

### 22. Maturity analysis of assets and liabilities

The table below shows breakup of assets and liabilities when they are expected to be recovered or settled.

Particulars	At March 31, 2023			At March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	(₹ in million)					
<b>ASSETS</b>						
<b>1 Financial assets</b>						
(a) Cash and cash equivalents	12,145.03	-	12,145.03	19,142.16	-	19,142.16
(b) Loans	13,150.46	161,713.38	174,863.84	9,474.12	135,749.05	145,223.17
(c) Other financial assets	12.10	2.56	14.66	1.45	11.85	13.30
<b>2 Non-financial assets</b>						
(a) Property, plant and equipment	-	19.07	19.07	-	34.69	34.69
(b) Intangible assets	-	0.69	0.69	-	0.78	0.78
(c) Other non-financial assets	1.45	3,375.27	3,376.72	18.96	2,341.46	2,360.42
<b>Total assets</b>	<b>25,309.04</b>	<b>165,110.97</b>	<b>190,420.01</b>	<b>28,636.69</b>	<b>138,137.83</b>	<b>166,774.52</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Liabilities</b>						
<b>1 Financial liabilities</b>						
(a) Debt securities	20,876.00	136,454.71	157,330.71	26,542.61	108,911.80	135,454.41
(b) Subordinated liabilities	187.63	5,471.90	5,659.53	1,792.02	5,469.12	7,261.14
(c) Other financial liabilities	7.47	125.85	133.32	21.60	66.24	87.84
<b>2 Non-financial liabilities</b>						
(a) Provisions	57.69	49.67	107.36	52.57	41.14	93.71
(b) Other non-financial liabilities	16.47	-	16.47	21.14	-	21.14
<b>Equity</b>						
(a) Equity share capital	-	8,678.71	8,678.71	-	8,678.71	8,678.71
(b) Other equity	-	18,493.91	18,493.91	-	15,177.57	15,177.57
<b>Total Liabilities and Equity</b>	<b>21,145.26</b>	<b>169,274.75</b>	<b>190,420.01</b>	<b>28,429.94</b>	<b>138,344.58</b>	<b>166,774.52</b>

## Notes to accounts

for the year ended March 31, 2023 *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, 2023	Year ended March 31, 2022
Opening Balance	29.07	50.13
Additions	-	-
Payments*	21.60	21.06
<b>Closing Balance</b>	<b>7.47</b>	<b>29.07</b>

\*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, 2023	Year ended March 31, 2022
Depreciation charge	18.00	18.11
Interest expense on lease liabilities	0.98	2.40
<b>Total amount recognised in profit or loss</b>	<b>18.98</b>	<b>20.52</b>

The Company had total cash outflows for leases of ₹ 22.57 million in 31 March 2023 and ₹ 22.04 million in 31 March 2022 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, 2023 *contd...*

### 2AB. Employee benefit disclosure

During the year end March 31, 2023, following grants under respective ESOP schemes were in existence. The relevant details of the schemes and the grants are as below.

(₹ in million)

Particulars	ESOP scheme 2018				ESOP scheme 2020	
	Grant-2018	Grant-2019	Grant-2020	Grant-2021	Grant-2021	Grant-2022
Vesting requirements	30% at the end of 1st 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 1st 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 1st 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 1st 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 1st 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 1st year, 30% at the end of 2 years and 40% at the end of 3 years from April 26, 2022 (Grant date)
Maximum term of option	10 years	10 years	10 years	10 years	10 years	10 years
Method of settlement	Equity settled	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

(₹ in million)

Particulars	ESOP scheme 2018				ESOP scheme 2020		Weighted average exercise price
	Grant-2018	Grant-2019	Grant-2020	Grant-2021	Grant-2021	Grant-2022	
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
Add: Options granted	-	-	-	-	-	7,235,917	28.00
Less: Options forfeited/lapsed	-	-	-	-	-	-	-
Less: Options exercised	-	-	-	-	-	-	-
Options outstanding at March 31, 2023	5,733,307	6,688,858	7,235,917	3,453,029	3,782,888	7,235,917	22.14
Options exercisable at March 31, 2023	5,733,307	6,688,858	4,341,550	1,035,909	1,134,866	-	-
Options exercisable at March 31, 2022	5,733,307	4,013,314	2,170,775	-	-	-	-
Exercise price (₹)	18.60	18.70	20.60	23.80	23.80	28.00	-
Weighted average remaining contractual life at March 31, 2023	5.55	6.06	7.06	8.06	8.06	9.07	-
Weighted average remaining contractual life at March 31, 2022	6.55	7.06	8.06	9.06	9.06	NA	-

## Notes to accounts

for the year ended March 31, 2023 *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 2022-23 is as follows:

Particulars	Grant-2022
Volatility	23.28% to 24.15%
Expected option life (Years)	5.50 to 6.50
Expected dividend yield	1.00%
Risk free interest rate	6.67% to 6.84%

### iv. Carrying amount of liability in the financial statement

Carrying amount of liability is ₹ 207.56 millions for the year ended March 31, 2023 (March 31, 2022: ₹ 144.08 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.

(₹ in million)

Particulars	Year ended March 31, 2023	
	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	34.91	38.88
Impact of increase in 50 bps on DBO	(4.84%)	5.04%
Defined benefit obligation on decrease in 50 bps	38.94	34.95
Impact of decrease in 50 bps on DBO	5.18%	(4.76%)

#### Profit and loss account expense:

(₹ in million)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Current service cost	5.19	4.90
Past service cost	-	1.38
Administration expenses	-	-
Interest on net defined benefit liability/(asset)	2.14	1.70
(Gain)/Losses on settlement	-	-
<b>Total expense charged to profit and loss account</b>	<b>7.33</b>	<b>7.98</b>

## Notes to accounts

for the year ended March 31, 2023 *contd...*

### Amount recorded in Other Comprehensive Income(OCI):

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening amount recognized in OCI	4.85	8.10
Remeasurement during the year due to	-	-
Changes in financial assumptions	(1.23)	(1.27)
Changes in demographic assumptions	-	-
Experience adjustments	1.24	(1.98)
Actual return on plan assets less interest on plan assets	-	-
Amount recognize the effect of asset ceiling	-	-
<b>Closing Amount recognised in OCI</b>	<b>4.86</b>	<b>4.85</b>

### Movement in Benefit Obligation:

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening net defined benefit liability/(asset)	29.85	25.12
Current service cost	5.19	4.90
Past service cost	-	1.38
Interest on net defined benefit liability/(asset)	2.14	1.70
Remeasurement during the year due to		
Actuarial loss/ (gain) arising from change in financial assumptions	(1.23)	(1.27)
Actuarial loss/ (gain) arising from change in demographic assumptions	-	-
Actuarial loss/ (gain) arising from experience adjustments	1.24	(1.98)
Benefits Paid	(0.33)	-
Liabilities assumed / (settled)	-	-
Liabilities extinguished on settlements	-	-
<b>Closing net defined benefit liability/(asset)</b>	<b>36.86</b>	<b>29.85</b>

# Notes to accounts

for the year ended March 31, 2023 *contd...*

## 2AC. Related party transactions

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

Sr. no.	Nature of relationship	Name of party
1.	Investing Party	ICICI Bank Limited
2.		Bank of Baroda
3.		Citi Corp Finance India Ltd
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.	Subsidiaries, Joint Ventures, Employee Benefit Companies of Investing Party and their Group Companies	ICICI Bank Limited Provident Fund
9.		Pension Fund of ICICI Bank Limited
10.		Provident Fund of ICICI Bank Limited Ex
11.		ICICI Home Finance Company Limited Employees' Provident Fund
12.		ICICI Prudential Life Insurance Company Limited Employees' Provident Fund
13.		NPS Trust- A/C ICICI Prudential Pension Fund Scheme C - Tier I & Tier-II
14.		India First Life Insurance Company Limited
15.		Bank of Baroda (Employees) Pension Fund
16.		Bank of Baroda Provident Fund Trust
17.	Key Management Personnel	Mr. Suvek Nambiar, Managing Director & CEO
18.		Mrs. Lalita D. Gupte, Independent Director and Chairperson
19.		Mr. Uday Chitale, Independent Director (ceased w.e.f. February 23, 2023)
20.		Mr. Arun Tiwari, Independent Director
21.		Mr. Vijay Maniar, Independent Director (appointed w.e.f January 23, 2023)



## Notes to accounts

for the year ended March 31, 2023 *contd...*

ii) The following are the details of transactions during the year and balances as at March 31, 2023 with related parties:

(₹ in million)

Particulars	Investing Party including their subsidiaries, joint ventures and employees benefit companies	Key Management Personnel	Total
<b>Assets</b>			
Bank balance & fixed deposits	111.65	-	111.65
	(2,063.85)	-	(2,063.85)
Processing Fee – EIR adjustment	7.48	-	7.48
	(9.37)	-	(9.37)
Accrued Interest on FDs	-	-	-
	(0.02)	-	(0.02)
Insurance premium paid- unamortized	0.60	-	0.60
	(0.61)	-	(0.61)
<b>Liabilities</b>			
Outstanding equity share capital	8,100.93	-	8,100.93
	(8,100.93)	-	(8,100.93)
Outstanding securities premium	3,594.80	-	3,594.80
	(3,594.80)	-	(3,594.80)
Borrowing-debt securities	17,552.00	-	17,552.00
	(16,297.00)	-	(16,297.00)
Accrued Interest on debt securities	776.98	-	776.98
	(741.48)	-	(741.48)
Arranger fees – EIR adjustment	88.79	-	88.79
	(97.57)	-	(97.57)
Processing fee expenses on NCDs-(unamortised)-EIR adjustment	25.63	-	25.63
	(35.09)	-	(35.09)
Directors commission payable (net of TDS)	-	2.78	2.78
	-	(2.70)	(2.70)

## Notes to accounts

 for the year ended March 31, 2023 *contd...*

(₹ in million)

Particulars	Investing Party including their subsidiaries, joint ventures and employees benefit companies of the above	Key Management Personnel	Total
<b>Income</b>			
Interest on fixed deposits	0.12 (10.17)	- (-)	0.12 (10.17)
Fees income-EIR	1.90 (2.03)	- (-)	1.90 (2.03)
<b>Expenditure</b>			
Arrangers fees expense – EIR	41.07 (39.05)	- (-)	41.07 (39.05)
Processing fee expenses on NCDs-(amortised)-EIR adjustment	9.46 (8.57)	- (-)	9.46 (8.57)
Interest – debt securities	1,290.92 (1,145.87)	- (-)	1,290.92 (1,145.87)
Staff cost <sup>3</sup>	0.81 (1.05)	57.47 (53.53)	58.28 (54.58)
Director sitting fees & commission	- -	5.50 (6.13)	5.50 (6.13)
Other charges <sup>4</sup>	0.09 (0.13)	- -	0.09 (0.13)
<b>Transactions</b>			
Fixed deposit placed	- (14,820.00)	- -	- (14,820.00)
Equity dividend paid	234.93 (234.93)	- (-)	234.93 (234.93)
Purchase of loan asset	7,019.71 (1,510.66)	- (-)	7,019.71 (1,510.66)
Debt securities subscribed	3,850.00 (4,150.00)	- (-)	3,850.00 (4,150.00)
Debt securities redemption- on maturity	800.00 (902.00)	- (-)	800.00 (902.00)

- 1) Figures in bracket pertains to March 31, 2022.
- 2) 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.
- 3) 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.
- 4) Other charges include bank charges, pos machine charges, transaction cost and CCIL charges-Treasury bill & de-mat charges.
- 5) Party wise details of above are available with management.

## Notes to accounts

for the year ended March 31, 2023 *contd...*

**2AD-1. 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	At	At
		March 31, 2023	March 31, 2022
i)	CRAR (%)	21.79%	23.15%
ii)	CRAR - Tier I Capital (%)	17.35%	18.31%
iii)	CRAR - Tier II Capital (%)	4.44%	4.84%
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	

### (ii) Investment

(₹ in million)

S.No	Particulars	At	At
		March 31, 2023	March 31, 2022
(1)	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	-	-

## Notes to accounts

 for the year ended March 31, 2023 *contd...*

### (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	At	
		March 31, 2023	March 31, 2022
(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	-	-

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

(₹ in million)

S.No	Particulars	At	
		March 31, 2023	March 31, 2022
(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 31st March 2023 (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	Currency Derivatives/ Interest Rate Derivatives	
		At March 31, 2023	At March 31, 2022
(i)	Derivatives (Notional Principal Amount)	-	-
	For hedging	-	-
(ii)	Marked to Market Positions [1]	-	-
	a) Asset (+)	-	-
	b) Liability (-)	-	-
(iii)	Credit Exposure [2]	-	-
(iv)	Unhedged Exposures	-	-

## Notes to accounts

for the year ended March 31, 2023 *contd...*

### (iv)(a) Disclosures relating to securitisation

(₹ in million)

S.No	Particulars	No./ Amount	
		At March 31, 2023	At March 31, 2022
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	-	-
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	At	
		March 31, 2023	March 31, 2022
(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	-	-

## Notes to accounts

 for the year ended March 31, 2023 *contd...*

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

(₹ in million)

S.No	Particulars	At March 31, 2023	At March 31, 2022
(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	-	-

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

#### A. Details of non-performing financial assets purchased :

(₹ in million)

S.No	Particulars	At March 31, 2023	At March 31, 2022
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	At March 31, 2023	At March 31, 2022
1	No. of accounts sold	-	-
2	Aggregate outstanding	-	-
3	Aggregate consideration received	-	-

## Notes to accounts

for the year ended March 31, 2023 *contd...*

### (v)(a) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as at March 31, 2023

(₹ in million)

	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 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	124.98	-	213.85	194.61	2,130.51	5,168.60	5,317.91	21,764.01	28,069.45	114,203.02	177,186.93
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	3,180.30	2,789.71	2,984.22	7,146.01	4,963.39	54,660.00	66,375.00	20,891.60	162,990.24
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

### Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as at March 31, 2022

(₹ in million)

	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 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	85.61	0.00	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	-	-	-	-	-	-	-	-	-	-	-

## Notes to accounts

 for the year ended March 31, 2023 *contd...*

### (vi) Exposures

#### (vi)(a) Exposure to real estate sector

(₹ in million)

Category	At March 31, 2023	At March 31, 2022
a)		
<b>Direct exposure</b>	-	-
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure also includes non-fund based (NFB) limits.	-	-
(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 also includes non-fund based limits	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-
a. Residential	-	-
b. Commercial Real Estate	-	-
b)		
<b>Indirect Exposure</b>	-	-
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
<b>Total exposure to real estate sector</b>	-	-



## Notes to accounts

for the year ended March 31, 2023 *contd...*

### (vi)(b) Exposure to capital market

(₹ in million)

S.No	Particulars	At March 31, 2023	At March 31, 2022
(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;	-	-
(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)	-	-
(ix)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(x)	Financing to stockbrokers for margin trading	-	-
(xi)	All exposures to Alternative Investment Funds:	-	-
	(i) Category I	-	-
	(ii) Category II	-	-
	(iii) Category III	-	-
	<b>Total exposure to capital market</b>	-	-

### (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, 2023, (March 31, 2022: Nil)

### (vi)(e) Unsecured advances

There are no unsecured advances as at March 31, 2023, (March 31, 2022: Nil)

## Notes to accounts

for the year ended March 31, 2023 *contd...*

### (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, 2023, (March 31, 2022: 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, 2023:-

(₹ in million)

Sr. 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.	Debentures	IND AAA/Stable

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

### (vii)(e) Remuneration of directors

(₹ in million)

Sr No.	Name of directors	As at March 31, 2023	As at March 31, 2022
1	Mrs Lalita D. Gupte*	1.89	2.25
2	Mr. Uday Chitale*	1.56	1.90
3	Mr. Arun Tiwari*	1.74	1.98
4	Mr. Vijay Maniar*	0.32	-
	<b>Total</b>	<b>5.50</b>	<b>6.13</b>

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

## Notes to accounts

for the year ended March 31, 2023 *contd...*

### (viii) Additional disclosures

#### (viii)(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, 2023	As at March 31, 2022
Provisions for depreciation on Investment	-	-
Provision towards NPA (Net of recoveries)	(1.72)	59.75
Provision made towards Income tax	-	-
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets/ Investments	442.03	477.99

### (ix) Concentration of Deposits, Advances, Exposures and NPAs

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

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-

#### (ix)(b) Concentration of advances

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Advances to twenty largest borrowers	79,432.50	69,484.33
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	44.83%	47.23%

#### (ix)(c) Concentration of exposures

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to twenty largest borrowers / customers (Investment & advances)	79,432.50	69,484.33
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	44.83%	47.23%

## Notes to accounts

 for the year ended March 31, 2023 *contd...*

### (ix)(d) Concentration of NPAs

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top four NPA accounts	1,703.48	1,194.32

### (ix)(e) Sector-wise NPAs

(₹ in million)

S.No	Sector	Percentage of NPAs to Total Advances in that sector	
		At March 31, 2023	At March 31, 2022
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	0.96%	0.81%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

### (x) Movement of NPAs

(₹ in million)

S.No	Particulars	At March 31, 2023	At March 31, 2022
(i)	Net NPAs to Net Advances (%)	0.49%	0.57%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1,194.32	1,193.87
	(b) Additions during the year	1,317.37	0.45
	(c) Reductions during the year	(808.21)	-
	(d) Closing balance	1,703.48	1,194.32
(iii)	Movement of Net NPAs		
	(a) Opening balance	835.82	895.12
	(b) Additions during the year	591.42	-
	(c) Reductions during the year	(566.81)	(59.30)
	(d) Closing balance	860.43	835.82
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	358.50	298.75
	(b) Opening provisions on asset slipped to NPA	486.27	-
	(c) Provisions made during the year	239.68	59.75
	(d) Write-off / write-back of excess provisions	(241.40)	-
	(e) Provisions during the year <sup>rNote 1</sup> (c+d)	(1.72)	-
	(f) Closing balance (a+b+e)	843.05	358.50

Note 1 - Provision during the year is net of recoveries and matches with provision reported in table (viii) (a) of note 2AD-1

## Notes to accounts

for the year ended March 31, 2023 *contd...*

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

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)

Sector	Domestic	Overseas
	As at March 31, 2023	As at March 31, 2022
	-	-

### (xiii) Disclosure of complaints

#### (xiii)(a) Customer complaints

(₹ in million)

S.No	Particulars	Percentage of NPAs to Total Advances in that sector	
		At March 31, 2023	At March 31, 2022
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	-	-
(c)	No. of complaints disposed during the year	-	-
	c(i) Of which, number of complaints rejected by the NBFC	-	-
(d)	No. of complaints pending at the end of the year	-	-

#### 2) Top five grounds of complaints received by the NBFCs from customers

There are no complaints received for year ended March 31, 2023, (March 31, 2022: Nil).

# Notes to accounts

for the year ended March 31, 2023 *contd...*

**2AD-2. The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of RBI Circular No. DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022**

**(i) Intra-group exposures**

There are no intra-group exposures as at March 31, 2023, (March 31, 2022: Nil).

**(ii) Unhedged foreign currency exposure**

There are nil foreign currency exposure as at March 31, 2023, (March 31, 2022: Nil).

**(iii) Breach of covenant**

There were nil instances of breach of covenant of loan availed or debt securities issued for year ended March 31, 2023, (March 31, 2022: Nil).

**(iv) Sectoral exposure**

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in million)	Gross NPAs (₹ in million)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in million)	Gross NPAs (₹ in million)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry						
I. Infrastructure Industry						
i) Electricity Generation	49,582.28	-	-	53,149.77	-	-
ii) Solar Renewal Energy	71,396.21	-	-	56,253.97	-	-
iii) Education Institutions	3,242.78	-	-	-	-	-
iv) Hotels	4,108.13	-	-	-	-	-
v) Telecommunications	4,209.83	-	-	2,261.20	-	-
vi) Roads <sup>(Note 1)</sup>	30,460.53	1,703.48	5.59%	30,452.47	1,194.32	3.92%
vii) Airports	12,036.83	-	-	2,495.37	-	-
viii) Other Infrastructure	2,150.34	-	-	2,493.17	-	-
<b>Total of Industry</b>	<b>177,186.93</b>	<b>1,703.48</b>	<b>0.96%</b>	<b>147,105.95</b>	<b>1,194.32</b>	<b>0.81%</b>
3. Services	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
5. Others, if any (please specify)	-	-	-	-	-	-

Note 1: Amount of NPA assets are as reported in RBI return.

Note 2: Sectors with outstanding above 10% of Tier 1 capital are presented separately, other sectors balances are clubbed and reported under 'Other Infrastructure'. Previous year numbers are presented in conformity with current year presentation.

# Notes to accounts

for the year ended March 31, 2023 *contd...*

**(v) Related Party Disclosure as per RBI Circular No. DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022**  
 The following are the details of transactions during the year and balances as at March 31, 2023 with related parties.

Related Party/Items	Parent (as per ownership) or control	Subsidiaries	Associates, joint Ventures/Investing Party,Subsidiaries, joint Ventures, Employee Benefit Companies of Investing Party and their Group Companies/ Associates/Joint Ventures	Key Management Personnel <sup>1</sup>	Relatives of key Management Personnel	Key Management Personnel Director	Others	Total
<b>Items</b>								
Borrowings	-	-	17,552.00	-	-	-	-	17,552.00
	-	-	(16,297.00)	-	-	-	-	(16,297.00)
Deposit (Note 4)	-	-	-	-	-	-	-	-
			Not Applicable					
			Not Applicable					
Others Liability (Note 5)	-	-	891.41	-	-	2.78	-	894.19
	-	-	(874.14)	-	-	(2.70)	-	(876.84)
Placement of Deposit (Fixed Deposit outstanding)	-	-	-	-	-	-	-	-
	-	-	(300.00)	-	-	-	-	(300.00)
Advances	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Others Assets (Note 6)	-	-	119.73	-	-	-	-	119.73
	-	-	(1,773.85)	-	-	-	-	(1,773.85)
<b>Transaction during the year</b>								
Purchase of fixed/Other assets (Purchase of loan asset)	-	-	7,019.71	-	-	-	-	7,019.71
	-	-	(1,510.66)	-	-	-	-	(1,510.66)
Sale of fixed/Other assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Equity Dividend paid	-	-	234.93	-	-	-	-	234.93
	-	-	(234.93)	-	-	-	-	(234.93)
Debt securities subscribed	-	-	3,850.00	-	-	-	-	3,850.00
	-	-	(4,150.00)	-	-	-	-	(4,150.00)
Debt securities redemption	-	-	800.00	-	-	-	-	800.00
	-	-	(902.00)	-	-	-	-	(902.00)
Placement of Deposit (fixed deposit)	-	-	-	-	-	-	-	-
	-	-	(14,820.00)	-	-	-	-	(14,820.00)

# Notes to accounts

 for the year ended March 31, 2023 *contd...*

Related Party/Items	Parent (as per ownership) or control	Subsidiaries	Associates, Joint Ventures/Investing Party, Subsidaries, Joint Ventures, Employee Benefit Companies of Investing Party and their Group Companies/ Associates/ Joint Ventures	Key Management Personnel <sup>1</sup>	Relatives of Key Management Personnel	Key Management Personnel Director	Others	Total
<b>Income/ Expenditure</b>								
Interest paid- debt securities	-	-	1,290.92 (1,145.87)	-	-	-	-	1,290.92 (1,145.87)
Interest received fixed deposits	-	-	0.12 (10.17)	-	-	-	-	0.12 (10.17)
Remuneration to KMPS*	-	-	-	79.36 (73.19)	-	-	-	79.36 (73.19)
Director sitting fee & commission	-	-	-	-	-	5.50 (6.13)	-	5.50 (6.13)
Others Income (Note 7)	-	-	1.90 (2.03)	-	-	-	-	1.90 (2.03)
Others Expenses (Note 8)	-	-	51.43 (48.81)	-	-	-	-	51.43 (48.81)
<b>Maximum outstanding during the year (Note 9)</b>								
Borrowings	-	-	20,497.00 (22,752.00)	-	-	-	-	20,497.00 (22,752.00)
Deposit (Note 4)	-	-	-	-	-	-	-	-
Placement of Deposit - Fixed Deposit with banks	-	-	300.00 (5,200.00)	-	-	-	-	300.00 (5,200.00)
Advances	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-

- 1) Figures in bracket pertain to March 31, 2022.
- 2) Nature of relationship with related party are defined at note 2AC.
- 3) Key Management Personnel includes transactions pertaining to Managing Director & CEO, Chief Financial Officer & Company Secretary
- 4) Company is a Non deposit taking NBFC and accordingly captioned section is not applicable
- 5) Other Liability includes accrued interest on debt securities, arranger fees - EIR adjustment & processing fees - EIR adjustment.
- 6) Other assets includes bank balances, insurance premium - unamortised, processing fees - EIR adjustment, accrued interest on FDs.
- 7) Other Income includes processing fees EIR adjustment.
- 8) Other expenses includes arranger fees EIR adjustment, bank charges, demat charges, insurance premium, POS machine, processing expenses EIR, transaction charges & CCIL charges T-bill etc.
- 9) Maximum outstanding balances is derived by aggregating maximum outstanding balance during the year for individual related parties.



# Notes to accounts

for the year ended March 31, 2023 *contd...*

## 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

(₹ in million)

Particulars					
Liabilities side :		As at March 31, 2023		As at March 31, 2022	
(1)	Loans and advances availed by the non-banking finance company inclusive of interest accrued thereon but not paid:	Amount out-standing	Amount overdue	Amount out-standing	Amount overdue
(a)	Debtentures : Secured	157,330.71	-	135,454.41	-
	: Unsecured	5,659.53	-	7,261.14	-
	(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 debtentures	-	-	-	-
(b)	In the form of partly secured debtentures i.e. debtentures 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, 2023		As at March 31, 2022	
		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		177,186.93		147,105.95
(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, 2023 *contd...*

Particulars			
	Liabilities side :	As at March 31, 2023	As at March 31, 2022
	(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)	<b>Break-up of Investments :</b>		
	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, 2023 *contd...*

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

Category	As at March 31,2023			As at March 31,2022		
	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	177,186.93	-	177,186.93	147,105.95	-	147,105.95
	177,186.93	-	177,186.93	147,105.95	-	147,105.95

### (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 31,2023		As at March 31,2022	
	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. 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, 2023	As at March 31, 2022
		Amount	Amount
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	1,703.48	1,194.32
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	860.43	835.82
(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, 2023 *contd...*

### 2AE. Disclosure pursuant to Reserve Bank of India under RBI circular no. RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 (As at 31 March 2023)

(₹ 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
<b>Performing Assets</b>						
Standard	Stage 1	175,483.45	1,480.04	174,003.41	704.96	775.08
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		<b>175,483.45</b>	<b>1,480.04</b>	<b>174,003.41</b>	<b>704.96</b>	<b>775.08</b>
<b>Non-Performing Assets (NPA)</b>						
Doubtful - 1 to 3 years	Stage 2	386.11	117.10	269.01	117.10	-
Doubtful - up to 1 year	Stage 3	1,317.37	725.95	591.42	263.98	461.97
<b>Subtotal for NPA</b>		<b>1,703.48</b>	<b>843.05</b>	<b>860.43</b>	<b>381.08</b>	<b>461.97</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage 1	175,483.45	1,480.04	174,003.41	704.96	775.08
	Stage 2	386.11	117.10	269.01	117.10	-
	Stage 3	1,317.37	725.95	591.42	263.98	461.97
	<b>Total</b>	<b>177,186.93</b>	<b>2,323.09</b>	<b>174,863.84</b>	<b>1,086.04</b>	<b>1,237.05</b>

## Notes to accounts

for the year ended March 31, 2023 *contd...*

### 2AF. Disclosure on liquidity risk for the quarter/year ended March 31, 2023 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 <sup>1</sup> (₹ in million)	% of Total deposits	% of Total Liabilities
1	17	1,09,584.00	Not Applicable	67%

#### (ii) Top 20 large deposits: Not Applicable

#### (iii) Top 10 borrowings

Amount <sup>1</sup> (₹ in million)	% of Total Borrowings
92,984.00	59%

#### (iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount <sup>1</sup> (₹ in million)	% of Total Liabilities
1	Non-Convertible Debentures	1,57,030.00	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 <sup>2</sup>	13%
6	Other Short-Term Liabilities to Total Assets <sup>2</sup>	11%

#### (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 aspect 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, 2023 *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, 2023, the applicable minimum LCR required to be maintained by NBFCs is 70.0%.

Liquidity of Infradebt is managed by the Asset Liability 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 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, 2023, Infradebt maintained daily average HQLA (after haircut) of ₹ 1,488.96 million against the average HQLA requirement of ₹ 417.62 million at minimum LCR requirement of 70.0%. The daily average LCR of Infradebt for the three months ended March 31, 2023 was 249.57%. 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, 2023, 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 99.84%. 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 67.13% of the total liabilities of Infradebt as on March 31, 2023.

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, 2023, Secured wholesale funding contributed 98.19% 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 77.11% of weighted cash inflows while cash inflows from performing exposures contributed for the remaining total weighted cash inflows.

## 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 ₹ 55.14 million (Previous year ₹ 46.74 million) and has incurred ₹ 55.14 million (Previous year ₹ 46.74 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.

# Notes to accounts

for the year ended March 31, 2023 *contd...*

## 2AL. Event after Reporting Date

Subsequent events are tracked and evaluated by the Company. There are no material subsequent events requiring adjustments / disclosures in the financial statements.

## 2AM. Disclosure Pursuant to Regulation 54 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

All secured Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on March 31, 2023 are fully secured by first pari passu charge created over the freehold immovable properties, current assets, cash flows and receivables of the Company. Accordingly, the Company is maintaining asset cover of 1x or such higher asset cover required as per the terms of offer document/Information Memorandum.

**2AN.** Companies (Indian Accounting Standard) Amendment Rules, 2023 have been issued on March 31, 2023. However, said rules are effective from April 01, 2023 and accordingly shall be applicable to the Company from financial year 2023-24.

**2AO.** 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.

**2AP.** 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.

**2AQ.** 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.

**2AR.** 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.

**2AS.** Details of expenditure in foreign currency for the year ended March 31, 2023 Nil (March 31, 2022 – Nil)

## 2AT. 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 **B. K. Khare & Co.**

ICAI Firm registration number: 105102W

Chartered Accountants

per **Aniruddha Joshi**

Partner

Membership No. 040852

For **G. D. Apte & Co.**

ICAI Firm registration number: 100515W

Chartered Accountants

per **Chetan Sapre**

Partner

Membership No. 116952

**Place :** Mumbai

**Date :** April 19, 2023

For and on behalf of the Board of Directors

**Lalita D. Gupte**

Chairperson

DIN: 00043559

**Suvek Nambiar**

Managing Director & CEO

DIN: 06384380

**Surendra Maheshwari**

Chief Financial Officer

**Gaurav Tolwani**

Company Secretary







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