Our Vision

To transform infrastructure financing by being a thought leader, force multiplier and a provider of sustainable and impactful solutions

Our Mission

#Engage
#Innovate
#Specialize
#Excel
#Scale
#Sustain

ANNUAL REPORT 2021

ASEEM INFRA FINANCE

www.aseeminfra.in
info@aseeminfra.in
+91 22 68591350

Aseem Infrastructure Finance Limited
4th Floor, UTI Tower, GN Block, South Block,
BKC, Bandra (East), Mumbai 400 051

Tabel of content

Corporate Information

BOARD OF DIRECTORS

Mr. Surya Prakash Rao Pendyala
Chairman & Non-Executive Director

Mr. Rajiv Dhar
Non- Executive Director

Mr. Saurabh Jain
Non- Executive Director

Ms. Rosemary Sebastian
Independent Director

Mr. Venkatadri Chandrasekaran
Independent Director

MANAGEMENT TEAM

Mr. Virender Pankaj
Chief Executive Officer

Mr. Nilesh Sampat
Chief Financial Officer

Mr. Srinivas Upadhyayula
Compliance Officer

Mr. Utsav Mehrotra
Head Treasury

Mr. Bhawin Shah
Head Risk

Mr. Anirban Das
Senior Vice President - Business

KEY MANAGERIAL PERSONNEL

Mr. Virender Pankaj
Chief Executive Officer

Mr. Nilesh Sampat
Chief Financial Officer
(Appointed w.e.f. December 28, 2021)

Ms Karishma Jhaveri
Company Secretary
(Appointed w.e.f. December 21, 2021)

STATUTORY AUDITORS

S.R. Batliboi & Co. LLP, Chartered Accountants

SECRETARIAL AUDITORS

Mehta & Mehta,
Practicing Company Secretaries

INTERNAL AUDITORS

Deloitte Touche Tohmatsu India LLP

STATUTORY COMMITTEES OF THE BOARD AUDIT COMMITTEE:

1. Mr. Venkatadri Chandrasekaran
2. Ms. Rosemary Sebastian
3. Mr. Saurabh Jain

NOMINATION & REMUNERATION COMMITTEE:

1. Mr. Venkatadri Chandrasekaran
2. Ms. Rosemary Sebastian
3. Mr. Surya Prakash Rao Pendyala
4. Mr. Rajiv Dhar

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

1. Ms. Rosemary Sebastian
2. Mr. Venkatadri Chandrasekaran
3. Mr. Surya Prakash Rao Pendyala

RISK MANAGEMENT COMMITTEE:

1. Mr. Surya Prakash Rao Pendyala
2. Mr. Rajiv Dhar
3. Mr. Virender Pankaj
4. Mr. Nilesh Shrivastava

ASSET- LIABILITY COMMITTEE:

1. Mr. Surya Prakash Rao Pendyala
2. Mr. Virender Pankaj
3. Mr. Nilesh Shrivastava
4. Mr. Nilesh Sampat
5. Mr. Bhawin Shah
6. Mr. Dhananjay Yellurkar – Chief Risk Officer, NIIF IFL

IT STRATEGY COMMITTEE:

1. Ms. Rosemary Sebastian
2. Surya Prakash Rao Pendyala
3. Mr. Rajiv Dhar
4. Mr. Virender Pankaj
5. Mr. Nilesh Sampat
6. Mr. Madhusudan Warrier
7. Mr. Bhawin Shah

REGISTRAR & SHARE TRANSFER AGENT FOR EQUITY SHARES & DEBENTURES:

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032
Tel: + 91 40 6716 1602
Website: www.kfintech.com
Email: unlservices@kfintech.com

SECURITY TRUSTEES

SBICAP Trustee Company Limited,
202, Maker Tower E,
Cuffe Parade, Colaba,
Mumbai – 400 005
Tel: + 91 22 4302 5555
Website: www.sbicaptrustee.com
Email: corporate@sbicaptrustee.com

DEBENTURE TRUSTEES

Catalyst Trusteeship Limited,
Windsor, 6th Floor, Office No. 604,
C. S. T. Road, Kalina, Santacruz (East),
Mumbai – 400098
Tel: +91 22 4922 0555
Website: www.catalysttrustee.com
Email: dt.mumbai@ctltrustee.com

REGISTERED & CORPORATE OFFICE

CIN: U65990MH2019PLC325794
Address: Aseem Infrastructure Finance Limited
4th Floor, UTI Tower, GN Block, South Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051
Tel: +91- 022 6859 1300
Website: www.aseeminfra.in
Email: info@aseeminfra.in

Board of Directors

Mr. Surya Prakash Rao Pendyala

Nominee Director of NIIF Fund II

Mr. Rao has over three decades of experience in the Indian financial system, in areas including corporate finance, project finance, infrastructure lending, infrastructure investments, and credit risk management.

Mr. Rao is Executive Director at NIIF. Before joining NIIF, he was the Chief General Manager at State Bank of India. He was also the Deputy CEO of SBI Macquarie Infrastructure Fund.

He is a Cost and Management Accountant, having passed with a Merit Certificate, and holds a Diploma in Business Finance where he was instrumental in the fund's investments into airports, telecom towers, thermal power, small hydro, and transportation sectors.

Mr. Rajiv Dhar

Nominee Director of National Investment and Infrastructure Fund II

Mr. Dhar has over three decades of experience in managing diverse business operations across multiple sectors.

Mr. Dhar is the Chief Operating Officer at NIIF. Prior to joining NIIF, he was Executive Director with Omzest Group. He has also worked with Tata Group as Vice President at Tata Industries Limited.

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

Mr. Saurabh Jain

Nominee Director of National Investment and Infrastructure Fund II

Mr. Jain has over two decades of experience across diverse sectors such as Private Equity, Healthcare, Consumer Durables and Consulting.

Mr. Jain is the Chief Financial Officer of NIIF. Prior to joining NIIF, he was the Group CFO for Actis, a UK based PE fund with an AUM of ~ USD 8 billion. He has also worked with Max India Ltd., LG and EY during his career managing accounting and financial operations, business strategy, cost rationalization and product pricing etc.

He is a member of the Institute of Chartered Accountants of India. He holds a Bachelor in Commerce degree from Delhi University and has done his MBA (Executive Program) from Indian School of Business.

Board of Directors

Mr. Venkatadri Chandrasekaran

Independent Director

Mr. Chandrasekaran has more than three decades of experience in Life Insurance, Housing Finance and Mutual Fund investment at Life Insurance Corporation of India(LIC). His key competencies include Treasury functions in equity, debt and money markets, investment strategies and analysis, credit review and monitoring and project finance.

His most recent role was Executive Director (Investment Operations) and Executive Director (Investment Research & Risk Management) at LIC. Prior to that, he was CIO (Debt) at LIC Nomura Mutual Fund and General Manager (Credit Appraisal) at LIC Housing Finance.

His other directorships include CARE Ratings, LIC HFL AMC, TATA AMC, Aditya Birla Housing Finance among others.

Ms. Rosemary Sebastian

Independent Director

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

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

Chairman's Message

Dear Shareholders,

It gives me great pleasure to present to you the annual report of your Company for the year 2020-21. This has been the first year of operations of the Company and what a year it has been! The year that has gone by was marked by the outbreak of the corona virus pandemic which has left in its wake widespread distress in the form of loss of lives and livelihoods. Many countries had to resort to lockdowns to avoid spread of the virus and to gain time for ramping up the healthcare infrastructure. The Government of India has taken several measures to mitigate the impact, which included distribution of food grains, cash transfers, support to SMEs and liberal money policies. As a result of all these measures the economy began its recovery path from November 2020 onwards. Unfortunately, the second wave of the pandemic struck towards the end of the current year.

The Government recognized that the only way to bring the pandemic under control is by vaccinating a large chunk of the population. With the largest vaccination drive in the world underway in right earnest, I am sanguine that the country will be able to overcome the impact of the pandemic in double quick time.

As the lockdowns continued for a prolonged period, your company has moved to a virtual mode to ensure safety of employees and continuity of operations. I am glad to state that the virtual environment was successfully set up overnight which enabled all the employees to operate from home.

I am also happy to report that your company has moved forward despite these testing times and carved a niche for itself in the project finance space.

With gradual relaxation of restrictions and our employees receiving their vaccination, your company permitted the team to return to office, albeit with social distancing norms.

The Global and Indian Economy

The COVID-19 pandemic brought most countries around the world to a standstill, and the global economy and market was impacted significantly at the start of the year. Our country was no exception. We saw our first full-year real GDP contraction in four decades. This was primarily due to the contractions of 23.9% of Q1 and 7.5% of Q2.

On a global level many governments announced policies to help their respective economies recover from the pandemic, which have started yielding the desired results. Moody's expects the global economy to grow 6% in 2021 and 4.9% in 2022.

We believe that India's journey towards economic recovery would continue and gain momentum. Global institutions like the IMF expect India's GDP to grow by 9.5% in FY22.

Our Business

Despite the year being extremely challenging, your Company was able to start operations and grow its business significantly. The first disbursal took place in the month of August, and the total asset book at the end of year stood at INR 1,709 crores. Your company earned a profit of INR 20.8 crores in its very first year, that too with less than a full year of operations.

Capital Infusion by GoI and NIIF

During the year, NIIF and Government of India have together invested an amount of INR 1,656 crores in your Company. The fresh capital is expected to help position the Company as one of the most strongly capitalized companies of its genre and enable your company to play a leadership role in the infrastructure financing landscape of the country.

Focus on Environmental, Social and Governance

The Intergovernmental Panel on Climate Change report released on the 9th of August 2021 highlighted the direction the world is headed in, and the need for swift action by humankind. I am glad to report that your company is working in this direction and has adopted a robust risk management structure that adheres to best-in-class Environmental & Social standards. Asset acquisition and portfolio management includes robust E & S risk analysis and covenants to mitigate the identified risks.

It is my firm belief that top notch governance is a sine qua non for any company that is involved in financial services operations. During the year, we have onboarded Mr. Venkatadri Chandrasekaran and Ms. Rosemary Sebastian as Independent Directors, both of whom bring tremendous value to the Board.

During the year, the Company has rolled out various technology initiatives to create a robust IT infrastructure that is highly resilient.

Going Forward

While the pandemic has posed certain challenges in the short term, we believe that the fundamentals of the country are sound and the economy would continue to grow at a rapid pace. The National Infrastructure Pipeline envisages investment of INR 140 lakh crores in new infrastructure in the next five years. This provides tremendous opportunity for your company in the years to come.

The Company continues to attract talent from various quarters and is gradually ramping up the team to meet the business plans. With accent on systems, processes and people, your company is well positioned as a long-term player in the infrastructure financing landscape. I am very excited to be part of the journey that Aseem has embarked on!

Surya Prakash Rao Pendyala,
Chairman, Aseem Infrastructure Finance Ltd.

Management Discussion and Analysis Report

I. Industry structure and developments

FY21 was the first year of operations for Aseem, with focus on its core sectors of expertise like Renewable Energy, Power Transmission and Transportation.

The core Infrastructure sectors have continued to see inflow of capital from large institutional investors, particularly for operational steady cash flow assets. That has led to healthy consolidation, creating credit worthy and bankable pools of assets. InvIT as a structure has continued to gain eminence and is expected to become prevalent mode of asset owning for operational infrastructure projects.

Consistent policy initiatives, like improvements of the already popular Hybrid Annuity Model in Roads, have provided impetus towards fresh capital expenditure in the infrastructure sectors - record per day Roads' construction being a prime example. Tendering activity remained strong in Renewable Energy too, with solar tariffs breaking the crucial barrier of Rs. 2/Unit. The sectors continue to draw growth capital from both domestic as well as international long term capital pools with ever-increasing project size indicating maturity of the sectors.

An important and continuing development on economies across the world has been that of Covid19 pandemic that has taken significant toll on humanity and continues to pose a difficult challenge to governments and healthcare system globally. However, core infrastructure sectors have demonstrated resilience and reverted to normalcy in terms of demand.

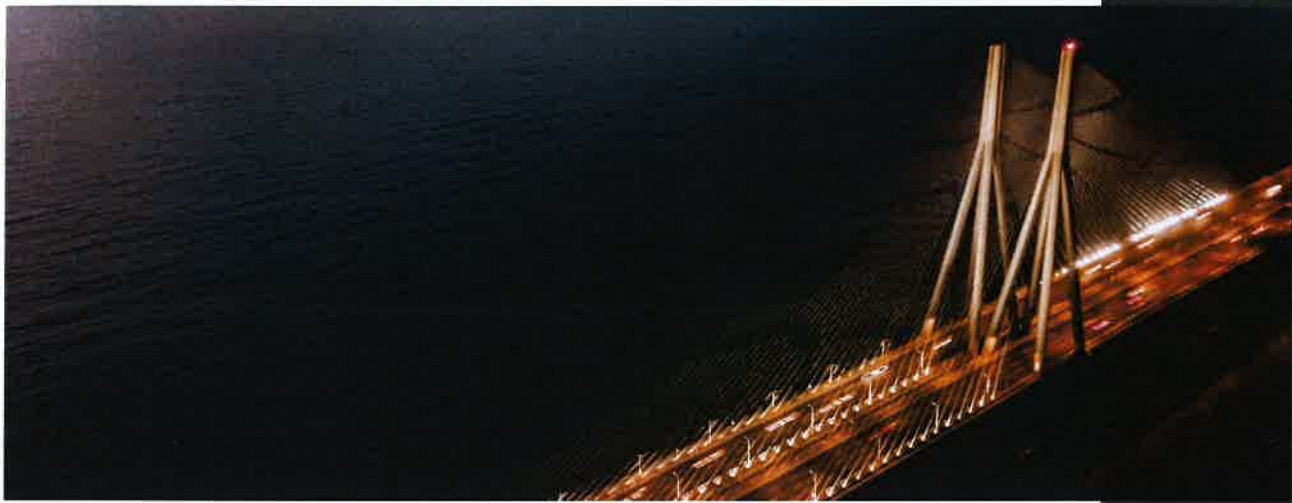
II. Opportunities and Threats

Prominence of infrastructure sectors have been re-emphasized by various government initiatives including the ambitious National Infrastructure Pipeline. This magnitude of development will need contributions from all government as well as private sources and Aseem is poised to humbly play its role in this nation building exercise.

Greater certainty of revenue with focus on sanctity of contractual obligations has drawn larger number of institutional investors as operational asset owners. Healthy churn and consolidation shall continue in this segment, providing enhanced opportunities for refinancing transactions.

Greater focus of the federal government on the infrastructure sector, sustained performance of the sector during the adversity caused by pandemic, and elevated liquidity levels as a result of measures taken to counter the pandemic, have resulted in renewed keen interest of banks in the sector.

Second wave of Covid19 has created unfortunate ramifications for health of our countrymen as well as the economy. Infrastructure sectors, however, are expected to remain resilient and play leading role in re-building of the economy.



III. Segment–wise or product-wise performance

AIFL has started business in a focused manner and shall continue to build around its core areas of strength. For the year FY21, Aseem's portfolio is spread across 26 assets primarily in its core expertise areas (Renewable Energy, Power Transmission and Transportation) with a healthy credit rating its portfolio assets. Aseem has built its portfolio across rupee term loans as well as non-convertible debentures.

IV. Future Outlook

With the building blocks in place and a healthy capital, Aseem enters FY22 on a strong and assured footing. Focus will be to grow the asset book profitably and sustainably, keeping credit costs to minimum. AIFL shall continue to build around its core sectors of expertise, with gradual calibrated expansion into further sectors like Logistics, City Gas Distribution, Ports & Airports, Education, Healthcare etc, while also maintaining a judicious mix of operational and under construction assets in the portfolio.

V. Risks and concerns

Aseem follows a proactive approach to Risk management and portfolio monitoring given the possible impact on the overall business and consumer sentiments during FY 22 with the second wave of Covid 19. However, the core business segments of our infrastructure clientele like power generation, transmission, road annuities remain largely unaffected, as evidenced during the last year as well.

AIFL shall continue its focus on asset management, along with additions in the asset book.

VI. Internal control systems and their adequacy

Internal Financial Controls

AIFL has begun operations in August 2020 and the internal controls of AIFL are commensurate with the business requirement, its scale of operations and applicable statutes to ensure orderly and efficient conduct of business. These controls have been designed to ensure assurance with regard to maintaining proper accounting controls, substantiation of financial statement and adherence to Ind AS requirements (considering it is the first year of Ind AS adoption for AIFL), safeguarding of resources, prevention and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting, compliance with applicable regulations and relevant matters covered under section 134(5)(e) of the Companies Act 2013.

The Internal Control Framework of AIFL , considers the following practices to strengthen overall control:

- Periodic reviews, performing control activity, regular communication to management and monitoring of the control activities.
- Assurance on process efficiency via relevant and adequate coverage as defined in the scope of internal audit, pro-active review and remediation through preventive and corrective steps.
- Standardisation has been sought to be achieved through Standard Operating Procedures (SOP) across functions with emphasis on documentation.

Internal Audit

Internal Auditors follow Standards on Internal Audit, along with guidelines issued by regulators and ensures compliance with section 138 of the Companies Act 2013, read with Rule 13 of the Companies (Accounts) Rules, 2014, as amended and notified from time to time. The Internal Audit function operates under the supervision of the Audit Committee of the Board.

The Internal audits are carried out with the help of an external reputed international internal audit firm with specialist professionals across functions relevant to AIFL. The internal auditors provide independent view and assurance by assessing the adequacy and effectiveness of internal control, compliance to internal and external guidelines and risk management practices.

VII. Information Technology

The company is in the process of implementing the Loan Management System and Financial Accounting System. The systems are selected based on the business needs and evaluation of systems available in the market. The company shall adopt technology in more areas as it grows and matures.

VIII. Discussion on financial performance with respect to operational performance

AIFL Financial Performance Highlights

AIFL was incorporated on May 23, 2019 and received its NBFC- IFC registration on January 28, 2020. The financial results for the current financial year 2020-21 are not comparable to the financial results for the previous financial period 2019-20 as the company had no business operations during the financial period 2019-20. AIFL started its business operations in August 2020. The highlights of financial performance in the succeeding sections are presented with this consideration.

Consolidated Result – FY2021

Summary

As AIFL has one associate company in its group viz. NIIF Infrastructure Finance Limited (NIIF IFL), the consolidated financial results of the Group include the share of profit of NIIF IFL per the equity method.

The consolidated total comprehensive income of the group for the year ended March 31, 2021 was Rs. 5117.11 lacs and the group net worth as at that date was Rs. 2,28,315.72 lacs.

Standalone Result – FY2021

A summary of Aseem Infrastructure Finance Limited's FY21 financial performance and its

comparison with FY20 performance is as under:

Income

Total revenue for FY21 was Rs. 4738.83 lacs compared to 455.18 lacs for FY20.. Out of this, interest income, which constitutes the largest component of the revenues, was Rs. 4701.11 lacs. The increase in interest income reflects the increase in infrastructure loan book during the year.

Expenses

Total expenses for FY21 were Rs. 2090.14 lacs (Rs. 400.96 lacs for FY20). Excluding the impairment provision on the credit book, the costs were Rs. 1235.17 lacs (Rs. 400.96 lacs for FY20).

Within total costs, employee benefits expense was Rs. 598.68 lacs and depreciation expenses were Rs. 2.76 lacs (both Rs. Nil for FY20). Other operating expenses were at Rs. 450.76 lacs, Rs. 400.91 lacs for FY20 which included Rs. 300 lacs as pre-incorporation expenses which have not been incurred during FY21.
Finance costs were at Rs. 185.73 lacs (Rs. 0.05 lacs as bank charges for FY20) on the borrowing that were drawn from February 2021 onwards.

The overall large increase in total costs against those in FY20 is as a result of the impairment on financial instruments or the credit cost provision which stood at Rs. 854.97 lacs (Rs. Nil for FY20 as the credit book was built only during FY21).

Profit After Tax

Profit after Tax was at Rs. 2080.03 lacs up from Rs. 25.95 lacs for FY20 and the Total Other Comprehensive Income was at Rs. 2078.75 lacs. AIFL adopts the lower rate of income tax under section 115BAA of the Income Tax Act, 1961.

Balance Sheet

The total balance sheet size of AIFL was at Rs. 2,70,307.09 lacs (Rs. 58,170.01 lacs for FY20). As is also detailed ahead in the Capital Raise section for FY21, the Net Worth increased to Rs. 2,75,609.14 lacs (Rs. 57,725.95 lacs for FY20) largely on the back of equity and CCPS capital raises during the year.
The company has secured sanctioned lines and also borrowed funds from Banks during the year. The secured borrowings stood at Rs. 44,049.25 lacs (Rs. Nil for FY20).

The loan book of the company largely in renewables, roads and transmission sectors distributed between term loans and NCDs stood at Rs. 1,57,894.92 lacs (Rs. Nil for FY20). The investment in its associate company NIIF IFL of which AIFL is a sponsor increased to Rs. 55,218.99 lacs (Rs. 26,591.01 lacs for FY20) up by 108% as a result of two infusions during FY21. AIFL continues to hold 30.8% in its associate.

Capital Changes during FY21

Authorized Share Capital

The Company increased its authorised capital to Rs. 130000 lacs as at the end of FY21.

Issued, Subscribed and Paid-up Capital

- During the year under review, the Company raised equity by way of rights issue from the existing shareholder of the Company viz. NIIF Fund II to the tune of Rs. 82,860 lacs.
- The Company also raised compulsorily convertible preference share capital (0.001% CCPS) during the year to the tune of Rs. 81,500 lacs from the Government of India. This CCPS infusion from the Government of India is the first tranche of its commitment to make direct investment in the Company, which was announced in the Union Budget for FY 2020-21 and Atmanirbhar Bharat Scheme 3.0.

IX. Material developments in human resources/Industrial Relations front, including number of people employed

As on March 31, 2021 the Company had 13 employees. During the year, the Company strengthened its senior management team with the addition of Chief Financial Officer and Company Secretary, besides senior professionals for other key functions.

Directors' Report

To,
The Members,
Aseem Infrastructure Finance Limited

Your Directors have pleasure in presenting the 2nd Directors' Report on the business and operation of the Company ("Aseem Infrastructure Finance Limited" or "AIFL" or "the Company") with the Audited Financial Statements of the Company for the financial year ("FY") ended on 31st March, 2021.

1. FINANCIAL STATEMENTS & RESULTS:

a. Financial Results:

The Company's performance during the year ended 31st March, 2021 as compared to previous period starting from incorporation of the Company i.e. 23rd May, 2019 till 31st March, 2020 is summarized below:

Standalone Financial Performance

(Amount in Rupees in lacs)

Particulars	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Total Income	4,738.83	455.18
Total Expenditure	2,090.14	400.96
Profit before tax and exceptional items	2,648.69	54.22
Tax Expenses	568.66	28.27
Profit for the year	2,080.03	25.95
Other comprehensive income (net of tax)	(1.28)	-
Total comprehensive income for the year	2,078.75	25.95
Earnings per share (Face value INR 10)		
Basic	0.15	0.02
Diluted	0.15	0.02

Consolidated Financial Performance

(Amount in Rupees in lacs)

Particulars	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Total Income	4,738.83	455.18
Total Expenditure	2,090.14	400.96
Profit before tax and exceptional items	**2,648.69**	**54.22**
Share of net profit of associate	4,049.51	12.30
Tax Expenses	1,587.36	31.37
Net profit for the year	**5,110.36**	**35.15**
Other Comprehensive income (net of tax)	6.75	-
Total Comprehensive income for the year	**5,117.11**	**35.15**
Earnings per share (Face value INR 10)		
Basic	0.41	0.02
Diluted	0.41	0.02

b. Capital Adequacy:

The Company's standalone capital adequacy ratio is 150.87% as on March 31, 2021, compared to 638.88% in the previous year which is significantly above the threshold limit of 15% as prescribed by RBI. The high capital adequacy ratio is due to lower leverage in first year of operations for the company.

c. Debt Equity Ratio:

The Company's Debt: Equity ratio as on March 31, 2021 stands at 0.2 times.

d. Transfer to reserves:

During the year under review INR 416.01 lacs have been transferred to Statutory Reserve under section 45-IC of RBI Act, 1934. These details are more specifically mentioned in note 17C of the Financial Statements.

e. IND-AS Reporting:

The Company has adopted Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2020 and the effective date of such transition is May 23, 2019. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by RBI.

f. Operations:

The Company was incorporated on May 23, 2019 vide Certificate of Incorporation issued by the Ministry of Corporate Affairs under the Corporate Identity Number (CIN) U65990MH2019PLC325794. The Company is currently 100% owned by National Investment and

Infrastructure Fund II including its nominees ("NIIF Fund II"). NIIF Fund II has been set up as a trust under the Indian Trusts Act, 1882 by the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India, on behalf of the Government of India ("GoI") by way of the Indenture of Trust dated March 1, 2018. NIIF Fund II is registered with the Securities and Exchange Board of India ("SEBI") as a Category II – Alternative Investment Fund ("AIF") under the SEBI (Alternative Investment Funds) Regulations, 2012. The National Investment and Infrastructure Fund Limited ("NIIFL"), a public limited company, incorporated under the Companies Act, 2013 is the investment manager of NIIF Fund II. The GoI is the largest shareholder in NIIFL, holding 49% (Forty Nine Percent) of the equity share capital of NIIFL. The GoI is the sponsor and the sole investor in NIIF Fund II as on 31^{st} March 2021.

Significant milestones achieved by the Company since its incorporation:

i. The Company has been granted the Certificate of Registration (COR) from RBI as an NBFC-Infrastructure Finance Company ("IFC") (NBFC- IFC) vide Certificate of Registration bearing No. N-13.02382 dated January 28, 2020;

ii. The Company has increased its Authorised Share Capital upto Rs. 3,100 crores and raised the Equity share capital to the extent of Rs. 1,405.64 crores fully subscribed by NIIF Fund II and Compulsorily Convertible Preference Shares ("CCPS") to the extent of Rs. 810.58 crores fully subscribed by GoI.

iii. Pursuant to the approval of RBI, the Company has made investment in equity shares of NIIF Infrastructure Finance Limited ("NIIF IFL") which is an Infrastructure Debt Fund-Non-Banking Finance Company (NBFC-IDF) on March 30, 2020 and became the sponsor of NIIF IFL holding a 30% stake in NIIF IFL, in compliance with the provisions of the Master Directions and NBFC-IDF Regulations. During the year under review, your Company subscribed to the rights offer made by NIIF IFL in May 2020 & March 2021 respectively and invested an amount upto INR 287 crore. Your Company holds 33.78% of equity stake in NIIF IFL as at 31^{st} March, 2021. (Your company will hold 30.8% stake on a fully diluted basis.)

iv. In accordance with definitive agreements, the Company has further issued 11,92,62,940 Equity Shares of the Company of face value of INR 10/- each at a premium of INR 1.06/- per share aggregating to INR 1,31,90,48,116/- on a private placement basis to National Investment and Infrastructure Fund II ("NIIF") and 73,68,89,692 0.001% Compulsorily Convertible Preference Shares ('CCPS') of the Company of the face value of INR 11/- each at a premium of Rs. 0.06/- per share aggregating to INR 8,14,99,99,994/- on private placement basis to the President of India represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India ("GoI").

v. In accordance with definitive agreements, the Company has invested Rs. 95,96,23,630 equity shares having face value of Rs 10/- each at an investment price of Rs. 21.04 per share aggregating Rs. 201,90,48,118/- in equity shares of NIIF Infrastructure Finance Limited ("NIIF IFL") which is an Infrastructure Debt Fund-Non-Banking Finance Company (NBFC-IDF) on March 30, 2021 and became the sponsor of NIIF IFL holding a 30.83% stake in NIIF IFL, in compliance with the provisions of the Master Directions and NBFC-IDF Regulations

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

2. DIVIDEND:

The Directors' do not recommend any dividend in FY 2020-21.

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

3. CREDIT RATING:

The long-term rating of the Company is AA from CARE and the short-term rating is A1+ from India Ratings as on March 31, 2021.

4. STATE OF AFFAIRS OF THE COMPANY:

The Management and Discussion and Analysis Report forming part of this Report sets in detail the operating and financial performance of the Company.

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

5. SHARE CAPITAL:

(i) Authorized Share Capital

In view of the business strategy and business expansion, the Authorized Share Capital of the Company was increased from the existing INR 13,00,00,00,000 (Indian Rupees Thirteen Hundred Crore only) divided into 1,30,00,00,000 Equity Shares of Rs. 10/- each (Rupees Ten only) to INR 31,00,00,00,009 (Rupees Three Thousand One Hundred Crore Nine only) divided into 2,20,00,00,000 Equity Shares of Face Value of Rs. 10/- each (Rupees Ten Only) and 81,81,81,819 preference shares of Face Value of INR 11/- each (Rupees Eleven Only).

(ii) Issued Subscribed and Paid-up Capital

In view of business strategy and business expansion and to further strengthen the financial position of the Company, the Company raised further share capital by issuing Equity Shares and Compulsorily Convertible preference Shares ("0.001% CCPS") on private placement to NIIF Fund II and GoI respectively. The Company issued and allotted 11,92,62,940 Equity Shares of face value of INR 10/- each at premium of INR 1.06/- per share aggregating to INR 1,31,90,48,116/- and 73,68,89,692- 0.001% CCPS of face value of Rs. 11/- each at premium of INR 0.06 per share amounting up to INR 8,14,99,99,994/-

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

(i) Appointment of Directors

During the year under review, Mr. Venkatadri Chandrasekaran and Ms. Rosemary Sebastian were appointed as additional Independent Directors on July 22, 2020 and September 16, 2020 respectively. Subsequently, they were regularized as Independent Directors by the Shareholders at the Annual General Meeting held on September 30, 2020.

(ii) Directors Retiring by Rotation

In accordance with the Article of Association of the Company and relevant provisions of the Act, Mr. Surya Prakashrao Pendyala, Chairman & Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting ("AGM") and, being eligible, seeks reappointment. The Board recommends his reappointment. Brief profile of Mr. Surya Prakashrao Pendyala has been given in the Notice to the AGM.

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

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

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Act, that he/she meets the criteria of independence laid down in Section 149(6) of the Act and they possess appropriate skills, experience and knowledge for being appointed as Independent Directors.

(iv) KMP

During the year under review, the following KMPs were appointed in terms of Section 203 of the Act:

Name	Designation	Date of Appointment
Mr. Virender Pankaj	Chief Executive Officer	24.03.2020
Ms. Karishma Jhaveri	Company Secretary	21.12.2021
Mr. Nilesh Sampat	Chief Financial Officer	28.12.2021

(v) List of Directors and KMPs' as at March 31, 2021:

Name of the Director / KMP	DIN/PAN	Type / Category
Mr. Surya Prakash Rao Pendyala	02888802	Chairman and Non-Executive Director
Mr. Rajiv Dhar	00073997	Non-Executive Director
Mr. Saurabh Jain	02052518	Non-Executive Director
Mr. Venkatadri Chandrasekaran	03126243	Independent Director
Ms. Rosemary Sebastian	07938489	Independent Director
Mr. Nilesh Sampat	AAKPS1509G	Chief Financial Officer
Mr. Virender Pankaj	ABUPP5469K	Chief Executive Officer
Ms. Karishma Jhaveri	AOKPP3847E	Company Secretary

7. ANNUAL BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, as amended from time to time, the Nomination and Remuneration Committee carried out an annual evaluation of the Board as well as of the Board's working committees and individual Directors including Chairman of the Board. The conclusions were discussed in a meeting of the Nomination and Remuneration Committee where the performance of the Board, its committees and individual directors were reviewed.

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

The Board expressed its satisfaction of the performance of all the directors, Board and its committees which reflected the overall engagement of the directors, the Board and its committees with the Company.

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

NIIF IFL is an associate Company of your Company by virtue of the Company's equity shareholding of 33.78 % in NIIF IFL as on March 31, 2021. The Company does not have any other Subsidiary or Joint Venture Company in accordance with the provisions of the Act, and hence, disclosure regarding the same is not applicable.

9. CONSOLIDATED FINANCIAL STATEMENTS:

In terms of Section 129 of the Act read with rules framed thereunder, consolidated audited financial statements of the Company and its associate company shall be laid before the ensuing Annual General Meeting of the Company along with the standalone audited financial statements of the Company for the financial year ended March 31, 2021. The standalone and consolidated audited financial statements along with the salient features of the financial statements of the subsidiary of the Company in the prescribed Form AOC-1 forms part of this Annual Report and is marked as **Annexure I**.

10. PUBLIC DEPOSITS:

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

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

11. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

No transactions/contracts/arrangements, as defined under Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, have been entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial period under review.

The Company has put in place the policy on Related Party Transactions ("RPT"). Since all RPTs entered into by the Company were in ordinary course of business and were on arm's length basis, Form AOC-2 is not applicable to the Company. However, a statement showing the disclosure with RPTs as per IND-AS is set out in Note 26 to the standalone audited financial statements.

The Company has in place a RPT Policy as required under the applicable laws. Details of the RPT policy is available on the website of the Company at www.aseeminfra.in/governance.html.

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

In terms of Section 186(11) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014, the provisions of Section 186 in respect of loans made, guarantees given or securities provided by the Company are not applicable to the Company.

During the year under review, the Company has made investment in equity share capital of NIIF IFL, its associate company. For details of investments of the Company, please refer Note 6 of the standalone audited financial statements of the Company for the financial year ended March 31, 2021.

13. POLICY FOR FIT AND PROPER SELECTION OF DIRECTORS

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

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

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

INEDs are paid sitting fees for each meeting of the Board or its committees attended by them. The INEDs have not been granted any stock options of the Company. Except the INEDs, none of the other directors are remunerated.

(II) Particulars of remuneration to Employees

In accordance with the provisions of Section 197(12) of the Act and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of every employee covered under the said rule are available at the registered office of the Company during working hours for a period of 21 days before the Annual General Meeting and will be made available to any shareholder on request. In terms of Section 178 of the Act, the Board of Directors adopted a Remuneration Policy inter alia setting out the criteria for deciding remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company. Details of the Remuneration Policy is available on the website of the Company at www.aseeminfra.in/governance.html.

15. WHISTLE-BLOWER POLICY

The Company has established a Whistle Blower Policy for persons connected with the Company to raise concerns about any poor or unacceptable practice and any event of misconduct and shall have direct access to the Head – Legal & Compliance Officer and/or Chairman of the Audit Committee in appropriate or exceptional cases. We affirm that no employee was denied access to the Chairman of the Audit Committee. Details of the Whistle-Blower policy is available on the website of the Company at www.aseeminfra.in/governance.html.

16. RISK MANAGEMENT POLICY:

The Company is classified as a systemically important non-deposit accepting non-banking financial company and is in compliance with all applicable laws and regulations. Pursuant to the provisions of RBI Directions for Infrastructure Finance Companies, the Board of Directors adopted Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses and define a structured approach to manage uncertainty and to make use of these in their decision-making pertaining to all business divisions and corporate functions. According, the Company has in place a Risk Policy in this regard. Key business risks and their mitigation will be considered in the annual/ strategic business plans and in periodic management reviews.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR vision is "To build a better and sustainable future for India by leveraging our competencies and engaging our stakeholders and partners". The Company endeavors to achieve this vision by supporting social development and environmental programs that are strategically linked to its business and create long-term and sustainable impact within the causes enlisted in Schedule VII of the Act, with a special focus on livelihood generation, community development in catchment areas and environmental protection. Details of the CSR policy is available on the website of the Company at www.aseeminfra.in/governance.html. Detailed information on the CSR initiative implemented by the Company during the year pursuant to Section 135 of the Act is marked and annexed as **Annexure III** to this Report.

18. INTERNAL CONTROL SYSTEMS:

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are being put in place for satisfactory operation. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

19. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, ("Act") in relation to the audited financial statements of the Company for the first period ended March 31, 2021, the Board of Directors hereby confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures from the same;

b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the first period;

c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts of the Company have been prepared on a going concern basis;

e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. MATERIAL ADVERSE ORDERS, IF ANY

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

21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of this Report.

22. AUDITORS AND REPORTS:

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

a. Statutory Auditors and their report:

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) Statutory Auditors of the Company were appointed as the Statutory Auditors of the Company for a term of 4 years commencing from the conclusion of the 1st (First) Annual General Meeting held on September 30, 2020 until the conclusion of the 5th (Fifth) Annual General Meeting of the Company, at such remuneration as may be decided by the Board of Directors of the Company.

M/s S. R. Batliboi & Co. LLP, Chartered Accountant LLP have resigned w.e.f. conclusion of the ensuing Annual General Meeting vide their letter dated August 26, 2021.

The Board of Directors now recommends to appoint M/s. B. K. Khare & Co., Chartered Accountants (Firm Registration Number: 105102W) as Statutory Auditors for the term of 3 (three) years commencing from the conclusion of the ensuing Annual General Meeting of the Company until the conclusion of the 5th Annual General Meeting. The Company has received a letter dated August 13, 2021 from M/s. B. K. Khare & Co., confirming that they are not disqualified from continuing to act as Statutory Auditors of the Company.

The term of appointment of the Statutory Auditors would be reassessed, if required, based on recent regulations of RBI issued in this regard.

The Auditors' Report issued by M/s. S. R. Batliboi & Co. LLP is unmodified i.e. does not contain any qualification, reservation, adverse remark or disclaimer.

b. Secretarial Auditors and their report:

Pursuant to the provisions of Section 204 of the Act and Rules 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Mehta & Mehta, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended 31st March, 2021 does not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013 and the Secretarial Audit Report is marked as **Annexure IV** to this Report.

c. Internal Auditors and their report:

Pursuant to the requirements of Section 138 of the Act and rules made thereunder, M/s. Deloitte Touche Tohmatsu, Chartered Accountants are the Internal Auditors of the Company.

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

d. Cost Auditors and their report:

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

e. Reporting of frauds by auditors:

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

23. PROTECTION OF WOMEN AT WORKPLACE

Your Directors state that, during the year under review the Company constituted Internal Complaints Committee ("ICC") in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, ("Sexual Harassment Act"). The objective of the ICC is to prevent, prohibit and redress sexual harassment of women at workplace. The Board confirm that during the year under review, the Company did not receive any sexual harassment complaints.

24. CORPORATE GOVERNANCE

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

The Company believes that good Corporate Governance practices enables the Board and the Management to direct and control the affairs of the Company in an efficient manner thereby helping the Company to achieve its goal and benefit the interest of all its stakeholders.

a. Board of Directors:

The Board of Directors, along with its committees provide leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company.

The Company's Board currently consists of 5 Directors, comprising three nominee Directors of NIIF Fund II and two Independent Directors.

Name of the Director	Category
Mr. Surya Prakash Rao Pendyala	Chairman and Non-Executive Director
Mr. Rajiv Dhar	Non-Executive Director
Mr. Saurabh Jain	Non-Executive Director
Mr. Venkatadri Chandrasekaran*	Independent Director
Ms. Rosemary Sebastian$	Independent Director

**Mr. Venkatadri Chandrasekaran was appointed as an Additional Independent Director w.e.f. July 27,2020 and regularized at the Annual General Meeting held on September 30, 2020*

$ Ms. Rosemary Sebastian was appointed as an Additional Independent Director w.e.f. September 16, 2020 and regularized at the Annual General Meeting held on September 30, 2020

The Board met 9 times during the year on May 14, 2020; June 30, 2020; July 22, 2020; September 16, 2020; January 12, 2021; March 01, 2021; March 09, 2021; March 26, 2021 (11:00 AM) and March 26, 2021 (8:45 PM) respectively. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The Meetings of the Board were chaired by Mr. Surya Prakash Rao Pendyala.

Attendance of Board Meeting

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Surya Prakash Rao Pendyala	9	9
Mr. Rajiv Dhar	9	7
Mr. Saurabh Jain	9	7
Mr. Venkatadri Chandrasekaran*	7	7
Ms. Rosemary Sebastian$	6	6

**Mr. Venkatadri Chandrasekaran was appointed as an Additional Independent Director w.e.f. July 27,2020*

$Ms. Rosemary Sebastian was appointed as an Additional Independent Director w.e.f. September 16, 2020

b. Meeting of Independent Directors

The Independent Directors met on March 19, 2021 without the presence of the Chairman and the Senior Management team. The matters considered and discussed there at, inter-alia, included those prescribed under Schedule IV to the Act.

c. Committee Meetings

In accordance with the applicable provisions of the Act, the circular(s), notification(s) and directions issued by the Reserve Bank of India, and the Company's internal corporate governance requirements, the Board has constituted various Committees with specific terms of reference to focus on the specific issues and ensure expedient resolution on diverse matters.

These include the Audit Committee, Nomination & Remuneration Committee, Credit Committee, Corporate Social Responsibility Committee, Finance Committee, Asset Liability Committee, Risk Management Committee, Internal Complaints Committee and IT Strategy Committee.

Audit Committee

The Audit Committee was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. It comprises of Mr. Venkatadri Chandrasekaran as Chairman and Mr. Saurabh Jain and Ms. Rosemary Sebastian as its Members. The Members of the Audit Committee of the Company met three times during the financial year on January 12, 2021; March 01, 2021 & March 26, 2021 respectively. The Audit Committee functions as per the terms of reference including but not limited to duties, powers, roles & responsibilities, as set out in the Act.

Attendance at the Audit Committee Meeting

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Venkatadri Chandrasekaran	3	3
Mr. Saurabh Jain	3	3
Ms. Rosemary Sebastian	3	3

Further, all the recommendations made by the Audit Committee were approved by the Board.

Nomination and Remuneration Committee ("NRC")

The NRC comprises of Mr. Venkatadri Chandrasekaran as Chairman and Mr. Surya Prakash Rao Pendyala; Mr. Rajiv Dhar and Ms. Rosemary Sebastian as Members. The composition of NRC is in conformity with the provisions of the Section 178 of the Companies Act, 2013.

Attendance at the NRC

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Venkatadri Chandrasekaran	1	1
Mr. Surya Prakash Rao Pendyala	1	1
Mr. Rajiv Dhar	1	1
Ms. Rosemary Sebastian	1	1

The scope and terms of reference of the Nomination & Remuneration Committee are in accordance with the Companies Act, 2013. The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Further, all the recommendations made by the Nomination and Remuneration Committee were approved by the Board.

Corporate Social Responsibility Committee ("CSR Committee")

The terms of reference of CSR Committee is as per the CSR Policy approved by the Board. The CSR Committee comprises of Ms. Rosemary Sebastian – Chairman and Mr. V. Chandrasekaran and Mr. Surya Prakash Rao Pendyala as Members.

During the year under review no meeting of the CSR Committee was held however, CSR Committee had performed their functions by passing resolutions through circulation and the same were ratified by the Board.

The Annual CSR report to be annexed to the Boards' Report is marked as Annexure III.

ANNUAL RETURN

The Annual Return in form MGT-7 for the Company is also available on the Company's website at www.aseeminfra.in

25. RBI GUIDELINES

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

26. OTHER DISCLOSURES:

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

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

Considering the nature of operations of the Company whereby the Company is not engaged in any manufacturing activity, there are no particulars in respect of conservation of energy and technology absorption as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is marked as **Annexure II** to this Report. However, as a prudent practice the Company ensures optimum utilization of energy & use of natural resources by eliminating wastage of such resources.

During the period under review, the Company has not earned nor used any foreign exchange and details of foreign exchange outgo is provided in **Annexure II** to this Report.

b. Secretarial Standards

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

27. GENERAL:

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

a) Issue of equity shares with differential rights as to dividend, voting or otherwise and under Employees Stock Option Scheme as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

c) Instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013.

d) Receipt of any remuneration or commission from any of its holding or subsidiary company by the managerial personnel of the Company.

e) Revision of the Financial Statements for the year under review.

f) Material changes and commitments occurred between the end of the financial year of the Company and the date of the Report which could affect the Company's financial position;

g) Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

h) Proceeding for Corporate Insolvency Resolution Process initiated Under the Insolvency and Bankruptcy Code, 2016.

i) Since the Company has not gone though one time settlement the question of difference between the amount of the valuation done at the time of one-time settlement and valuation while taking loan from banks or Financial Institutions does not arise.

28. ACKNOWLEDGEMENTS AND APPRECIATION:

The Board wishes to place on record their appreciation for the dedication and hard work put in by the employees of the Company at all levels and the support extended by various stakeholders of the Company. Effective business relationships with regulatory authorities and clients remained good during the year under review.
The Board is also thankful to the Reserve Bank of India and other regulatory authorities for their cooperation, guidance and support extended by them to the Company in its endeavors.

By Order of the Board of Directors
Surya Prakash Rao Pendyala
Chairman
DIN: 02888802

Place: Mumbai
Date: August 26, 2021

Registered Office:
UTI Tower, GN Block,
4th Floor, Bandra Kurla Complex,
Mumbai – 400 051

CIN: U65990MH2019PLC325794

ANNEXURE I

Form no. AOC – 1

[Pursuant to first proviso to sub-section 3 of Section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statements of Subsidiaries/ Associates/ Joint Ventures:

The Company does not have subsidiaries / joint ventures / associate except the following. The details of Associate is provided below:

	Associates	Amount in Rs. lakhs
	Name	NIIF Infrastructure Finance Limited ('NIIF IFL')
	Latest balance sheet date	31-Mar-21
	The date on which Associate was acquired	30-Mar-20
	Shares of Associate held by the Company on the year end:	
	-Numbers of shares	30,93,79,182
	-Amount of Investment in Associates	INR 55,219
	-Extent of Holding %	33.78% (*Your company will hold 30.8% stake on a fully diluted basis.*)
	Description of how there is significant influence	Holding is greater than 20% and therefore an associate company.
	Reason why the associate/joint venture is not consolidated	Not Applicable
	Net worth attributable to Shareholding as per latest audited Balance Sheet	INR 57,642
	Profit for the year	
	i) Considered in Consolidation	INR 4,050
	ii) Not considered in Consolidation	INR 9,125
1	Notes:	

The Company has significant influence through holding more than 20% of the equity shares in the investee company in terms of Accounting Standard 23, issued by ICAI.

ANNEXURE II

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

I. CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy– Not applicable

(ii) the steps taken by the Company for utilising alternate sources of energy– Not applicable

(iii) the capital investment on energy conservation equipments – Not applicable

II. TECHNOLOGY ABSORPTION

(i) the effort made towards technology absorption– Not applicable

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution– Not applicable

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable

(iv) the expenditure incurred on Research and Development: Not applicable

The Company is not a manufacturing Company, however energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimise energy. The Company is constantly active in harnessing and tapping the latest and best technology in the industry, wherever possible.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has incurred an expenditure of INR 3,14,290/- (equivalent USD 4,372) in foreign currency during the year under review. There were no foreign exchange earning.

ANNEXURE III

Annual CSR Report

1. A brief outline of the company's CSR policy:

The Company, through its CSR project(s)/programme(s), will focus on addressing the needs of all stakeholders, especially underprivileged communities, by creating positive shared value for all. For the Company, CSR is an extension of its overall ethos of responsible business. AIFLs' CSR mission is to build a better and sustainable future for India by leveraging its competencies and engaging its stakeholders and partners.

2. The Composition of the CSR Committee:

Sr. No.	Name of the 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	Ms. Rosemary Sebastian	Independent Director	None	NA
2	Mr. V. Chandrasekaran	Independent Director	None	NA
3	Mr. Surya Prakash Rao Pendyala	Non-Executive Director	None	NA

**The Company being incorporated on May 23, 2019 and being in existence for over one financial year the CSR Contribution for the Company was INR 1,08,431/- and thus, approval of the CSR Committee for making the spend towards Prime Ministers National Relief Fund was sought by way of a circular resolution.*

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

The CSR policy is hosted on the website of the Company and can be viewed at www.aseeminfra.in.

Since the Company was incorporated on May 23, 2019 and the CSR Contribution amounted to INR 1,08,431/- however, the Company has spent an amount of INR 1,10,000/- towards Prime Ministers National Relief Fund. The Company shall display its CSR projects as and when necessary, approvals are sought by the CSR Committee & Board respectively.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

The Company is not required to carry out Impact Assessment of its CSR projects.

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

No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
Not Applicable			

6. Average net profit of the Company as per section 135(5):

The Company being incorporated on May 23, 2019 and being in existence for over one financial year the net profit computed as per section 135(5) amounted to INR 54,21,572/- (Rupees Fifty Four Lakh Twenty One Thousand Five Hundred and Seventy Two Only)

7. (a) Two per cent of the average net profit of the Company as per Section 135(5):

The Company being incorporated on May 23, 2019 was required to spend 2% of the average net profit as per Section 135(5) during the immediately preceding financial year as per the amended CSR rules being notified by the Ministry of Corporate Affairs vide notification dated January 22, 2021. Accordingly, the 2% of the average net profit of the Company as per Section 135(5) amounted to INR 1,08,431/- (Rupees One Lakh Eight Thousand Four Hundred and Thirty One Only)

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years:

Not Applicable

(c) Amount required to be set off for the financial year:

Not Applicable

(d) Total CSR obligation for the financial year (7a+7b-7c):

INR 1,08,431/- (Rupees One Lakh Eight Thousand Four Hundred and Thirty One Only)

8. Details of CSR spent for the financial year:

The Company being incorporated on May 23, 2019 and being in existence for over just one financial year the prescribed CSR expenditure was INR 1,08,431/- (Rupees One Lakh Eight Thousand Four Hundred and Thirty One Only) however, the Company spent an amount of INR 1,10,000/- (Rupees One Lakh Ten Thousand Only) towards contribution being made to The Prime Minister's National Relief Fund.

Prime Minister's National Relief Fund:

The Prime Minister's National Relief Fund ("PMNRF") was established in 1948 and accepts voluntary contributions from Individuals, Organizations, Trusts, Companies, Institutions etc. It does not receive any budgetary support. All contributions towards PMNRF are exempted from Income Tax under section 80(G). The resources of the PMNRF are utilized to render immediate relief to families of those killed in natural calamities like floods, cyclones, earthquakes, etc. PMNRF has not been constituted by the Parliament. The Prime Minister of India is the Chairman of PMNRF and is assisted by Officers/ Staff on honorary basis. The PMNRF is audited by an independent auditor outside the Government. At present, Sarc & Associates, Chartered Accountants are the auditors. The fund is recognized as a Trust under the Income Tax Act and contributions towards PMNRF are notified for 100% deduction from taxable income under section 80(G) of the Income Tax Act, 1961.

9. Details of Unspent CSR amount for the preceding three financial years:
Not Applicable

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

11. Specify the reason if the Company has failed to spend 2% of the average net profit as per Section 135(5):
The Company has contributed 2% of its average net profits of the last financial year towards the CSR activities.

12. In the said rules, after annexure-II, E-form CSR -1 shall be inserted:
Currently the Company does not plan to undertake to implement any CSR activity by itself, and hence filing E-form CSR-1 will not be applicable.

For **Aseem Infrastructure Finance Limited**

Rosemary Sebastian
Chairman -CSR Committee
DIN: 07938489

Virender Pankaj
Chief Executive Officer
PAN: ABUPP5469K

ANNEXURE IV

FORM MR-3

Secrtetarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
Aseem Infrastructure Finance Limited
UTI Tower, GN Block, 4th Floor,
Bandra Kurla Complex, Mumbai - 400051

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also 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 March 31, 2021,complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on March 31, 2021, 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 (during the period under review not applicable to the Company);

(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 there under to the extent of Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings (during the period under review not applicable to the Company);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the period under review not applicable to the Company);

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (during the period under review not applicable to the Company);

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the period under review not applicable to the Company);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the period under review not applicable to the Company);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the period under review not applicable to the Company);

(f) 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 (during the period under review not applicable to the Company);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the period under review not applicable to the Company) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);

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

(vii) Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions;

(viii) Non-Banking Financial – Corporate Governance (Reserve Bank) directions;

(ix) Master Direction - Information Technology Framework for the NBFC Sector;

(x) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (During the period under review not applicable to the Company)

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the 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.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' view, if any are captured and recorded as part of the Minutes.

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

We further report that during the audit period the Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

Sr. No.	Date	Type of Meeting	Corporate Event
1	April 22, 2020	Extra-ordinary General Meeting	a) Members have approved to increase the Authorized share capital from Rs. 620,00,00,000/- (Rupees Six Hundred Twenty Crores only) to Rs. 1,300,00,00,000/- (Rupees One Thousand Three hundred crores) divided into 130,00,00,000 (One hundred Thirty crores) Equity Shares of Rs. 10/- (Rupees Ten only) each by creation of new 68,00,00,000 (Sixty-eight crore) Equity Shares of Rs. 10/- (Rupees Ten only) each. b) Members have approved to increase its borrowing limit up to sum of Rs. 5,000,00,00,000/- (Rupees Five Thousand crores only). c) Members have approved to raise money through private placement by issuance of Redeemable Non-Convertible Debentures (NCDs), Sub-ordinated Debentures, Bonds or any other Debt Securities up to Rs. 5,000,00,00,000/- (Rupees Five Thousand crores only).

Sr. No.	Date	Type of Meeting	Corporate Event
2	May 21, 2020	Resolution passed by circulation	The Board of Directors has approved for allotment of 70,93,74,999 (Seventy crore ninety-three lakhs seventy-four thousand nine hundred and ninety-nine only) Equity Shares of Rs. 10/- (Rupees Ten only) each to NIIF Fund II on right basis at par.
3	January 12, 2021	Board Meeting	a) The Board of Directors has approved to increase the overall borrowing limits of the company from Rs. 50,000,000,000/-(Rupees Five Thousand Crore Only) to Rs. 100,000,000,000/- (Rupees Ten Thousand Crore Only). b) The Board of Directors has approved for creation of charge/mortgage/hypothecation on the receivables/assets of the company to secure borrowings upto Rs. 100,000,000,000/- (Rupees Ten Thousand Crore Only). c) The Board of Directors has approved to increase in the limits for issuance of secured, unsecured rated, listed/unlisted, non-convertible debentures Rs. 50,000,000,000/- (Rupees Five Thousand Crore Only) to Rs. 100,000,000,000/- (Rupees Ten Thousand Crore Only), in one or more tranches on private placement basis.
4	January 12, 2021	Extra-ordinary General Meeting	a) The Company has increased the overall borrowing limits of the company to Rs. 50,000,000,000/- (Rupees Five Thousand Crore Only) to Rs. 100,000,000,000/- (Rupees Ten Thousand Crore Only). b) The Company has approved for creation of charge/mortgage/hypothecation on the receivables/assets of the company to secure borrowings upto Rs. 100,000,000,000/- (Rupees Ten Thousand Crore Only), in one or more tranches on private placement basis. c) The Company has increased in the limits for issuance of secured, unsecured rated, listed/unlisted, non-convertible debentures to Rs. 50,000,000,000/- (Rupees Five Thousand Crore Only) to Rs. 100,000,000,000/- (Rupees Ten Thousand Crore Only), in one or more tranches on private placement basis.
5	March 01, 2021	Board Meeting	The Board of Directors has approved to increase the Authorized Share Capital of the Company from existing Rs. 13,00,00,00,000/- (Rupees Thirteen Hundred crore only) divided into 1,30,00,00,000 Equity Shares of Rs. 10/- each (Rupees Ten only) to 31,00,00,00,009 (Rupees Three Thousand One Hundred Crore and Nine only) divided into 2,20,00,00,000 Equity Shares of Face Value of Rs. 10/- each (Rupees Ten Only) and 81,81,81,819 preference shares of Face Value of INR 11/- each (Rupees Eleven Only). Accordingly, clause V of the Memorandum of Association of the Company was altered.

Sr. No.	Date	Type of Meeting	Corporate Event
6	March 01, 2021	Extra-ordinary General Meeting	Members have approved to increase the Authorized Share Capital of the Company from existing Rs. 13,00,00,00,000/- (Rupees Thirteen Hundred crore only) divided into 1,30,00,00,000 Equity Shares of Rs. 10/- each (Rupees Ten only) to 31,00,00,00,009 (Rupees Three Thousand One Hundred Crore and Nine only) divided into 2,20,00,00,000 Equity Shares of Face Value of Rs. 10/- each (Rupees Ten Only) and 81,81,81,819 preference shares of Face Value of INR 11/- each (Rupees Eleven Only). Accordingly, clause V of the Memorandum of Association of the Company was altered.
7	March 09, 2021	Board Meeting	a) The Board of Directors has approved to create, offer, issue and allot upto 11,92,62,940 (Eleven Crore Ninety-Two Lakh Sixty-Two Thousand Nine Hundred Forty) Equity Shares of the Company of face value of INR 10 (Rupees Ten only) each at a premium of INR 1.06/- (Rupee One and Six Paisa only) per share aggregating to INR 1,31,90,48,116 (Rupees One Hundred Thirty One Crore Ninety Lakh Forty Eight Thousand One Hundred Sixteen Only) in one or more tranches, on a private placement basis; b) The Board of Directors has approved to create, offer, issue and allot upto 73,68,89,692 (Seventy Three Crores Sixty Eight Lakhs Eighty Nine Thousand Six Hundred Ninety Two) 0.001% Compulsorily Convertible Preference Shares of the Company of face value of INR 11/- (Rupees Eleven only) each at a premium of 0.06 (Six Paisa only) per share aggregating to INR 814,99,99,994 (Rupees Eight Hundred Fourteen Crore Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred Ninety Four only), in one or more tranches, on a private placement basis;
8	March 17, 2021	Extra-ordinary General Meeting	a) The Company has approved for issuance and allotment upto 11,92,62,940 (Eleven Crore Ninety Two Lakh Sixty Two Thousand Nine Hundred Forty) Equity Shares of the Company of face value of INR 10 (Rupees Ten only) each at a premium of INR 1.06/- (Rupee One and Six Paisa only) per share aggregating to INR 1,31,90,48,116 (Rupees One Hundred Thirty One Crore Ninety Lakh Forty Eight Thousand One Hundred Sixteen Only) on a private placement basis to National Investment and Infrastructure Fund II ("NIIF") for cash;

Sr. No.	Date	Type of Meeting	Corporate Event
			b) The company has approved for issuance and allotment upto 73,68,89,692 (Seventy Three Crores Sixty Eight Lakhs Eighty Nine Thousand Six Hundred Ninety Two) 0.001% Compulsorily Convertible Preference Shares of the Company of face value of INR 11/- (Rupees Eleven only) each at a premium of 0.06 (Six Paisa only) per share aggregating to INR 814,99,99,994/- (Rupees Eight Hundred Fourteen Crore Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred Ninety Four only), on a private placement basis to Government of India;
9	March 26, 2021	Board Meeting	a) The Board of Directors has allotted 11,92,62,940 Equity Shares of face value of INR 10/- per share at a premium of INR 1.06 per share aggregating to INR 1,31,90,48,116.40/- on private placement basis to National Investment and Infrastructure Fund II; b) The Board of Directors has allotted 73,68,89,692, 0.001% Compulsory Convertible Preference Shares (CCPS) of face value of INR 11/- per share at a premium of 0.06 paisa aggregating to INR 8,14,99,99,993.52/- to the President of India, represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India on private placement basis.

Note: Due to lockdown under COVID-19, Certification on this Form MR-3 is done on the basis of documents made available to us in electronic form (i. e. scanned copies over share drive) by the Secretarial Team of the Company and such documents will be verified physically after the lockdown is lifted.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner

FCS No: 5782 **Place: Mumbai** **UDIN: F005782C000833884**
CP No: 2486 **Date: August 26, 2021**

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,
Aseem Infrastructure Finance Limited
UTI Tower, GN Block, 4th Floor,
Bandra Kurla Complex, Mumbai - 400051

Our report of even date is to be read along with this letter.
1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in points vi to x of our Secretarial Audit Report in Form No. MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

7) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mehta &Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner

FCS No: 5782
CP No: 2486

Place: Mumbai
Date: August 26, 2021

UDIN: F005782C000833884

Independent Auditor's Report

To the Members of Aseem Infrastructure Finance Limited

Report on the Audit of the **Consolidated** Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Aseem Infrastructure Finance Limited (hereinafter referred to as the "Holding Company") and its associate comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including the consolidated statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate as at March 31, 2021, their consolidated profit including consolidated other comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

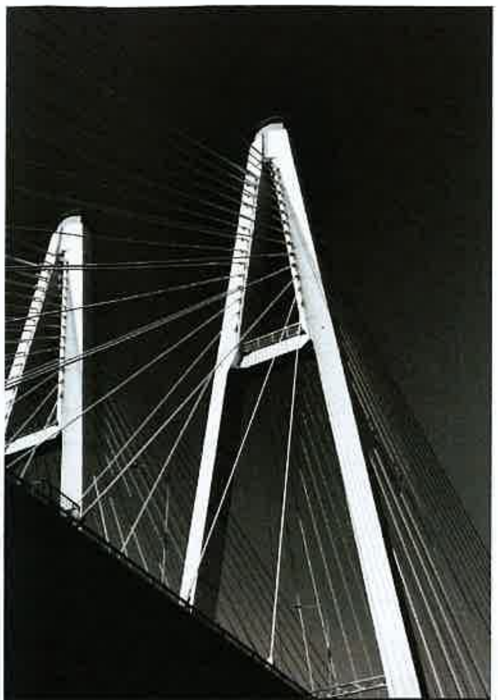
Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is the Directors' report, Secretarial Audit report and CSR report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Holding Company including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended. The respective Board of Directors of the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Holding Company and of its associate are responsible for assessing the ability of the Holding Company and of its associate 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 Holding Company or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Holding Company and of its associate are also responsible for overseeing the financial reporting process of the Holding Company and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

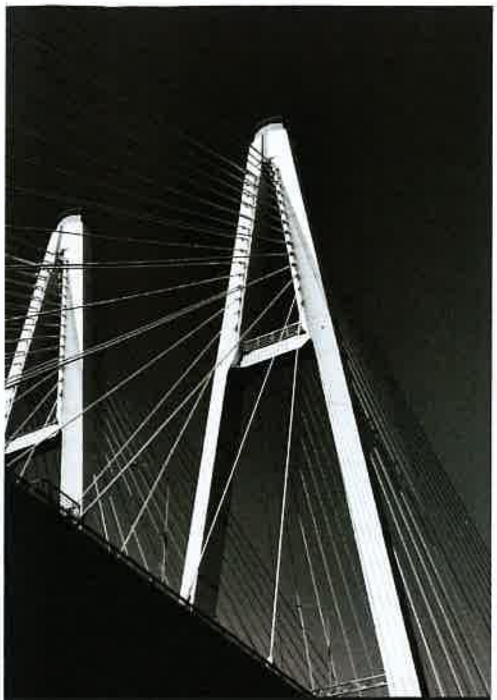
• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associate to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements



represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information or business activities of its associate of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the associate included in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and its associate included in the consolidated financial statements of which we are the independent auditors 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.

Other Matter

The comparative financial information of the Holding Company and its associate for the period May 23, 2019 to March 31, 2020 included in this consolidated financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and we expressed an unmodified opinion on those consolidated financial statements dated June 30, 2020, as adjusted for the differences in the accounting principles adopted by the Holding Company on transition to the Ind AS, which have been audited by us. The Holding Company has adopted Ind AS from April 1, 2020, with the effective transition date of May 23, 2019 but since, the Holding Company had no assets and liabilities on the effective transition date, as it was the date of incorporation of the Holding Company, no opening Ind AS Balance Sheet has been presented as described in detail in Note 2(i) of the accompanying consolidated financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and its associate company, none of the directors of the Holding Company and its associate incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its associate company incorporated in India, refer to our separate Report in "Annexure I" to this report;

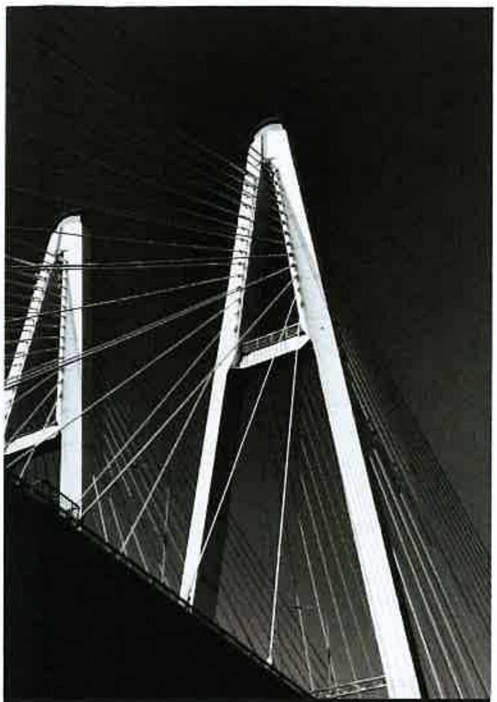
(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company and its associate for the year ended March 31, 2021;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Holding Company and its associates does not have any pending litigations which would impact its consolidated financial position;
ii. The Holding Company and its associates 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 Holding Company and its associate incorporated in India during the year ended March 31, 2021.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Rutushtra Patell
Partner Membership No.: 123596
UDIN: 21123596AAAACT9409
Place: Mumbai
Date: June 8, 2021



ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ASEEM INFRASTRUCTURE FINANCE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to consolidated financial statements of Aseem Infrastructure Finance Limited (the "Holding Company") and its associate, which are companies incorporated in India, as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controlswith reference to these consolidated 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 consolidated 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 internal financial controls with reference to these consolidated financial statements.

Meaning of Internal Financial Controls With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its associate has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Rutushtra Patell
Partner Membership No.: 123596
UDIN: 21123596AAAACT9409
Place: Mumbai
Date: June 8, 2021

Aseem Infrastructure Finance Limited
Consolidated Balance Sheet as at March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

	Particulars	Note	As at March 31, 2021	As at March 31, 2020
I.	**ASSETS**			
1	**Financial assets**			
	(a) Cash and cash equivalents	4	56,308.56	31,518.59
	(b) Loans	5	158,039.17	-
	(c) Investments accounted for using Equity method	6	59,281.74	26,603.31
	(d) Other financial assets	7	293.69	-
	Total financial assets (A)		**273,923.16**	**58,121.90**
2	**Non-financial assets**			
	(a) Deferred tax assets (net)	8	-	57.31
	(b) Property, plant and equipment	9A	13.75	-
	(c) Intangible assets under development	9B	73.17	-
	(d) Other non-financial assets	10	37.71	-
	Total non-financial assets (B)		**124.63**	**57.31**
	Total Assets (A+B)		**274,047.79**	**58,179.21**
II.	**LIABILITIES AND EQUITY**			
	Liabilities			
1	**Financial liabilities**			
	(a) Payables			
	(i) Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises		-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	11	31.91	-
	(b) Borrowings	12	44,182.49	-
	(c) Other financial liabilities	13	686.72	390.93
	Total financial liabilities (A)		**44,901.12**	**390.93**
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	14	49.01	43.16
	(b) Provisions	15	93.74	-
	(c) Deferred tax liabilities (net)	8	547.22	-
	(d) Other non-financial liabilities	16	140.98	9.97
	Total non-financial liabilities (B)		**830.95**	**53.13**
3	**Equity**			
	(a) Equity share capital	17A	140,563.79	57,700.00
	(b) Instruments entirely equity in nature	17B	81,057.87	-
	(c) Other equity	17C	6,694.06	35.15
	Total equity (C)		**228,315.72**	**57,735.15**
	Total Liabilities and Equity (A+B+C)		**274,047.79**	**58,179.21**

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Jhaveri
Company Secretary

Aseem Infrastructure Finance Limited

Consolidated Statement of Profit & Loss for the year ending March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Revenue from operations			
Interest income	18	4,701.11	455.18
Fees and commission income	19	37.72	-
Total Income (A)		**4,738.83**	**455.18**
Expenses			
Finance costs	20	185.73	0.05
Impairment on financial instruments	21	854.97	-
Employee benefits expenses	22	598.68	-
Depreciation, amortisation and impairment	23	2.76	-
Other expenses	24	448.00	400.91
Total expenses (B)		**2,090.14**	**400.96**
profit before tax (C = A - B)		**2,648.69**	**54.22**
Share of net profit of associates accounted using equity method		4,049.51	12.30
Tax expense			
Current tax		983.10	88.68
Deferred tax expense/(credit)		604.74	(57.31)
Total tax expenses (D)		**1,587.84**	**31.37**
Net profit after tax (E = C - D)		**5,110.36**	**35.15**
Other Comprehensive income/(loss)			
Items that will not be reclassifed to profit or loss			
- Share of OCI of associates accounted using equity method		10.73	-
- Actuarial loss on remeasurements of the net defined benefit plans		(1.71)	-
Income tax relating to items that will not be reclassified to profit or loss		(2.27)	-
Total Other comprehensive income/(loss) (F)		6.75	-
Total comprehensive income (G =E + F)		**5,117.11**	**35.15**
Earnings per equity share:	25		
Basic earnings per share (in ₹)		0.41	0.02
Diluted earnings per share (in ₹)		0.41	0.02

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

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

per Rutushtra Patell
Partner
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DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Jhaveri
Company Secretary

Aseem Infrastructure Finance Limited

Consolidated Statement of Changes in Equity for the year ending March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

A) Equity Share Capital

Particulars	Number of shares	Amount
As at May 23, 2019	-	-
Changes during the period	577,000,000	57,700.00
As at March 31, 2020	**577,000,000**	**57,700.00**
Changes during the year	828,637,939	82,863.79
As at March 31, 2021	**1,405,637,939**	**140,563.79**

B) Compulsorily Convertible Preference Share Capital ('CCPS')

Particulars	Number of shares	Amount
As at May 23, 2019	-	-
Changes during the period	-	-
As at March 31, 2020	-	-
Changes during the year	736,889,692.00	81,057.87
As at March 31, 2021	**736,889,692.00**	**81,057.87**

C) Other equity

	Reserves & Surplus				
Particulars	**Statutory reserve u/s. 45-IC of RBI Act, 1934**	**Securities premium**	**Impairment reserve**	**Retained earnings**	**Total**
As at May 23, 2019	-	-	-	-	-
Net profit after tax for the period	-	-	-	35.15	35.15
Less/Add: Transferred to Statutory reserve	5.19	-	-	(5.19)	-
Closing balance as at March 31, 2020	**5.19**	-	-	**29.96**	**35.15**
As at April 1, 2020	5.19	-	-	29.96	**35.15**
Net profit after tax for the year	-	-	-	5,110.36	5,110.36
Other comprehensive income for the year	-	-	-	6.75	6.75
Addition during the period	-	1,706.32	-	-	1,706.32
Less: Share issue expenses	-	(0.70)	-	(156.50)	(157.20)
Less: Share of share issue expenses of associate		-		(9.79)	(9.79)
Less: Deferred tax on share of share issue expenses of associate		-		2.47	2.47
Add/(Less): Transferred to Statutory reserve	416.01	-	-	(416.01)	-
(Less)/Add: Transferred to Impairment reserve	-	-	54.42	(54.42)	-
Closing balance as at March 31, 2021	**421.20**	**1,705.62**	**54.42**	**4,512.82**	**6,694.06**

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Jhaveri
Company Secretary

Aseem Infrastructure Finance Limited

Consolidated Statement of Cash Flows for the year ending March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
A. Cash flow from operating activities			
Profit before tax		2,648.69	54.22
Adjustment for:			
Depreciation and amortisation	9A & 23	2.76	-
Interest income on financial assets - EIR adjustment		(75.91)	
Interest expense on financial liabilities - EIR adjustment		0.40	
Financial guarantee obligation		(14.35)	
Impairment on financial instruments	21	854.97	-
Operating profit before working capital changes		**3,416.56**	**54.22**
Changes in working capital:			
Increase in provisions	15	115.59	-
Increase in trade payables	11	31.91	-
(Increase) in other financial assets	7	(295.04)	-
Increase in other financial liabilities	13	200.31	390.93
Increase in other non financial liabilities	16	131.01	9.97
(Increase) in non-financial assets	10	(37.71)	-
(Increase) in loans	5	(158,756.37)	-
Increase in interest accrual on borrowings		136.13	
Cash (used in)/generated in operations		**(155,057.61)**	**455.12**
(Payment) of tax (net)	14	(1,000.81)	(45.52)
Net Cash (used in)/generated in operations (A)		**(156,058.42)**	**409.60**
B. Cash flows from investing actvities			
Purchase of property, plant and equipment	9A	(16.51)	-
Purchase of intangible assets under development	9B	(46.17)	-
Purchase of investments	6	(28,627.98)	(26,591.01)
Net cash used in investing activities (B)		**(28,690.66)**	**(26,591.01)**
C. Cash flows from financing actvities			
Share issue expenses		(134.89)	-
Proceeds from issuance of Equity Share Capital	17A	84,127.98	57,700.00
Proceeds from issuance of Compulsorily Convertible Preference Share Capital	17B	81,500.00	-
Proceeds from borrowings	12	44,045.96	-
Net cash generated in financing actvities (C)		**209,539.05**	**57,700.00**
Net Increase in cash and cash equivalents (D) = (A + B + C)		**24,789.97**	**31,518.59**
Cash and cash equivalents at the beginning of the period **(E)**		31,518.59	-
Cash and cash equivalents at the end of the period (F) = (D) + (E)		**56,308.56**	**31,518.59**
Cash and cash equivalents include the following			
Balances with banks in current account		703.40	7.15
Fixed deposits with maturity less than 3 months		55,605.16	31,511.44
Total cash and cash equivalents		**56,308.56**	**31,518.59**

Notes:

(i) Figures in brackets represent cash outflow.

(ii) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specifed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

The accompanying notes form an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date

As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Jhaveri
Company Secretary

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

1. Corporate Information

Aseem Infrastructure Finance Limited (CIN:U65990MH2019PLC325794) (the "Company") is a public limited company, incorporated in India on May 23, 2019 under the provisions of the Companies Act, 2013 (the "Act") and is a Non-Banking Finance Company ("NBFC"), a Systemically Important Non-Deposit Taking Non-Banking Finance Institution regulated by the Reserve Bank of India ("RBI"). The registered office of the Company is located at 4th Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051, India.

The Company has received the NBFC license certificate no. N-13.02382 from RBI on January 28, 2020. The object of the Company is to undertake infrastructure financing activities. It is registered with RBI as an Infrastructure Finance Company (IFC).

The Company is a subsidiary of National Investment and Infrastructure Fund-II (the 'Fund') which has been organised as a Trust by The Department of Economic Affairs. The Trust has been organised as a contributory umbrella trust and settled in India by the Settlor under the provisions of the Indian Trust Act, 1882 by way of an Indenture of trust dated March 01, 2018. The Fund is registered with the Securities and Exchange Board of India ("SEBI") as a Category II Alternative Investment Fund under SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations").

The financial statement for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the directors on June 8, 2021.

2. Basis of Preparation

(i) Compliance with Ind AS

The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.
The Company has uniformly applied the accounting policies for all the periods presented in these consolidated financial statements.

Transition to Ind AS:

The Company was incorporated on May 23, 2019 and prepared and presented its consolidated financial statements for the period ended March 31, 2020 in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 ('erstwhile Indian GAAP'). With effect from April 01, 2020, the Company has adopted accounting standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS').

The Company's date of transition to Ind AS (as defined under AS 101) i.e. the beginning of the earliest period presented coincides with its date of incorporation i.e. May 23, 2019, on which date the Company did not have any assets or liabilities. According, opening Ind AS Balance Sheet as at May 23, 2019 is not relevant in the case of the Company and, consequently no optional exemptions or mandatory exceptions under Ind AS 101 apply.

The Company has presented a reconciliation of its transition from erstwhile Indan GAAP to Ind AS of its total equity as at March 31, 2020 and reconciliation of total comprehensive income and cash flow for the year ended March 31, 2020. Refer Note 41 for the explanation of transition from erstwhile Indian GAAP to Ind AS.

There are certain differences in presentation of Balance Sheet and Statement of Profit and Loss between erstwhile Indian GAAP and Ind AS (primarily the classification of assets and liabilities as "financial" and "non-financial") which have been appropriately given effect to in these consolidated financial statements.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 - "Statement of Cash Flows".

Further, consolidated financial statements have been prepared on accrual, going concern and historical cost convention basis.

(i) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for defined benefit plans – plan assets measured at fair value.

(ii) Order of Liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 36.

3. Significant accounting policies

a. Functional and Presentation Currency

The consolidated financial statements are presented in India Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

b. Investments in Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Wherever necessary, adjustments are made to consolidated financial statements of associates to bring their accounting policies in line with those used by the parent.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

c. Revenue recognition

Effective Interest Rate ("EIR")

Under Ind AS 109 – "Financial Instruments", interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at 'fair value through other comprehensive income' ("FVOCI") and debt instruments designated at 'fair value through profit or loss'("FVTPL"). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. No changes to carrying value are recognised through EIR except in case of modification of financial asset or liability.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

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

Interest Income on fixed deposits are recognised on accrual basis at the interest rates agreed upon with the banks for such fixed deposits.

d. Income tax

(i) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income. Currently, the Company has operations only in India. Hence, the current tax assets and liabilities are determined in accordance with the provisions of the Income Tax Act, 1961. The Company has created tax provision under Section 115BAA of the Income Tax Act, 1961 and has complied with the provisions of that Section.

Current tax is recognised in the statement of profit and loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, it is recognised in other comprehensive income or directly in equity respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which

applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and levied by the same taxation authority.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments associate except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

e. Leases

Company as a lessee

The Company's leased assets primarily consist of commercial leases of office premises. The Company assesses whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of an identified asset
ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a lease term of twelve months or less (short-term leases) and low value leases. Currently, the Company only has short term leases.

For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The Company does not have any leases as a lessor currently.

f. Cash and cash equivalents

Cash and cash equivalents in the balance sheet and for the purpose of the statement of cash flows, comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

g. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future

cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

h. 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 instruments also include derivative contracts such as foreign currency forward contracts. Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Financial Assets

(i) Initial recognition and measurement

Financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset, such as fees and commissions.

(ii) Classification

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with the way in which business is managed and information provided to the management. The information considered in conjunction with objectives of business model includes:

- the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile;
- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.

· The Company monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Based on the Company policy, it can sell financial assets out of Amortized cost business model under following scenarios:

- If such financial assets no longer meet the credit criteria in Company's investment policy;
- Credit risk on a financial asset has increased significantly;
- To meet liquidity needs in 'stress case scenarios' and does not anticipate selling these assets except in scenarios such as to fund unexpected outflow;
- Sales are infrequent or insignificant in value both individually or in aggregate
- If sales are made close to the maturity of the financial assets and the proceeds from the sales approximate the collection of the remaining contractual cash flows.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of assessing contractual cash flows, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- reset terms;
- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms; and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

A financial asset is measured at amortised cost only if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

(iii) Impairment of financial assets

Methodology for computation of Expected Credit Losses (ECL):

The financial instruments covered within the scope of ECL include financial assets measured at amortized cost and FVOCI, such as loans, trade receivables, security deposits and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the Company, for economic or contractual reasons relating to the borrower's financial difficulty, has granted to the borrower a concession(s) that the Company would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or another financial re-organisation;
- The disappearance of an active market for that financial asset because of financial difficulties.

ECL are a probability-weighted estimate of credit losses, measured as follows:

• Financial assets that are not credit impaired at the reporting date:
ECL has been estimated by determining the probability of default ('PD'), Exposure at Default ('EAD') and loss given default ('LGD').
PD has been computed using observed history of default for long term rated loans by leading credit rating agencies and converted into forward looking PD's considering suitable macro-economic variable and other observable inputs.

• Financial assets that are credit impaired at the reporting date:
ECL to be estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized:

— If the expected restructuring will not result in de-recognition of the existing asset, expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset.

— If the expected restructuring will result in de-recognition of the existing asset and the recognition of modified asset, the modified asset is considered as a new financial asset. The date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The impairment loss allowance is measured at an amount equal to 12 month expected credit losses until there is a significant increase in credit risk. If modified financial asset is credit-impaired at initial recognition, the financial asset is recognized as originated credit impaired asset.

(iii) Impairment of financial assets (continued)

Criteria used for determination of movement from stage 1 (12 month ECL) to stage 2 (lifetime ECL) and stage 3 (Lifetime ECL):

The Company applies a three-stage approach to measure ECL on financial assets measured at amortized cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

Stage 1: 12 month ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized. Interest income is accrued using the effective interest rate on the gross carrying amount.

Stage 2: Lifetime ECL (not credit impaired):

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information, deterioration in internal/external ratings and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Interest income is accrued using the effective interest rate on the gross carrying amount.

Stage 3: Lifetime ECL (credit impaired):

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.

For financial instruments whose significant payment obligations are only after next 12 months, lifetime ECL is applied.

Method used to compute lifetime ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive. The Company estimates 12 month ECL and lifetime ECL using number of variable inputs such as historical default rate, macroeconomic scenarios, contractual life of financial assets and estimated recovery from collateral.

Manner in which forward looking assumptions have been incorporated in ECL estimates:

The Company considers historical observed default rates and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively. The Company's ECL calculations are output of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

(iv) Write-offs

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

(v) Derecognition

A financial asset is derecognised only when:

• The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients, or

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in statement of profit or loss.

Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value less transaction costs directly attributable to the issue of the financial liabilities.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method except when designated to be measured at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

i. Financial guarantee contracts

Financial guarantees are initially recognised in the consolidated financial statements (within 'other financial liabilities') at fair value, being the premium received/receivable. Further, a financial asset is recognised for the present value of the expected future premium.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. The ECLs related to financial guarantee contracts are recognised within Provisions.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in impairment on financial instruments. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee. Unwinding of discount on guarantee commission income receivable is recognised in other interest income.

j. Property plant and equipment (PPE)

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment, if any. Cost comprises acquisition cost, borrowing cost if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

Depreciation:

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives, which are equal to the lives prescribed under Schedule II to the Act. The estimated useful lives are as follows:

Assets	Useful life
Computer equipment	3 years
Office equipment	3 years
Server/Networking equipment	6 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Derecognition:

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

k. Intangible assets under development

Expenditure incurred which is eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use. Intangible assets under development primarily comprise of software under development. As these assets are under development, there is no amortisation charge during the year.

l. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/ external factors, that an asset may be impaired. If any such indication exists, or where annual impairment testing for an asset is required, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset or a Cash-Generating Unit (CGU) is the higher of its fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

If the carrying amount of the asset or CGU exceeds the estimated recoverable amount, an impairment is recognized for such excess amount in the Statement of Profit and Loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised. Reversals of impairment loss are recognized in the Statement of Profit and Loss.

m. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

• When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.
• The Company expenses off 50% of eligible input tax credit in line with applicable Goods and Services Tax laws.

n. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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. 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. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent Liabilities are not recognized but disclosed in the notes. However, contingent liabilities are not disclosed if the possibility of an outflow of resources embodying economic benefits is remote. Contingent Assets are not recognized in the consolidated financial statements. They are disclosed in the notes if an inflow of economic benefits is probable.

o. Employee Benefits

Compensated absences

The Company accrues the liability for compensated absences based on the actuarial valuation as at the Balance Sheet date conducted by an independent actuary, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilization. The net present value of the Company's obligation as at the Balance Sheet date is determined based on the projected unit credit method.

Post-employment obligations:

The Company operates the following post-employment schemes:

(i) Defined contribution plans:
These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constructive obligation to pay additional sums. These comprise of contributions to the employees provident fund.

The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Defined benefit plans:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The gratuity scheme is wholly unfunded. The Company accounts for the liability for future gratuity benefits based on actuarial valuation. The net present value of the Company's obligation as at the Balance Sheet date towards the same is actuarially determined based on the projected unit credit method.

Remeasurement of all defined benefit plans, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income in the year they are incurred. Remeasurements are not reclassified to profit or loss in subsequent period. Net interest expense on the net defined liability is computed by applying the discount rate used to measure the net defined liability, to the net defined liability at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q. Events after the reporting period

Where events occurring after the reporting period provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events occurring after the reporting period are only disclosed, if they are material in size or nature.

financial statements. Otherwise, events occurring after the reporting period are only disclosed, if they are material in size or nature.

r. Segmental Reporting

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Management Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 – "Operating Segments"), in deciding how to allocate resources and in assessing performance. These have been identified taking into account the nature of products and services, the differing risks and returns and the internal business reporting systems. Basis evaluation, the Company concluded it operates in a single reportable segment.

s. Significant accounting estimates, judgements and assumptions

The preparation of consolidated financial statements in accordance with Ind AS requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses, 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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively.

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Property, plant and equipment:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are as per Schedule II of the Companies Act, 2013 or are based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(ii) Income tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the consolidated financial statements.

(iii) Provision and contingencies:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may, therefore, vary from the amount included in other provisions.

(iv) Defined benefit obligations:

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, attrition rates and mortality rates. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to the long term nature of these plans such estimates are subject to significant uncertainty.

(v) Allowance for impairment of financial asset:

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 detailed model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

(vi) Business model assessment:

Classification and measurement of financial assets depends on the results of the Solely Payments

of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

(vii) Effective Interest Rate (EIR) method:

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, changes to benchmark rate and other fee income/expense that are integral parts of the instrument.

t. Impact of COVID-19

The outbreak of COVID–19 virus which was declared a global pandemic by the World Health Organisation on March 11, 2020 continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities.

The pandemic has generally impacted businesses including lending business, fee income, collection efficiency etc. which in turn may impact customer defaults and consequently impairment allowance. The Company continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients. The Company has not seen any adverse impact on its collections till date.

The Company has also raised equity and compulsorily convertible preference capital during March 2021 to augment its capital base. The Company continues to meet its operating and financial obligations, has maintained a higher than required capital adequacy ratio and has adequate financial resources to run its business as the Company has not experienced any significant disruptions due to this pandemic and has considered impact if any, on carrying value of assets based on the external or internal information available up to the date of approval of consolidated financial statements. However, the extent to which

COVID-19 pandemic will continue to impact the Company's business, results of operations, financial position and cash flows will depend on future developments which remain highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the financial assets. The Company is closely monitoring any material changes to future economic conditions and resultant impacts, if any, on the expected credit loss provisions.

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 4: Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- in current accounts	703.40	7.15
- Fixed deposits with original maturity less than 3 months	55,605.16	31,511.44
Total	**56,308.56**	**31,518.59**

Note 5: Loans	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost		
Term Loans	130,225.97	-
Non Convertible Debentures	28,606.31	-
Total Gross	**158,832.28**	-
Less: Impairment loss allowance	(793.11)	-
Total Net	**158,039.17**	-
Secured	158,832.28	-
Unsecured	-	-
Total Gross	**158,832.28**	-
Less: Impairment loss allowance	(793.11)	-
Total Net	**158,039.17**	-
Loans in India		
Public sector	-	-
Others	158,832.28	-
Total Gross	**158,832.28**	-
Less: Impairment loss allowance	(793.11)	-
Total Net	**158,039.17**	-
Total	**158,039.17**	-

Note 6: Investments accounted for using Equity method	As at March 31, 2021		As at March 31, 2020	
Investment in equity shares of associate company (Unquoted)	**Number**	**Amount**	**Number**	**Amount**
NIIF Infrastructure Finance Limited (Formerly, IDFC Infrastructure Finance Limited) - Face value ₹ 10 (holding 30.83% as at March 31, 2021 and 30% as at March 31, 2020)	309,379,182	55,218.99	162,000,000	26,591.01
Share of profit of associate	-	4,061.81	-	12.30
Share of Other Comprehensive Income of associate	-	10.73	-	-
Share of share issue expenses of associate	-	(9.79)	-	-
Total (A)	**309,379,182**	**59,281.74**	**162,000,000**	**26,603.31**
Investments in India (i)	309,379,182	59,281.74	162,000,000	26,603.31
Investments outside India (ii)	-	-	-	-
Total (B) (i+ii)	**309,379,182**	**59,281.74**	**162,000,000**	**26,603.31**
Total	**309,379,182**	**59,281.74**	**162,000,000**	**26,603.31**

(All amounts are in INR Lakhs, unless otherwise stated)

Note 7: Other financial assets

	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost		
Guarantee commission receivable	133.48	-
Processing fees receivable	161.56	
Less: Impairment loss allowance	(1.35)	
Total	**293.69**	**-**

Note 8: Deferred tax assets/(liabilities) (net)

	As at March 31, 2021	As at March 31, 2020
Temporary diference atributable to:		
Deferred tax assets		
Preliminary expenses	45.30	60.41
Provision for gratuity payable	2.98	-
Provision for leave encashment payable	5.39	-
Financial assets measured at amortised cost	206.71	-
Impairment allowance on financial assets	215.18	-
Expenses disallowed for Income tax	0.38	
	475.94	**60.41**
Deferred tax liabilities		
Depreciation on property, plant and equipment	(0.65)	-
Undistributed profit of associate	(1,022.51)	(3.10)
	(1,023.16)	**(3.10)**
Total Deferred tax assets/(liabilities) (net)	**(547.22)**	**57.31**

Aseem Infrastructure Finance Limited
Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

Note 9A: Property, plant and equipment

Particulars	Computer equipment	Office equipment	Server/networking equipment	Total
Gross block				
Balance as at March 31, 2020	-		-	-
Additions/Adjustments	9.24	2.00	5.27	16.51
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2021	**9.24**	**2.00**	**5.27**	**16.51**
Accumulated depreciation				
Balance as at March 31, 2020	-		-	-
Depreciation charge	2.01	0.19	0.56	2.76
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2021	**2.01**	**0.19**	**0.56**	**2.76**
Net block				
Balance as at March 31, 2020	-	-	-	-
Balance as at March 31, 2021	**7.23**	**1.81**	**4.71**	**13.75**

Note 9B: Intangible assets under development

Particulars	Intangible assets under development
Gross block	
Balance as at March 31, 2020	
Additions/Adjustments	73.17
Disposals/Adjustments	-
Balance as at March 31, 2021	**73.17**
Accumulated depreciation	
Balance as at March 31, 2020	
Depreciation charge	-
Disposals/Adjustments	-
Balance as at March 31, 2021	-
Net block	
Balance as at March 31, 2020	-
Balance as at March 31, 2021	**73.17**

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 10: Other non-financial assets	As at March 31, 2021	As at March 31, 2020
Advance to vendors	2.35	-
Prepaid expenses	35.36	-
Total	**37.71**	**-**

Note 11: Trade payables	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	31.91	-
Total	**31.91**	**-**

Note 12: Borrowings	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
Borrowings - In India		
Secured		
Term loan from bank	44,182.49	-
Total	**44,182.49**	**-**

Additional information:

Details of borrowings:

i) There are no borrowings designated or measured at FVTPL.

ii) Term loan from bank is secured against pari passu charge on standard asset portfolio of book debts and receivables and carry interest rate of 7.20% p,a., which will be reset on a half yearly basis. The loan are having tenure of 6 years from the date of disbursement and are repayable in quarterly instalments starting from May 2022.

Note 13: Other financial liabilities	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost		
Payable to related parties	121.19	382.55
staff incentives payable	132.02	-
Financial guarantee obligation	191.56	-
Processing fees received pending disbursement	133.48	-
Capital expenses payable	27.00	-
Share issue expenses payable	22.31	
Other expenses payable	59.16	8.38
Total	**686.72**	**390.93**

Note 14: Current tax liabilities (net)	As at March 31, 2021	As at March 31, 2020
Provision for income taxes (Net of taxes paid of ₹ 1,046.33 lakhs for March 31, 2021 and ₹ 45.52 lakhs for March 31, 2020)	49.01	43.16
Total	**49.01**	**43.16**

Note 15: Provisions	As at March 31, 2021	As at March 31, 2020
Provisions for employee benefits		
Provision for gratuity	11.84	-
Provision for leave benefits	21.40	-
Provision for Impairment loss on non-fund based facility	60.50	-
Total	**93.74**	**-**

Note 16: Other non-financial liabilities	As at March 31, 2021	As at March 31, 2020
Statutory dues	140.98	9.97
Total	**140.98**	**9.97**

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 17A: Equity Share Capital	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Authorised capital				
Equity Shares of ₹ 10 each (Previous period ₹ 10 each)	2,200,000,000	220,000.00	620,000,000	62,000.00
	2,200,000,000	**220,000.00**	**620,000,000**	**62,000.00**
Issued, subscribed and paid up*				
(I) Equity Shares				
Equity shares of ₹ 10 each fully paid (Previous period ₹ 10 each)	1,405,637,939	140,563.79	577,000,000	57,700.00
	1,405,637,939	**140,563.79**	**577,000,000**	**57,700.00**

Rights, preferences and restrictions attached to Equity Shares

Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 17B: Compulsorily Convertible Preference Share Capital ('CCPS')	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Authorised capital				
0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each	818,181,819	90,000.00	-	-
	818,181,819	**90,000.00**	**-**	**-**
Issued, subscribed and paid up*				
0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each	736,889,692	81,057.87	-	-
	736,889,692	**81,057.87**	**-**	**-**

Rights, preferences and restrictons atached to preference shares

The CCPS shall carry a pre-determined cumulative dividend rate of 0.001% per annum. In addition to the same, if the holders of Equity Shares are paid dividend in excess of 0.001% per annum, the CCPS investor shall be entitled to dividend at such higher rate. The dividend shall be payable, subject to cash flow solvency, in the event the board of directors of AIFL declare any dividend for the relevant year, and shall be paid in priority to Equity Shares. Each CCPS was issued at a face value of ₹ 11 per CCPS and a premium of ₹ 0.06 per CCPS, and shall be converted into 1 equity share of FV ₹ 10 each and premium ₹ 1.06 upon induction of a new investor or expiry of 3 years from the date of issuance of the CCPS, whichever is earlier. The CCPS do not carry any voting rights and shall have liquidation preference over the Equity Shares, in accordance with section 53 of the Insolvency and Bankruptcy Code, 2016.

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares				
At the beginning of the year	577,000,000	57,700.00	-	-
Add: Issued during the year	828,637,939	82,863.79	577,000,000	57,700.00
At the end of the year	**1,405,637,939**	**140,563.79**	**577,000,000**	**57,700.00**
Total issued, subscribed and fully paid up Equity Shares	**1,405,637,939**	**140,563.79**	**577,000,000**	**57,700.00**
0.001 % Compulsorily Convertible Preference Shares				
At the beginning of the year	-	-	-	-
Add: Issued during the year	736,889,692	81,057.87	-	-
At the end of the year	**736,889,692**	**81,057.87**	**-**	**-**
Total issued, subscribed and fully paid up 0.001 % Compulsorily Convertible Preference Shares	**736,889,692**	**81,057.87**	**-**	**-**

Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	% of shares	Number of Shares	% of shares
Equity shares of Rs 10 each				
National Investment and Infrastructure Fund-II	1,405,637,939	100%	577,000,000	100%
0.001 % Compulsorily Convertible Preference Shares of Rs each				
President of India (Represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India)	736,889,692	100%	-	0%

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 17C: Other equity	As at March 31, 2021	As at March 31, 2020
(a) Statutory reserve u/s. 45-IC of RBI Act, 1934	421.20	5.19
(b) Securities premium	1,705.62	-
(c) Impairment reserve	54.42	-
(d) Retained earnings	4,512.82	29.96
Total	**6,694.06**	**35.15**

(a) Statutory reserve u/s. 45-IC of RBI Act, 1934	As at March 31, 2021	As at March 31, 2020
Opening balance	5.19	-
Addition during the year	416.01	5.19
Closing balance	**421.20**	**5.19**

(b) Securities premium	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Addition during the year	1,706.32	-
Less: Share issue expenses	(0.70)	-
Closing balance	**1,705.62**	-

(c) Impairment reserve	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Addition during the year	54.42	-
Closing balance	**54.42**	-

(d) Retained earnings	As at March 31, 2021	As at March 31, 2020
Opening Balance	29.96	-
Transaction during the year :		
Net profit for the year	5,110.36	35.15
Other comprehensive income for the year	6.75	-
Less: Share issue expenses	(156.50)	-
Less: Share of share issue expenses of associate	(9.79)	
Less: Deferred tax on share of share issue expenses of associate	2.47	-
Less: Transfer to Statutory reserve u/s. 45-IC of RBI Act, 1934	(416.01)	(5.19)
Less: Transfer to Impairment reserve	(54.42)	-
Closing balance	**4,512.82**	**29.96**

*During the year, the Company has received equity share capital of ₹ 84,127.98 lakhs (including securities premium) from existing shareholder and compulsorily convertible preference share capital (CCPS) of ₹ 81,500.00 lakhs (including securities premium) from President of India (represented by and acting through the Secretary, Department of Corporate Affairs, Ministry of Finance, Government of India). This CCPS infusion from Government of India is the first tranche subscribed against its commitment to make direct investment in the Company as announced in the Union Budget for FY 2020-21 and Atmanirbhar Bharat Scheme 3.0.

Nature and purpose of reserves

Statutory reserve u/s. 45-IC of RBI Act, 1934

Appropriations to the Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 and the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out of distributable profits of the Company.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Impairment reserve

In terms of the requirement as per RBI Notification No. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020, on implementation of Ind AS, Non-Banking Financial Companies (NBFCs) are required to create an Impairment Reserve for any shortfall in Impairment Allowances under Ind AS 109 - Financial Instruments (Ind AS 109), as compared to the Income Recognition, Asset Classifcation and Provisioning ('IRACP') norms (including provision on standard assets). As at December 31, 2020, the total provision required under IRACP (including standard asset provisioning) exceeded the Impairment Allowance under Ind AS 109. Accordingly, the Company had transferred ₹ 54.42 lakhs from Retained Earnings to Impairment Reserve. The Impairment Allowance including the additional provision under Ind AS 109 as at March 31, 2021 is higher than the provision required under IRACP norms and accordingly, no additional transfer to the Impairment Reserve has been made.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, dividends or other distributions paid to shareholders.

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 18 : Interest income	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
On financial assets measured at amortised cost:		
Interest on loans	1,774.92	-
Interest on Non Convertible Debentures	1,280.43	-
Interest on bank deposits	1,643.66	455.18
Other interest income*	2.10	-
Total	**4,701.11**	**455.18**

*Represents unwinding of discount on commission income from financial guarantee contract.

Note 19 : Fees and commission income	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
On financial assets measured at amortised cost:		
Commission fees	37.72	-
Total	**37.72**	**-**

Note 20: Finance costs	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
On Financial liabilities measured at amortised cost		
Bank charges	0.03	0.05
Interest on borrowings	162.14	-
Interest on corporate taxes	23.56	
Total	**185.73**	**0.05**

Note 21: Impairment on financial instruments	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
On Financial instruments measured at amortised cost		
Term Loans	651.46	-
Non Convertible Debentures	143.01	-
Non Fund Based Facility	60.50	
Total	**854.97**	**-**

Note 22: Employee benefits expenses	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Salaries and wages	546.40	-
Gratuity and leave encashment	31.53	-
Contribution to provident and other funds	20.65	-
staff welfare expenses	0.10	-
Total	**598.68**	**-**

Note 23: Depreciation and amortisation expense	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Depreciation on property, plant and equipment	2.76	-
Total	**2.76**	**-**

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Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 24: Other expenses

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Branding expenses	5.45	-
Shared services cost expense	98.98	-
Legal and professional fees	158.92	36.57
Pre-incorporation expenses	-	300.02
Pre-operative expenses	-	58.09
Auditor's remuneration (Refer note 24 (a)	19.26	5.75
Facility support services fees	75.00	-
Corporate social responsibility expenditure	1.10	-
Director sitting fees	14.39	-
Recruitment expenses	46.96	-
information technology expenses	13.36	-
Insurance expenses	8.41	-
Other expenses	6.17	0.48
Total	**448.00**	**400.91**

Note 24(a): Break up of Auditors' remuneration

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Statutory audit	16.00	3.50
Tax audit	1.00	-
In other capacity		
Other services	2.00	2.25
Out-of-pocket expenses	0.26	
Total	**19.26**	**5.75**

Note 25: Earning per share (EPS)

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

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Net profit after tax	5,117.11	35.15
Less: Share issue expenses	(156.50)	-
Less: Impairment reserve	(54.42)	-
Net profit after tax available for equity shareholders	**4,906.19**	**35.15**
Weighted average number of shares before adjustment of Compulsorily Convertible Preference Shares (CCPS) dilution	11,931	1,467
Effect of dilution on account of CCPS	121	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**12,052**	**1,467**

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

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Basic earnings per share	0.41	0.02
Diluted earnings per share	0.41	0.02

The Basic earnings per share considers the Effect of dilution on account of the Compulsorily Convertible Preference Shares as the conversion ratio is fixed.

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 26: Related party disclosure

Names of related parties identified in accordance with Ind AS -24 "Related Party Disclosures" (with whom there were transactions during the current year/previous period)' are as follows:

a. Name of related parties and related party relationship

i) parties where control exists

Holding entity	National Investment and Infrastructure Fund-II
Investment manager of holding entity	National Investment and Infrastructure Fund Limited

ii) Associate company — NIIF Infrastructure Finance Limited

iii) Key management personnel

Chief Executive Officer	Mr. Virender Pankaj
Chief Financial Officer	Mr. Nilesh Sampat
Company Secretary	Ms. Karishma Jhaveri

iv) Directors

Chairman & Non - Executive Director	Mr. Surya Prakash Rao Pendyala
Non - Executive Director	Mr. Saurabh Jain
Non - Executive Director	Mr. Rajiv Dhar
Independent Director	Ms. Rosemary Sebastan
Independent Director	Mr. V. Chandrasekaran

b. Key management personnel compensation:

Particulars	**For the year ended March 31, 2021**	**For the period from May 23, 2019 to March 31, 2020**
Short term employee benefits	254.22	-
Post-employment defined benefit #	8.58	-

#As gratuity and other long term employee benefits are computed for all employees in aggregate, the amounts relating to the Key Management Personnel cannot be individually identified.

Note : Mr. Virender Pankaj was appointed as Chief Executive Officer (CEO) in board meeting dated March 24, 2020 with Effect from April 01, 2020. Hence, there are no transaction during the period ending March 31, 2020 which are required to be reported under the managerial remuneration paid or payable to the company's Chief Executive Officer under Key management personnel.

Particulars of Director sitting fees	**For the year ended March 31, 2021**	**For the period from May 23, 2019 to March 31, 2020**
Ms. Rosemary Sebastan - Independent Director	6.60	-
Mr. V. Chandrasekaran - Independent Director	6.60	-
Total	**13.20**	-

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 26: Related party disclosure (continued)

c. Transactions with related parties during the period

Nature of transaction	Relationship	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Issue of equity shares			
National Investment and Infrastructure Fund-II	Holding company	84,127.98	57,700.00
Purchase of equity shares			
NIIF Infrastructure Finance Limited	Associate company	28,627.98	26,591.01
Expenses on Company's behalf by			
National Investment and Infrastructure Fund-II	Holding entity	-	300.02
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	75.07	83.35
NIIF Infrastructure Finance Limited	Associate company	110.88	8.28

d. Closing balance of the transactions with related parties

Nature of transaction	Relationship	As at March 31, 2021	As at March 31, 2020
Equity shares			
National Investment and Infrastructure Fund-II	Holding company	140,563.79	57,700.00
Investment in equity shares			
NIIF Infrastructure Finance Limited	Associate company	55,218.99	26,591.01
Expenses on Company's behalf payable			
National Investment and Infrastructure Fund-II	Holding entity	-	300.02
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	69.38	75.08
NIIF Infrastructure Finance Limited	Associate company	51.81	7.45

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

27 Corporate social responsibility (CSR)

As per section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

(a) Gross amount required to be spent by the Company during the year – ₹ 1.08 lakhs (previous period - ₹ nil)

(b) Amount spent during the year

For the year ended March 31, 2021	In cash	Yet to be paid in cash	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1.10	-	1.10
For the year ended March 31, 2020	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-

28 contingent liabilities & capital commitments

Capital expenditure contracted for at the end of reporting period but not recognised as liabilities is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Intangible assets	69.25	-

contingent liabilities as at the end of reporting period are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Letter of comfort issued	12,100.00	-

29 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises for the year ended March 31, 2021 and March 31, 2020 (no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED).

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Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

30 Tax expense recognised in P&L

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	983.10	88.68
Deferred tax	604.74	(57.31)
	1,587.84	**31.37**

Tax expense/(benefits) recognised in other comprehensive income and other equity

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	-	-
Deferred tax - remeasurement of defined benefit obligation	2.27	-
Deferred tax - share of share issue expenses of associate	(2.47)	-
	(0.19)	-

30.1 Tax reconciliation (for profit and loss)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Consolidated Profit/(loss) before income tax expense	6,698.20	66.52
Tax at the rate of	25.168%	25.168%
Income tax expense calculated	1,685.80	16.74
Tax impact of not deductible expenses for tax purpose	6.21	14.62
Tax impact of deduction allowed separately under income Tax Act, 1961	(104.60)	-
Others	0.24	-
Income tax expense	**1,587.65**	**31.36**

30.2 Deferred tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax on account of :		
Preliminary expenses	45.30	-
Provision for gratuity payable	2.98	60.41
Provision for leave encashment payable	5.39	-
Financial assets measured at amortised cost	206.71	-
Impairment allowance on financial assets	215.18	-
Expenses disallowed for income tax	0.38	-
Depreciation of property, plant and equipment	(0.65)	-
Undistributed profit of associate	(1,022.51)	(3.10)
Net deferred tax Assets	**(547.22)**	**57.31**

Deferred tax related to the following:

Particulars	As at March 31, 2021	Recognised through profit & loss	Recognised through OCI	Recognised through other equity	As at March 31, 2020	Recognised through profit & loss	Recognised through OCI
Preliminary expenses	45.30	15.11	-		60.41	(60.41)	-
Provision for gratuity payable	2.98	(2.55)	0.43		-	-	-
Provision for leave encashment payable	5.39	(5.39)	-		-	-	-
Financial assets measured at amortised cost	206.71	(206.71)	-		-	-	-
Impairment allowance on financial assets	215.18	(215.18)	-		-	-	-
Expenses disallowed for Income tax	0.38	(0.38)	-		-	-	-
Depreciation of property, plant and equipment	(0.65)	0.65	-		-	-	-
Undistributed profit of associate	(1,022.51)	1,019.18	(2.70)	2.47	(3.10)	3.10	-
Total deferred tax Assets (net)	(547.22)	604.74	(2.27)	2.47	57.31	(57.31)	-

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

31 Fair value measurements

Financial instruments by category

Particulars	As at March 31, 2021			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	56,308.56	56,308.56
Loans	-	-	158,039.17	158,039.17
Other financial assets	-	-	293.69	293.69
Total financial assets	-	-	**214,641.42**	**214,641.42**
Financial liabilities				
Trade payables	-	-	31.91	31.91
Borrowings	-	-	44,182.49	44,182.49
Other financial liabilities	-	-	686.72	686.72
Total financial liabilities	-	-	**44,901.12**	**44,901.12**

Particulars	As at March 31, 2020			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	31,518.59	31,518.59
Total financial assets	-	-	**31,518.59**	**31,518.59**
Financial liabilities				
Other financial liabilities	-	-	390.93	390.93
Total financial liabilities	-	-	**390.93**	**390.93**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market partcipants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indicaton about the reliability of the inputs used in determining fair value, the company has classifed its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level is as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example: listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The carrying amounts of Cash and cash equivalents, other financial assets (processing fees receivable), trade payables and other financial liabilities are considered to be approximately equal to the fair value due to their short term maturities.

The fair value of floating rate financial assets and liabilities are deemed to be equivalent to the carrying value. The fair value of certain fixed rate financial assets are estimated using a discounted cash flow model based on contractual cash flows discounted using market rates incorporating the counterparties' credit risk. However, the fair value of such instruments is not materially different from their carrying amounts.

All the financial assets and liabilities are categorised into level 2 of fair value hierarchy.

III. Valuation Process

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

IV. Fair value of financial instrument measured at amortised cost

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans	158,039.17	158,039.17	-	-
Other financial assets (Guarantee Commission receivable)	133.48	133.48	-	-
Financial liabilities				
Borrowings	44,182.49	44,182.49	-	-

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management

The Company's objectve for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and debt.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

Regulatory capital

Particulars	As at March 31, 2021	As at March 31, 2020
Tier - I capital	191,282.88	36,841.08
Tier - II capital	854.96	-
Total Capital	**192,137.84**	**36,841.08**
Risk weighted assets	128,134.33	
Tier - I capital ratio	149.28%	638.88%
Tier - II capital ratio	0.67%	0.00%
Total Capital ratio	**149.95%**	**638.88%**

Financial risk management

The Company is exposed primarily to credit risk, liquidity, foreign currency and interest rate risk. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the Company. The Company's principal financial liabilities comprises of borrowings, other financial liabilities and trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, investments and cash and cash equivalents that it derives directly from its operations.

A Credit risk

It is risk of financial loss that the Company will incur because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and cash equivalents, Loans, Investments and Other financial assets.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits. Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of Directors. Investments comprise of unquoted equity instruments of associate company. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

Following provides exposure to credit risk for loans :

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets at amortised cost - Loans (Gross)	159,499.90	-
Other financial assets at amortised cost	295.04	-
Non Fund Based Facility	12,100.00	-
Total Gross exposure	**171,894.94**	-
Less: Non Fund Based Facility	(12,100.00)	-
Less : Impairment loss allowances	(854.97)	-
Less: EIR adjustments	(667.61)	-
Total carrying value	**158,272.36**	-

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

32 Capital Management (continued)

A Credit risk (continued)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost such as loans.

Loans

Loans comprise of NCDs and loans given to infrastructure companies for which a staged approach is followed for determinaton of ECL.

Stage 1: All Open positions in the loans and advances are considered as stage 1 assets for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro-economic environment.

Stage 2: Exposures under stage 2 include dues upto 90 days pertaining to principal amount on closed position and interest on all open position of loans and advances.

Stage 3: Exposures under stage 3 include dues past 90 days pertaining to principal amount on closed position and interest on all open position of loans and advances.

Based on historical data, the Company assigns probability of default to stage 1 and stage 2 and applies it to the EAD to compute the ECL. For Stage 3 assets probability of default is considered as 100%.

Following table provides information about exposure to credit risk and ECL on loans and advances

Stage	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	ECL	Carrying amount	ECL
Stage 1	158,272.36	854.97	-	-
Stage 2	-	-	-	-
Stage 3	-	-	-	-

The movement in the allowance for impairment in respect of loans

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Impairment loss recognised	(793.11)	-
Derecognition	-	-
Closing balance	(793.11)	-

The movement in the allowance for impairment in respect of balance sheet exposure

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Impairment loss recognised	(60.50)	-
Derecognition	-	-
Closing balance	(60.50)	-

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of loans and advances (including certain loan commitments) entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations with counterparties. The Company measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD). This is similar to the approach used for the purpose of measuring expected credit loss (ECL) under Ind AS 109.

The Company's concentration risk shall be managed at the sector/sub-sector level. As per the Risk Policy, sectoral limits shall be laid down on reaching an asset book size of ₹ 2,00,000.00 lakhs. The Company shall be approaching the Risk Management Commitee (RMC) in the next RMC meeting for approval of these sectoral limits.

Sector/sub-sector	Exposure as % of total exposure	
	As at March 31, 2021	As at March 31, 2020
Roads	21%	0.00%
Solar	63%	0.00%
Transmission	16%	0.00%
Total	100.00%	0.00%

a) Credit risk grading

The Company uses internal credit risk grading framework that reflects its assessment of the probability of default of individual counterparty. The Company uses internal rating model tailored to various categories of counterparties. Borrower and loan specific information collected at the time of initial applicaton and annual re-rating exercise is fed into risk rating model. This is supplemented by external data such as credit bureau scoring information.

The framework is robust and comparable to credit models used by credit rating bureaus. The credit rating model considers various parameters (such as promoter strength, operating risk, market risk, financial factors, etc.) and a score is assigned to each parameter between 1 (lowest) to 5 (highest). The internal rating grade is based on the final score derived from the credit rating model.

The Company's internal score scales and mapping of internal rating grades are set out below:

Internal score	Internal rating grades	description of the grade
>4	iAAA	Highest Safety
3.91 - 4.00	iAA+	High Safety
3.81 - 3.90	iAA	
3.71 - 3.80	iAA-	
3.61 - 3.70	iA+	Adequate Safety
3.51 - 3.60	iA	
3.41 - 3.50	iA-	
3.11 - 3.40	iBBB+	Moderate Safety
2.81 - 3.10	iBBB	
2.61 - 2.80	iBBB-	
2.25 - 2.60	iBB+, iBB & iBB-	Moderate Risk
<2.25	iB, iC & iD	High Risk/ Very High Risk/ Default

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)

a) Credit risk grading (continued)

As per risk rating policy, the Company does not finance the projects having internal rating grade below *investment grade (BBB-)*, arrived as per the above mentioned risk rating framework.

An annual review of the loans / debentures (credit substitutes) would be conducted to determine the credit migration and rating of the portfolio. The analysis below summarises the credit quality of the Company's debt portfolio at March 31, 2021.

Internal rating grades	% of total customer		% of total outstanding	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
iAAA	0%	0%	0%	0%
iAA+, iAA, iAA-	46%	0%	18%	0%
iA+, iA, iA-	50%	0%	77%	0%
iBBB+	4%	0%	6%	0%
iBBB	0%	0%	0%	0%
iBBB-	0%	0%	0%	0%
Total	**100%**	**0%**	**100%**	**0%**

b) Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer note 32(A)(b)(i) below for a description of how the Company determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer note32 (A)(b)(ii) below for a description of how the Company defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of Lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a Lifetime basis. Refer note 32 (A)(b)(iii) below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with Ind AS 109 is that it should consider forward-looking information.

32 Capital Management (continued)
A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)
b) Expected credit loss measurement (continued)
The following diagram summarises the impairment requirements under Ind AS 109:

Change in credit quality since initial Recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	**Lifetime expected credit losses**	**Lifetime expected credit losses**

i) Significant increase in credit risk (SICR)
The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the quantitative, qualitative or backstop criteria have been met.

Quantitative criteria:
The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 61 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been more than 61 days past due.

Qualitative criteria:
For all financial instruments held by the Company, if the borrower is on the watch list and/or the instrument meets one or more of the following criteria:

- Internal rating downgrade of two notches or more
- Any event/s of non-cooperation
- Evidence of diversion of funds

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

The Company has not used the low credit risk exemption for any financial instruments in the year ended March 31, 2021.

ii) Default and credit-impaired asset
The Company defines a financial asset as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:
The borrower is more than 90 days past due on its contractual payments to be considered in default.

Qualitative criteria:
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- the borrower is in long-term forbearance
- the borrower is insolvent

32 Capital Management (continued)
A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)
b) Expected credit loss measurement (continued)
ii) Default and credit-impaired asset (continued)

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the probability of default (PD), exposure at default (EAD) and loss given default (LGD) throughout the Company's expected loss calculations.

For upgradation from higher stage to lower stage (i.e. to have cured):
Loan and advances are not moved from higher stage to lower stage immediately after payment of overdue amount and the following cooling of period is applied:
From Stage 2 to Stage 1
- Continues in lower than 61 dpd for at least six months
From Stage 3 to Stage 2
- Continues in lower than 90 dpd for at least six months or
- Moves to Zero dpd

iii) Measuring ECL – Explanation of inputs, assumptions and estmation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD), and loss given default (LGD), defined as follows:

PD estimation:

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definiton of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining Lifetime (Lifetime PD) of the obligation.

The LifetimePD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The credit quality of the portfolio is assessed using internally developed credit rating model. The internal rating grade is determined for every initial application and annual re-rating is also performed for all existing counterparties. In the absence of default/SMA history and limited number of counterparties involved, credit rating data available in public domain has been used to assign PDs to Internal rating grades.

- For Stage 1, 12 month PD are calculated. CRISIL 1 year cumulative default rate data and GDP forecast estimates have been used to arrive at 12 month PD for base case, best case and worst case economic scenarios.
- For Stage 2, Lifetime PD are calculated by considering the survival rate of the counterparty for the remaining maturity. The PD is based on CRISIL average transition matrices based on corporates.
- For Stage 3, Lifetime PD is taken as 100%.

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Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)

b) Expected credit loss measurement (continued)

iii) Measuring ECL – explanation of inputs, assumptions and estimation techniques (continued)

Internal rating grades – 12 month PD Mapping:

Internal rating grades		PD% Base Case	PD% Best Case	PD% Worst Case
Highest Safety	iAAA	0.07%	0.03%	0.28%
High Safety	iAA+	0.10%	0.03%	0.37%
	iAA	0.10%	0.03%	0.37%
	iAA-	0.10%	0.03%	0.37%
Adequate Safety	iA+	0.39%	0.11%	1.23%
	iA	0.39%	0.11%	1.23%
	iA-	0.39%	0.11%	1.23%
Moderate Safety	iBBB+	2.09%	0.79%	4.85%
	iBBB	2.09%	0.79%	4.85%
	iBBB-	2.09%	0.79%	4.85%
Moderate Risk	iBB+	7.98%	4.37%	13.47%
	iBB	7.98%	4.37%	13.47%
	iBB-	7.98%	4.37%	13.47%
High Risk	iB	16.23%	10.30%	24.02%
Very High Risk	iC	34.10%	24.62%	44.72%
Default	iD	100.00%	100.00%	100.00%

Exposure at default:

EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining Lifetime (Lifetime EAD).

For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or Lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

Loss given default:

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or Lifetimebasis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected Lifetime of the loan.

The 12-month and Lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type and security coverage.

- In case of re-financing of infrastructure project loans, the primary credit support is cash flow control and additional comfort is taken as project assets as collateral. In absence of actual instances of default and consequential recoveries, the LGD rates under "Foundaton IRB approach" as prescribed by RBI, after considering the threshold level of collateralisation and required level of over collateralisation for full recognition of collateral, have been taken as a proxy measure.

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)
A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)
b) Expected credit loss measurement (continued)
iii) Measuring ECL – explanation of inputs, assumptions and estimation techniques (continued)

ECL computation:

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

iv) Forward-looking information incorporated in the ECL model

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for portfolio.

Judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided on a regular basis and provide the best estimate view of the economy over the next five years.

The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or Lifetime ECL should be recorded. Following this assessment, the Company measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted Lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The Company has identified the "GDP growth rate" as a key driver for the expected credit loss.

The following table sets out the assumptions used for base case, best case and worst case ECL scenarios, taking GDP growth rate as key driver for expected loss:

Year ended March 31, 2021

ECL Scenario	Assigned probabilites %	2020	2021	2022	2023	2024
Base case	50%	-10.30%	8.80%	8.00%	7.60%	7.40%
Best case	20%	-8.80%	10.30%	9.40%	9.10%	8.90%
Worst case	30%	-11.75%	7.30%	6.50%	6.20%	5.90%

There were no loan assets in the previous period FY 2019-20 and hence no comparable figures have been included.
The GDP estimates are used to project the grade wise PD for base case, best case and worst case scenario. The final (weighted) ECL is arrived at by assigning 50%, 20% and 30% weights to the base case, best case and worst case ECL respectvely.
The GDP estimates are presented for calendar years & not financial years.

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Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)

b) Expected credit loss measurement (continued)

iv) Forward-looking information incorporated in the ECL model (continued)

	Year ended March 31, 2021			Year ended March 31, 2020		
	Base case	Best case	Worst case	Base case	Best case	Worst case
Assigned probabilites %	50%	20%	30%	0%	0%	0%
ECL (₹ in lakhs)	424.21	129.32	1,248.30	-	-	-

Scenario weighted ECL as on March 31, 2021 is ₹ 612.46 lakhs (March 31, 2020 ₹ Nil).

v) Financial assets measured on a collective basis

ECL is calculated on individual basis for all loan assets.

vi) Proposal appraisal

The Company collects relevant project/ corporate documents and initiates appraisal of the proposal. The evaluation process encompasses establishment of viability of proposal including borrower's ability to service the loan. The evaluation is undertaken through a combinaton of review of project/corporate documents, external rating rationales (if any), meetings with project promoters/key officials, site visits, etc.

Proposals shall be approved by the Credit Commitee post recommendation by the Management Commitee.

Term loans /debentures can have fixed rate or floating rate of interest linked to the Company's benchmark rate or another agreed benchmark. There may be interest reset after defined intervals.

Below is the mix of assets with interest reset dates falling within 1 year and more than 1 year:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 1 year	77%	0.00%
More than 1 year	23%	0.00%

vii) Overview of modifed and forborne loan

All the loan assets of the Company are categorised under Stage 1 and there are no modified or forborne loans.

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)

c) Credit risk exposure

i) Maximum exposure to credit risk - Loans and debenture measured at amortised subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

Term loans and debentures	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety	-	-	-	-
High Safety	28,705.28	-	-	28,705.28
Adequate Safety	134,364.66	-	-	134,364.66
Moderate Safety	8,825.00	-	-	8,825.00
Non- performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	**171,894.94**	**-**	**-**	**171,894.94**

Term loans and debentures	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety	-	-	-	
High Safety	-	-	-	
Adequate Safety	-	-	-	
Moderate Safety	-	-	-	
Non- performing	-	-	-	
Moderate Risk	-	-	-	
High Risk/ Very High Risk/ Default	-	-	-	
Total	-	-	-	-

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

The Company does not have any exposure to Financial instruments not subjected to impairment. The Company is exposed to credit risk from investments held in debt-oriented mutual fund units.

Aseem Infrastructure Finance Limited
Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)

c) Credit risk exposure (continued)

iii) Collateral and other credit enhancement

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigaton.

The Company prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types are:

- charges over tangible assets such as property, plant and equipment; and
- charges over book debts, inventories, bank deposits, and other working capital items; and
- charges over financial instruments such as debt securities and equities.

The fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a regular basis.

Particulars	Gross Exposure	Impairment allowance	Undrawn amount and Non Fund Based Facility	EIR Adjustment	Carrying amount	Fair value of collateral held
As at March 31, 2021						
Loans to corporate entities/individuals:						
- Term loans	130,791.14	650.10	-	568.66	129,572.38	236,960.14
- Debentures and bonds	27,964.40	139.30	-	99.00	27,726.10	36,786.68
- Accrued interest on loans, debentures and bonds	744.36	3.72	-	-	740.64	744.36
- Other financial Asset	295.04	1.35	-	-	293.69	295.04
- Non-Fund Based facility	12,100.00	60.50	12,100.00	-	(60.50)	17,547.74
Total	**171,894.94**	**854.97**	**12,100.00**	**667.66**	**158,272.31**	**292,333.96**
As at March 31, 2020						
Loans to corporate entities/individuals:						
- Term loans	-	-	-	-	-	-
- Debentures and bonds	-	-	-	-	-	-
- Accrued interest on loans, debentures and bonds	-	-	-	-	-	-
Total	-	-	-	-	-	-

iv) Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- impacts on the measurement of ECL due to changes made to models and assumptions;
- financial assets derecognised during the period and write-offs of allowances related to assets that were written of during the period.

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)
A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)
c) Credit risk exposure (continued)
iv) Loss allowance (continued)

An analysis of change in the gross carrying amount of the loan portfolio and corresponding loss allowance:

The following table further explains changes in the gross carrying amount of the loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed below:

Term loans and debentures	Year ended March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-
New assets originated or purchased	160,322.00	-	-	160,322.00
Assets derecognised or repaid	(1,489.72)	-	-	(1,489.72)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written of	-	-	-	-
Closing balance	158,832.28	-	-	158,832.28

Term loans and debentures	Year ended March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Opening balance				
New assets originated or purchased	-	-	-	
Assets derecognised or repaid	-	-	-	
Transfers to Stage 1	-	-	-	
Transfers to Stage 2	-	-	-	
Transfers to Stage 3	-	-	-	
Amounts written of	-	-	-	
Closing balance	-	-	-	-

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Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)

c) Credit risk exposure (continued)

iv) Loss allowance (continued)

The following table explains the changes in the loss allowance between the beginning and at the end of the annual period due to various factors:

Term loans and debentures	Year ended March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-
New assets originated or purchased	800.55	-	-	800.55
Assets derecognised or repaid	(7.44)	-	-	(7.44)
Net remeasurement of loss allowance	-		-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written of	-	-	-	-
Closing balance	**793.11**	-	-	**793.11**

Term loans and debentures	Year ended March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written of	-	-	-	-
Closing balance	-	-	-	-

The origination of new loan assets is the primary factor that contributed to the change in the loss allowance during the period.

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables, Borrowings and other financial liabilities.

Liquidity risk framework

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Category	Limits
Limits on cumulative negative gaps, as a % of cumulative outlows [maximum]	-10% of cumulative outlows for 0 to 14 days -20% of cumulative outlows for 15 days to 1 year
Capital adequacy ratio (CRAR) [minimum]	15%
Capital Classification	Tier II Capital shall not exceed Tier I Capital
Earnings at Risk (EaR)	₹ 15 crore or 15% of the Annual Budgeted Net Interest Income; whichever is lower
Liquidity Coverage Ratio (LCR)	0.3

Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2021	As at March 31, 2020
Floating rate		
Borrowings		
Expiring within one year	55,900.00	-
Expiring beyond one year	-	-
Total	**55,900.00**	**-**

32 Capital Management (continued)

C Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar in the year ended March 31, 2021.

Foreign currency risk management

In respect of the foreign currency transactions, the Company does not hedge the exposures since it relates to foreign currency expense and the management believes that the same is insignificant in nature and will not have a material impact on the Company.

The Company's exposure to foreign currency risk at the end of reporting period are as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities		
Provisions		
Exposure in USD	0.46	-
Financial Assets		
Trade receivables		
Exposure in USD	-	-
Net exposure to foreign currency risk	**0.46**	-

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in USD with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary liabilities and asset at balance sheet date:

Currencies	As at March 31, 2021		As at March 31, 2020	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.02)	0.02	-	-

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the potential loss arising from fluctuations in market interest rates. In order to mitigate the interest rate risk, the Company periodically reviews its lending rates and the weighted average cost of borrowing, based on prevailing market rates.

The Company is subject to interest rate risk, primarily on loans and borrowings at floating rate. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. The interest rate risk is managed by the analysis of interest rate sensitivity gap statements and by evaluating the creation of assets and liabilities with a mix of fixed and floating interest rates.

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate liabilities		
Borrowings	44,100.00	-
Variable rate assets		
Loans	117,540.39	-

Sensitivity

The sensitivity of the statement of profit and loss is the Effect of the changes in market interest rates on borrowings and loans given. Below is the impact on the Company's profit before tax due to interest rate sensitivity.

Particulars	As at March 31, 2021	As at March 31, 2020
Interest rates – increase by 0.50%	367.20	-
Interest rates – decrease by 0.50%	(367.20)	-

** Holding all other variables constant*

(iii) Price risk

The Company is not exposed to price risk as at March 31, 2021 and March 31, 2020.

Aseem Infrastructure Finance Limited
Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

33 Segment reporting

operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating Decision Maker (CODM). The Company operates in a single reportable segment i.e. lending loans to infrastructure companies, since the nature of the loans are exposed to similar risk and return profiles. The Company operates in a single geographical segment i.e. India.

(a) Segment revenue

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

Particulars	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Segment revenue		
- India	4,738.83	455.18
- Outside India	-	-
Total	**4,738.83**	**455.18**

Revenue from major customers

For the year ended March 31, 2021, Revenues from four customers of the company represents approximately ₹ 2,463 lakhs of the company's total revenues. Each of the customer is contributing more than 10% of company's total revenue.

Note: No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in period May 23, 2019 to March 31, 2020.

(b) Segment assets and segment liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Segment assets		
- India	274,047.79	58,179.21
- Outside India	-	-
Segment liabilities		
- India	45,732.07	444.06
- Outside India	-	-
Total	**274,047.79**	**58,179.21**

34 Collateral / security pledged

The carrying amount of assets pledged as security for borrowings availed by the Company

Particulars	As at March 31, 2021	As at March 31, 2020
Pledged as security against borrowings		
Receivables and Loan Assets	158,755.54	-
Other financial assets	295.04	
Total	**159,050.58**	**-**

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

35 Employee Benefits

(A) Labour Law

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become Effective.

(B) Defined Contribution Plan: Following amount is recognized as an expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident fund and other fund	20.65	-

(C) Defined Benefit Plan

The Company has a defined benefit gratuity plan in India. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is completed at 15 days salary (last drawn salary) for each completed year of service subject to such limit as prescribed by The Payment of Gratuity Act, 1972 as amended from time to time. The company carries a provision in the financial statements based on actuarial valuation.

Contribution to Gratuity fund (funded scheme)

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i)	**Actuarial assumptions**		
	Discount rate (per annum)	6.95%	0.00%
	Salary escalation rate	9.00%	0.00%
	Retirement age	60.00	60.00
(ii)	**Asset information**		
	The Company is responsible for the overall governance of the plan.		
(iii)	**Changes in the present value of defined benefit obligation**		
	defined benefit obligation at beginning of period	-	-
	Current Service Cost	10.01	-
	Benefit payments from plan	-	-
	Interest cost	0.12	-
	Actuarial losses on obligations	1.71	-
	Defined benefit obligation at ended of year	**11.84**	**-**
(iv)	**Changes in the Fair value of plan assets**		
	Fair value of plan assets at beginning of the year	-	-
	Return on plan assets (excluding interest income)	-	-
	Employer Contributions	-	-
	benefit payments from plan assets	-	-
	Actuarial gains	-	-
	Fair value of Plan assets at the end of the year	**-**	**-**

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

35 Employee benefits (continued)

(C) Defined Benefit Plan (continued)

(v) Assets and liabilities recognised in the balance sheet

Defined benefit obligation	11.84	-
Fair value of plan assets	-	-
Net defined benefit liability	**11.84**	**-**

(vi) Expenses recognised in the Statement of profit and Loss

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Service cost	10.01	-
Interest cost on net defined benefit obligation	0.12	-
Past Service cost	-	-
Total expenses recognised in the Statement of profit and Loss	**10.13**	**-**
Included in note 'Employee benefits expense'		

(vii) Expenses recognised in the Statement of other comprehensive income

	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurements (recognized in OCI)	-	-
Effect of changes in actuarial assumptions	(0.27)	-
Experience adjustments	1.98	-
(Return) on plan assets (excluding interest income)	-	-
Total remeasurements included in OCI	**1.71**	**-**

(viii) Sensitivity Analysis:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value obligation		
Discount rate +50 basis points	10.99	-
Discount rate -50 basis points	12.77	-
Salary Increase Rate +50 basis points	12.75	-
Salary Increase Rate -50 basis points	11.00	-

(ix) Projected plan cash flow

Maturity Profile	As at March 31, 2021	As at March 31, 2020
Expected total benefit payments		
Year 1	0.03	-
Year 2	0.04	-
Year 3	0.04	-
Year 4	0.13	-
Year 5	0.35	-
Next 5 years	395.06	-

(x) **Provision for leave encashment**

Maturity Profile	As at March 31, 2021	As at March 31, 2020
Liability for compensated absences	21.40	-

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

36 Maturity analysis of assets and liabilities

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

	As at March 31, 2021			As at March 31, 2020		
Assets	**Within 12 months**	**after 12 months**	**Total**	**Within 12 months**	**after 12 months**	**Total**
Financial assets						
Cash and cash equivalents	56,308.56	-	56,308.56	31,518.59	-	31,518.59
Loans	6,176.76	151,862.41	158,039.17	-	-	-
Investments	-	59,281.74	59,281.74	-	26,591.01	26,591.01
Other financial assets	232.52	61.17	293.69	-	-	-
Non-Financial assets						
Deferred tax assets (net)	-	-	-	-	57.31	57.31
Property, plant and equipment	-	13.75	13.75	-	-	-
Intangible assets under development	-	73.17	73.17	-	-	-
Other non-financial assets	37.71	-	37.71	-	-	-
Total Assets	**62,755.55**	**211,292.24**	**274,047.79**	**31,518.59**	**26,648.32**	**58,166.91**
liabilities						
Financial liabilities						
Trade payables	31.91	-	31.91	-	-	-
Borrowings	136.13	44,046.36	44,182.49	-	-	-
Other financial liabilities	616.20	70.52	686.72	390.93	-	390.93
Non Financial liabilities						
Current tax liabilities	49.01	-	49.01	43.16	-	43.16
Provisions	38.06	55.68	93.74	-	-	-
Deferred tax liabilities (net)	-	547.22	547.22	-	-	-
Other non-financial liabilities	140.98	-	140.98	9.97	-	9.97
Total liabilities	**1,012.29**	**44,719.78**	**45,732.07**	**444.06**	**-**	**444.06**

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

37 Interest in associate

	Carrying amount as at		% of ownership interest	
Assets	**March 31, 2021**	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
NIIF Infrastructure Finance Limited (Formerly IDFC Infrastructure Finance Limited)	59,281.74	26,603.31	30.83%*	30.00%

* The company has considered its ownership interest on a diluted basis due to equitable rights of holders of Compulsorily Convertible Preference Shares of the associate Company to the dividends, if any, declared for equity shareholders.

The Company has acquired interest in NIIF Infrastructure Finance Limited on March 29, 2020 and with two Additional infusions on May 20, 2020 and on March 29, 2021. The Company's interest in associate is accounted for using the equity method in the consolidated financial statements. This is an unlisted investment and hence quoted prices are not available. The following table illustrates the summarised financial information of the associate:

significant financial information of associate

Summarised Balance sheet as at:	**March 31, 2021**	**March 31, 2020**
Financial Assets	916,400.00	666,485.00
Non-financial Assets	8,938.00	4,966.00
Financial liabilities	737,735.00	587,580.00
Non-financial liabilities	605.00	526.00
Net assets	**186,998.00**	**83,345.00**

Summarised statement of profit and loss for the period ended:	**March 31, 2021**	**March 31, 2020**
Total Income	71,568.00	52,130.00
profit for the year	13,175.00	453.00
Other comprehensive income/ (expense)	35.00	(1.00)
Total comprehensive income	**13,210.00**	**452.00**

The Particulars of investments in associates as on March 31, 2021 are as follows :

Particulars	**Amount**
Original Cost of investment on March 29, 2020	26,591.01
Additional Investment on May 21, 2020	8,437.50
Additional Investment on March 30, 2021	20,190.48
Share of Post Acquisition profit/Loss	4,061.81
Share of Post Acquisition OCI	10.73
Share of share issue expenses	(9.79)
Goodwill/(Capital Reserve)	-
Impairment	-
Carrying amount of investment	**59,281.74**

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

37.1 Interest in associate

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

As at March 31, 2021

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Aseem Infrastructure Finance Limited	100.00%	228,315.72	20.76%	1,060.85	-58.97%	(3.98)	20.65%	1,056.87
Associate (Investment as per the equity method)								
Indian								
NIIF Infrastructure Finance Limited (Formerly IDFC Infrastructure Finance Limited)	0.00%	-	79.24%	4,049.51	158.97%	10.73	79.35%	4,060.24
Total	**100.00%**	**228,315.72**	**100.00%**	**5,110.36**	**100.00%**	**6.75**	**100.00%**	**5,117.11**

As at March 31, 2020

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Aseem Infrastructure Finance Limited	100.00%	57,735.15	65.01%	22.85	NA	-	65.01%	22.85
Associate (Investment as per the equity method)								
Indian								
NIIF Infrastructure Finance Limited (Formerly IDFC Infrastructure Finance Limited)	0.00%	-	34.99%	12.30	NA	-	34.99%	12.30
Total	**100.00%**	**57,735.15**	**100.00%**	**35.15**	**0.00%**	**-**	**100.00%**	**35.15**

38 Note on COVID-19

The outbreak of COVID–19 virus which was declared a global pandemic by the World Health Organisation on March 11, 2020 continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities.

The pandemic has generally impacted businesses including lending business, fee income, collection efficiency etc. which in turn may impact customer defaults and consequently impairment allowance. The Company continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients. The Company has not seen any adverse impact on its collections till date.

The Company has also raised equity and compulsorily Convertible preference capital during March 2021 to augment its capital base. The Company continues to meet its operating and financial obligations, has maintained a higher than required capital adequacy ratio and has adequate financial resources to run its business. The Company has not experienced any material disruptions due to this pandemic and has already considered impact if any, on carrying value of assets based on the external or internal information available up to the date of approval of financial statements. However, the extent to which COVID-19 pandemic will continue to impact the Company's business, results of operations, financial position and cash flows will depend on future developments which remain uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the financial assets and also conservatively carries Additional impairment provision. The Company is closely monitoring any material changes to future economic conditions and resultant impacts, if any, on the expected credit loss provisions.

39 Certificate of Registration (CoR) conditions note

The Reserve Bank of India (RBI) had issued Certficate of Registration (COR) to the Company as a non-banking financial company, infrastructure finance company ("NBFC - IFC") on January 28, 2020. The Company had been allowed by the RBI an extended timeline up to March 31, 2021 to comply with the COR conditions relating (i) meeting 75% of asset criteria stipulated for the purpose of IFC - NBFC and the CRAR position; and (ii) commence business (Principal Business Activity as an NBFC-IFC) of having financial assets of more than 50% and income of more than 50% from these financial assets. As on February 24, 2021, the Company had achieved full compliance with all the COR conditions and sent due intimation and confirmation to the RBI in this regard.

Thereafter, the Company received ₹ 81,500.00 lakhs as compulsorily Convertible preference share capital From the President of India (represented by and acting through the Secretary, Department of Corporate Affairs, Ministry of Finance, Government of India) and ₹ 13,190.48 lakhs as equity infusion From its existing shareholder on March 26, 2021. As the deployment in infrastructure projects of these significant capital infusion funds would take time, the Company had requested the RBI on March 19, 2021 for a further extension of time to meet its 75% infrastructure asset criteria. The Company for the aforesaid reasons could not meet the 75% of asset criteria condition as at March 31, 2021. The RBI has granted a further extension of 6 months up to September 30, 2021 to ensure the pending compliance.

(All amounts are in INR Lakhs, unless otherwise stated)

40 Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, amongst other measures, the regulations issued by RBI. Company has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristcs of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

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

Items	As at March 31, 2021	As at March 31, 2020
i. CRAR (%)	149.95%	638.88%
ii. CRAR - Tier I capital (%)	149.28%	638.88%
ii. CRAR - Tier II capital (%)	0.67%	0.00%

As per RBI Prudential norms, the minimum CRAR requirement for NBFCs is 15% and the Company has maintained CRAR well above the regulatory norms throughout the year.

Regulatory capital-related information is presented as a part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the company comprises of share capital, share premium, reserves and Tier II capital comprises of provision on loans that are not credit-impaired. There were no changes in the capital management process during the periods presented.

(All amounts are in INR Lakhs, unless otherwise stated)

41 Reconciliation of equity from previous GAAP to Ind AS

Particulars	Note	As at March 31, 2020
Equity as per previous GAAP		57,768.28
GAAP adjustments		
Share of profit of associate	B.1	(30.05)
Deferred tax on above adjustments		(3.08)
Total - GAAP adjustments		**(33.13)**
Equity as per Ind AS		**57,735.15**

Reconciliation of total comprehensive income from previous GAAP to Ind AS

Particulars	Notes	For the period from May 23, 2019 to March 31, 2020
Net profit for the period as per previous GAAP		68.28
GAAP adjustments		
Share of profit of associate	B.1	(30.05)
Deferred tax on above adjustments		(3.08)
Total - GAAP adjustments		**(33.13)**
Total comprehensive income after tax as per Ind AS		**35.15**

All the adjustments on account of Ind AS are non-cash in nature, hence there is no material impact on the Statement of Cash flows.

explanations to reconciliations

B.1 Share of profit of associate

Under previous GAAP, share of profit of associate was calculated based on the IGAAP financials of associate, however, under Ind AS, it is calculated basis the Ind AS financial of associate.

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

42 Disclosure Pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

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	Diference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
Performing assets						
Standard	Stage 1	158,832.28	793.11	158,039.17	632.35	160.76
	Stage 2					-
Subtotal		**158,832.28**	**793.11**	**158,039.17**	**632.35**	160.76
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-		-
1 to 3 years	Stage 3	-	-	-		-
More than 3 years	Stage 3	-	-	-		-
Subtotal for Doubtful		-	-	-	-	-
Loss				-		-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	12,100.00	60.50	12,039.50	-	60.50
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		12,100.00	60.50	12,039.50	-	60.50
Total	**Stage 1**	170,932.28	853.61	170,078.67	632.35	221.26
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		170,932.28	853.61	170,078.67	632.35	221.26

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

43 Additional Disclosures as per the circular issued by the Reserve Bank of India (Ref no. DNBR .PD. 008/ 03.10.119/ 2016-17 dated September 01,2016) & RBI circular DNBR(PD) CC no. 053/ 03.10.119 / 2015-16) in respect of Non Banking Financial (Non deposit accepting or holding) Systemically Important (NBFC-ND-SI) is as under:

The disclosure are based on the Ind AS Financials. Accordingly, the corresponding comparative for the previous period have been restated, in order to confirm to current period presentation.

Additional Disclosures required by the Reserve Bank of India ('RBI')

a. **Capital funds, risk assets/ exposure and risk asset ratio (CRAR)**

S.No	Item	For the year ended March 31, 2021	For the year ended March 31, 2020
1	CRAR (%)	**149.95%**	**638.88%**
2	CRAR - Tier I capital (%)	149.28%	638.88%
3	CRAR - Tier II Capital (%)	0.67%	0.00%
4	Amount of subordinated debt raised as Tier-II capital	-	-
5	Amount raised by issued of Perpetual Debt Instruments	-	-

b. **Investments**

S.No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Value of investments**		
	(i) Gross value of investments		
	(a) in India	55,218.99	26,591.01
	(a) outside India	-	-
	(ii) Provision for Depreciation		
	(a) in India	-	-
	(a) outside India	-	-
	(iii) Net value of investments		
	(a) in India	55,218.99	26,591.01
	(a) 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 provision during the year		-
	(i) Closing balance	-	-

2	**Movement of provisions held towards Depreciation on investments**		
(i)	Opening balance	-	-
(ii)	Add: Provisions made during the year	-	-
(iii)	Less: Write-offs/ write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

c. **Derivatives**

The Company has no transactions / exposure in derivatives in the year ending March 31, 2021 and period ending March 31, 2020, hence the related disclosures are not applicable to the Company.

d. **Disclosures relating to Securitisation**

The Company has not entered in Securitisation transaction in the year ending March 31, 2021 and period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

e. **Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction**

The Company has not sold any financial asset to Securitisation/ reconstruction company for asset reconstruction in the year ending March 31, 2021 and the period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

43 Additional Disclosures required by the Reserve Bank of India ('RBI') (continued)

f. **Details of Assignment transactions**

The Company has not undertaken any assignment transactions in the year ending March 31, 2021 and the period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

g. **Details of non-performing financial assets purchased / sold**

The Company has not purchased / sold any non-performing financial assets in the year ending March 31, 2021 and period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

h. **Exposure**

i. Exposure to Real Estate Sector

This disclosure is not applicable to the Company as there are no exposures, direct or indirect to real estate sector as at March 31, 2021 and March 31, 2020.

ii. Exposure to Capital Market

This disclosure is not applicable to the Company as there are no exposures to capital market as at March 31, 2021 and March 31, 2020.

i. **Details of financing of parent company products**

This disclosure is not applicable to the Company as there is no financing of Parent Company products.

j **Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**

The Company has not lent/ invested/ lent and invested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI during the year ended March 31, 2021 and period ended March 31, 2020.

k. **Unsecured Advances**

The Company has not given any unsecured advances in the year ended March 31, 2021 and period ended March 31, 2020.

l. **Registration obtained from other financial sector regulators**

The Company is not registered with any financial sector regulators except with the RBI.

m **Disclosure of Penalties imposed by RBI and other regulators**

No Penalties were imposed by the RBI and other regulators during the year ended March 31, 2021 and the period ended March 31, 2020.

n **Provisions and contingencies (shown under the head expenditure in Statement of profit and Loss):**

S.No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Provision made towards income tax	983.10	88.68
(ii)	Provision for employee benefits	132.02	-
(iii)	Provision for employee stock compensation cost	-	-
(iv)	Provision for gratuity	11.84	-
(v)	Provision for compensated absence cost	21.40	-
(vi)	Provision for impairment of financial assets	854.97	-
(vii)	Provisions for Depreciation on Investment	-	-
(viii)	Provision towards NPA	-	-

o. **Draw Down from Reserves**

There has been no draw down from reserves during the period ending March 31, 2021 and March 31, 2020. Hence the related disclosures are not applicable to the Company.

p. **Concentration of Advances, Exposures and NPAs**

i) Concentration of Advances

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Advances to twenty largest borrowers	151,687.73	-
Percentage of Advances to twenty largest borrowers to Total Advances	95.10%	0.00%

(All amounts are in INR Lakhs, unless otherwise stated)

43 Additional Disclosures required by the Reserve Bank of India ('RBI') (continued)

ii) Concentration of Exposures

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Exposures to twenty largest borrowers / customers	164,057.84	-
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	95.46%	0.00%

Exposure does not include investment in associate.

iii) Concentration of NPAs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total of Exposures to top four NPA accounts*	-	-

* there are no account classifed as NPA as on March 31, 2021 and March 31, 2020.

iv) Sector-wise NPAs (% of NPA to Total Advances in that sector)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

v) Movement of NPAs

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	**Net NPAs to Net Advances (%)**	-	-
(ii)	**Movement of NPAs (Gross):**		
(a)	Opening balance	-	-
(b)	Additions during the year	-	-
(c)	Reductions during the year	-	-
(d)	**Closing balance**	-	-
(iii)	**Movement of Net NPAs**		
(a)	Opening balance	-	-
(b)	Additions during the year	-	-
(c)	Reductions during the year	-	-
(d)	**Closing balance**	-	-
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
(a)	Opening balance	-	-
(b)	Provisions made during the year	-	-
(c)	Write-off / write-back of excess provisions	-	-
(d)	**Closing balance**	-	-

q. **Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)**
The Company has not invested in overseas assets in the period ending March 31, 2021 and March 31, 2020.

r. **Off-balance Sheet SPVs sponsored by the Company**
The Company has not sponsored of-balance sheet SPV in the period ending March 31, 2021 and March 31, 2020.

s. **Disclosure of Complaints**
There were no customer complaints recieved during the year.

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

43 Additional Disclosures required by the Reserve Bank of India ('RBI') (continued)

t. **Statement on Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as at March 31, 2021

S.No	Item	Up to 30 / 31 days	Over one month to two months	Over two months upto three months	Over three months to six months	Over six months to one year	Over one year to three years	Over three years to five years	Over five years	Total
	Liabilities									
	Borrowings	136.13	-	-	-	-	17,640.00	17,640.00	8,766.36	44,182.49
										-
	Assets									-
	Investments	-	-	-	-	-	-	-	59,281.74	59,281.74
	Loans	3.48	1,132.68	641.68	1,522.07	2,876.85	18,183.99	13,452.35	120,226.07	158,039.17

Maturity pattern of certain items of assets and liabilities as at March 31, 2020

S.No	Item	Up to 30 / 31 days	Over one month to two months	Over two months upto three months	Over three months to six months	Over six months to one year	Over one year to three years	Over three years to five years	Over five years	Total
	Assets									-
	Investments	-	-	-	-	-	-	-	26,591.01	26,591.01
										-

u. **Restructured advances**

There are no restructured advance as on 31st March 2021, hence disclosure of information as required in terms of Para 24 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (RBI guidelines) is not required.

v. **Fraud Reporting**

As required by the Chapter II paragraph 5 for Monitoring of frauds in NBFCs (RBI guidelines), the details of frauds noticed / reported are as below:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Amount Involved	-	-
Amount Recovered	-	-
Amount written off/provided	-	-
Balance	-	-

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

44 Public disclosure on liquidity risk

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

(i) Funding concentration based on significant counterparty

Sr no	No of significant counterparties	Amount (₹ in lakhs)	% of Total deposits	% of Total liabilities
1	1	44,182.49	-	0.98

(ii) Top 20 large deposits - Nil

(iii) Top 10 borrowings: ₹ 44,182.49 lakhs (represent 100.00% of total borrowings)

(iv) Funding concentration based on significant instrument/product

Sr no	Name of instrument	Amount (₹ in lakhs)	% of Total liabilities
1	Term loans from Banks	44,182.49	0.98

(v) **Stock ratios:**

Sr no	Instrument	As a % of total public funds	As a % of total liabilities	As a % of total assets
(a)	Commercial papers	Nil	Nil	Nil
(b)	Non Convertible Debentures (original maturity <1 year)	Nil	Nil	Nil
(c)	Other short term liabilities	2.29%	2.25%	0.37%

(vi) Institutional set-up for liquidity risk management

The Company has instituted Asset Liability Management Policy under which the Asset Liability Management Commitee (ALCO) has been set up for oversight of Asset Liability Management (ALM), including liquidity risk management. The overall ALM framework as well as liquidity risk is managed by :

(i) **Board**-which provides the overall direction for the Policy and framework.

(ii) **ALCO**-comprises of Nominee Director of NIIF Fund II, Nominee of NIIF Fund II (majority shareholder), Chief Executive Officer (CEO), Head-Risk and Chief Financial Officer (CFO). It is a decision making body responsible for strategic management of interest rate and liquidity risks.

(iii) **Asset Liability Management Support Group**-which consist of operating staff from Risk, Accounts and Treasury group, who analyse/monitor liquidity Profile, limits & report to ALCO & RBI.

(iv) **Finance Commitee** -comprises of CEO, Head-Risk and CFO which is authorised to borrow monies through various instruments permited by RBI.

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

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

45. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016]

LIABILITIES SIDE		
1 Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	**Amount Outstanding**	**Amount Overdue**
a. Debentures (other than falling within the meaning of public		
- Secured	-	-
- Unsecured	-	-
b. Deferred Credits	-	-
c. Term Loans	44,182.49	-
d. Inter-corporate loans and borrowings	-	-
e. Commercial Paper	-	-
f. Public Deposits (Refer note 1 below)	-	-
g. Other Loans	-	-

ASSET SIDE	
2 Break up of Loans and Advances including bills receivables [other than those included in(4) below]:	**Amount Outstanding**
a. Secured	158,039.17
b. Unsecured	-

3 Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities	**Amount Outstanding**
i. Lease Assets including lease rentals under sundry debtors:	
a. Finance Lease	-
b. Operating Lease	-
ii. Stocks on hire including hire charges under sundry debtors:	
a. Assets on hire	-
b. Repossessed Assets	-
iii. Other Loans counting towards AFC actvities:	
a. Loans where assets have been repossessed	-
b. Loans other than (a) above	-

4 Break up of Investments:	**Amount**
Current Investments	
1. Quoted	
i. Shares - Equity	-
- Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-
2. Unquoted	
i. Shares - Equity	-
- Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

45. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016] (continued)

4 Break up of Investments (continued):	
Long Term Investments	
1. Quoted	
i. Shares - Equity	-
- Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-
2. Unquoted	
i. Shares - Equity	59,281.74
- Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-

5	**Borrower group-wise Classification of asset financed (Refer note 2 below):**			
	Category	**Amount net of provision**		
		Secured	**Unsecured**	**Total**
1	Related parties**			
	a. Subsidiaries	-	-	-
	b. Companies in the same group	-	-	-
	c. Other related parties	-	-	-
2	Other than related parties	158,039.17	-	158,039.17
	Total	**158,039.17**	**-**	**158,039.17**

6	**Investor group-wise Classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)**		
	Category	**Market Value/ Break up of fair value or NAV**	**Book Value (Net of Provisions)**
1	Related parties**		
	a. Subsidiaries	-	-
	b. Companies in the same group	65,093.38	59,281.74
	c. Other related parties	-	-
2	Other than related parties	-	-
	Total	**65,093.38**	**59,281.74**

** As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

7	**Other information**	**Amount**
i.	Gross Non-Performing Assets	
	a. Related parties	-
	b. Other than related parties	-
ii.	Net Non-Performing Assets	
	a. Related parties	-
	b. Other than related parties	-
iii.	Assets acquired in satisfaction of debt	-

Aseem Infrastructure Finance Limited

Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

45. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016] (continued)

Notes:

1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

3 All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category 4 above.

46 The additional information required to be disclosed in terms of RBI circular (Ref. No. RBI/2009-2010/356/IDMD/4135 /11.08.43/2009-10) dated

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

As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Jhaveri
Company Secretary

Independent Auditor's Report

To the Members of Aseem Infrastructure Finance Limited

Report on the Audit of the **Standalone** Financial Statements

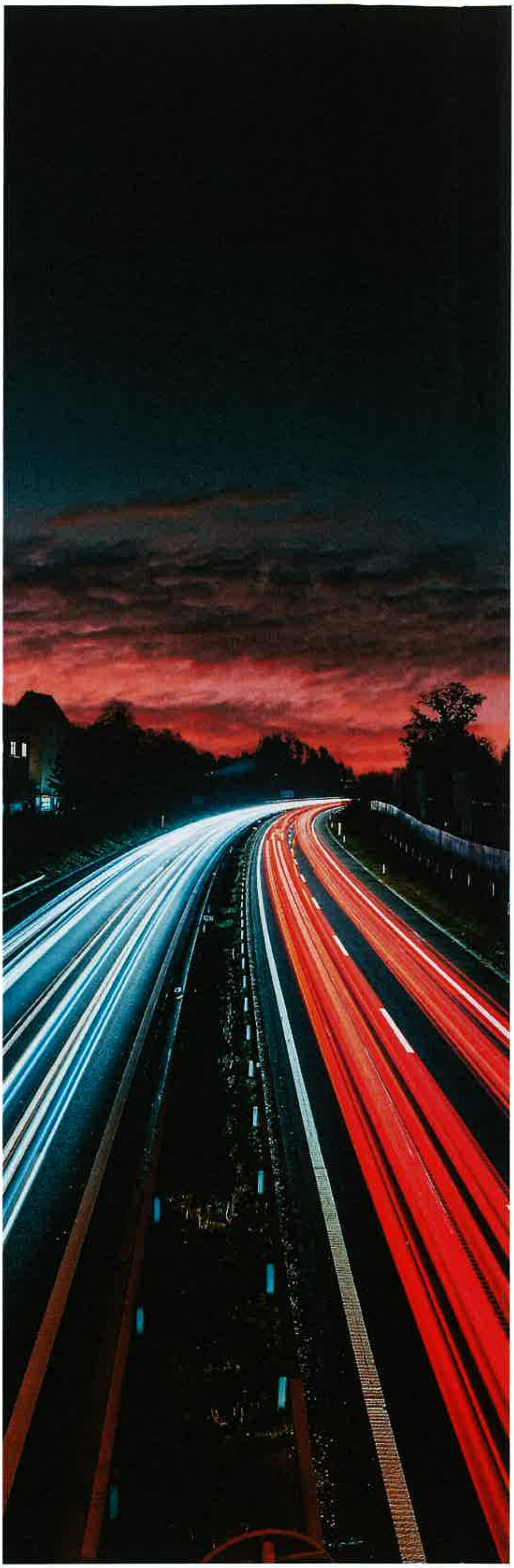
Opinion

We have audited the accompanying standalone financial statements of Aseem Infrastructure Finance Limited (the "Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are



relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is the Directors' report, Secretarial Audit report and CSR report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Responsibility of Management for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The comparative financial information of the Company for the period May 23, 2019 to March 31, 2020 included in this financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and we expressed an unmodified opinion on those financial statements dated June 30, 2020, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. The Company has adopted Ind AS from April 1, 2020, with the effective transition date of May 23, 2019 but since, the Company had no assets and liabilities on the effective transition date, as it was the date of incorporation of the Company, no opening Ind AS Balance Sheet has been presented as described in detail in Note 2 (i) of the accompanying financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

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

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;

(g) The provision of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company 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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Rutushtra Patell
Partner Membership No.: 123596
UDIN: 21123596AAAACT9409
Place: Mumbai
Date: June 8, 2021

ANNEXURE I REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS ON OUR REPORT OF EVEN DATE

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management and audit procedures performed by us, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the "Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.

(vii)(a) Undisputed statutory dues including provident fund, income-tax, good and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in one instance.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to employees' state insurance, service tax, sales-tax, duty of custom, duty of excise, value added tax, are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company did not have any dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money by way of debt instruments, initial public offer or further public offer

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xiv) According to the information and explanations given by the management and audit procedures performed by us, the Company has complied with provisions of section 42 of the Act in respect of the preferential allotment and private placement of shares. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any allotment of fully or partly convertible debentures during the year.

(xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Rutushtra Patell
Partner Membership No.: 123596
UDIN: 21123596AAAACT9409
Place: Mumbai
Date: June 8, 2021

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ASEEM INFRASTRUCTURE FINANCE LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of Aseem Infrastructure Finance Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Rutushtra Patell
Partner Membership No.: 123596
UDIN: 21123596AAAACT9409
Place: Mumbai
Date: June 8, 2021

Aseem Infrastructure Finance Limited

Standalone Balance Sheet as at March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars		Note	As at March 31, 2021	As at March 31, 2020
I.	**ASSETS**			
1	**Financial assets**			
	(a) Cash and cash equivalents	4	56,308.56	31,518.59
	(b) Loans	5	158,039.17	-
	(c) Investments	6	55,218.99	26,591.01
	(d) Other financial assets	7	293.69	-
	Total financial assets (A)		**269,860.41**	**58,109.60**
2	**Non-financial assets**			
	(a) Deferred tax assets (net)	8	475.29	60.41
	(b) Property, plant and equipment	9A	13.75	-
	(c) Intangible assets under development	9B	73.17	-
	(d) Other non-financial assets	10	37.71	-
	Total non-financial assets (B)		**599.92**	**60.41**
	Total Assets (A+B)		**270,460.33**	**58,170.01**
II.	**LIABILITIES AND EQUITY**			
	Liabilities			
1	**Financial liabilities**			
	(a) Payables			
	(i) Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises		-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	11	31.91	-
	(b) Borrowings	12	44,182.49	-
	(c) Other financial liabilities	13	686.72	390.93
	Total financial liabilities (A)		**44,901.12**	**390.93**
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	14	49.01	43.16
	(b) Provisions	15	93.74	-
	(c) Other non-financial liabilities	16	140.98	9.97
	Total non-financial liabilities (B)		**283.73**	**53.13**
3	**Equity**			
	(a) Equity share capital	17A	140,563.79	57,700.00
	(b) Instruments entirely equity in nature	17B	81,057.87	-
	(c) Other equity	17C	3,653.82	25.95
	Total equity (C)		**225,275.48**	**57,725.95**
	Total Liabilities and Equity (A+B+C)		**270,460.33**	**58,170.01**

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Jhaveri
Company Secretary

Aseem Infrastructure Finance Limited
Statement of Profit & Loss for the year ending March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Revenue from operations			
Interest income	18	4,701.11	455.18
Fees and commission income	19	37.72	-
Total Income (A)		**4,738.83**	**455.18**
Expenses			
Finance costs	20	185.73	0.05
Impairment on financial instruments	21	854.97	-
Employee benefits expenses	22	598.68	-
Depreciation, amortisation and impairment	23	2.76	-
Other expenses	24	448.00	400.91
Total expenses (B)		**2,090.14**	**400.96**
Profit before tax (C = A - B)		**2,648.69**	**54.22**
Tax expense			
Current tax		983.10	88.68
Deferred tax credit		(414.44)	(60.41)
Total tax expenses (D)		**568.66**	**28.27**
Net profit afer tax (E = C - D)		**2,080.03**	**25.95**
Other Comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
- Actuarial loss on remeasurements of the net defined benefit plans		(1.71)	-
Income tax relating to items that will not be reclassified to profit or loss		0.43	-
Total Other comprehensive income/(loss) (F)		(1.28)	-
Total comprehensive income (G =E + F)		**2,078.75**	**25.95**
Earnings per equity share:	25		
Basic earnings per share (in ₹)		0.15	0.02
Diluted earnings per share (in ₹)		0.15	0.02

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Jhaveri
Company Secretary

Aseem Infrastructure Finance Limited

Statement of Changes in Equity for the year ending March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

A) Equity Share Capital

Particulars	Number of shares	Amount
As at May 23, 2019	-	-
Changes during the period	577,000,000	57,700.00
As at March 31, 2020	**577,000,000**	**57,700.00**
Changes during the year	828,637,939	82,863.79
As at March 31, 2021	**1,405,637,939**	**140,563.79**

B) Compulsorily Convertible Preference Share Capital ('CCPS')

Particulars	Number of shares	Amount
As at May 23, 2019	-	-
Changes during the period	-	-
As at March 31, 2020	-	-
Changes during the year	736,889,692.00	81,057.87
As at March 31, 2021	**736,889,692.00**	**81,057.87**

C) Other equity

	Reserves & Surplus				
Particulars	**Statutory reserve u/s. 45-IC of RBI Act, 1934**	**Securities premium**	**Impairment reserve**	**Retained earnings**	**Total**
As at May 23, 2019	-	-	-	-	-
Net profit after tax for the period	-	-	-	25.95	25.95
Less/Add: Transferred to Statutory reserve	5.19	-	-	(5.19)	-
Closing balance as at March 31, 2020	**5.19**	**-**	**-**	**20.76**	**25.95**
As at April 1, 2020	5.19	-	-	20.76	**25.95**
Net profit after tax for the year	-	-	-	2,080.03	2,080.03
Other comprehensive income for the year	-	-	-	(1.28)	(1.28)
Addition during the period	-	1,706.32	-	-	1,706.32
Less: Share issue expenses	-	(0.70)	-	(156.50)	(157.20)
Add/(Less): Transferred to Statutory reserve	416.01	-	-	(416.01)	-
(Less)/Add: Transferred to Impairment reserve	-	-	54.42	(54.42)	-
Closing balance as at March 31, 2021	**421.20**	**1,705.62**	**54.42**	**1,472.58**	**3,653.82**

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Jhaveri
Company Secretary

Aseem Infrastructure Finance Limited

Statement of Cash Flows for the year ending March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
A. Cash flow from operating activities			
Profit before tax		2,648.69	54.22
Adjustment for:			
Depreciation and amortisation	9A & 23	2.76	-
Interest income on financial assets - EIR adjustment		(75.91)	-
Interest expense on financial liabilities - EIR adjustment		0.40	-
Financial guarantee obligation		(14.35)	-
Impairment on financial instruments	21	854.97	-
operating profit before working capital changes		**3,416.56**	**54.22**
Changes in working capital:			
Increase in provisions	15	115.59	-
Increase in trade payables	11	31.91	-
(Increase) in other financial assets	7	(295.04)	-
Increase in other financial liabilities	13	200.31	390.93
Increase in other non financial liabilities	16	131.01	9.97
(Increase) in non-financial assets	10	(37.71)	-
(Increase) in loans	5	(158,756.37)	-
Increase in interest accrual on borrowings		136.13	
Cash (used in)/generated in operations		**(155,057.61)**	**455.12**
(Payment) of tax (net)	14	(1,000.81)	(45.52)
Net Cash (used in)/generated in operations (A)		**(156,058.42)**	**409.60**
B. Cash flows from investing activities			
Purchase of property, plant and equipment	9A	(16.51)	-
Purchase of intangible assets under development	9B	(46.17)	-
Purchase of investments	6	(28,627.98)	(26,591.01)
Net cash used in investing activities (B)		**(28,690.66)**	**(26,591.01)**
C. Cash flows from financing activities			
Share issue expenses		(134.89)	-
Proceeds from issuance of Equity Share Capital	17A	84,127.98	57,700.00
Proceeds from issuance of Compulsorily Convertible Preference Share Capital	17B	81,500.00	-
Proceeds from borrowings	12	44,045.96	-
Net cash generated in financing activities (C)		**209,539.05**	**57,700.00**
Net Increase in cash and cash equivalents (D) = (A + B + C)		**24,789.97**	**31,518.59**
Cash and cash equivalents at the beginning of the period **(E)**		31,518.59	-
Cash and cash equivalents at the end of the period (F) = (D) + (E)		**56,308.56**	**31,518.59**
Cash and cash equivalents include the following			
Balances with banks in current account		703.40	7.15
Fixed deposits with maturity less than 3 months		55,605.16	31,511.44
Total cash and cash equivalents		**56,308.56**	**31,518.59**

Notes:

(i) Figures in brackets represent cash outlow.

(ii) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specifed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

The accompanying notes form an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date

As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Jhaveri
Company Secretary

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

1. Corporate Information

Aseem Infrastructure Finance Limited (CIN:U65990MH2019PLC325794) (the "Company") is a public limited company, incorporated in India on May 23, 2019 under the provisions of the Companies Act, 2013 (the "Act") and is a Non-Banking Finance Company ("NBFC"), a Systemically Important Non-Deposit Taking Non-Banking Finance Institution regulated by the Reserve Bank of India ("RBI"). The registered office of the Company is located at 4th Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051, India.

The Company has received the NBFC license certificate no. N-13.02382 from RBI on January 28, 2020. The object of the Company is to undertake infrastructure financing activities. It is registered with RBI as an Infrastructure Finance Company (IFC).

The Company is a subsidiary of National Investment and Infrastructure Fund-II (the 'Fund') which has been organised as a Trust by The Department of Economic Affairs. The Trust has been organised as a contributory umbrella trust and settled in India by the Settlor under the provisions of the Indian Trust Act, 1882 by way of an Indenture of trust dated March 01, 2018. The Fund is registered with the Securities and Exchange Board of India ("SEBI") as a Category II Alternative Investment Fund under SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations").

The financial statement for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the directors on June 8, 2021.

2. Basis of Preparation

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

Transition to Ind AS:

The Company was incorporated on May 23, 2019 and prepared and presented its financial statements for the period ended March 31, 2020 in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 ('erstwhile Indian GAAP'). With effect from April 01, 2020, the Company has adopted accounting standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS').

The Company's date of transition to Ind AS (as defined under Ind AS 101) i.e. the beginning of the earliest period presented coincides with its date of incorporation i.e. May 23, 2019, on which date the Company did not have any assets or liabilities. Accordingly, opening Ind AS Balance Sheet as at May 23, 2019 is not relevant in the case of the Company and, consequently no optional exemptions or mandatory exceptions under Ind AS 101 apply. Also, due to the foregoing reasons, reconciliation of equity as at date of transition to Ind AS as per erstwhile Indian GAAP to Ind AS is not relevant.

Further, there are no measurement differences between erstwhile Indian GAAP and Ind AS in respect of Company's assets and liabilities as at March 31, 2020 and its total comprehensive income for the period then ended, and accordingly, reconciliations required as per Ind AS 101 as of and for the period then ended are also not relevant.

There are certain differences in presentation of Balance Sheet and Statement of Profit and Loss between erstwhile Indian GAAP and Ind AS (primarily the classification of assets and liabilities as "financial" and "non-financial") which have been appropriately given effect to in these financial statements.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 - "Statement of Cash Flows".

Further, financial statements have been prepared on accrual, going concern and historical cost convention basis.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for defined benefit plans – plan assets measured at fair value.

(ii) Order of Liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 36.

3. Significant accounting policies

a. Functional and Presentation Currency

The financial statements are presented in India Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

b. Investments in Associates

The investments in associates are carried in the financial statements at historical cost, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as per Ind AS 105 – "Non-current Assets Held for Sale and Discontinued Operations". Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

c. Revenue recognition

Effective Interest Rate ("EIR")

Under Ind AS 109 – "Financial Instruments", interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at 'fair value through other comprehensive income' ("FVOCI") and debt instruments designated at 'fair value through profit or loss'("FVTPL"). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. No changes to carrying value are recognised through EIR except in case of modification of financial asset or liability

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

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

Interest Income on fixed deposits are recognised on accrual basis at the interest rates agreed upon with the banks for such fixed deposits.

d. Income tax

(i) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income. Currently, the Company has operations only in India. Hence, the current tax assets and liabilities are determined in accordance with the provisions of the Income Tax Act, 1961. The Company has

created tax provision under Section 115BAA of the Income Tax Act, 1961 and has complied with the provisions of that Section.

Current tax is recognised in the statement of profit and loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, it is recognised in other comprehensive income or directly in equity respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and levied by the same taxation authority.

e. Leases

Company as a lessee

The Company's leased assets primarily consist of commercial leases of office premises. The Company assesses whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of an identified asset

ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a lease term of twelve months or less (short-term leases) and low value leases. Currently, the Company only has short term leases.

For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The Company does not have any leases as a lessor currently.

f. Cash and cash equivalents

Cash and cash equivalents in the balance sheet and for the purpose of the statement of cash flows, comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

g. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

g. 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 instruments also include derivative contracts such as foreign currency forward contracts. Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Financial Assets

(i) Initial recognition and measurement

Financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset, such as fees and commissions.

(ii) Classification

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with the way in which business is managed and information provided to the management. The information considered in conjunction with objectives of business model includes:

- the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile;
- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.
- The Company monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Based on the Company policy, it can sell financial assets out of Amortized cost business model under following scenarios:

- If such financial assets no longer meet the credit criteria in Company's investment policy;
- Credit risk on a financial asset has increased significantly;
- To meet liquidity needs in 'stress case scenarios' and does not anticipate selling these assets except in scenarios such as to fund unexpected outflow;
- Sales are infrequent or insignificant in value both individually or in aggregate
- If sales are made close to the maturity of the financial assets and the proceeds from the sales approximate the collection of the remaining contractual cash flows.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of assessing contractual cash flows, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- reset terms
- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms; and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

A financial asset is measured at amortised cost only if both of the following conditions are met:

• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

(iii) Impairment of financial assets

Methodology for computation of Expected Credit Losses (ECL):

The financial instruments covered within the scope of ECL include financial assets measured at amortized cost and FVOCI, such as loans, trade receivables, security deposits and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the Company, for economic or contractual reasons relating to the borrower's financial difficulty, has granted to the borrower a concession(s) that the Company would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or another financial re-organisation;
- The disappearance of an active market for that financial asset because of financial difficulties.

ECL are a probability-weighted estimate of credit losses, measured as follows:

- Financial assets that are not credit impaired at the reporting date:

ECL has been estimated by determining the probability of default ('PD'), Exposure at Default ('EAD') and loss given default ('LGD').

PD has been computed using observed history of default for long term rated loans by leading credit rating agencies and converted into forward looking PD's considering suitable macro-economic variable and other observable inputs.

- Financial assets that are credit impaired at the reporting date:

ECL to be estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized:

— If the expected restructuring will not result in de-recognition of the existing asset, expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset.

— If the expected restructuring will result in de-recognition of the existing asset and the recognition of modified asset, the modified asset is considered as a new financial asset. The date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The impairment loss allowance is measured at an amount equal to 12 month expected credit losses until there is a significant increase in credit risk. If modified financial asset is credit-impaired at initial recognition, the financial asset is recognized as originated credit impaired asset.

(iii) Impairment of financial assets (continued)

Criteria used for determination of movement from stage 1 (12 month ECL) to stage 2 (lifetime ECL) and stage 3 (Lifetime ECL):

The Company applies a three-stage approach to measure ECL on financial assets measured at amortized cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

Stage 1: 12 month ECL
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized. Interest income is accrued using the effective interest rate on the gross carrying amount.

Stage 2: Lifetime ECL (not credit impaired):
At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information, deterioration in internal/external ratings and other qualitative factors to assess deterioration in credit quality of a financial asset.
For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Interest income is accrued using the effective interest rate on the gross carrying amount.

Stage 3: Lifetime ECL (credit impaired):
Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).
If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.
For financial instruments whose significant payment obligations are only after next 12 months, lifetime ECL is applied.

Method used to compute lifetime ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive. The Company estimates 12 month ECL and lifetime ECL using number of variable inputs such as historical default rate, macroeconomic scenarios, contractual life of financial assets and estimated recovery from collateral.

(iii) Impairment of financial assets (continued)

Manner in which forward looking assumptions have been incorporated in ECL estimates:

The Company considers historical observed default rates and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively. The Company's ECL calculations are output of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

(iv) Write-offs

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

(v) Derecognition

A financial asset is derecognised only when:

• The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients, or

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in statement of profit or loss

Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value less transaction costs directly attributable to the issue of the financial liabilities.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method except when designated to be measured at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

i. Financial guarantee contracts

Financial guarantees are initially recognised in the financial statements (within 'other financial liabilities') at fair value, being the premium received/receivable Further, a financial asset is recognised for the present value of the expected future premium.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. The ECLs related to financial guarantee contracts are recognised within Provisions.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in impairment on financial instruments. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee. Unwinding of discount on guarantee commission income receivable is recognised in other interest income.

j. Property plant and equipment (PPE)

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment, if any. Cost comprises acquisition cost, borrowing cost if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

Depreciation:

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives, which are equal to the lives prescribed under Schedule II to the Act. The estimated useful lives are as follows:

Assets	Useful life
Computer equipment	3 years
Office equipment	3 years
Server/Networking equipment	6 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Derecognition:

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

k. Intangible assets under development

Expenditure incurred which is eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use. Intangible assets under development primarily comprise of software under development. As these assets are under development, there is no amortisation charge during the year.

l. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, or where annual impairment testing for an asset is required, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset or a Cash-Generating Unit (CGU) is the higher of its fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

If the carrying amount of the asset or CGU exceeds the estimated recoverable amount, an impairment is recognized for such excess amount in the Statement of Profit and Loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised. Reversals of impairment loss are recognized in the Statement of Profit and Loss.

m. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

• When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

• When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

• The Company expenses off 50% of eligible input tax credit in line with applicable Goods and Services Tax laws.

n. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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. 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. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent Liabilities are not recognized but disclosed in the notes. However, contingent liabilities are not disclosed if the possibility of an outflow of resources embodying economic benefits is remote. Contingent Assets are not recognized in the financial statements. They are disclosed in the notes if an inflow of economic benefits is probable.

o. Employee Benefits

Compensated absences

The Company accrues the liability for compensated absences based on the actuarial valuation as at the Balance Sheet date conducted by an independent actuary, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilization. The net present value of the Company's obligation as at the Balance Sheet date is determined based on the projected unit credit method.

Post-employment obligations:

The Company operates the following post-employment schemes:

(i) Defined contribution plans:

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constructive obligation to pay additional sums. These comprise of contributions to the employees provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.
If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Defined benefit plans:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The gratuity scheme is wholly unfunded. The Company accounts for the liability for future gratuity benefits based on actuarial valuation. The net present value of the Company's obligation as at the Balance Sheet date towards the same is actuarially determined based on the projected unit credit method.

Remeasurement of all defined benefit plans, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income in the year they are incurred. Remeasurements are not reclassified to profit or loss in subsequent period. Net interest expense on the net defined liability is computed by applying the discount rate used to measure the net defined liability, to the net defined liability at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q. Events after the reporting period

Where events occurring after the reporting period provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events occurring after the reporting period are only disclosed, if they are material in size or nature.

r. Segmental Reporting

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Management Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 – "Operating Segments"), in deciding how to allocate resources and in assessing performance. These have been identified taking into account the nature of products and services, the differing risks and returns and the internal business reporting systems. Basis evaluation, the Company concluded it operates in a single reportable segment.

s. Significant accounting estimates, judgements and assumptions

The preparation of financial statements in accordance with Ind AS requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses, 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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively.

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Property, plant and equipment:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are as per Schedule II of the Companies Act, 2013 or are based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(ii) Income tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

(iii) Provision and contingencies:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may, therefore, vary from the amount included in other provisions.

(iv) Defined benefit obligations:

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, attrition rates and mortality rates. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to the long term nature of these plans such estimates are subject to significant uncertainty.

(v) Allowance for impairment of financial asset:

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 detailed model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

• The Company's internal credit grading model, which assigns PDs to the individual grades

• The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment

• The segmentation of financial assets when their ECL is assessed on a collective basis

• Development of ECL model, including the various formulas and the choice of inputs

• Determination of associations between macroeconomic scenarios and, economic inputs,

such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs

• Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

(vi) Business model assessment:

Classification and measurement of financial assets depends on the results of the Solely Payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

(vii) Effective Interest Rate (EIR) method:

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, changes to benchmark rate and other fee income/expense that are integral parts of the instrument.

Impact of COVID-19

The outbreak of COVID–19 virus which was declared a global pandemic by the World Health Organisation on March 11, 2020 continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities.

The pandemic has generally impacted businesses including lending business, fee income, collection efficiency etc. which in turn may impact customer defaults and consequently impairment allowance.

The Company continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients. The Company has not seen any adverse impact on its collections till date.

The Company has also raised equity and compulsorily convertible preference capital during March 2021 to augment its capital base. The Company continues to meet its operating and financial obligations, has maintained a higher than required capital adequacy ratio and has adequate financial resources to run its business as the Company has not experienced any significant disruptions due to this pandemic and has considered impact if any, on carrying value of assets based on the external or internal information available up to the date of approval of financial statements. However, the extent to which COVID-19 pandemic will continue to impact the Company's business, results of operations, financial position and cash flows will depend on future developments which remain highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the financial assets. The Company is closely monitoring any material changes to future economic conditions and resultant impacts, if any, on the expected credit loss provisions.

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 4: Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- in current accounts	703.40	7.15
- Fixed deposits with original maturity less than 3 months	55,605.16	31,511.44
Total	**56,308.56**	**31,518.59**

Note 5: Loans	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost		
Term Loans	130,225.97	-
Non Convertible Debentures	28,606.31	-
Total Gross	**158,832.28**	-
Less: Impairment loss allowance	(793.11)	-
Total Net	**158,039.17**	-
Secured	158,832.28	-
Unsecured	-	-
Total Gross	**158,832.28**	-
Less: Impairment loss allowance	(793.11)	-
Total Net	**158,039.17**	-
Loans in India		
Public sector	-	-
Others	158,832.28	-
Total Gross	**158,832.28**	-
Less: Impairment loss allowance	(793.11)	-
Total Net	**158,039.17**	-
Total	**158,039.17**	-

Note 6: Investments	As at March 31, 2021		As at March 31, 2020	
Investment in equity shares of associate company (Unquoted)	Number	Amount	Number	Amount
NIIF Infrastructure Finance Limited (Formerly, IDFC Infrastructure Finance Limited)	309,379,182	55,218.99	162,000,000	26,591.01
Total (A)	**309,379,182**	**55,218.99**	**162,000,000**	**26,591.01**
Investments in India (i)	309,379,182	55,218.99	162,000,000	26,591.01
Investments outside India (ii)	-	-	-	-
Total (B) (i+ii)	**309,379,182**	**55,218.99**	**162,000,000**	**26,591.01**
Total	**309,379,182**	**55,218.99**	**162,000,000**	**26,591.01**

Note 7: Other financial assets	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost		
Guarantee commission receivable	133.48	-
Processing fees receivable	161.56	
Less: Impairment loss allowance	(1.35)	
Total	**293.69**	-

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 8: Deferred tax assets (net)	As at March 31, 2021	As at March 31, 2020
Temporary difference attributable to:		
Deferred tax assets		
Preliminary expenses	45.30	60.41
Provision for gratuity payable	2.98	-
Provision for leave encashment payable	5.39	-
Financial assets measured at amortised cost	206.71	-
Impairment allowance on financial assets	215.18	-
Expenses disallowed for Income tax	0.38	
	475.94	**60.41**
Deferred tax liabilities		
Depreciation on property, plant and equipment	(0.65)	-
	(0.65)	**-**
Total Deferred tax assets (net)	**475.29**	**60.41**

Aseem Infrastructure Finance Limited
Notes forming part of financial statements as at and for the year ended March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

Note 9A: Property, plant and equipment

Particulars	Computer equipment	office equipment	Server/networking equipment	Total
Gross block				
Balance as at March 31, 2020	-		-	-
Additions/Adjustments	9.24	2.00	5.27	16.51
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2021	**9.24**	**2.00**	**5.27**	**16.51**
Accumulated depreciation				
Balance as at March 31, 2020	-		-	-
Depreciation charge	2.01	0.19	0.56	2.76
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2021	**2.01**	**0.19**	**0.56**	**2.76**
Net block				
Balance as at March 31, 2020	-	-	-	-
Balance as at March 31, 2021	**7.23**	**1.81**	**4.71**	**13.75**

Note 9B: Intangible assets under development

Particulars	Intangible assets under development
Gross block	
Balance as at March 31, 2020	
Additions/Adjustments	73.17
Disposals/Adjustments	-
Balance as at March 31, 2021	**73.17**
Accumulated depreciation	
Balance as at March 31, 2020	
Depreciation charge	-
Disposals/Adjustments	-
Balance as at March 31, 2021	-
Net block	
Balance as at March 31, 2020	-
Balance as at March 31, 2021	**73.17**

Aseem Infrastructure Finance Limited
Notes forming part of financial statements as at and for the year ended March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

Note 10: Other non-financial assets	As at March 31, 2021	As at March 31, 2020
Advance to vendors	2.35	-
Prepaid expenses	35.36	-
Total	**37.71**	**-**

Note 11: Trade payables	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	31.91	-
Total	**31.91**	**-**

Note 12: Borrowings	As at March 31, 2021	As at March 31, 2020
At amortised Cost		
Borrowings - In India		
Secured		
Term loan from bank	44,182.49	-
Total	**44,182.49**	**-**

Additional information:

Details of borrowings:

i) There are no borrowings designated or measured at FVTPL.

ii) Term loan from bank is secured against pari passu charge on standard asset portfolio of book debts and receivables and carry interest rate of 7.20% p,a., which will be reset on a half yearly basis. The loan are having tenure of 6 years from the date of disbursement and are repayable in quarterly instalments starting from May 2022.

Note 13: Other financial liabilities	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost		
Payable to related parties	121.19	382.55
Staff incentives payable	132.02	-
Financial guarantee obligation	191.56	-
Processing fees received pending disbursement	133.48	-
Capital expenses payable	27.00	-
Share issue expenses payable	22.31	-
Other expenses payable	59.16	8.38
Total	**686.72**	**390.93**

Note 14: Current tax liabilities (net)	As at March 31, 2021	As at March 31, 2020
Provision for income taxes (Net of taxes paid of ₹ 1,046.33 lakhs for March 31, 2021 and ₹ 45.52 lakhs for March 31, 2020)	49.01	43.16
Total	**49.01**	**43.16**

Note 15: Provisions	As at March 31, 2021	As at March 31, 2020
Provisions for employee benefits		
Provision for gratuity	11.84	-
Provision for leave benefits	21.40	-
Provision for Impairment loss on non-fund based facility	60.50	-
Total	**93.74**	**-**

Note 16: Other non-financial liabilities	As at March 31, 2021	As at March 31, 2020
Statutory dues	140.98	9.97
Total	**140.98**	**9.97**

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 17A: Equity Share Capital	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Authorised capital				
Equity Shares of ₹ 10 each (Previous period ₹ 10 each)	2,200,000,000	220,000.00	620,000,000	62,000.00
	2,200,000,000	**220,000.00**	**620,000,000**	**62,000.00**
Issued, subscribed and paid up*				
(I) Equity Shares				
Equity Shares of ₹ 10 each fully paid (Previous period ₹ 10 each)	1,405,637,939	140,563.79	577,000,000	57,700.00
	1,405,637,939	**140,563.79**	**577,000,000**	**57,700.00**

Rights, preferences and restrictions atached to Equity Shares

Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 17B: Compulsorily Convertible Preference Share Capital ('CCPS')	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Authorised capital				
0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each	818,181,819	90,000.00	-	-
	818,181,819	**90,000.00**	**-**	**-**
Issued, subscribed and paid up*				
0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each	736,889,692	81,057.87	-	-
	736,889,692	**81,057.87**	**-**	**-**

Rights, preferences and restrictions atached to Preference Shares

The CCPS shall carry a pre-determined cumulative dividend rate of 0.001% per annum. In addition to the same, if the holders of Equity Shares are paid dividend in excess of 0.001% per annum, the CCPS investor shall be entitled to dividend at such higher rate. The dividend shall be payable, subject to cash flow solvency, in the event the board of directors of AIFL declare any dividend for the relevant year, and shall be paid in priority to Equity Shares. Each CCPS was issued at a face value of ₹ 11 per CCPS and a premium of ₹ 0.06 per CCPS, and shall be converted into 1 equity share of FV ₹ 10 each and premium ₹ 1.06 upon induction of a new investor or expiry of 3 years from the date of issuance of the CCPS, whichever is earlier. The CCPS do not carry any voting rights and shall have liquidation preference over the Equity Shares, in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016.

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares				
At the beginning of the year	577,000,000	57,700.00	-	-
Add: Issued during the year	828,637,939	82,863.79	577,000,000	57,700.00
At the end of the year	**1,405,637,939**	**140,563.79**	**577,000,000**	**57,700.00**
Total issued, subscribed and fully paid up Equity Shares	**1,405,637,939**	**140,563.79**	**577,000,000**	**57,700.00**
0.001 % Compulsorily Convertible Preference Shares				
At the beginning of the year	-	-	-	-
Add: Issued during the year	736,889,692	81,057.87	-	-
At the end of the year	**736,889,692**	**81,057.87**	**-**	**-**
Total issued, subscribed and fully paid up 0.001 % Compulsorily Convertible Preference Shares	**736,889,692**	**81,057.87**	**-**	**-**

Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	% of shares	Number of Shares	% of shares
Equity shares of Rs 10 each				
National Investment and Infrastructure Fund-II	1,405,637,939	100%	577,000,000	100%
0.001 % Compulsorily Convertible Preference Shares of Rs each				
President of India (Represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India)	736,889,692	100%	-	0%

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 17C: Other equity	As at March 31, 2021	As at March 31, 2020
(a) Statutory reserve u/s. 45-IC of RBI Act, 1934	421.20	5.19
(b) Securities premium	1,705.62	-
(c) Impairment reserve	54.42	-
(d) Retained earnings	1,472.58	20.76
Total	**3,653.82**	**25.95**

(a) Statutory reserve u/s. 45-IC of RBI Act, 1934	As at March 31, 2021	As at March 31, 2020
Opening balance	5.19	-
Addition during the year	416.01	5.19
Closing balance	**421.20**	**5.19**

(b) Securities premium	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Addition during the year	1,706.32	-
Less: Share issue expenses	(0.70)	-
Closing balance	**1,705.62**	-

(c) Impairment reserve	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Addition during the year	54.42	-
Closing balance	**54.42**	-

(d) Retained earnings	As at March 31, 2021	As at March 31, 2020
Opening balance	20.76	-
Transaction during the year :		
Net profit for the year	2,080.03	25.95
Other comprehensive income for the year	(1.28)	-
Less: Share issue expenses	(156.50)	-
Less: Transfer to Statutory reserve u/s. 45-IC of RBI Act, 1934	(416.01)	(5.19)
Less: Transfer to Impairment reserve	(54.42)	-
Closing balance	**1,472.58**	**20.76**

*During the year, the Company has received equity share capital of ₹ 84,127.98 lakhs (including securities premium) from existing shareholder and compulsorily convertible preference share capital (CCPS) of ₹ 81,500.00 lakhs (including securities premium) from President of India (represented by and acting through the Secretary, Department of Corporate Affairs, Ministry of Finance, Government of India). This CCPS infusion from Government of India is the first tranche subscribed against its commitment to make direct investment in the Company as announced in the Union Budget for FY 2020-21 and Atmanirbhar Bharat Scheme 3.0.

Nature and purpose of reserves

Statutory reserve u/s. 45-IC of RBI Act, 1934

Appropriations to the Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 and the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out of distributable profits of the Company.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Impairment reserve

In terms of the requirement as per RBI Notification No. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020, on implementation of Ind AS, Non-Banking Financial Companies (NBFCs) are required to create an Impairment Reserve for any shortall in Impairment Allowances under Ind AS 109 - Financial Instruments (Ind AS 109), as compared to the Income Recognition, Asset Classification and Provisioning ('IRACP') norms (including provision on standard assets). As at December 31, 2020, the total provision required under IRACP (including standard asset provisioning) exceeded the Impairment Allowance under Ind AS 109. Accordingly, the Company had transferred ₹ 54.42 lakhs from Retained Earnings to Impairment Reserve. The Impairment Allowance including the additional provision under Ind AS 109 as at March 31, 2021 is higher than the provision required under IRACP norms and accordingly, no additional transfer to the Impairment Reserve has been made.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, dividends or other distributions paid to shareholders.

Aseem Infrastructure Finance Limited
Notes forming part of financial statements as at and for the year ended March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

Note 18 : Interest income

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
On financial assets measured at amortised cost:		
Interest on loans	1,774.92	-
Interest on Non Convertible Debentures	1,280.43	-
Interest on bank deposits	1,643.66	455.18
Other interest income*	2.10	-
Total	**4,701.11**	**455.18**

*Represents unwinding of discount on commission income from financial guarantee contract.

Note 19 : Fees and commission income

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
On financial assets measured at amortised cost:		
Commission fees	37.72	-
Total	**37.72**	**-**

Note 20: Finance costs

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
On Financial liabilities measured at amortised cost		
Bank charges	0.03	0.05
Interest on borrowings	162.14	-
Interest on corporate taxes	23.56	
Total	**185.73**	**0.05**

Note 21: Impairment on financial instruments

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
On Financial instruments measured at amortised cost		
Term Loans	651.46	-
Non Convertible Debentures	143.01	-
Non Fund Based Facility	60.50	-
Total	**854.97**	**-**

Note 22: Employee benefits expenses

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Salaries and wages	546.40	-
Gratuity and leave encashment	31.53	-
Contribution to provident and other funds	20.65	-
Staff welfare expenses	0.10	-
Total	**598.68**	**-**

Note 23: Depreciation and amortisation expense

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Depreciation on property, plant and equipment	2.76	-
Total	**2.76**	**-**

Aseem Infrastructure Finance Limited
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(All amounts are in INR Lakhs, unless otherwise stated)

Note 24: Other expenses

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Branding expenses	5.45	-
Shared services cost expense	98.98	-
Legal and professional fees	158.92	36.57
Pre-incorporation expenses	-	300.02
Pre-operative expenses	-	58.09
Auditor's remuneration (Refer note 24 (a))	19.26	5.75
Facility support services fees	75.00	-
Corporate social responsibility expenditure	1.10	-
Director sitting fees	14.39	-
Recruitment expenses	46.96	-
Information technology expenses	13.36	-
Insurance expenses	8.41	-
Other expenses	6.17	0.48
Total	**448.00**	**400.91**

Note 24(a): Break up of Auditors' remuneration

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Statutory audit	16.00	3.50
Tax audit	1.00	-
In other capacity		
Other services	2.00	2.25
Out-of-pocket expenses	0.26	
Total	**19.26**	**5.75**

Note 25: Earning per share (EPS)

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

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Net Profit afer tax	2,078.75	25.95
Less: Share issue expenses	(156.50)	-
Less: Impairment reserve	(54.42)	-
Net Profit afer tax available for equity shareholders	**1,867.83**	**25.95**
Weighted average number of shares before adjustment of Compulsorily Convertible Preference Shares (CCPS) dilution	11,931	1,467
effect of dilution on account of CCPS	121	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**12,052**	**1,467**

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

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Basic earnings per share	0.15	0.02
Diluted earnings per share	0.15	0.02

The Basic earnings per share considers the effect of dilution on account of the Compulsorily Convertible Preference Shares as the conversion ratio is fixed.

(All amounts are in INR Lakhs, unless otherwise stated)

Note 26: Related party disclosures

Names of related parties identified in accordance with Ind AS -24 "Related Party Disclosures" (with whom there were transactions during the current year/previous period)' are as follows:

a. Name of related parties and related party Relationship

i) parties where control exists

Holding entity	National Investment and Infrastructure Fund-II
Investment manager of holding entity	National Investment and Infrastructure Fund Limited

ii) Associate company — NIIF Infrastructure Finance Limited

iii) Key management personnel

Chief Executive Officer	Mr. Virender Pankaj
Chief Financial Officer	Mr. Nilesh Sampat
Company Secretary	Ms. Karishma Jhaveri

iv) Directors

Chairman & Non - Executive Director	Mr. Surya Prakash Rao Pendyala
Non - Executive Director	Mr. Saurabh Jain
Non - Executive Director	Mr. Rajiv Dhar
Independent Director	Ms. Rosemary Sebastian
Independent Director	Mr. Chandrashekaran

b. Key management personnel compensaton:

Particulars	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Short term employee benefits	254.22	-
Post-employment defined benefit #	8.58	-

#As gratuity and other long term employee benefits are computed for all employees in aggregate, the amounts relating to the Key Management Personnel cannot be individually identified.

Note : Mr. Virender Pankaj was appointed as Chief Executive Officer (CEO) in board meeting dated March 24, 2020 with effect from April 1, 2020. Hence, there are no transaction during the period ending March 31, 2020 which are required to be reported under the managerial remuneration paid or payable to the company's Chief Executive Officer under Key management personnel.

Particulars of Director sitting fees	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Ms. Rosemary Sebastian - Independent Director	6.60	-
Mr. V. Chandrasekaran - Independent Director	6.60	-
Total	**13.20**	-

c. transactions with related parties during the period

Nature of transaction	Relationship	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Issue of equity shares			
National Investment and Infrastructure Fund-II	Holding company	84,127.98	57,700.00
Purchase of equity shares			
NIIF Infrastructure Finance Limited	Associate company	28,627.98	26,591.01
Expenses on Company's behalf by			
National Investment and Infrastructure Fund-II	Holding entity	-	300.02
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	75.07	83.35
NIIF Infrastructure Finance Limited	Associate company	110.88	8.28

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

Note 26: Related party disclosures (continued)

d. Closing balance of the transactions with related parties

Nature of transaction	Relationship	As at March 31, 2021	As at March 31, 2020
Equity shares			
National Investment and Infrastructure Fund-II	Holding company	140,563.79	57,700.00
Investment in equity shares			
NIIF Infrastructure Finance Limited	Associate company	55,218.99	26,591.01
Expenses on Company's behalf payable			
National Investment and Infrastructure Fund-II	Holding entity	-	300.02
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	69.38	75.08
NIIF Infrastructure Finance Limited	Associate company	51.81	7.45

(All amounts are in INR Lakhs, unless otherwise stated)

27 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

(a) Gross amount required to be spent by the Company during the year – ₹ 1.08 lakhs (previous period - ₹ nil)

(b) Amount spent during the year

For the year ended March 31, 2021	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1.10	-	1.10
For the year ended March 31, 2020	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-

28 Contingent liabilities & capital commitments

Capital expenditure contracted for at the end of reporting period but not recognised as liabilities is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Intangible assets	69.25	-

Contingent liabilities as at the end of reporting period are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Letter of comfort issued	12,100.00	-

29 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises for the year ended March 31, 2021 and March 31, 2020 (no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED).

(All amounts are in INR Lakhs, unless otherwise stated)

30 Tax expense recognised in P&L

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	983.10	88.68
Deferred tax	(414.44)	(60.41)
	568.66	28.27

Tax expense/(benefits) recognised in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	-	-
Deferred tax - remeasurement of defined benefit obligation	0.43	-
	0.43	-

30.1 Tax reconciliation (for profit and loss)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(loss) before income tax expense	**2,648.69**	**54.22**
Tax at the rate of	25.168%	25.168%
Income tax expense calculated	666.62	13.65
Tax impact of not deductible expenses for tax purpose	6.21	14.62
Tax impact of deduction allowed separately under Income Tax Act, 1961	(104.60)	-
Income tax expense	568.23	28.27

30.2 Deferred tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax on account of :		
Preliminary Expenses	45.30	-
Provision for Gratuity Payable	2.98	60.41
Provision for Leave Encashment Payable	5.39	-
Financial assets measured at amortised cost	206.71	-
Impairment allowance on financial assets	215.18	-
Expenses disallowed for Income tax	0.38	-
Depreciation of property, plant and equipment	(0.65)	-
Net deferred tax Assets	475.29	60.41

Deferred tax related to the following:

Particulars	As at March 31, 2021	Recognised through profit & loss	Recognised through OCI	As at March 31, 2020	Recognised through profit & loss	Recognised through OCI
Preliminary Expenses	45.30	15.11	-	60.41	(60.41)	-
Provision for Gratuity Payable	2.98	(2.55)	0.43	-	-	-
Provision for Leave Encashment Payable	5.39	(5.39)	-	-	-	-
Financial assets measured at amortised cost	206.71	(206.71)	-	-	-	-
Impairment allowance on financial assets	215.18	(215.18)	-	-	-	-
Expenses disallowed for Income tax	0.38	(0.38)	-	-	-	-
Depreciation of property, plant and equipment	(0.65)	0.65	-	-	-	-
Total deferred tax Assets (net)	475.29	(414.45)	0.43	60.41	(60.41)	-

(All amounts are in INR Lakhs, unless otherwise stated)

31 Fair value measurements

Financial instruments by category

Particulars	As at March 31, 2021			
	FVTPL	FVOCI	amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	56,308.56	56,308.56
Loans	-	-	158,039.17	158,039.17
Other financial assets	-	-	293.69	293.69
Total financial assets	-	-	**214,641.42**	**214,641.42**
Financial liabilities				
Trade payables	-	-	31.91	31.91
Borrowings	-	-	44,182.49	44,182.49
Other financial liabilities	-	-	686.72	686.72
Total financial liabilities	-	-	**44,901.12**	**44,901.12**

Particulars	As at March 31, 2020			
	FVTPL	FVOCI	amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	31,518.59	31,518.59
Total financial assets	-	-	**31,518.59**	**31,518.59**
Financial liabilities				
Other financial liabilities	-	-	390.93	390.93
Total financial liabilities	-	-	**390.93**	**390.93**

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level is as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example: listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

significant valuation techniques used to value financial instruments include:

The carrying amounts of Cash and cash equivalents, other financial assets (processing fees receivable), trade payables and other financial liabilities are considered to be approximately equal to the fair value due to their short term maturities.

The fair value of floating rate financial assets and liabilities are deemed to be equivalent to the carrying value. The fair value of certain fixed rate financial assets are estimated using a discounted cash flow model based on contractual cash flows discounted using market rates incorporating the counterparties' credit risk. However, the fair value of such instruments is not materially different from their carrying amounts.

All the financial assets and liabilities are categorised into level 2 of fair value hierarchy.

III. Valuation Process

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

IV. Fair value of financial instrument measured at amortised cost

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans	158,039.17	158,039.17	-	-
Other financial assets (Guarantee Commission receivable)	133.48	133.48	-	-
Financial liabilities				
Borrowings	44,182.49	44,182.49	-	-

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and debt.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value off-balance sheet.

Regulatory capital

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Tier - I capital	192,001.37	36,841.08
Tier - II capital	854.96	-
Total Capital	**192,856.33**	**36,841.08**
Risk weighted assets	127,830.30	
Tier - I capital ratio	150.20%	638.88%
Tier - II capital ratio	0.67%	0.00%
Total Capital ratio	**150.87%**	**638.88%**

Financial risk management

The Company is exposed primarily to credit risk, liquidity, foreign currency and interest rate risk. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the Company. The Company's principal financial liabilities comprises of borrowings, other financial liabilities and trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, investments and cash and cash equivalents that it derives directly from its operations.

A Credit risk

It is risk of financial loss that the Company will incur because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and cash equivalents, Loans, Investments and Other financial assets.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits. Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of Directors. Investments comprise of unquoted equity instruments of associate company. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

Following provides exposure to credit risk for Financial Instruments :

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Financial Assets at amortised cost - Loans (Gross)	159,499.90	-
Other financial assets at amortised cost	295.04	-
Non Fund Based Facility	12,100.00	
Total Gross exposure	**171,894.94**	-
Less: Non Fund Based Facility	(12,100.00)	
Less : Impairment loss allowances	(854.97)	-
Less: EIR adjustments	(667.66)	
Total carrying value	**158,272.31**	-

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

A Credit risk (continued)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost such as loans.

Loans

Loans comprise of NCDs and loans given to infrastructure companies for which a staged approach is followed for determination of ECL.

Stage 1: All Open positions in the loans and advances are considered as stage 1 assets for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro-economic environment.

Stage 2: Exposures under stage 2 include dues upto 90 days pertaining to principal amount on closed positions and interest on all open positions of loans and advances.

Stage 3: Exposures under stage 3 include dues past 90 days pertaining to principal amount on closed positions and interest on all open positions of loans and advances.

Based on historical data, the Company assigns probability of default to stage 1 and stage 2 and applies it to the EAD to compute the ECL. For Stage 3 assets probability of default is considered as 100%.

Following table provides information about exposure to credit risk and ECL on loans and advances

Stage	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	ECL	Carrying amount	ECL
Stage 1	158,272.31	854.97	-	-
Stage 2	-	-	-	-
Stage 3	-	-	-	-

The movement in the allowance for impairment in respect of loans

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Impairment loss recognised	(793.11)	-
Derecognition	-	-
Closing balance	(793.11)	-

The movement in the allowance for impairment in respect of of balance sheet exposure

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Impairment loss recognised	(60.50)	-
Derecognition	-	-
Closing balance	(60.50)	-

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of loans and advances (including certain loan commitments) entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations with counterparties. The Company measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD). This is similar to the approach used for the purpose of measuring expected credit loss (ECL) under Ind AS 109.

The Company's concentration risk shall be managed at the sector/sub-sector level. As per the Risk Policy, sectoral limits shall be laid down on reaching an asset book size of ₹ 2,00,000.00 lakhs. The Company shall be approaching the Risk Management Commitee (RMC) in the next RMC meeting for approval of these sectoral limits.

Sector/sub-sector	Exposure as % of total exposure	
	As at March 31, 2021	As at March 31, 2020
Roads	21%	0.00%
Solar	63%	0.00%
Transmission	16%	0.00%
Total	100.00%	0.00%

a) Credit risk grading

The Company uses internal credit risk grading framework that reflects its assessment of the probability of default of individual counterparty. The Company uses internal rating model tailored to various categories of counterparties. Borrower and loan specific information collected at the time of initial application and annual re-rating exercise is fed into risk rating model. This is supplemented by external data such as credit bureau scoring information.

The framework is robust and comparable to credit models used by credit rating bureaus. The credit rating model considers various parameters (such as promoter strength, operating risk, market risk, financial factors, etc.) and a score is assigned to each parameter between 1 (lowest) to 5 (highest). The internal rating grade is based on the final score derived from the credit rating model.

The Company's internal score scales and mapping of internal rating grades are set out below:

Internal score	Internal rating grades	Description of the grade
>4	iAAA	Highest Safety
3.91 - 4.00	iAA+	High Safety
3.81 - 3.90	iAA	
3.71 - 3.80	iAA-	
3.61 - 3.70	iA+	Adequate Safety
3.51 - 3.60	iA	
3.41 - 3.50	iA-	
3.11 - 3.40	iBBB+	Moderate Safety
2.81 - 3.10	iBBB	
2.61 - 2.80	iBBB-	
2.25 - 2.60	iBB+, iBB & iBB-	Moderate Risk
<2.25	iB, iC & iD	High Risk/ Very High Risk/ Default

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)

a) Credit risk grading (continued)

As per risk rating policy, the Company does not finance the projects having internal rating grade below *investment grade (BBB-)*, arrived as per the above mentioned risk rating framework.

An annual review of the loans / debentures (credit substitutes) would be conducted to determine the credit migration and rating of the portfolio. The analysis below summarises the credit quality of the Company's debt portfolio at March 31, 2021.

Internal rating grades	% of total customers		% of total outstanding	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
iAAA	0%	0%	0%	0%
iAA+, iAA, iAA-	46%	0%	18%	0%
iA+, iA, iA-	50%	0%	77%	0%
iBBB+	4%	0%	6%	0%
iBBB	0%	0%	0%	0%
iBBB-	0%	0%	0%	0%
Total	**100%**	**0%**	**100%**	**0%**

b) Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer note 32(A)(b)(i) below for a description of how the Company determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer note32 (A)(b)(ii) below for a description of how the Company defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of Lifetimeexpected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a Lifetime basis. Refer note 32 (A)(b)(iii) below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with Ind AS 109 is that it should consider forward-looking information.

32 Capital Management (continued)
A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)
b) Expected credit loss measurement (continued)

The following diagram summarises the impairment requirements under Ind AS 109:

Change in credit quality since initial recogniton

Stage 1	Stage 2	Stage 3
(Initial recognition)	(significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	**Lifetime expected credit losses**	**Lifetime expected credit losses**

i) Significant increase in credit risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the quantitative, qualitative or backstop criteria have been met.

quantitative criteria:

The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 61 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been more than 61 days past due.

qualitative criteria:

For all financial instruments held by the Company, if the borrower is on the watch list and/or the instrument meets one or more of the following criteria:

- Internal rating downgrade of two notches or more
- Any event/s of non-cooperation
- Evidence of diversion of funds

Backstop:

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

The Company has not used the low credit risk exemption for any financial instruments in the year ended March 31, 2021.

ii) Default and credit-impaired asset

The Company defines a financial asset as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

quantitative criteria:

The borrower is more than 90 days past due on its contractual payments to be considered in default.

qualitative criteria:

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- the borrower is in long-term forbearance
- the borrower is insolvent

32 Capital Management (continued)
A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)
b) Expected credit loss measurement (continued)
ii) Default and credit-impaired asset (continued)

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the probability of default (PD), exposure at default (EAD) and loss given default (LGD) throughout the Company's expected loss calculations.

For upgradation from higher stage to lower stage (i.e. to have cured):
Loan and advances are not moved from higher stage to lower stage immediately afer payment of overdue amount and the following cooling of period is applied:
From Stage 2 to Stage 1
- Continues in lower than 61 dpd for at least six months
From Stage 3 to Stage 2
- Continues in lower than 90 dpd for at least six months or
- Moves to Zero dpd

iii) Measuring ECL – explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD), and loss given default (LGD), defined as follows:

PD estimation:

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining Lifetime (Lifetime PD) of the obligation.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the Lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The credit quality of the portfolio is assessed using internally developed credit rating model. The internal rating grade is determined for every initial application and annual re-rating is also performed for all existing counterparties. In the absence of default/SMA history and limited number of counterparties involved, credit rating data available in public domain has been used to assign PDs to Internal rating grades.

- For Stage 1, 12 month PD are calculated. CRISIL 1 year cumulative default rate data and GDP forecast estimates have been used to arrive at 12 month PD for base case, best case and worst case economic scenarios.
- For Stage 2, Lifetime PD are calculated by considering the survival rate of the counterparty for the remaining maturity. The PD is based on CRISIL average transition matrices based on corporates.
- For Stage 3, Lifetime PD is taken as 100%.

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Notes forming part of financial statements as at and for the year ended March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)
A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)
b) Expected credit loss measurement (continued)
iii) Measuring ECL – explanation of inputs, assumptions and estimation techniques (continued)

Internal rating grades – 12 month PD Mapping:

Internal rating grades		PD% Base Case	PD% Best Case	PD% Worst Case
Highest Safety	iAAA	0.07%	0.03%	0.28%
High Safety	iAA+	0.10%	0.03%	0.37%
	iAA	0.10%	0.03%	0.37%
	iAA-	0.10%	0.03%	0.37%
Adequate Safety	iA+	0.39%	0.11%	1.23%
	iA	0.39%	0.11%	1.23%
	iA-	0.39%	0.11%	1.23%
Moderate Safety	iBBB+	2.09%	0.79%	4.85%
	iBBB	2.09%	0.79%	4.85%
	iBBB-	2.09%	0.79%	4.85%
Moderate Risk	iBB+	7.98%	4.37%	13.47%
	iBB	7.98%	4.37%	13.47%
	iBB-	7.98%	4.37%	13.47%
High Risk	iB	16.23%	10.30%	24.02%
Very High Risk	iC	34.10%	24.62%	44.72%
Default	iD	100.00%	100.00%	100.00%

Exposure at default:

EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining Lifetime (Lifetime EAD).

For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or Lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

Loss given default:

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or Lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected Lifetime of the loan.

The 12-month and Lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type and security coverage.

- In case of re-financing of infrastructure project loans, the primary credit support is cash flow control and additional comfort is taken as project assets as collateral. In absence of actual instances of default and consequential recoveries, the LGD rates under "Foundation IRB approach" as prescribed by RBI, afer considering the threshold level of collateralisation and required level of over collateralisation for full recognition of collateral, have been taken as a proxy measure.

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)
A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)
b) Expected credit loss measurement (continued)
iii) Measuring ECL – explanation of inputs, assumptions and estimation techniques (continued)

ECL computation:

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

iv) Forward-looking Information incorporated in the ECL model

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for portfolio.

Judgementhas also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided on a regular basis and provide the best estimate view of the economy over the next five years.

The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or Lifetime ECL should be recorded. Following this assessment, the Company measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted Lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The Company has identfed the "GDP growth rate" as a key driver for the expected credit loss.

The following table sets out the assumptions used for base case, best case and worst case ECL scenarios, taking GDP growth rate as key driver for expected loss:

Year ended March 31, 2021

ECL Scenario	Assigned probabilites %	2020	2021	2022	2023	2024
Base case	50%	-10.30%	8.80%	8.00%	7.60%	7.40%
Best case	20%	-8.80%	10.30%	9.40%	9.10%	8.90%
Worst case	30%	-11.75%	7.30%	6.50%	6.20%	5.90%

There were no loan assets in the previous period FY 2019-20 and hence no comparable figures have been included.

The GDP estimates are used to project the grade wise PD for base case, best case and worst case scenario. The final (weighted) ECL is arrived at by assigning 50%, 20% and 30% weights to the base case, best case and worst case ECL respectively.

The GDP estimates are presented for calendar years & not financials years.

32 Capital Management (continued)
A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)
b) Expected credit loss measurement (continued)
iv) Forward-looking Information incorporated in the ECL model (continued)

	Year ended March 31, 2021			Year ended March 31, 2020		
	Base case	Best case	Worst case	Base case	Best case	Worst case
Assigned probabilites %	50%	20%	30%	0%	0%	0%
ECL (₹ in lakhs)	424.21	129.32	1,248.30	-	-	-

Scenario weighted ECL as on March 31, 2021 is ₹ 612.46 lakhs (March 31, 2020 ₹ Nil).

v) Financial assets measured on a collective basis

ECL is calculated on individual basis for all loan assets.

vi) Proposal appraisal

The Company collects relevant project/ corporate documents and initiates appraisal of the proposal. The evaluation process encompasses establishment of viability of proposal including borrower's ability to service the loan. The evaluation is undertaken through a combination of review of project/corporate documents, external rating rationales (if any), meetings with project promoters/key offcials, site visits, etc.

Proposals shall be approved by the Credit Commitee post recommendaton by the Management Commitee

Term loans /debentures can have fixed rate or floating rate of interest linked to the Company's benchmark rate or another agreed benchmark. There may be interest reset afer defined intervals.

Below is the mix of assets with interest reset dates falling within 1 year and more than 1 year:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 1 year	77%	0.00%
More than 1 year	23%	0.00%

vii) Overview of modifed and forborne loan

All the loan assets of the Company are categorised under Stage 1 and there are no modified or forborne loans.

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)

c) Credit risk exposure

i) Maximum exposure to credit risk - Loans and debenture measured at amortised subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

Term loans and debentures	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety	-	-	-	-
High Safety	28,705.28	-	-	28,705.28
Adequate Safety	134,364.66	-	-	134,364.66
Moderate Safety	8,825.00	-	-	8,825.00
Non- performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	**171,894.94**	**-**	**-**	**171,894.94**

Term loans and debentures	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety	-	-	-	
High Safety	-	-	-	
Adequate Safety	-	-	-	
Moderate Safety	-	-	-	
Non- performing	-	-	-	
Moderate Risk	-	-	-	
High Risk/ Very High Risk/ Default	-	-	-	
Total	-	-	-	-

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

The Company does not have any exposure to Financial instruments not subjected to impairment. The Company is exposed to credit risk from investments held in debt-oriented mutual fund units.

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)

c) Credit risk exposure (continued)

iii) Collateral and other credit enhancement

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and Valuation of each type of collateral.

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigaton.

The Company prepares a Valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types are:

- charges over tangible assets such as property, plant and equipment; and
- charges over book debts, inventories, bank deposits, and other working capital items; and
- charges over financial instruments such as debt securities and equities.

The fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a regular basis.

Particulars	Gross Exposure	Impairment allowance	Undrawn amount and Non Fund Based Facility	EIR Adjustment	Carrying amount	Fair value of collateral held
As at March 31, 2021						
Loans to corporate entities/individuals:						
- Term loans	130,791.14	650.10	-	568.66	129,572.38	236,960.14
- Debentures and bonds	27,964.40	139.30	-	99.00	27,726.10	36,786.68
- Accrued interest on loans, debentures and bonds	744.36	3.72	-	-	740.64	744.36
- Other financial Asset	295.04	1.35	-	-	293.69	295.04
- Non-Fund Based facility	12,100.00	60.50	12,100.00	-	(60.50)	17,547.74
Total	**171,894.94**	**854.97**	**12,100.00**	**667.66**	**158,272.31**	**292,333.96**
As at March 31, 2020						
Loans to corporate entities/individuals:						
- Term loans	-	-	-	-	-	-
- Debentures and bonds	-	-	-	-	-	-
- Accrued interest on loans, debentures and bonds	-	-	-	-	-	-
Total	-	-	-	-	-	-

iv) Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- impacts on the measurement of ECL due to changes made to models and assumptions;
- financial assets derecognised during the period and write-offs of allowances related to assets that were written of during the period.

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)

c) Credit risk exposure (continued)

iv) Loss allowance (continued)

An analysis of change in the gross carrying amount of the loan portfolio and corresponding loss allowance:

The following table further explains changes in the gross carrying amount of the loan portfolio to help explain their significance to the changes in the loss allowance tor the same portfolio as discussed below:

Term loans and debentures	Year ended March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-
New assets originated or purchased	160,322.00	-	-	160,322.00
Assets derecognised or repaid	(1,489.72)	-	-	(1,489.72)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written of	-	-	-	-
Closing balance	**158,832.28**	**-**	**-**	**158,832.28**

Term loans and debentures	Year ended March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Opening balance				
New assets originated or purchased	-	-	-	
Assets derecognised or repaid	-	-	-	
Transfers to Stage 1	-	-	-	
Transfers to Stage 2	-	-	-	
Transfers to Stage 3	-	-	-	
Amounts written of	-	-	-	
Closing balance	**-**	**-**	**-**	**-**

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32 Capital Management (continued)
A Credit risk (continued)

1) Credit risk measurement - loans and advances (continued)
c) Credit risk exposure (continued)
iv) Loss allowance (continued)

The following table explains the changes in the loss allowance between the beginning and at the end of the annual period due to various factors:

Term loans and debentures	Year ended March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-
New assets originated or purchased	800.55	-	-	800.55
Assets derecognised or repaid	(7.44)	-	-	(7.44)
Net remeasurement of loss allowance	-		-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written of	-	-	-	-
Closing balance	**793.11**	**-**	**-**	**793.11**

Term loans and debentures	Year ended March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written of	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**

The origination of new loan assets is the primary factor that contributed to the change in the loss allowance during the period.

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables, Borrowings and other financial liabilities.

Liquidity risk framework

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Catergory	Limits
Limits on cumulative negative gaps, as a % of cumulative outlows [maximum]	-10% of cumulative outlows for 0 to 14 days -20% of cumulative outlows for 15 days to 1 year
Capital adequacy ratio (CRAR) [minimum]	15%
Capital Classification	Tier II Capital shall not exceed Tier I Capital
Earnings at Risk (EaR)	₹ 15 crore or 15% of the Annual Budgeted Net Interest Income; whichever is lower
Liquidity Coverage Ratio (LCR)	0.3

Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2021	As at March 31, 2020
Floating rate		
Borrowings		
Expiring within one year	55,900.00	-
Expiring beyond one year	-	-
Total	**55,900.00**	**-**

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

32 Capital Management (continued)

C Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar in the year ended March 31, 2021.

Foreign currency risk management

In respect of the foreign currency transactions, the Company does not hedge the exposures since it relates to foreign currency expense and the management believes that the same is insignificant in nature and will not have a material impact on the Company.

The Company's exposure to foreign currency risk at the end of reporting period are as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities		
Provisions		
Exposure in USD	0.46	-
Financial Assets		
Trade receivables		
Exposure in USD	-	-
Net exposure to foreign currency risk	**0.46**	-

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in USD with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary liabilities and asset at balance sheet date:

Currencies	As at March 31, 2021		As at March 31, 2020	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.02)	0.02	-	-

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the potential loss arising from fluctuations in market interest rates. In order to mitigate the interest rate risk, the Company periodically reviews its lending rates and the weighted average cost of borrowing, based on prevailing market rates.

The Company is subject to interest rate risk, primarily on loans and borrowings at floating rate. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. The interest rate risk is managed by the analysis of interest rate sensitivity gap statements and by evaluating the creation of assets and liabilities with a mix of fixed and floating interest rates.

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate liabilities		
Borrowings	44,100.00	-
Variable rate assets		
Loans	117,540.39	-

Sensitivity

The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on borrowings and loans given. Below is the impact on the Company's profit before tax due to interest rate sensitivity.

Particulars	As at March 31, 2021	As at March 31, 2020
Interest rates – increase by 0.50%	367.20	-
Interest rates – decrease by 0.50%	(367.20)	-

** Holding all other variables constant*

(iii) Price risk

The Company is not exposed to price risk as at March 31, 2021 and March 31, 2020.

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

33 Segment reporting

operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating Decision Maker (CODM). The Company operates in a single reportable segment i.e. lending loans to infrastructure companies, since the nature of the loans are exposed to similar risk and return profiles. The Company operates in a single geographical segment i.e. India.

(a) Segment revenue

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

Particulars	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Segment revenue		
- India	4,738.83	455.18
- Outside India	-	-
Total	**4,738.83**	**455.18**

Revenue from major customers

For the year ended March 31, 2021, Revenues from four customers of the Company represents approximately ₹ 2,463 lakhs of the Company's total revenues. Each of the customer is contributing more than 10% of Company's total revenue.

Note: No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in period May 23, 2019 to March 31, 2020.

(b) Segment assets and segment liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Segment assets		
- India	270,460.33	58,170.01
- Outside India	-	-
Segment liabilities		
- India	45,184.85	444.06
- Outside India	-	-
Total	**270,460.33**	**58,170.01**

34 Collateral / security pledged

The carrying amount of assets pledged as security for borrowings availed by the Company:

Particulars	As at March 31, 2021	As at March 31, 2020
Pledged as security against borrowings		
Receivables and Loan Assets	158,755.54	-
Other financial assets	295.04	-
Total	**159,050.58**	**-**

(All amounts are in INR Lakhs, unless otherwise stated)

35 Employee benefits

(A) Labour Law

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective.

(B) Defined Contribution Plan: Following amount is recognized as an expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident fund and other fund	20.65	-

(C) Defined Benefit Plan

The Company has a defined benefit gratuity plan in India. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to such limit as prescribed by The Payment of Gratuity Act, 1972 as amended from time to time. The company carries a provision in the financial statements based on actuarial Valuation.

Contribution to Gratuity fund (funded scheme)

In accordance with Indian Accounting Standard 19, actuarial Valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i)	**Actuarial assumptions**		
	Discount rate (per annum)	6.95%	0.00%
	Salary escalation rate	9.00%	0.00%
	Retirement age	60.00	60.00
(ii)	**Asset information**		
	The Company is responsible for the overall governance of the plan.		
(iii)	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation at beginning of period	-	-
	Current Service Cost	10.01	-
	Benefit payments from plan	-	-
	Interest cost	0.12	-
	Actuarial losses on obligations	1.71	-
	Defined benefit obligation at end of year	**11.84**	**-**
(iv)	**Changes in the Fair value of plan assets**		
	Fair value of plan assets at beginning of the year	-	-
	Return on plan assets (excluding interest income)	-	-
	Employer Contributions	-	-
	Benefit payments from plan assets	-	-
	Actuarial gains	-	-
	Fair value of Plan assets at the end of the year	**-**	**-**

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

35 Employee benefits

(C) Defined Benefit Plan (continued)

(v) Assets and liabilities recognised in the balance sheet

Defined benefit obligation	11.84	-
Fair value of plan assets	-	-
Net defined benefit liability	**11.84**	**-**

(vi) Expenses recognised in the Statement of Profit and Loss

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Service cost	10.01	-
Interest cost on net defined benefit obligation	0.12	-
Past Service cost	-	-
Total expenses recognised in the Statement of Profit and Loss	**10.13**	**-**
Included in note 'Employee benefits expense'		

(vii) Expenses recognised in the Statement of other comprehensive income

	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurements (recognized in OCI)	-	-
Effect of changes in actuarial assumptions	(0.27)	-
Experience adjustments	1.98	-
(Return) on plan assets (excluding interest income)	-	-
Total remeasurements included in OCI	**1.71**	**-**

(viii) Sensitivity Analysis:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Present value obligation		
Discount rate +50 basis points	10.99	-
Discount rate -50 basis points	12.77	-
Salary Increase Rate +50 basis points	12.75	-
Salary Increase Rate -50 basis points	11.00	-

(ix) Projected plan cash flow

Maturity profile	**As at March 31, 2021**	**As at March 31, 2020**
Expected total benefit payments		
Year 1	0.03	-
Year 2	0.04	-
Year 3	0.04	-
Year 4	0.13	-
Year 5	0.35	-
Next 5 years	395.06	-

(x) **Provision for leave encashment**

Maturity profile	**As at March 31, 2021**	**As at March 31, 2020**
Liability for compensated absences	21.40	-

Aseem Infrastructure Finance Limited
Notes forming part of financial statements as at and for the year ended March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

36 Maturity analysis of assets and liabilities

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

Assets	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	Afer 12 months	Total	Within 12 months	Afer 12 months	Total
Financial assets						
Cash and cash equivalents	56,308.56	-	56,308.56	31,518.59	-	31,518.59
Loans	6,176.76	151,862.41	158,039.17	-	-	-
Investments	-	55,218.99	55,218.99	-	26,591.01	26,591.01
Other financial assets	232.52	61.17	293.69	-	-	-
Non-Financial assets						
Deferred tax assets (net)	-	475.29	475.29	-	60.41	60.41
Property, plant and equipment	-	13.75	13.75	-	-	-
Intangible assets under development	-	73.17	73.17			
Other non-financial assets	37.71	-	37.71	-	-	-
Total Assets	**62,755.55**	**207,704.78**	**270,460.33**	**31,518.59**	**26,651.42**	**58,170.01**
Liabilities						
Financial Liabilities						
Trade payables	31.91	-	31.91	-	-	-
Borrowings	136.13	44,046.36	44,182.49	-	-	-
Other financial liabilities	616.20	70.52	686.72	390.93	-	390.93
Non Financial Liabilities						
Current tax liabilities	49.01	-	49.01	43.16	-	43.16
Provisions	38.06	55.68	93.74	-	-	-
Other non-financial liabilities	140.98	-	140.98	9.97	-	9.97
Total Liabilities	**1,012.29**	**44,172.56**	**45,184.85**	**444.06**	**-**	**444.06**

(All amounts are in INR Lakhs, unless otherwise stated)

37 Note on COVID-19

The outbreak of COVID–19 virus which was declared a global pandemic by the World Health Organisation on March 11, 2020 continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities.

The pandemic has generally impacted businesses including lending business, fee income, collection efficiency etc. which in turn may impact customer defaults and consequently impairment allowance. The Company continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients. The Company has not seen any adverse impact on its collections till date.

The Company has also raised equity and compulsorily Convertible preference capital during March 2021 to augment its capital base. The Company continues to meet its operating and financial obligations, has maintained a higher than required capital adequacy ratio and has adequate financial resources to run its business. The Company has not experienced any material disruptions due to this pandemic and has already considered impact if any, on carrying value of assets based on the external or internal information available up to the date of approval of financial statements. However, the extent to which COVID-19 pandemic will continue to impact the Company's business, results of operations, financial position and cash flows will depend on future developments which remain uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the financial assets and also conservatively carries additional impairment provision. The Company is closely monitoring any material changes to future economic conditions and resultant impacts, if any, on the expected credit loss provisions.

38 Certificate of Registration (CoR) conditions note

The Reserve Bank of India (RBI) had issued Certificate of Registration (COR) to the Company as a non-banking financial company, infrastructure finance company ("NBFC - IFC") on January 28, 2020. The Company had been allowed by the RBI an extended timeline up to March 31, 2021 to comply with the COR conditions relating (i) meeting 75% of asset criteria stipulated for the purpose of IFC - NBFC and the CRAR position; and (ii) commence business (Principal Business Activity as an NBFC-IFC) of having financial assets of more than 50% and income of more than 50% from these financial assets. As on February 24, 2021, the Company had achieved full compliance with all the COR conditions and sent due intimation and confirmation to the RBI in this regard.

Thereafter, the Company received ₹ 81,500.00 lakhs as compulsorily Convertible preference share capital from the President of India (represented by and acting through the Secretary, Department of Corporate Affairs, Ministry of Finance, Government of India) and ₹ 13,190.48 lakhs as equity infusion from its existing shareholder on March 26, 2021. As the deployment in infrastructure projects of these significant capital infusion funds would take time, the Company had requested the RBI on March 19, 2021 for a further extension of time to meet its 75% infrastructure asset criteria. The Company for the aforesaid reasons could not meet the 75% of asset criteria condition as at March 31, 2021. The RBI has granted a further extension of 6 months up to September 30, 2021 to ensure the pending compliance.

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

39 Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, amongst other measures, the regulations issued by RBI. Company has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristcs 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 period. However, they are under constant review by the Board.

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

Items	As at March 31, 2021	As at March 31, 2020
i. CRAR (%)	150.87%	638.88%
ii. CRAR - Tier I capital (%)	150.20%	638.88%
ii. CRAR - Tier II capital (%)	0.67%	0.00%

As per RBI Prudential norms, the minimum CRAR requirement for NBFCs is 15% and the Company has maintained CRAR well above the regulatory norms throughout the year.

Regulatory capital-related information is presented as a part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the company comprises of share capital, share premium, reserves and Tier II capital comprises of provision on loans that are not credit-impaired. There were no changes in the capital management process during the periods presented.

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

40 Disclosure Pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

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
1	2	3	4	(5=3-4)	6	(7=4-6)
Performing assets						
Standard	Stage 1	158,832.28	793.11	158,039.17	632.35	160.76
	Stage 2					-
Subtotal		**158,832.28**	**793.11**	**158,039.17**	**632.35**	160.76
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-		-
1 to 3 years	Stage 3	-	-	-		-
More than 3 years	Stage 3	-	-	-		-
Subtotal for Doubtful		-	-	-	-	-
Loss				-		-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	12,100.00	60.50	12,039.50	-	60.50
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		12,100.00	60.50	12,039.50	-	60.50
Total	**Stage 1**	170,932.28	853.61	170,078.67	632.35	221.26
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		170,932.28	853.61	170,078.67	632.35	221.26

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

41 Additional Disclosures as per the circular issued by the Reserve Bank of India (Ref no. DNBR .PD. 008/ 03.10.119/ 2016-17 dated September 01,2016) & RBI circular DNBR(PD) CC no. 053/ 03.10.119 / 2015-16) in respect of Non Banking Financial (Non deposit accepting or holding) Systemically Important (NBFC-ND-SI) is as under:

The disclosures are based on the Ind AS Financials. Accordingly, the corresponding comparative for the previous period have been restated, in order to confirm to current year presentation.

Additional Disclosures required by the Reserve Bank of India ('RBI')

a. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)

S.No	Item	For the year ended March 31, 2021	For the year ended March 31, 2020
1	CRAR (%)	**150.87%**	**638.88%**
2	CRAR - Tier I capital (%)	150.20%	638.88%
3	CRAR - Tier II Capital (%)	0.67%	0.00%
4	Amount of subordinated debt raised as Tier-II capital	-	-
5	Amount raised by issued of Perpetual Debt Instruments	-	-

b. Investments

S.No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Value of investments**		
	(i) Gross value of investments		
	(a) in India	55,218.99	26,591.01
	(a) outside India	-	-
	(ii) Provision for depreciation		
	(a) in India	-	-
	(a) outside India	-	-
	(iii) Net value of investments		
	(a) in India	55,218.99	26,591.01
	(a) 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 provision during the year		-
	(i) Closing balance	-	-

c. Derivatives

The Company has no transactions / exposure in derivatives in the year ending March 31, 2021 and period ending March 31, 2020, hence the related disclosures are not applicable to the Company.

d. Disclosures relating to Securitisation

The Company has not entered in Securitisation transaction in the year ending March 31, 2021 and period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

e. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Company has not sold any financial asset to Securitisation/ Reconstruction company for asset reconstruction in the year ending March 31, 2021 and the period ending March 31, 2020. Hence the related disclosures are not applicable to the

f. Details of Assignment transactions

The Company has not undertaken any assignment transactions in the year ending March 31, 2021 and the period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

(All amounts are in INR Lakhs, unless otherwise stated)

41 Additional Disclosures required by the Reserve Bank of India ('RBI') (continued)

g. Details of non-performing financial assets purchased / sold

The Company has not purchased / sold any non-performing financial assets in the year ending March 31, 2021 and period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

h. Exposure

i. Exposure to Real Estate Sector

This disclosure is not applicable to the Company as there are no exposures, direct or indirect to real estate sector as at March 31, 2021 and March 31, 2020.

ii. Exposure to Capital Market

This disclosure is not applicable to the Company as there are no exposures to capital market as at March 31, 2021 and March 31, 2020.

i. Details of financing of parent company products

This disclosure is not applicable to the Company as there is no financing of Parent Company products.

j Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not lent/ invested/ lent and invested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI during the year ended March 31, 2021 and period ended March 31, 2020.

k. Unsecured Advances

The Company has not given any unsecured advances in the year ended March 31, 2021 and period ended March 31, 2020.

l. Registration obtained from other financial sector regulators

The Company is not registered with any financial sector regulators except with the RBI.

m Disclosure of Penalties imposed by RBI and other regulators

No penalties were imposed by the RBI and other regulators during the year ended March 31, 2021 and the period ended March 31, 2020.

n Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):

S.No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Provision made towards income tax	983.10	88.68
(ii)	Provision for employee benefits	132.02	-
(iii)	Provision for employee stock compensation cost	-	-
(iv)	Provision for gratuity	11.84	-
(v)	Provision for compensated absence cost	21.40	-
(vi)	Provision for impairment of financial assets	854.97	-
(vii)	Provisions for depreciation on Investment	-	-
(viii)	Provision towards NPA	-	-

o. Draw Down from Reserves

There has been no draw down from reserves during the period ending March 31, 2021 and March 31, 2020. Hence the related disclosures are not applicable to the Company.

p. Concentration of Advances, Exposures and NPAs

i) Concentration of Advances

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Advances to twenty largest borrowers	151,687.73	-
Percentage of Advances to twenty largest borrowers to Total Advances	95.10%	0.00%

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

41 Additional Disclosures required by the Reserve Bank of India ('RBI') (continued)

p. Concentration of Advances, Exposures and NPAs (continued)

ii) Concentration of Exposures

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Exposures to twenty largest borrowers / customers	164,057.84	-
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	95.46%	0.00%

Exposure does not include investment in associate.

iii) Concentration of NPAs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total of Exposures to top four NPA accounts*	-	-

* there are no account classified as NPA as on March 31, 2021 and March 31, 2020.

iv) Sector-wise NPAs (% of NPA to Total Advances in that sector)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

v) Movement of NPAs

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	**Net NPAs to Net Advances (%)**	-	-
(ii)	**Movement of NPAs (Gross):**		
(a)	Opening balance	-	-
(b)	Additions during the year	-	-
(c)	Reductions during the year	-	-
(d)	**Closing balance**	-	-
(iii)	**Movement of Net NPAs**		
(a)	Opening balance	-	-
(b)	Additions during the year	-	-
(c)	Reductions during the year	-	-
(d)	**Closing balance**	-	-
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
(a)	Opening balance	-	-
(b)	Provisions made during the year	-	-
(c)	Write-off / write-back of excess provisions	-	-
(d)	**Closing balance**	-	-

q. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company has not invested in overseas assets in the period ending March 31, 2021 and March 31, 2020.

r. Off-balance Sheet SPVs sponsored by the Company

The Company has not sponsored off-balance sheet SPV in the period ending March 31, 2021 and March 31, 2020.

s. Disclosure of Complaints

There were no customer complaints recieved during the year.

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

41 Additional Disclosures required by the Reserve Bank of India ('RBI') (continued)

t. Statement on Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March 2021

Item	Up to 30 / 31 days	Over one month to two months	Over two months upto three months	Over three months to six months	Over six months to one year	Over one year to three years	Over three years to five years	Over five years	Total
Liabilities									
Borrowings	136.13	-	-	-	-	17,640.00	17,640.00	8,766.36	**44,182.49**
									-
Assets									-
Investments	-	-	-	-	-	-	-	55,218.99	**55,218.99**
Loans	3.48	1,132.68	641.68	1,522.07	2,876.85	18,183.99	13,452.35	120,226.07	**158,039.17**

Maturity pattern of certain items of assets and liabilities as at 31st March 2020

Item	Up to 30 / 31 days	Over one month to two months	Over two months upto three months	Over three months to six months	Over six months to one year	Over one year to three years	Over three years to five years	Over five years	Total
Assets									-
Investments	-	-	-	-	-	-	-	26,591.01	**26,591.01**
									-

u. Restructured advances

There are no restructured advance as on 31st March 2021, hence disclosure of information as required in terms of Para 24 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (RBI guidelines) is not required.

v. Fraud reporting

As required by the Chapter II paragraph 5 for Monitoring of frauds in NBFCs (RBI guidelines), the details of frauds noticed / reported are as below:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Amount Involved	-	-
Amount Recovered	-	-
Amount written off/provided	-	-
Balance	-	-

Aseem Infrastructure Finance Limited
Notes forming part of financial statements as at and for the year ended March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

42 Public disclosure on liquidity risk

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

(i) Funding concentration based on significant counterparty

Sr no	No of significant counterparties	Amount (₹ in lakhs)	% of Total deposits	% of Total Liabilities
1	1	44,182.49	-	97.78%

(ii) Top 20 large deposits - Nil

(iii) Top 10 borrowings: ₹ 44,182.49 lakhs (represent 100.00% of total borrowings)

(iv) Funding concentration based on significant instrument/product

Sr no	Name of instrument	Amount (₹ in lakhs)	% of Total Liabilities
1	Term loans from Banks	44,182.49	97.78%

(v) **Stock ratios:**

Sr no	Instrument	As a % of total public funds	As a % of total liabilities	As a % of total assets
(a)	Commercial papers	Nil	Nil	Nil
(b)	Non Convertible Debentures (original maturity <1 year)	Nil	Nil	Nil
(c)	Other short term liabilities	2.29%	2.24%	0.37%

(vi) Institutional set-up for liquidity risk management

The Company has instituted Asset Liability Management Policy under which the Asset Liability Management Commitee (ALCO) has been set up for oversight of Asset Liability Management (ALM), including liquidity risk management. The overall ALM framework as well as liquidity risk is managed by :

(i) **Board**-which provides the overall directon for the Policy and framework.

(ii) **ALCO**-comprises of Nominee Director of NIIF Fund II, Nominee of NIIF Fund II (majority shareholder), Chief Executive Officer (CEO), Head-Risk and Chief Financial Officer (CFO). It is a decision making body responsible for strategic management of interest rate and liquidity risks.

(iii) **Asset Liability Management Support Group**-which consist of operating staff from Risk, Accounts and Treasury group, who analyse/monitor liquidity profile, limits & report to ALCO & RBI.

(iv) **Finance Commitee** -comprises of CEO, Head-Risk and CFO which is authorised to borrow monies through various instruments permited by RBI.

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

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

43. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016]

LIABILITIES SIDE		
1 Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	**Amount Outstanding**	**Amount Overdue**
a. Debentures (other than falling within the meaning of public		
- Secured	-	-
- Unsecured	-	-
b. Deferred Credits	-	-
c. Term Loans	44,182.49	-
d. Inter-corporate loans and borrowings	-	-
e. Commercial Paper	-	-
f. Public Deposits (Refer note 1 below)	-	-
g. Other Loans	-	-

ASSET SIDE	
2 Break up of Loans and Advances including bills receivables [other than those included in(4) below]:	**Amount Outstanding**
a. Secured	158,039.17
b. Unsecured	-
3 Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities	**Amount Outstanding**
i. Lease Assets including lease rentals under sundry debtors:	
a. Finance Lease	-
b. operating Lease	-
ii. Stocks on hire including hire charges under sundry debtors:	
a. Assets on hire	-
b. Repossessed Assets	-
iii. Other Loans countng towards AFC activities:	
a. Loans where assets have been repossessed	-
b. Loans other than (a) above	-
4 Break up of Investments:	**Amount**
Current Investments	
1. Quoted	
i. Shares - Equity	-
- Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-
2. Unquoted	
i. Shares - Equity	-
- Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

43. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016] (continued)

4	**Break up of Investments (continued):**	
	Long Term Investments	
	1. Quoted	
	i. Shares - Equity	-
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-
	2. Unquoted	
	i. Shares - Equity	55,218.99
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-

5	**Borrower group-wise Classification of asset financed (Refer note 2 below):**			
	Category	**Amount net of provision**		
		Secured	**Unsecured**	**Total**
1	Related Parties**			
	a. Subsidiaries	-	-	-
	b. Companies in the same group	-	-	-
	c. Other related parties	-	-	-
2	Other than related parties	158,039.17	-	158,039.17
	Total	**158,039.17**	**-**	**158,039.17**

6	**Investor group-wise Classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)**		
	Category	**Market Value/ Break up of fair value or NAV**	**Book Value (Net of Provisions)**
1	Related Parties**		
	a. Subsidiaries	-	-
	b. Companies in the same group	65,093.38	55,218.99
	c. Other related parties	-	-
2	Other than related parties	-	-
	Total	**65,093.38**	**55,218.99**

** As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

7	**Other information**	**Amount**
i.	Gross Non-Performing Assets	
	a. Related Parties	-
	b. Other than related parties	-
ii.	Net Non-Performing Assets	
	a. Related Parties	-
	b. Other than related parties	-
iii.	Assets acquired in satisfaction of debt	-

Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

43. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016] (continued)

Notes:

1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

3 All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category 4 above.

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

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

As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Jhaveri
Company Secretary

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