ANNUAL REPORT **2022-23**

ASEEM
INFRA FINANCE

TRANSFORMING INFRASTRUCTURE FINANCING NATION

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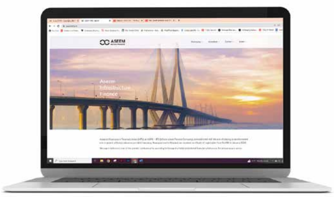

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TRANFORMING INFRASTRUCTURE FINANCING
NATION

The Indian economy is the fastest growing in the world, propelled by the government's ambitious push for a USD 5 trillion economy by 2030. This pursuit requires significant scale up of infrastructure and manufacturing, to provide a multiplier effect and support job creation and ease and cost efficiency of doing business with a focus on renewable energy for sustainable development, efficient transportation, social infrastructure and logistics.

Infrastructure creation is one critical requirement for realizing this ambition. The pace of infrastructure development in recent years has been unprecedented. Over 63 GW of green energy capacity was added in last five years with a target to reach 500 GW by 2030, up from the current 177 GW. Nearly, 30 km/day of highways has been built during FY 2022- 23, with a target to achieve 32-33 km/day in FY 2023-24. 200 airports are being planned for addition over the next five years and so on.

The goal ahead is ambitious and necessitates large scale and long term debt and equity capital investments. A critical enabler is availability of timely, efficient and customised infrastructure debt financing, coupled with necessary support and risk sharing among stakeholders to ensure the success of the projects.

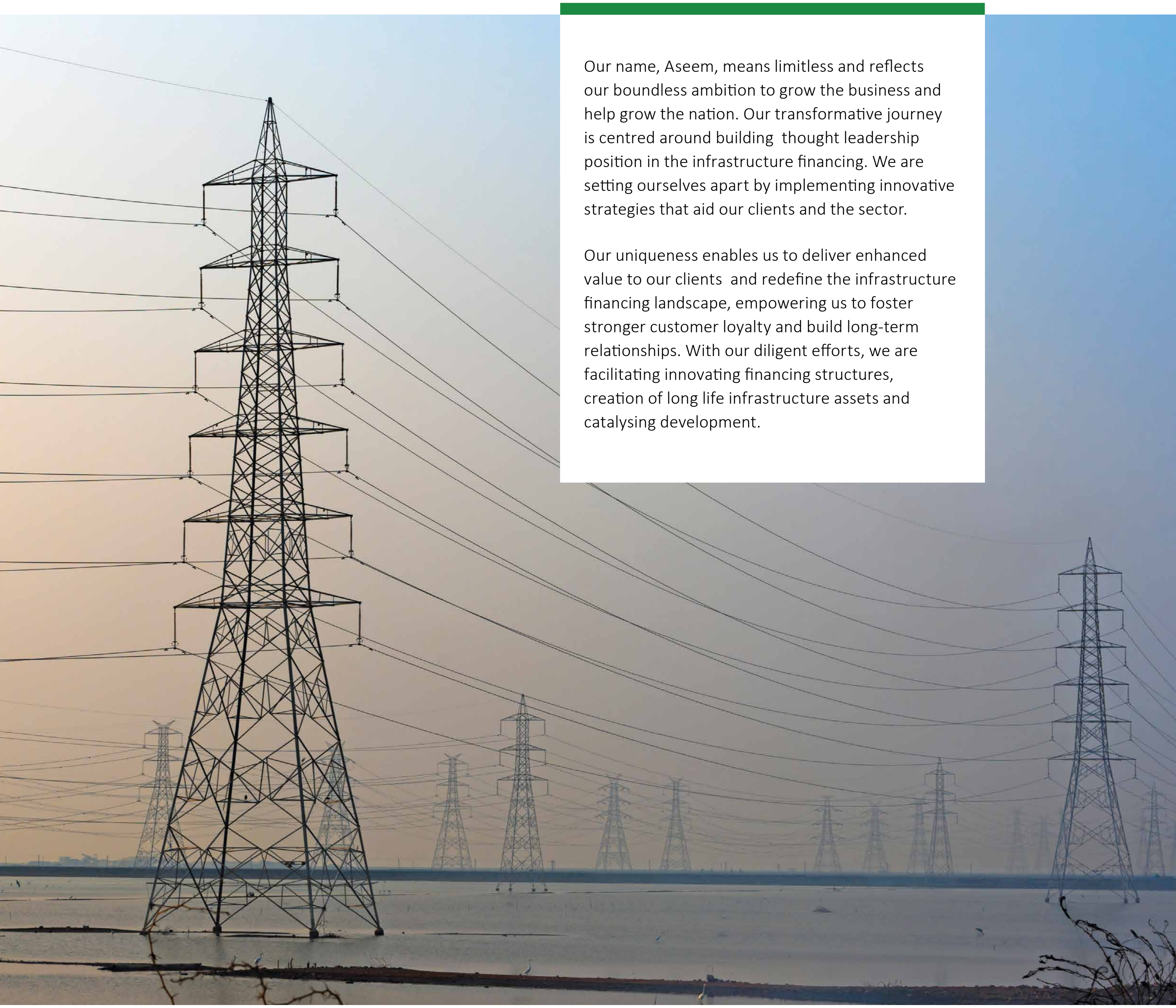
This is where Aseem Infrastructure Finance Limited (AIFL) steps in. Driven by the vision of creating a futuristic India through transformative infrastructure financing and being a thought leader, we are proactively revolutionising infrastructure financing. With a seasoned team and best-in-class practices, we are providing unique solutions to the industry. We differentiate in our ability to provide comprehensive financing solutions across infrastructure segments and project stages. From origination supported by our deep relationships to analytical underwriting, from value-added solutions for the borrower to meticulous assessment and mitigation of E&S risks, we stand at the forefront of making the project succeed.

Endowed with necessary capital and having credible stakeholders including the Government of India, we are positioned as a preferred partner for critical infrastructure development and shaping the nation's transformation. While the journey ahead is long and arduous, we take pride in establishing a robust organisation that is geared to grow profitably with a credible quality of assets and create value for all.

At Aseem, we are transforming infrastructure financing with thought leadership...

Our name, Aseem, means limitless and reflects our boundless ambition to grow the business and help grow the nation. Our transformative journey is centred around building thought leadership position in the infrastructure financing. We are setting ourselves apart by implementing innovative strategies that aid our clients and the sector.

Our uniqueness enables us to deliver enhanced value to our clients and redefine the infrastructure financing landscape, empowering us to foster stronger customer loyalty and build long-term relationships. With our diligent efforts, we are facilitating innovating financing structures, creation of long life infrastructure assets and catalysing development.



...while differentiating with best practices

Commitment to societal impact
At our core, we are dedicated to bringing a positive impact on society. We serve clients engaged in creating and developing sustainable infrastructure that has a positive impact on society and enhances the quality of life for many.

Being a preferred lender
We are emerging as a lender of choice, recognised for providing quality financial acumen and operational agility with swift turnaround time. This is enabled by our proficient team, specialising in infrastructure sectors. Leveraging expertise, we craft structured and customised financial solutions, ensuring added value.

Ensuring compliance
Our steadfast adherence to procedures, policies and processes ensures rigorous compliance with regulations and internal and external policy framework. This ensures high governance standards with effective risk mitigation.

Facilitating win-win outcomes
Our rigorous due diligence practices mean that the projects underwritten by us are well regarded and generally find acceptance by other lenders. We prioritise transparency, accountability and win-win financial solutions, thereby supporting timely project completion.

Diversified and sustainable
We are currently catering to diverse segments within the infrastructure landscape. We are focussed on building a profitable and judicious client base through prudent portfolio diversification.

About Us

Redefining infrastructure financing, powering India's progress

Who we are

Registered with the Reserve Bank of India (RBI) as a Non-Banking Finance Company - Infrastructure Finance Company (NBFC-IFC), we specialise in delivering a full bouquet of debt and related financial solutions, customised to client requirements within the infrastructure sector. We support our clients with necessary financial resources and facilitate services for the success of critical projects that benefit society, contributing actively to the nation's progress.

Our operations are underpinned by high quality processes and practices that are compliant with regulations and policy frameworks, enabling us to build a profitable and prudent portfolio of high-quality assets. As we shape the landscape of infrastructure finance, we aim to be the preferred partner for our clients, offering value-added service and transformative impact, propelling both our clients' aspirations and the nation's growth.

Where we are located

We are headquartered in Mumbai and serve clients across the country.

What drives us

VISION

To help create a futuristic India through transformative infrastructure financing. Being a thought leader, force multiplier and provider of sustainable and impactful solutions.

MISSION

Engage | Innovate | Specialise | Scale | Sustain

VALUES

Passion

We are committed to achieve the seemingly impossible.

Integrity

We take complete ownership of our actions. Our actions today contribute to a better tomorrow.

Collaboration

We believe in teamwork. We collaborate with clients and even the competition.

Excellence

We commit to delivering our best and becoming better, every day.

Balance

We strike harmony between growth and sustainability; profitability and impact.

Our key focus sectors

- Roads
- Power Transmission
- Green Energy
- Water
- Logistics
- Airports
- Urban Transportation

Our promoter

NIIF Strategic Opportunities Fund (SOF)

National Investment and Infrastructure Fund II (NIIF's Strategic Opportunities Fund) and its' nominees own 59.05% equity share capital in Aseem Infrastructure Finance Limited. National Investment and Infrastructure Fund Limited (NIIFL) is the investment manager of National Investment and Infrastructure Fund II.

NIIFL is a sovereign-linked alternative asset manager that manages ~ USD 4.3 billion of equity capital commitments. NIIF currently manages three funds – the Master Fund, the Fund of Funds and Strategic Opportunities Fund (SOF), each with a distinct investment strategy.

~USD **4.3+** billion
Total Funds Raised

17
Nos. of Investments

Our associate

NIIF Infrastructure Finance Limited ("NIIF IFL"): NIIF IFL is registered with the Reserve Bank of India ("RBI") as a non-banking financial company – infrastructure debt fund ("NBFC-IDF"). AIFL is the sponsor of NIIF IFL and holds 30.82% equity stake in NIIF IFL on a fully dilutive basis.

NIIF IFL invests only in post-commercial operations date (COD) infrastructure projects which have completed at least one year of satisfactory commercial operations as per the extant guidelines of the RBI. It provides takeout financing to the original lenders by refinancing loans originally given for project development, thereby enabling original project financiers to redeploy their capital following the commencement of operations. NIIF IFL has a consistent track record of over five years in infrastructure financing.

Our Strengths

Solid foundation for tomorrow and beyond

At Aseem, we have successfully established a resilient business model that enables superior value propositions while ensuring high quality asset portfolio. With a distinct edge, we stand well positioned in the industry, poised for enduring success.

Integrated and scalable financing platform

We are an integrated financing platform, specialising in comprehensive project lifecycle financing led by our expertise in underwriting and risk structuring. It empowers us to prioritise building long-term engagement with client partners while maintaining a conservative liabilities profile and high quality asset book. This lends scalability to our business in terms of growing relations with existing clients and attracting new ones.

₹ 6,634 Crores

Disbursements during FY 2022-23

Nil

NPAs

65%

AUM growth in FY 2022-23
(₹ 7,264 Crores in FY 2021-22 vs ₹ 12,015 Crores in FY 2022-23)

Well-diversified book

We are a focussed infrastructure financing company and have a well-diversified book with exposure to 14 different sectors, including renewable energy, power transmission, roads and airports. Additionally, we remain focussed on further diversification through building new competencies.

14

Diverse sectors of loan book exposure

Healthy financial and capital position

We are comfortably placed in terms of capitalisation and liquidity, giving us a strong foundation for long-term sustainability. As on March 31, 2023, our capital adequacy ratio stood at 21.24%, complemented by a gearing of 3.6 with a robust net worth of ₹ 2,79,987 Lakhs. This positions us advantageously to raise both equity and debt resources to fund our growth strategy. Additionally, we have a strong liquidity position with ₹ 49,503 Lakhs of cash and bank balance and unutilised bank lines of ₹ 57,500 Lakhs as on March 31, 2023.

Financial stability affirmed by the top-tier credit rating

Long-term Debt

- CARE AA+ (Stable)
- CRISIL AA+ (Stable)
- ICRA AA+ (Stable)
- IND AA+ (Stable)

Short-term Debt

- CRISIL A1+
- ICRA A1+

Robust processes and high asset quality

We have a strong internal credit risk management framework, which we continually fortify by implementing RBI guidelines rigorously. We focus on sectors where we have expertise, especially on operational and under-construction projects that have solid cash flow visibility as also research newer emerging sectors to build our prowess therein.

Quality of our outstanding portfolio
(as on March 31, 2023)

82%
A- rated or higher

NIL
Gross NPA and net NPA

Highly experienced team

Our expert management team collectively brings on board experience of over 93 years in the infrastructure segment. They are ably supported by a highly experienced execution team. Our management team efforts are guided and overseen by an experienced board of directors, forging our strategic direction with insight and acumen.

108 man years
Experience of the management team

(As on March 31, 2023)

Our Journey thus far

A story of passion and perseverance

2023 MARCH

- AUM crossed ₹ 12,000 Crores

  Supported debt financing of:
  5.3 GW of renewable energy
  6,500 lane kms of highways
  936 ckms of power transmission
  65 Million annual aviation pax
- 250 MMSCM of city gas distribution

2022 SEPTEMBER

- AUM crossed ₹ 10,000 Crores

2022 MARCH

Infusion of equity by SMBC

2021 DECEMBER

- Listing of Non-Convertible Debentures (NCDs)
- AUM crossed ₹ 5,000 Crores

2021 MARCH

Infusion of equity by GoI

2021 FEBRUARY

- AUM crossed ₹ 1,000 Crores

2020 AUGUST

Commencement of operations

2020 JANUARY

AIFL received NBFC-IFC registration from the RBI

The diversified and versatile team behind our journey of growth, value creation and nation-building.

Message from the Chairman

Growing together with India

Dear Stakeholder,
It gives me great pleasure to present to you the annual report of your Company for the Financial Year 2022-23. As detailed in the report, we continue to show robust growth on the backdrop of the strong foundation we have laid for ourselves at Aseem Infrastructure Finance Limited.

As I reflect on the year gone by, I am pleased to see the successes your Company has achieved despite a challenging external environment. In the face of a rapidly changing global landscape, we have been able to navigate the prevailing uncertainties and seize opportunities for sustainable expansion, displaying strong resilience. In spite of the economic uncertainty and rising interest rates, your Company was able to source attractive deals and deploy capital into the Indian infrastructure sector, making meaningful contributions to our economy.

The Macro Economy

The last financial year was an eventful year from a global economic standpoint. Rising interest rates, geopolitical tensions, supply chain disruptions, and technological innovations shaped the year's prospects. However, India continued its status as one of the world's fastest growing economies supported by the government's focus and the wider population's continued optimism.

Government of India's continued focus on infrastructure through the National Infrastructure Pipeline and the National Monetisation Pipeline, as well as improved on-ground execution in key infrastructure sectors such as roads and renewable energy gave further confidence to the sector, and your Company.

Performance for the financial year 2022-23

Building on the strong foundation laid by your Company since its inception, the management and the board of the Company continued to remain focussed on growth, while keeping a very close eye on asset quality. This has enabled your Company to achieve a loan-book of ~₹ 12,000 Crores (including the non-fund-based facilities), a growth of ~65%, while maintaining nil non-performing loans, nil days past due and an asset portfolio rating of AA-, which is the highest in the sector.

You will be happy to note that to aid this growth and to expand its presence in the Indian lending landscape, your Company

“BUILDING ON OUR STRONG FOUNDATION, WE CONTINUED TO REMAIN FOCUSED ON GROWTH, WHILE KEEPING A VERY CLOSE EYE ON ASSET QUALITY, THIS HAS ENABLED YOUR COMPANY TO ACHIEVE A LOAN-BOOK OF ~₹ 12,000 CRORES A GROWTH OF ~65%”

has expanded its sector coverage in the fiscal to include emerging sectors such as e-mobility, data centres and education. It has continued to remain a lender of choice for greenfield projects, with 25% of its outstanding portfolio being under-construction at the end of the financial year.

This continued effort of the Company to deploy capital in the Indian economy has allowed your Company to generate a Profit After Tax of ₹ 146 Crores in the financial year, up 61% from ₹ 85 Crores in FY 2021-22.

Focus on Environmental, Social & Governance

Your Company not only remained focused on its ESG commitments, but further improved on it by adopting the globally acclaimed IFC performance standards.

AIFL has built an ESG-compliant asset portfolio which includes renewable power, transmission assets bringing power to remote areas, telecom and digital assets to improve the nation’s digital connectivity, as well as transport and road infrastructure connecting various parts of the country, among others..

Responsible CSR Contributor

Your Company continues to standby its responsibility towards society, in addition to its commitment to the business. Hence, during the financial year, AIFL contributed ₹ 90.25 Lakhs for CSR, supporting specific programs on (1) Intelligent Solutions for Road Safety through Technology and Engineering (iRASTE) in the state of Telangana, applying a Safe Systems approach to aspects of Vehicle Safety, Mobility Analysis & Infrastructure Safety, and (2) Screening of women in vulnerable districts of Andhra Pradesh for Cervical and Breast Cancer, using AI enabled hand-held devices.

Both these programs were AI-enabled, involving unique partnership mechanisms to address India’s pressing needs of improving Safety in Road Infrastructure, and increasing public health concern among women.

Project iRASTE was a partnership of industry, academia and government and is driven by Government of Telangana, TSRTC (Telangana State Road Transport Corporation), INAI, IIIT-Hyderabad, Central Road Research Institute (CRRI), Uber, and Intel.

The Cancer screening program is a partnership between the health department of Government of Andhra Pradesh, its implementation NGO partner SHARE India, Rotary Foundation International and their local clubs, and the technology partner providing the AI-enabled cancer screening devices.

Going Forward

This year has further strengthened the Company’s position as a formidable player in the Indian infrastructure lending market. The board, the management and every employee of the Company is committed to making your Company one of the largest infrastructure lenders in the Indian economy and a significant supporter of India’s infrastructure story.

Your Company will continue to strive to be a partner of choice for all its stakeholders, including investors, borrowers, and service providers. To make this happen, your Company will continue to invest in its employees, internal infrastructure, and business. I am confident that with our efforts and your good wishes, we will succeed in our endeavour.

I wish all of you a great financial year 2024, full of learnings and growth!

Warm Regards,

Surya Prakash Rao Pendyala
Chairman

Message from the CEO

Shaping a futuristic India

Dear Stakeholder,
It is a privilege to present to you Aseem Infrastructure Finance's FY 2022-23 annual report and share some insights into the progress made by your Company.

Aseem Infrastructure Finance has been founded on a clear vision of playing a pivotal role in shaping a futuristic India through transformative infrastructure financing. Our intent is to not only be a key infrastructure financier but also emerge as a thought leader capable of addressing emerging opportunities and risks in the country's Infrastructure surge through well-structured and sustainable solutions.

You may be pleased to note that in a relatively short span of three years, your Company has rapidly made significant progress towards achieving its objectives. Your Company has successfully established itself as an integrated infrastructure debt provider, offering financing across infrastructure project lifecycles. At the same time, Aseem team has established robust processes and systems, including risk structuring and proactive asset monitoring mechanism. Your Company is beginning to be increasingly known amongst leading infrastructure developers, investors and other stakeholders as an emerging leader with expertise to provide customised debt solutions balancing key risks and stakeholders' interests. Tireless and motivated team endeavours have propelled your Company to become one of the fastest-growing players in the segment with a high quality and highly rated asset portfolio with nil non-performing assets.

Reflecting on FY 2022-23 performance

FY 2022-23 was an encouraging year for Aseem, as we delivered a strong all-round performance. Our team displayed agility to capitalise on the opportunities stemming from India's steadfast emphasis on infrastructure development.

Throughout the year, we disbursed loans worth ₹ 6,634 Crores, resulting in our net loan book growing to ₹ 11,463 Crores as on March 31, 2023, as compared to ₹ 6,943 Crores in the previous year. We now have 93 active project loan assets in our portfolio, with 75% of them being operational. While green energy and roads continue to be the dominant segments, comprising 47% and 29% of our total portfolio, we have expanded our portfolio coverage to a diverse spectrum of 14 infrastructure segments. We continued to maintain conservative asset-liability management profile and our outstanding debt stood at ₹ 10,042 Crores as on March 31, 2023. Net operating income significantly grew by 47% to ₹ 249 Crores from the previous year's ₹ 170 Crores.

Building for the long-term

Our progress thus far has been satisfying. However, your Company and its motivated team acknowledges that these three years have been important but a small part of a very long and impactful journey ahead. In the last three years, we are proud to have made steadfast progress towards building an industry leading Company that you envisioned. We have established a robust foundation underpinned by our highly motivated and dynamic team with expertise in key infrastructure sectors, risk structuring and asset management. These position us favourably poised to make rapid progress in the coming years towards realising our vision.

Our commitment to realising our vision remains steadfast. We persistently seek novel ways to stay ahead of the curve assimilating new developments in our business planning and risk management practices.

We now intend to initiate syndication activity in a calibrated manner to further enhance our market position. This will enable us to enhance our impact on the industry through increased underwriting and covering a broader array of projects, aligning with our aspiration to be a thought leader and a force multiplier. At your Company, growth itself is not an overarching goal in itself, but is a natural outcome of excellent execution of a well laid out, long-term strategy. Proactive asset-liability management, high quality asset portfolio, low credit costs and enhanced profitability will be central to our pursuit of profitable, sustainable and quality growth in the coming years.

Summing up

We are proud about the strides Aseem has made thus far and remain highly motivated and excited about the future prospects of your Company. Over the next few years, infrastructure creation will be extremely crucial to support the growing economy and aspirations of the nation. The government has accordingly set ambitious plans, especially in renewable energy, transport (roads and airports), power transmission and e-mobility segments. ₹ 10 Lakh Crores equivalent to 3.3% of India's GDP have been allocated to the infrastructure segment for FY 2023-24. A National Monetisation Pipeline has also been conceptualised to monetise ₹ 6 Lakh Crores of core central government assets by FY 2024-25.

Your Company and its team will continue to focus on excellence in execution of the strategy to capitalise on the opportunities. I extend my heartfelt gratitude to all our stakeholders who have played a crucial and inspirational role in our journey. I thank our shareholders NIIF's SOF, Government of India and SMBC for their continued support and guidance. I am thankful to my colleagues whose dedication, commitment and motivation has ensured that Aseem has high quality human capital as a competitive advantage. We express our sincere gratitude to the banks and financial institutions for supporting us at every step. We seek your continued support in the journey ahead.

Warm regards,

Virender Pankaj
Chief Executive Officer

> **"THROUGHOUT THE YEAR, WE DISBURSED LOANS WORTH ₹ 6,634 CRORES, RESULTING IN OUR NET LOAN BOOK GROWING TO ₹ 11,463 CRORES AS ON MARCH 31, 2023, AS COMPARED TO ₹ 6,943 CRORES IN THE PREVIOUS YEAR"**

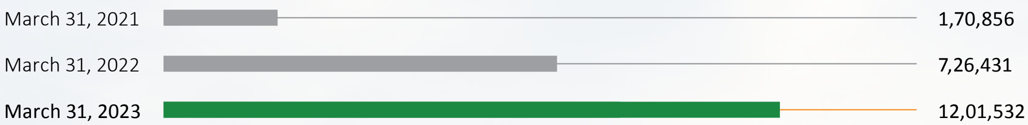
Key Performance Indicators

Track record of consistent and sustainable performance

STANDALONE

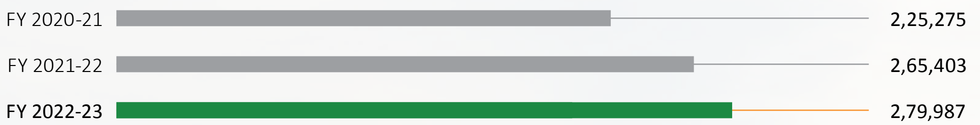
Assets Under Management (Fund and Non-Fund Based Exposure)

(₹ Lakhs)



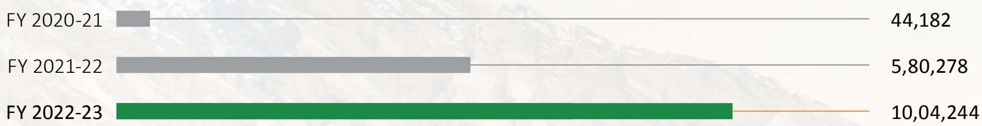
Net Worth

(₹ Lakhs)



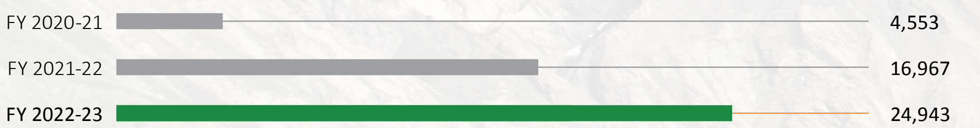
Borrowings

(₹ Lakhs)



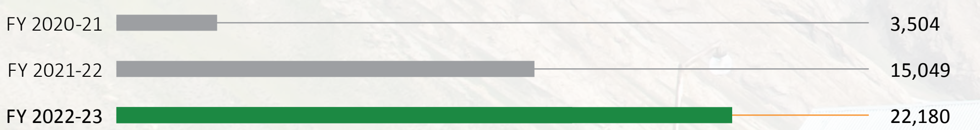
Net Operating Income

(₹ Lakhs)



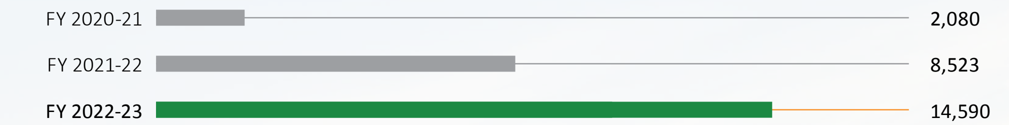
Pre-Provision Operating Profit (PPOP)

(₹ Lakhs)



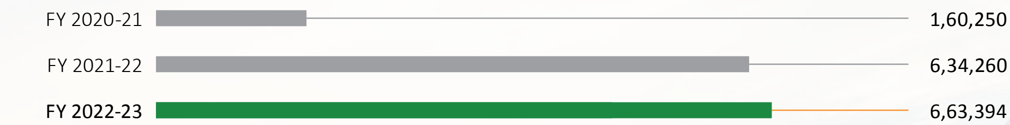
Net Profit

(₹ Lakhs)



Disbursements

(₹ Lakhs)



Capital Adequacy Ratio

(%)

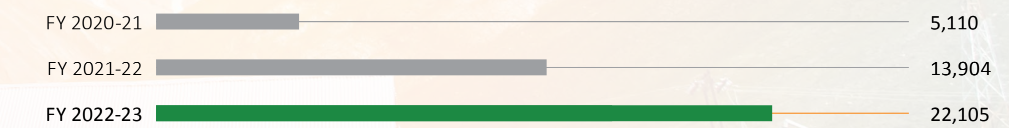
CONSOLIDATED

Net Worth

(₹ Lakhs)

Net Profit

(₹ Lakhs)



Value to Customers

A trusted collaborative partner in infrastructure success

Infrastructure projects are capital-intensive and involve longer gestation periods. Timely funding coupled with responsive and bespoke structuring support is therefore critical for the success of any project. At Aseem, we differentiate with our superior value proposition of comprehensive financing solutions, service excellence, risk understanding and by being a long-term partner for our clients.

Adding value as a focussed infrastructure lender

We are a focussed infrastructure lender with an entire ecosystem built around this domain, including a team of variedly experienced professionals across business, treasury and enterprise functions. Our focus on this segment allows us to bring valuable knowledge and services to the table, ensuring a mutually beneficial outcome for all stakeholders, including for our clients to whom we provide insightful solutions. We leverage our expertise to comprehend customer requirements to give them bespoke solutions spanning the entirety of infrastructure project stages including greenfield, brownfield and operational project financing as well as mitigating project risks, contributing to their success.

Ensuring timely funding availability

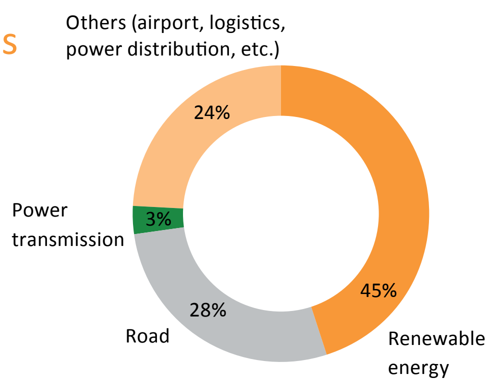
Our customers engage in large-scale capital-intensive projects, making financial aid critical for timely and quality execution. We ensure this with our expertise in the infrastructure segment and robust credit assessment framework which enables faster yet quality credit appraisal. Our investments in technology further ensure seamless and controlled operations.

AUM Profile

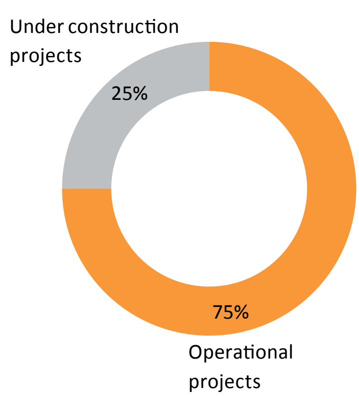
₹ 12,015 Crores

total outstanding loan (as on March 31, 2023)

Sector-wise AUM



Project lifecycle stage-wise AUM



Nation Development

Supporting to transform the nation

Infrastructure creation is essential to sustain the economic growth momentum in a developing nation. The Indian government has set ambitious targets for infrastructure sectors. At Aseem, we have aligned our business objectives with those of our clients and the nation.

Well-positioned with a comprehensive offering

We possess competencies to finance projects across all stages – operational, greenfield, and brownfield, spanning the entire breadth of the infrastructure domain. Our portfolio currently spans 14 distinct infrastructure sectors, with an emphasis on renewable energy, power transmission, and transportation infrastructure including roads and airports. Supported by substantial capital resources, ample liquidity, and untapped credit facilities, we stand in a formidable position to harness the anticipated opportunities.

Aseem approach to growth

- Maintain edge as a thought leader to differentiate with timely solutions for the industry
- Focus on excellent quality of assets
- Bring in partners who can add strategic value
- Get into adjacent infrastructure sectors by identifying emerging opportunities

The Indian infrastructure opportunity

₹ 10 Lakh Crores

Capital expenditure allocation to infrastructure for FY 2023-24

₹ 6 Lakh Crores

Core central government asset monetisation target during FY 2022-25

500 GW

Renewable energy target by 2030 (up from 177 GW as of July 2023)

2,00,000 km

Targeted total national highway network by 2025

200-220

New airport addition in the next five years

Board of Directors

Led by experienced and visionary members

Mr. Prakash Rao

Chairman &
Non-Executive Director

Mr. Prakash Rao, currently the Executive Director & Chief Investment Officer – Indirect Investments, National Investment and Infrastructure Fund Limited (NIIF), is the Chairman of our Company since March 2019. A seasoned professional with over 35 years of rich experience in the financial services sector, he has expertise in infrastructure lending and investment, corporate finance, project finance, strategic planning and execution, and establishing and growing new businesses.

As a founding member of NIIF, Prakash was instrumental in its establishment and growth. His contributions encompass developing business strategy, instituting systems and processes, formulating policies, fund-raising, building the ESG practice, and setting up the NIIF Fund of Funds.

Before joining NIIF, Prakash spent over three decades with the State Bank of India (SBI) where he led several key positions. In his last position at SBI, he headed the Tamil Nadu and Pondicherry operations as the Chief General Manager, leading a team of 20,000+ employees and managed a balance sheet of USD 30 billion spread across 1,100 branches. Before this, he headed SBI's Private Equity and Venture Capital Fund vertical as General Manager. He has also served as the Deputy CEO of the SBI Macquarie Infrastructure Fund, a USD 1.2 billion joint venture with the Macquarie Group of Australia. He was instrumental in the fund's investments into airports, telecom towers, thermal power, small hydro, and transportation sectors.

Mr. Prakash is a Merit Certificate holder in Cost and Management Accountant, and holds a Diploma in Business Finance. He has participated in executive education programmes from the Harvard Business School, Duke University, Indian Institute of Management (IIM), Ahmedabad, IIM, Calcutta, and the Indian School of Business.

Mr. Rajiv Dhar

Non-Executive Director

Mr. Rajiv Dhar is the Managing Director and CEO of NIIF Ltd since May 2023. Rajiv has over three and half decades of experience across multiple sectors including Financial Services, Telecom, Oil & Gas (upstream and downstream), Construction, and Real Estate, spanning several countries.

He played a pivotal role as the Chief Operating Officer of NIIF since 2017, serving as a member of the Investment Committees of the NIIF-managed funds and setting up the key functions of Investment Operations, Finance, ESG, Legal, Compliance, Information Technology and Human Resources, ensuring the best-in-class governance framework of NIIF and its portfolio companies.

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

Non-Executive Director

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

He 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 rationalisation 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.

Mr. V. Chandrasekaran
Independent Director

V. Chandrasekaran has more than three decades of experience in Life Insurance, Housing Finance and Mutual Fund investment at Life Insurance Corporation of India. 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

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

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

Mr. Prashant Kumar Ghose
Independent Director

Mr. Prashant Kumar Ghose has nearly five decades of finance and industry experience, spanning steel, cement, fertilisers, chemicals and consumer sectors. He served Tata Chemicals (TCL) as Executive Director & CFO. He was recognised as CFO of the Year thrice, twice by IMA and once by CNBC TV18.

Mr. Ghose has held multiple board positions across India, Europe, North America and Africa, Infinity Retail, Tata Consulting Engineers, Air Asia India and Tata Services. He currently sits on three Indian National Committees of CII, and is a member and trustee of the CFO Board.

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

Environmental, Social and Governance (ESG)

Commitment to a better tomorrow

ESG is integral to our business itself and aligned with national climate priorities. We proactively focus on seizing climate change mitigation opportunities by building a climate-resilient and ESG-compliant portfolio including renewable power, power transmission to underserved areas and transportation infrastructure focussed on road safety and efficiency. We diligently oversee the environmental and social performance of our debt portfolio's assets.

Integrating E&S in operations

We endeavour to create enduring positive economic, environmental, and social impact by leveraging our competencies and engaging employees, partners and other stakeholders. We have integrated E&S consideration in our credit appraisal, loan disbursement, and post-lending monitoring, based on IFC's E&S Performance standards and NIIF's framework.

E&S Integration involves:	Ensures Borrowers and Financed Assets are:
Applying exclusion criteria and E&S screening using internal tool to assess E&S risk category of proposal	In compliance with E&S requirements and commitments
Detailed E&S assessment of proposal and discussion with top and senior management credit committees	Rewarded for their E&S actions, performance and achievements
Identification of material E&S risks as part of the due diligence for informed credit decisions; establishing E&S loan covenants and monitoring to address those risks	Shielded with E&S management capacity commensurate with asset risks and borrower accountability
Ongoing review of portfolio projects to mitigate E&S-related risks	

Transformative E&S impact of our infra-assets financing

Low carbon transition and improved air quality	■ 5.3 GW of renewable energy generation, including transmission & distribution assets, avoiding 7.7 Million tonnes of GHG emissions ■ GHG emission reduction from: • 6,500 lane km of highway assets reducing traffic congestion • 936 ckms of power transmission assets reducing T&D losses • City Gas Distribution (CGD) assets triggering the use of 251 MMSCM of natural gas for transport, industrial & commercial purposes • Other infrastructure assets improving energy efficiency in their operations ■ Financing EV infrastructure avoiding tailpipe emissions through 175 e-buses to meet urban mobility as well as improved air quality needs of the society
Job creation and economic growth	Financing infra-assets helped in creating jobs and triggering economic growth
Affordable and safer access to infra services	Financing infra-assets providing affordable and safer access to different segments of society, including safer, faster, and affordable connectivity through physical and digital infra
Sustainable Value Chain	Financing infrastructure promoting sustainability and self-reliance across the value chain
Disaster & Climate Resilience	Financing infrastructure resilient to natural disasters and climate change
Sustainable Resource Management	Financing infrastructure improving the sustainable use of natural resources, minimising the ecological footprint
Environmental Regeneration	Financing infra-assets reducing pollution load and supporting the regeneration of degraded natural air and watersheds
Digital Connectivity	Financing passive telecom infrastructure supporting digital infra of the society for improving skills, enhancing the quality of life, driving education, and promoting economic wellbeing

Corporate Social Responsibility

Supporting communities

We are committed to continually contributing to social development and environmental programs aligned with our business and national priorities. With an emphasis on livelihood generation, environmental conservation, community empowerment and long-term and sustainable development, we are ensuring positive and meaningful outcomes.

iRASTE Intelligent Solution for Road Safety through Technology & Engineering

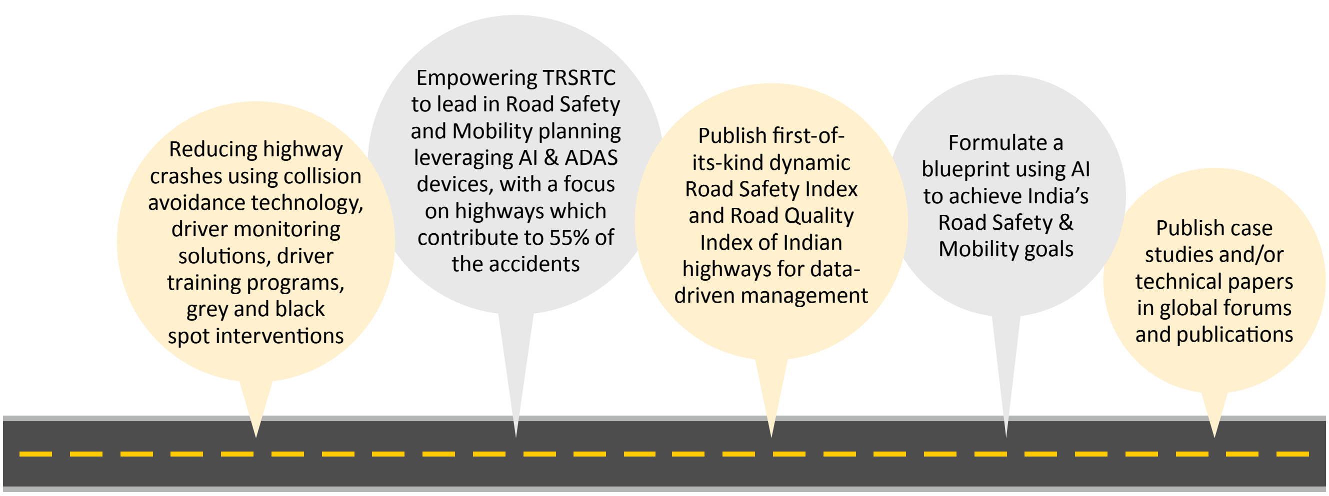
Project goal

Implementation of a holistic Safe Systems approach for up to 50% reduction in road crashes by leveraging AI.

Road accidents are a serious problem in India, causing ~1.5 Lakh deaths and ~3 Lakh injuries every year and contributing to a loss of 3.14% to the country's GDP. AI and emerging technologies have the potential to revolutionise road safety. Considering this, we have partnered with INAI anchored by IIIT Hyderabad for project iRASTE Telangana, aimed at reducing road accidents using an AI-led multi-modal approach.

The project has a four-pronged approach towards road safety, including vehicle safety, mobility analysis, infrastructure safety, and training. Technology is at the core of the project, with ADAS and driver monitoring systems fitted into more than 200 TSRTC buses. The system sends out risk alerts for collisions, abrupt lane changes, or speeding, enabling drivers to exercise caution and avoid road accidents.

Outcomes targeted by iRASTE Telangana



Empowering Women's Wellness with Technology

We are undertaking a pioneering initiative with the Government of Andhra Pradesh (AP) which marks a momentous stride in healthcare, combining technological advancements and collaborative efforts to prevent and treat cervical and breast cancer in women.

The project focusses on strengthening primary care with innovative, technology-enabled and robust engagement. The pilot project has been initiated across six coastal districts of AP – Anakapalli, Rajahmahendravaram, Aganampudi, Peddaapuram, Madanapalle, and Parvathipuram, where AI-enabled, cloud-connected portable equipment has been deployed for mass screening of over 12,000 women to detect cervical and breast cancer. The endeavour is being carried out in partnership with the Andhra Pradesh State AIDS Control Society (APSACS) to ensure holistic coverage by inclusion of vulnerable groups like HIV+ patients and female sex workers. The implementation of the project was supported by Rotary Foundation (India).

As an outcome of the screening, suspected cases were referred for confirmatory diagnostic tests, ensuring timely and accurate assessment. Individuals diagnosed with pre-cancerous conditions received prompt referrals for further treatment. Cases of malignancy were referred for advanced treatment and care.

Corporate Information

BOARD OF DIRECTORS

Mr. Surya Prakash Rao Pendyala
Chairman & Nominee Director

Mr. Rajiv Dhar
Nominee Director

Mr. Saurabh Jain
Nominee Director

Ms. Rosemary Sebastian
Independent Director

Mr. Venkatadri Chandrasekaran
Independent Director

Mr. Prashant Kumar Ghose
Independent Director

MANAGEMENT TEAM

Mr. Virender Pankaj
Chief Executive Officer

Mr. Nilesh Sampat
Chief Financial Officer

Mr. Bhawin Shah
Chief Risk Officer

Mr. Utsav Mehrotra
Director - Treasury

Mr. Nisheeth Khare
Chief Business Officer

KEY MANAGERIAL PERSONNEL

Mr. Virender Pankaj
Chief Executive Officer

Mr. Nilesh Sampat
Chief Financial Officer

Ms. Karishma Jhaveri
Company Secretary

STATUTORY AUDITORS

B.K. Khare & Co., Chartered Accountants

SECRETARIAL AUDITORS

Mehta & Mehta
Practicing Company Secretaries

EXPERT INTERNAL AUDIT CONSULTANT

Deloitte Touche Tohmatsu India LLP

STATUTORY COMMITTEES OF THE BOARD

Audit Committee

Mr. Venkatadri Chandrasekaran
Ms. Rosemary Sebastian
Mr. Saurabh Jain
Mr. Prashant Kumar Ghose

Nomination & Remuneration Committee

Mr. Venkatadri Chandrasekaran
Ms. Rosemary Sebastian
Mr. Surya Prakash Rao Pendyala

Corporate Social Responsibility Committee

Ms. Rosemary Sebastian
Mr. Venkatadri Chandrasekaran
Mr. Surya Prakash Rao Pendyala

Risk Management Committee

Mr. Venkatadri Chandrasekaran
Mr. Surya Prakash Rao Pendyala
Mr. Saurabh Jain
Mr. Virender Pankaj
Mr. Bhawin Shah

Asset-Liability Committee

Mr. Virender Pankaj
Mr. Nilesh Shrivastava
Mr. Nilesh Sampat
Mr. Bhawin Shah

IT Strategy Committee

Ms. Rosemary Sebastian
Mr. Surya Prakash Rao Pendyala
Mr. Saurabh Jain
Mr. Virender Pankaj
Mr. Nilesh Sampat
Mr. Bhawin Shah
Mr. Manish Gupta

REGISTRAR & SHARE TRANSFER AGENT

For Equity Shares & Debentures

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500032
Tel: + 91 40 6716 1602
Website: www.kfintech.com
Email: unlservices@kfintech.com

Security Trustees

SBICAP Trustee Company Limited
04th Floor, Mistry Bhavan, 122
Dinshaw Vachha Road, Churchgate,
Mumbai - 400020
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

RATING AGENCY

Credit Rating Agency

ICRA Ratings Limited
4th Floor, Electric Mansion, Prabhadevi,
Mumbai - 400025
Tel: +91 22 61693300
Website: www.icra.in
Email: info@icraindia.com

India Ratings & Research Private Limited
Wockhardt Tower, West Wing, Level 4,
Bandra Kurla Complex, Mumbai - 400051
Tel: +91 22 4035 6123
Website: www.indiaratings.co.in
Email: anuradha.basumatari@indiaratings.co.in

Care Ratings Limited
4th Floor, Godrej Coliseum, Somaiya Hospital Rd, off Eastern Express Highway, Sion East,
Mumbai - 400022, Maharashtra

CRISIL Ratings Limited
CRISIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai - 400076, Maharashtra

REGISTERED & CORPORATE OFFICE

CIN: U65990MH2019PLC325794
Aseem Infrastructure Finance Limited
4th Floor, UTI Tower, GN Block,
South Block, Bandra Kurla Complex,
Bandra (E), Mumbai - 400051
Tel: +91- 022 69631000
Website: www.aseeminfra.in
Email: info@aseeminfra.in

Board's Report

To,
The Members,
Aseem Infrastructure Finance Limited

The Board has pleasure in presenting the 4th Annual Report on the business and operations of your Company ("Aseem Infrastructure Finance Limited" or "AIFL" or "the Company") along with the Audited Financial Statements of the Company for the financial year ("FY") ended on March 31, 2023. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as required under the Companies Act, 2013 ("the Act"). This report states compliance as per the requirements of the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules and regulations as applicable to the Company. The copy of this report is also available on the Company's website (www.aseeminfra.in).

1. Financial Statements & Results

a. Background Details of the Company:

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. AIFL is registered with the Reserve Bank of India ("RBI") as a Systemically Important Non-Deposit Accepting Non-Banking Financial Company – Infrastructure Finance Company and it has been classified as a Middle Layer NBFC ("NBFC ML"), as per the RBI Scale Based Regulations dated October 22, 2021.

National Investment and Infrastructure Fund II ("NIIF Fund II"), together with its nominees, holds majority stake in the Company. 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. GoI is the largest shareholder in NIIFL, holding 49% (Forty Nine Percent) of the equity share capital of NIIFL. GoI is the sponsor and the majority investor in NIIF Fund II as on March 31, 2023.

b. Financial Results:

The Company's performance during the financial year ended March 31, 2023 is summarized below:

Standalone Financial Performance

(Amount in Rupees in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Income	78,911.95	31,394.40
Total Expenditure	60,070.59	20,584.62
Profit before tax	**18,841.36**	**10,809.78**
Tax Expenses	4,251.08	2,286.41
Profit for the year	**14,590.28**	**8,523.37**
Other comprehensive income	(6.15)	0.80
Total comprehensive income for the year	**14,584.13**	**8,524.17**
Earnings per share (Face value ₹10)		
Basic and Diluted	0.61	0.39

Consolidated Financial Performance

(Amount in Rupees in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Income	78,911.95	31,394.40
Total Expenditure	60,070.59	20,584.62
Profit before tax and exceptional items	**18,841.36**	**10,809.78**
Share of net profit of associate	10,041.56	7,190.27
Tax Expenses	6,778.34	4,096.06
Net Profit for the Year	**22,104.58**	**13,903.99**
Other Comprehensive Income	(28.11)	(2.70)
Total Comprehensive Income for the year	**22,076.47**	**13,901.29**
Earnings per share (Face value ₹10)		
Basic and Diluted	0.93	0.64

c. Loans and Advances Portfolio:

All loans and advances outstanding are standard assets. There have been no NPAs in your Company's asset portfolio. The Assets under Management (AUM) as on March 31, 2023 stood at ₹12,015 Crores on a standalone basis as compared to ₹7,254 Crores.

d. Capital Adequacy:

The Company's capital adequacy ratio on a standalone basis is 21.24% as on March 31, 2023, which is significantly above the threshold limit of 15% as prescribed by the RBI.

e. Debt Equity Ratio:

The Company's Debt: Equity ratio as on March 31, 2023, stands at 3.59 times on a standalone basis.

f. Transfer to reserves:

During the year under review ₹2,918.08 Lakhs have been transferred to Statutory Reserve under Section 45-IC of RBI Act, 1934. These details are more specifically mentioned in note 19 of the Standalone Financial Statements.

2. Dividend

Considering the business plan of the Company, and with a view to conserve resources for utilization in the growth of the business, the Board of Directors do not recommend any dividend on the Equity shares for the financial year ended March 31, 2023.

No material changes and commitments have occurred from the closure of financial year till the date of this Report, which would materially affect the financial position of the Company.

3. Resource Mobilisation

During the financial year under review, the Company raised close to ₹4,600 Crores from banks, mutual funds, financial institutions, corporate treasuries, pension and provident funds, insurance companies etc. primarily through Term Loans and Non-Convertible Debentures and as on March 31, 2023, the outstanding amount of total borrowings was approximately ₹10,042 Crores.

The Company had issued NCDs on a private placement basis during FY 2022-23, under the following categories:

(₹ in Crores)

Sr. No.	Category	Amount
1.	Secured rated, listed, redeemable, secured Non- Convertible Debentures	900
2.	Secured, Redeemable, Principal protected- Market Linked Non- Convertible Debentures	125

The privately placed debentures issued during the year are in compliance with the Resource planning norms as governed by the Company's ALM Policy.

The Non-Convertible Debentures continue to be listed on the Wholesale Debt Market (WDM) segment of National Stock Exchange of India Limited.

4. Credit Rating

The Company adopts a sound financial management framework and continues to service its financial obligations in a timely manner.

During the year under review, Rating Agencies reaffirmed ratings to the Company, as under:

Nature of Securities/ Instruments	Nature	Rating Agency	Rating
Non-Convertible Debentures	Long Term Instrument	Crisil / Care / ICRA / India Rating and Research	AA+(Stable)
Bank Lines	Long Term Instrument	ICRA	AA+(Stable)
Bank Lines	Short Term Instrument	Crisil / ICRA	A1+
Benchmark Linked Non-Convertible Debentures	Long Term Instrument	ICRA	PP-MLD AA+(Stable)

5. State of Affairs of the Company

The Management Discussion and Analysis Report forming part of this Report sets in detail the operating and financial performance of the Company. The same is attached as **Annexure A** to this report.

During the year under review, the Company continued to engage in lending to the infrastructure sectors of the country and there has been no change in the nature of business of the Company.

6. Share Capital:

(i) Authorized Share Capital

The Authorized Share Capital of the Company is ₹54,00,00,00,009/- (Rupees Five Thousand Four Hundred Crores and Nine only) divided into 4,50,00,00,000 (Four Hundred Fifty Crore) Equity Shares of face value of ₹10/- (Rupees Ten Only) each and 81,81,81,819 (Eighty-One Crores Eighty-One Lakhs Eighty-One Thousand Eight Hundred and Nineteen) Preference shares of face value of ₹11/- (Rupees Eleven Only) each.

(ii) Issued, Subscribed and Paid-up Capital

The Issued, Subscribed and Paid-up Capital is ₹23,80,58,62,560/-(Rupees Two Thousand Three Hundred and Eighty Crores Fifty - Eight Lakhs Sixty-Two Thousand Five Hundred and Sixty) divided into 2,38,05,86,256 (Two Hundred and Thirty-Eight Crores Five Lakhs Eighty-Six Thousand Two Hundred and Fifty-Six) Equity Shares of face value of ₹10/- (Rupees Ten Only) each.

7. Depository

As on March 31, 2023, 100% of the Company's Equity Shares and Non-Convertible Debentures (NCDs) were held in dematerialized mode.

8. High Value Debt Listed Entity

Securities and Exchange Board of India ("SEBI") through SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 read with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023, has made regulation 15 to 27 of SEBI (LODR) Regulations 2015, applicable to high value debt listed entity.

High value debt listed entity means an entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees Five Hundred Crores or above. These provisions shall be applicable to high value debt listed entity on a 'comply or explain' basis until March 31, 2024, and on a mandatory basis thereafter.

Your Company has listed its non-convertible debentures and is considered as a high value debt listed entity, as the outstanding value of listed non-convertible debentures was in excess of Rupees Five Hundred Crore.

9. Directors And Key Managerial Personnel ("KMP")

(i) Change in Directorate

Mr. Prashant Kumar Ghose has been appointed as an Independent Director on the Board with effect from January 12, 2023, and his appointment has being approved by the Shareholders at the Extraordinary General Meeting held on March 24, 2023.

Mr. Venkatadri Chandrasekaran was re-appointed as an Independent Director for a term of 3 years, commencing from July 22, 2023 to July 21, 2026 at the 1st Board Meeting of FY 23-24 held on May 05, 2023, and his re-appointment was approved by the Shareholders of the Company at the Extraordinary General Meeting held on June 06, 2023.

(ii) Directors Retiring by Rotation

In accordance with the relevant provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Saurabh Jain, Non-Executive Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and, being eligible, offer his re-appointment, your Directors recommend his re-appointment. A brief profile of Mr. Saurabh Jain has been given in the Notice to the AGM.

(iii) Disclosures from Independent Directors

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

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

In opinion of the Board, the Independent Directors are persons of high repute, integrity and possess the relevant expertise and experience in their respective fields and fulfill the conditions specified in these regulations and are independent of the Management.

(iv) Familiarisation Programme

Pursuant to the provisions of Schedule IV to the Companies Act, 2013 read with the provisions of Regulation 25(7) of the Listing Regulations, the Company during the year under review has conducted Familiarization Programme for its Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and business model of the Company. The Company being a High Value Debt Listed Entity, has complied with the said regulations pertaining to the Familiarization Programme.

(v) Board of Directors as on March 31, 2023:

Name of the Director	DIN	Type of Directorship
Mr. Surya Prakash Rao Pendyala	02888802	Chairman and Non-Executive Director
Mr. Venkatadri Chandrasekaran	03126243	Independent Director
Ms. Rosemary Sebastian	07938489	Independent Director
Mr. Prashant Kumar Ghose	00034945	Independent Director
Mr. Rajiv Dhar	00073997	Non-Executive Director
Mr. Saurabh Jain	02052518	Non-Executive Director

(vi) Key Managerial Personnel of the Company on March 31, 2023:

Mr. Virender Pankaj, Chief Executive Officer, Mr. Nilesh Tulsidas Sampat, Chief Financial Officer and Ms. Karishma Pranav Jhaveri, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2023. During the FY 2022-23, there has been no change in the Key Managerial Personnel of the Company.

10. Annual Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Listing Regulations as amended from time to time, the Nomination and Remuneration Committee formulated the framework for effective evaluation on various parameters of the performance of the Board, its Committees and individual Directors and based thereupon, the Board of Directors had evaluated the same.

The Board expressed its satisfaction with 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.

11. Report on Performance of Associate of the Company

In view of the provisions of Section 2(6) of the Companies Act, 2013 ("the Act") NIIF Infrastructure Finance Limited (NIIF IFL) is an associate company of your Company by virtue of the Company's equity shareholding of 30.8% stake on a fully diluted basis in NIIF IFL as on March 31, 2023. Save and except the same, no other Company has become or ceased as a subsidiary, associate, or joint venture of your Company during the year under review.

12. Consolidated Financial Statements

In view of Section 129 of the Act read with rules framed thereunder, Consolidated Audited Financial Statements of the Company comprising of the Company's standalone financial statements and its associate Company shall be presented before the Members in 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, 2023. The salient features of the financial statements of the associate of the Company in the prescribed Form AOC-1 are mentioned in **Annexure I**.

13. Public Deposits

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

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

14. Particulars of Contracts or Arrangement with Related Parties

All the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 entered by the Company during the year under review with related party(ies) were in ordinary course of business, on arm's length basis and were in compliance with the applicable provisions of the Act and Listing Regulations.

Further there were no material significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. Hence, no particulars in form AOC-2 are furnished. However, disclosures on Related Party Transactions ("RPT") as per IND-AS is set out in Note 28 of the Standalone Audited Financial Statements.

The Company has in place a Related Party Transactions 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.

15. Particulars of Loans, Guarantees, Investments and Securities

The Company by virtue of being a Non-Banking Financial Company registered under Chapter III-B of the Reserve Bank of India Act, 1934 is exempt from the provisions of Section 186 of the Companies Act, 2013.

During the year under review, the Company continued to hold 30.8% of the equity share capital of NIIF IFL, its associate company. The details of investments made by the Company are provided in Note 6 of the standalone audited financial statements of the Company for the financial year ended March 31, 2023.

16. Policy for Fit and Proper Selection of Directors

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

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

(I) Independent- Directors

Independent Directors are paid sitting fees for meetings of the Board and its Committees attended by them. The Independent Directors have not been granted any stock options by the Company. Except the Independent Directors, 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 writing before and after the proposed Annual General Meeting. Pursuant to Section 178 of the Act read with the RBI Scale Based Regulations, 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 are available on the website of the Company at www.aseeminfra.in/governance.html.

18. Vigil Mechanism / Whistle-Blower Policy:

As per the provisions of Section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations, the Company is required to establish an effective Vigil Mechanism for Directors and employees to report genuine concerns. The Company has established a Vigil Mechanism / Whistle Blower Policy that provides a formal mechanism for all employees to make disclosure about suspected fraud or unethical behaviour directly to the 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 are available on the website of the Company at www.aseeminfra.in/governance.html. During the year under review, no complaints were received by the Company.

19. 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 designed the Risk Management Policy and Framework to identify, assess and mitigate the risks associated with certain events, situations or circumstances which may lead to negative consequences on the Company's businesses. It defines a structured approach to mitigate risks arising from events or situations which are uncertain and to make use of these in their decision-making pertaining to all business divisions and corporate functions. Accordingly, the Company has in place a Risk Policy in this regard. The Risk Management Committee of the Board has the responsibility relating to monitoring and reviewing risks. Key business risks and their mitigation are considered in the annual/ strategic business plans and in periodic management reviews.

20. Corporate Social Responsibility

The Company's Corporate Social Responsibility (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 health and road safety using comprehensive AI based technology and tools. The road sector also accounts for a significant part of AIFL's asset book and it should be possible to synergize CSR efforts with road developers and other lenders for a greater impact, in years to come.

For FY 2022-23, the Company had a CSR budget of ₹90.25 Lakhs which was spent amongst the CSR partners viz. Intelligent Solutions for Road Safety through Technology and Engineering (iRASTE) and Rotary Foundation run Mass screening of Cancer using AI enabled devices.

Details of the CSR policy are available on the website of the Company at www.aseeminfra.in/governance.html

21. Internal Financial Controls

The Company has laid down a set of standards, processes and structure which enables implementation of Internal Financial Controls across the organization with reference to Financial Statements and that such controls are adequate and are operating effectively.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during their audit. During the financial year under review, no material or serious observation has been received from the Auditors of the Company, citing any inadequacy of such controls.

The internal control systems are regularly assessed and strengthened in terms of standard operating procedures.

22. Internal Audit:

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

The internal audit plan is developed based on the risk profile of business activities of the organization. The audit plan covers process audits, compliance with the policies, standard operating procedures and regulations and follows a risk-based approach. The internal audits are carried out by your Company with the assistance of expert internal auditors who are independent of your Company. To provide for the independence of the internal audit function, the internal auditors report to the Audit Committee. The audit plan is approved by the Audit Committee, which regularly reviews the compliance to the plan.

Pursuant to the Circular issued by the Reserve Bank of India (RBI) pertaining to Risk Based Internal Audit dated February 03, 2021 (as amended from time to time), the Company was required to appoint Head Internal Audit ("HIA"). Therefore, in line with the said circular read with the Risk Based Internal Audit Policy of the Company, Mr. Jignesh Mehta was appointed as the Head - Internal Audit ("HIA") of the Company for a tenor of 3 years starting from February 09, 2023.

23. 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, 2023, 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 have 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, 2023 and of the profit of the Company for the said 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. internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively.

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

24. 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.

25. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section, forming part of this Report. The same is attached as **Annexure A** to this report.

26. Auditors and Reports

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

a. Statutory Auditors and their report

M/s. B. K. Khare & Co., Chartered Accountants (Firm Registration Number: 105102W) Statutory Auditors of the Company were appointed as the Statutory Auditors of the Company for a term of 3 years commencing from the conclusion of the 2nd (Second) Annual General Meeting held on September 28, 2021, 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.

As per the requirements of Guidelines dated April 27, 2021, issued by the Reserve Bank of India ("RBI") for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding Banks (excluding Regional Rural Banks), Urban Co-operative Banks ("UCBs") and Non-Banking Financial Companies ("NBFCs") (including Housing Finance Companies), the Company has received a declaration from M/s. B. K. Khare & Co. confirming their eligibility to act as Statutory Auditors of the Company.

The Auditors' Report issued by M/s. B. K. Khare & Co., Chartered Accountants is unmodified i.e., does not contain any qualification, reservation, adverse remark or disclaimer.

b. Secretarial Auditors and their report

As required under provisions of Section 204 of the Companies Act, 2013 and pursuant to Regulation 24A of Listing Regulations, the reports in respect of the Secretarial Audit for FY 2022-23 carried out by M/s. Mehta & Mehta, Practicing Company Secretaries, in Form MR-3 forms part to this report.

The Secretarial Audit Report for the financial year ended March 31, 2023 does not contain any qualification, adverse remark or reservation and therefore, does 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 III** to this Report.

c. Internal Auditors and their report

Pursuant to the requirements of Section 138 of the Act and rules made thereunder, Mr. Jignesh Mehta is the Head - Internal Audit of the Company and M/s. Deloitte Touche Tohmatsu, Chartered Accountants is the expert Internal Audit firm that provides services for execution of internal audit.

The Internal Audit reports are reviewed quarterly 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.

27. Protection of Women at Workplace

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

28. Corporate Governance

Being a professionally run enterprise with National Investment and Infrastructure Fund II ("NIIF Fund II') being the Promoter and with 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 and transparent Corporate Governance practices enable the Board and the Management to direct and control the affairs of the Company in an efficient manner, thereby helping the Company to achieve its goal and benefit the interests of all stakeholders. Further, the report on Corporate Governance has been furnished herewith and is marked as **Annexure IV**.

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 6 (six) Directors, comprising of 3 (three) Non-Executive Directors and 3 (three) Independent Directors.

Name of the Directors	Category
Mr. Prakash Rao Pendyala	Chairman and Non-Executive Director
Mr. Venkatadri Chandrasekaran	Independent Director
Ms. Rosemary Sebastian	Independent Director
Mr. Prashant Kumar Ghose	Independent Director
Mr. Rajiv Dhar	Non-Executive Director
Mr. Saurabh Jain	Non-Executive Director

The Board met 5 times during the year on May 11, 2022, June 17, 2022, August 09, 2022, November 09, 2022 and February 09, 2023. 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. Prakash Rao Pandyala.

Attendance of Board Meeting

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Prakash Rao Pendyala	5	5
Mr. Venkatadri Chandrasekaran	5	5
Ms. Rosemary Sebastian	5	4
Mr. Prashant Kumar Ghose*	5	1
Mr. Rajiv Dhar	5	4
Mr. Saurabh Jain	5	4

*Appointed as an Independent Director on the Board of Directors with effect from January 12, 2023.

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

b. Meeting of Independent Directors

The Independent Directors met on April 26, 2023, without the presence of the Chairman and the Senior Management team. The matters considered and discussed thereat, 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, read with the SEBI Listing Regulations 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, Asset Liability Committee, Risk Management Committee, Internal Complaints Committee, IT Strategy Committee and Stakeholder's Relationship Committee.

Audit Committee

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which forms part of this Annual Report.

Nomination and Remuneration Committee ("NRC")

The details pertaining to the composition of the NRC are included in the Corporate Governance Report, which forms part of this Annual Report.

Corporate Social Responsibility Committee ("CSR Committee")

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

The Members of CSR Committee met once during the financial year on Aug 08, 2022 and November 17, 2022.

Attendance at the CSR

Name of the Director	No. of Meetings held	No. of Meetings attended
Ms. Rosemary Sebastian	2	2
Mr. Venkatadri Chandrasekaran	2	2
Mr. Prakash Rao Pendyala	2	2

The Annual CSR report to be annexed to the Directors' Report is marked as **Annexure II**.

Risk Management Committee

The details pertaining to the composition of the Risk Management Committee are included in the Corporate Governance Report, which forms part of this Annual Report.

Stakeholders Relationship Committee ("SRC")

The details pertaining to the composition of the SRC are included in the Corporate Governance Report, which forms part of this Annual Report.

Annual Return

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

29. 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.

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

The Company has incurred an expenditure of ₹53,09,850/- (equivalent USD 66,806.13) in foreign currency during the year under review. There were no foreign exchange earnings.

b. Secretarial Standards

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

31. 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.

j) The IEPF provisions requiring transfer of unpaid or unclaimed amount to Investor Education and Protection Fund (IEPF) are not applicable to the Company.

32. 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 consistent 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 04, 2023

Registered Office:
UTI Tower, GN Block, South 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 Company is provided below:

Associate Company	**Amount in ₹ Lakhs**
Name	NIIF Infrastructure Finance Limited ('NIIF IFL')
Latest balance sheet date	31-Mar-23
The date on which Associate was acquired	30-Mar-20
Shares of Associate held by the Company on the year end:	
- Numbers of shares	42,39,32,487
- Amount of Investment in Associates	₹86,411
- Extent of Holding %	30.8% equity 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	Associate company is consolidated as per the accounting standards
Net worth attributable to Shareholding as per latest audited Balance Sheet	₹106,030
Profit for the year	
i) Considered in Consolidation	₹10, 041.56
ii) Not considered in Consolidation	₹22,534.30

Notes:
The Company has significant influence through its equity holding, being greater than20% of the equity capital of the investee company in terms of Accounting Standard 23, issued by Institute of Chartered Accountants of India.

By Order of the Board of Directors

Surya Prakash Rao Pendyala
Chairman
DIN: 02888802

Place: Mumbai
Date: August 04, 2023

ANNEXURE II

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	Chairperson, Independent Director	2	2
2.	Mr. V. Chandrasekaran	Member, Independent Director	2	2
3.	Mr. Prakash Rao	Member, Non-Executive Director	2	2

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 Composition of CSR Committee along with the CSR policy is hosted on the website of the Company and can be viewed at

i. CSR Committee composition: https://aseeminfra.in/csr.html

ii. CSR Policy: https://aseeminfra.in/investors.html#CreditRatings

iii. CSR projects: https://aseeminfra.in/csr.html

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

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

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

The Company's average net profit computed as per section 135(5) amounted to ₹45,04,22,857/- (Rupees Forty-five Crores Four Lakhs Twenty-Two Thousand Eight Hundred and Fifty Seven Only).

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

The Company 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 ₹90,08,457/- (Rupees Ninety Lakhs Eight Thousand Four Hundred and Fifty-Seven Only).

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

Not Applicable

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

Not Applicable

(e) Total CSR obligation for the financial year (5a+5b-5c):

₹90,08,457/- (Rupees Ninety Lakhs Eight Thousand Four Hundred and Fifty-Seven Only)

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)*

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project – State	(5) Location of the project – District	(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency – Name	(8) Mode of implementation - Through implementing agency – CSR registration number
1.	Intelligent Solutions for Road Safety through Technology and Engineering (iRASTE) Telangana	Item No. (ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT)], Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).	No	Telangana	Entire state	55,25,000	No	INAI – Applied Research Centre for AI, at IIIT Hyderabad	CSR00005001
2.	Screening of women in vulnerable districts of Andhra Pradesh for Cervical and Breast Cancer, using AI enabled hand held devices	Item no (i) (i) Eradicating hunger, poverty and malnutrition, 2["promoting health care including preventinve health care"] and sanitation 4[including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	No	Andhra Pradesh (AP)	Six locations in Coastal AP	35,00,000	No	Rotary Foundation (India)	CSR 00008486
	Total					**90,25,000**			

**** Amount spent on both the aforesaid CSR projects have been towards contribution for the new projects which are not ongoing.***

(b) Amount spent in Administrative Overheads.

Nil

(c) Amount spent on Impact Assessment, if applicable.

Not applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)].

₹90,25,000/-

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub section 6 of section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section 5 of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
90,25,000	NIL	NIL	NIL	NIL	NIL

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

Sr. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub section 5 of section 135.	90,08,457
(ii)	Total amount spent for the Financial Year	90,25,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	16, 543
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	16, 543

7. Details of Unspent CSR amount for the preceding three financial years

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	2021-22	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2.	2020-21							
3.	2019-20							

8. Whether any capital assets have been created or acquired, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

No

9. Specify the reason if the Company has failed to spend 2% of the average net profit as per Section 135(5):

Not Applicable. The Company has contributed 2% of its average net profits of the last financial year towards the CSR activities.

For Aseem Infrastructure Finance Limited

Rosemary Sebastian
Chairperson - CSR Committee
DIN: 07938489

Virender Pankaj
Chief Executive Officer
PAN: ABUPP5469K

Date: August 02, 2023

ANNEXURE III

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

{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 conduct 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, 2023, complied with the statutory provisions listed here under and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(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~~;

(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;

(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 and Sweat Equity) Regulations, 2021 **(during the period under review not applicable to the Company)**;

(e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;

(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, 2021 **(during the period under review not applicable to the Company)**;

(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 – Systematically Important Non – Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended till the period under review;

(vii) Systematically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 as amended till the period under review;

(viii) Master Circular - Non-Banking Financial – Corporate Governance (Reserve Bank) Directions, 2015 as amended till the period under review;

(ix) Master Direction – Information Technology Framework for NBFC Sector as amended till the period under review;

(x) Master Direction – Know Your Customer (KYC) Directions, 2016 as amended till the period under review;

(xi) Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions 2016 as amended till the period under review;

(xii) Guidelines for Appointment of Statutory Central Auditors/ Statutory Auditors of Commercial Banks, UCBs and NBFCs;

(xiii) Scale Based Regulation as effective from October 01, 2022 to the extent applicable to the Middle Layer (NBFC-ML);

We have 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 as amended till the period under review;

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

We further report that:
The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors. Meetings held at shorter notice are in compliance with the provisions of the Act 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' views, 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.

1) The Board of Directors of the Company at their meeting held on May 11, 2022 and further, the Members of the Company at their Extra-Ordinary General Meeting held on June 08, 2022 inter-alia approved the following:

   a. To increase the overall borrowing limits of the Company to ₹20,000 Crores from ₹10,000 Crores;

   b. For creation of charge/mortgage/hypothecation on the receivables/assets of the Company to secure borrowings not exceeding ₹20,000 Crores;

   c. To consider and approve the increase in the limits for issuance of secured, unsecured rated, listed/unlisted, non-convertible debentures to ₹20,000 Crores from ₹10,000 Crores, in one or more tranches on private placement basis, within the overall borrowing limits of ₹20,000 Crores.

2) The Finance Committee passed the following resolutions for the issuance of rated, unlisted/listed, redeemable, secured, non- convertible debentures on private placement basis.

Sr. No.	Date of passing resolution	No. of NCDs issued	Amount (in Crores)
1.	July 11, 2022	2,500	250
2.	August 19, 2022*	10,000	1,000
3.	August 29, 2022	6,500	650
4.	November 18, 2022*	3,500	350
5.	January 12, 2023**	20,000	200

* The Company had made issuance of 10,000 and 3,500 (rated, listed, redeemable, secured) non-convertible debentures at their Finance committee meeting held on August 19, 2022 and November 18, 2022 respectively, however the issuance was not pursued by the Company and hence no allotments were made in this respect.

** The Company had made issuance of 20,000 secured, rated, redeemable, principle protected, market linked, non-convertible debentures ("NCD") of ₹1,00,000 each for an aggregate nominal value of ₹200 Crores out of which only 12,500 NCD of ₹1,00,000 each for an aggregate nominal value of ₹125 Crores were allotted by the Finance committee vide their circular resolution passed on January 23, 2023.

3) The Finance Committee passed the following resolutions for the allotment of rated, unlisted/ listed, redeemable, secured, non-convertible debentures on private placement basis.

Sr. No.	Date of passing resolution	No. of NCDs allotted
1.	July 14, 2022	2,500
2.	September 05, 2022	6,500
3.	January 23, 2023	12,500

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

Aditi Patnaik
Partner
ACS No: 45308
CP No: 18186

Place: Mumbai
Date: August 04, 2023
UDIN: A045308E000740519

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 in Secretarial Audit Report in Form 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)

Aditi Patnaik
Partner
ACS No: 45308
CP No: 18186

Place: Mumbai
Date: August 04, 2023
UDIN: A045308E000740519

ANNEXURE IV TO BOARD'S REPORT

Report on Corporate Governance

PHILOSOPHY OF CORPORATE GOVERNANCE:

At Aseem Infrastructure Finance Limited (AIFL), Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best in class and sound management practices and compliance with the laws and regulations coupled with adherence to the highest standards of transparency and business ethics.

The Company recognizes its role as a model corporate citizen and endeavours to adopt the best practices and holds self to the high standards of accountability to its customers, investors, regulators, employees and other stakeholders. The Company is constantly striving to better these practices continuously.

BOARD OF DIRECTORS ("BOARD")

The Directors bring to the Board a wide range of experience and skills which include banking, finance, investments, regulations and operations. The Board of Directors are entrusted with the ultimate superintendence, control and responsibility of the affairs of the Company.

As on March 31, 2023, the Board comprises of 6 (six) Directors, of which 3 (three) are Independent Directors including one woman director. As per the provisions of the Companies Act, 2013 ("the Act"), the Company has appointed a Chief Executive Officer, Chief Financial Officer and Company Secretary who are not a part of the Board.

The composition of the Board of Directors as at March 31, 2023, including other details are given below:

Name of Director	Category	Skills / Expertise / Competencies	No. of Directorships in other Public Cos*	No. of Committee Memberships of other Public Cos$#	Chairpersonship in Committees of other Public Cos$
Mr. Surya Prakash Rao Pendyala (DIN 02888802)	Non-Executive-(Nominee) Director – Chairman	Leadership, Strategy, Governance and Regulatory affairs, Business and Strategic planning, Industry knowledge and experience, expertise and experience in Finance, Risk Management areas, Treasury and Credit, Global experience.	1	1	-
Mr. Rajiv Dhar (DIN 00073997)	Non-Executive-Nominee Director	Leadership, Strategy, Governance and Regulatory affairs, Business and Strategic planning, Industry knowledge and experience, expertise and experience in Risk Management areas, Human Resource and Information Technology.	1	2	-
Mr. Saurabh Jain (DIN 02052518)	Non-Executive -Nominee Director	Leadership, Governance and Regulatory affairs, Business and Strategic planning, Industry knowledge and experience, expertise and experience in Finance, Treasury and Accounting	-	-	-
Mr. Venkatadri Chandrasekaran (DIN 03126243)	Independent, Non-Executive Director	Leadership, Business and Strategic planning Governance and Regulatory affairs, Industry knowledge and experience, expertise and experience in Finance, Treasury, Accounting, Risk Management areas and Global experience	6	2	3

Name of Director	Category	Skills / Expertise / Competencies	No. of Directorships in other Public Cos*	No. of Committee Memberships of other Public Cos$#	Chairpersonship in Committees of other Public Cos$
Ms. Rosemary Sebastian (DIN 07938489)	Independent, Non-Executive Director	Leadership, Governance and Regulatory affairs, Industry knowledge and experience, expertise and experience in Finance and Accounting, Information Technology, Risk Management areas.	2	1	1
Mr. Prashant Kumar Ghose (DIN 00034945)	Independent, Non-Executive Director	Leadership, Strategic planning Governance and Regulatory affairs, experience in Finance, Treasury, Accounting, Risk Management areas, Treasury and Credit, and Global experience	1	-	-

Note:

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

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

Excluding Chairpersonship which is mentioned in the next column.

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

A. Board Meetings

i. Attendance of directors

The Board met 5 times during the year on May 11, 2022; June 17, 2022; August 09, 2022; November 09, 2022, and February 09, 2023. 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 was chaired by Mr. Prakash Rao.

The attendance of the Directors at the above, the Board meetings and at the last Annual General Meeting is given in the table below:

Name of Directors	No. of Board meetings during FY 2022-23		Attendance in the last AGM dated September 28, 2022
	Held	Attended	
			Yes/ No/NA
Mr. Prakash Rao	5	5	No
Mr. Rajiv Dhar	5	4	No
Mr. Saurabh Jain	5	4	No
Mr. V. Chandrasekaran	5	5	Yes
Ms. Rosemary Sebastian	5	4	Yes
Mr. Prashant Kumar Ghose*	1	1	NA

** Appointed as an Independent Director with effect from January 12, 2023.*

ii. Details of the Directorships in other listed entities as on March 31, 2023:

Name of Director	Name of listed entity*	Category	Shareholding of Directors
Mr. Prakash Rao	Nil	Not applicable	Nil
Mr. Rajiv Dhar	Nil	Not applicable	Nil
Mr. Saurabh Jain	Nil	Not applicable	Nil
Mr. V. Chandrasekaran	Tata Investment Corporation Limited	Independent Director	Nil
	Care Ratings Limited	Independent Director	
	Tamilnadu Newsprint & Papers Limited	Independent Director	
	Grasim Industries Ltd	Independent Director	
Ms. Rosemary Sebastian	Nil	Not applicable	Nil
Mr. Prashant Kumar Ghose	Nil	Not applicable	Nil

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

In terms of Regulation 26 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("the SEBI Listing Regulations"), none of the Directors of the Company were members of more than 10 Committees or acted as the Chairperson of more than 5 Committees across all listed companies in India, in which they are a Director.

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

i. hold Directorships in more than 20 companies (Public or Private),

ii. hold Directorships in more than 10 public companies,

iii. hold Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairpersonship of Board Committee in excess of 5,

iv. serve as Director in more than 7 listed companies,

v. who serve as Managing Director/Whole Time Director in any listed company serves as Independent Director in more than 3 listed companies.

There is no inter-se relationship between the Directors. None of the directors hold equity shares and non-convertible debentures of the Company.

B. Code of Conduct

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

i. Conflicts of Interest and Outside Activities

ii. Privacy of Employee Information

iii. Accuracy of Company Records and Reporting

iv. Protecting Company's Assets

v. Special responsibilities of Superiors and Managers and duties of Independent Directors

vi. Workplace Responsibilities

vii. Ensure compliance with laws, rules and regulations.

C. Familiarization Programme

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the listed entity familiarizes the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programs. The details of such familiarization programmes conducted during the financial year are available on the Company's website at https://www.aseeminfra.in/assets/download/INV/Policies/Familiarization%20programme-1.pdf

OTHER COMMITTEES OF THE COMPANY

For ensuring smooth business activities and as per the requirements of the Act, the SEBI Listing Regulations and RBI Directions, the Company has constituted certain Board Committees and Executive/Management Committees. The Core Committees constituted by the Board of Directors of the Company under the requirements of the Act, the SEBI Listing Regulations and RBI Directions, are as under:

There are 12 Committees as on March 31, 2023; out of which 7 are statutory committees and 5 are other committees considering the need of best practice in Corporate Governance of the Company.

Committees as mandated under the Companies Act, 2013, the SEBI Listing Regulations and RBI Directions:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility ("CSR") Committee
5. Risk Management Committee
6. Asset and Liability Management Committee
7. IT Strategy Committee

Other Committees

8. Credit Committee
9. Internal Complaints Committee
10. Finance Committee
11. Allotment Committee
12. IT Steering Committee

A. Audit Committee

In accordance with the provisions of Section 177 of the Act, Regulation 18 of the SEBI Listing Regulations, Reserve Bank of India - Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Master Directions") and Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, the Company has in place the Audit Committee (**"AC"**).

All the members and possess sound understanding, experience and expertise in the field(s) of accounting, finance, treasury, risk management etc. The Chief Executive Officer, Chief Financial Officer and the representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the

AC Meetings. The Company Secretary of the Company acts as the Secretary to the AC. The Audit committee charter is in line with the Act.

i. Composition, Meetings held and Attendance of AC

The composition of the AC has been in accordance with the aforesaid law.

The Members of the AC of the Company met four times during the financial year on May 10, 2022; August 09, 2022; November 07, 2022; and February 08, 2023, and their attendance has been mentioned below.

The Committee comprises of the following Members:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. V. Chandrasekaran	Chairman, Independent Director	4	4
Mr. Saurabh Jain	Member, Non-Independent Director	4	3
Ms. Rosemary Sebastian	Member, Independent Director	4	4
Mr. Prashant Kumar Ghose*	Member, Independent Director	NA	NA

** Appointed as a Member w.e.f. May 05, 2023.*

In terms of Section 177(4) of the Act and Part C of the Schedule II of the SEBI Listing Regulation, the role of AC includes but is not restricted to the following:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by the management;
    d. significant adjustments made in the financial statements arising out of audit findings;
    e. compliance with listing and other legal requirements relating to financial statements;
    f. disclosure of any related party transactions;
    g. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Management discussion and analysis of financial condition and results of operations.
24. Statement of significant related party transactions (as defined by the audit committee), submitted by management.
25. Management letters / letters of internal control weaknesses issued by the statutory auditors.
26. Internal audit reports relating to internal control weaknesses.
27. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.
28. Statement of deviations:
    (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

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

B. Nomination and Remuneration Committee

In accordance with the provisions of the Section 178 of the Act, Regulation 19 of the SEBI Listing Regulations, Reserve Bank of India - Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Master Directions") and Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, the Company has in place the Nomination and Remuneration Committee ('NRC').

Composition, Meetings held and Attendance of NRC

The composition of NRC is in conformity with the provisions of the aforesaid law.

The Members of NRC met thrice during the financial year on May 11, 2022, August 08, 2022, and February 02, 2023, and their attendance has been mentioned below.

The committee comprises of following Members:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. V. Chandrasekaran	Chairman, Independent Director	3	3
Mr. Prakash Rao	Member, Non-Independent Director	3	3
Ms. Rosemary Sebastian	Member, Independent Director	3	3

In terms of Part D of the Schedule II of the SEBI Listing Regulation, the role of NRC includes but is not restricted to the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, appointment, the remuneration of the directors, key managerial personnel and other employees keeping in consideration various factors viz qualification, expertise, diversity etc;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    a. use the services of an external agency, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. consider the time commitments of the candidates.

3. formulation of criteria for evaluation of performance of independent directors and the board of directors;

4. devising a policy on diversity of board of directors;

5. identifying persons who are qualified to become directors and who may be appointed in senior management/ KMP in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.

6. whether to extend or continue the term of appointment of the independent director(s)_, on the basis of the report of performance evaluation of independent director(s).

7. recommend to the board, all remuneration, in whatever form, payable to senior management.

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 NRC were approved by the Board.

Performance Evaluation of Board, its Committees and Directors

In terms of Section 178(2) of the Act and Regulation 19(4) of the SEBI Listing Regulation, the Nomination and Remuneration Committee had approved a framework for performance evaluation of the Board of Directors, its Committees and the individual Board members.

Further the Board has carried out an annual performance evaluation of its own performance, evaluation of the working of its Committees as well as performance of all the Directors individually (including Independent Directors). Feedback was sought covering various aspects of the Board's functioning.

Performance evaluation framework of the Company is as follows:

a. NRC would approve framework of performance evaluation of the Company;

b. Board would evaluate the performance of the Independent Directors, Board as a whole and Committees of the Board;

c. Independent Directors would evaluate the performance of the Chairman of the Company after taking views of other directors, Board as a whole and Non-Independent Directors;

d. Self-evaluation of individual Directors.

The evaluation involves self-evaluation by the Board Member and subsequent assessment by the Independent Directors. A member of the Board does not participate in the discussion of his/her evaluation.

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. Performance evaluation of the Board and of its Committees was carried out by the Board. Qualitative comments and suggestions of Directors were taken into consideration by the Chairman of the Board and the Chairman of the Nomination and Remuneration Committee.

The Directors have expressed their satisfaction with the evaluation process.

C. Stakeholders' Relationship Committee (SRC)

In accordance with the provisions of Section 178(5) of the Act and Regulation 20 of the SEBI Listing Regulations, the Company has in place the Stakeholders' Relationship Committee (SRC).

Composition, Meeting and Attendance of SRC

The composition of SRC is in conformity with the provisions of the aforesaid law.

The Members of SRC met once during the financial year on February 02, 2023 and their attendance has been mentioned below.

The committee comprises of following Members:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. V. Chandrasekaran	Chairman, Independent Director	1	1
Mr. Prakash Rao	Member, Non-Independent Director	1	1
Mr. Rajiv Dhar	Member, Non-Independent Director	1	1

In terms of Part D of the Schedule II of the SEBI Listing Regulation, the role of SRC includes but is not restricted to the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Details of the investor complaints received during the FY 2022-23 are given as below:

No. of complaints received	No. of complaints not solved to the satisfaction of the shareholders	No. of pending complaints at the end of the year
Nil	Nil	Nil

The Company Secretary acts as the Secretary to the SRC.

D. Risk Management Committee

In accordance with the provisions of the Regulation 20 of the SEBI Listing Regulations, Reserve Bank of India – Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Master Directions") and Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, the Company has in place the Risk Management Committee ('RMC').

Composition, Meeting and Attendance of RMC

The composition of RMC is in conformity with the provisions of the aforesaid law.

The Members of RMC met thrice during the financial year on on June 29, 2022; September 29, 2022, and December 19, 2022, and their attendance has been mentioned below.

The committee comprises of following Members:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. V. Chandrasekaran	Chairman, Independent Director	3	3
Mr. Prakash Rao[@]	Member, Non-Independent Director	3	2
Mr. Rajiv Dhar	Member, Non-Independent Director	3	3
Mr. Prashant Kumar Ghose*	Member, Independent Director	-	-
Mr. Virendra Pankaj*	Member, Chief Executive Officer	-	-
Mr. Bhawin Shah*	Member, Chief Risk Officer	-	-

[@] *Stepped down with effect from May 05, 2023.*
* *Included with effect from May 05, 2023.*

In terms of Part D of the Schedule II of the SEBI Listing Regulation, the role of RMC includes but is not restricted to the following:

1. To formulate a detailed risk management policy which shall include:

   a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information technology including business continuity plan, cyber security risks, market risk or any other risk as may be determined by the Committee.

   b. Measures for risk mitigation including systems and processes for internal control of identified risks.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of appointment of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Senior Management

Particulars of the senior management including the changes therein since the close of the previous financial year is summarized as follows:

Sr. No.	Name	Designation
1.	Mr. Virender Pankaj	Chief Executive Officer
2.	Mr. Nilesh Sampat	Chief Financial Officer
3.	Mr. Bhawin Shah	Chief Risk Officer
4.	*Mr. Nisheeth Khare	Chief Business Officer

**Appointed on May 24, 2023.*

Remuneration of Directors

The Independent Directors are paid sitting fees, travelling, lodging and other incidental expenses for attending Meetings of Board / Committees. Apart from the above, the Company does not have any pecuniary relationship with the Non-Executive/ Independent Directors. During the year under review, the Company did not enter into any other transactions with the Non-Executive Directors and no remuneration has been paid to them. The Remuneration Policy of the Company which lays down the criteria for making payment to the Non-Executive Directors is hosted on the website of the Company at www.aseeminfra.in

Your Company pays sitting fees to the Independent Directors for attending meetings as per the following:

Attending Meeting of	Amount (₹)
Board	80,000 per meeting
Other Committees	60,000 per meeting

Details of sitting fees paid to the Independent Directors during the FY 2022-23 are given in the table below:

Name of the Director	Sitting fees (₹)
Mr. V. Chandrasekaran	11,40,000
Ms. Rosemary Sebastian	10,00,000
Mr. Prashant Kumar Ghose	80,000

Succession Planning

In terms of Regulation 17(4) of the SEBI Listing Regulation, the Company has adopted policy on succession planning for appointments to the Board and to the Senior Management.

Succession planning is a process of ascertaining the need for filling position at the Board and Senior Management positions. It involves identification of potential candidates for the said roles, assessment of their potential and developing next generation of leaders as potential successors for key leadership roles in an organisation. The process of development primarily concentrates on coaching, mentoring and training the identified employees to assume higher responsibilities when the need arises. The Company has always endeavoured to nurture, train and increase the skill sets of employees at all levels, with the key objective of ensuring smooth succession without impacting the performance in the current role.

Shareholders & General information

a. General Body Meetings

The details of the last 3 (three) Annual General Meeting (AGM) of the Company are mentioned below:

Details of AGM	Date and Time	Venue	Special resolutions passed
1st AGM	September 30, 2020, at 3:30 pm (IST)	Through Video Conferencing or other audio-visual means	(a) To approve appointment of Mr. V Chandrasekaran (DIN 03126243) as a Non-executive, Independent Director of the Company for a term of three years with effect from July 22, 2020. (b) To approve appointment of Ms. Rosemary Sebastian (DIN 07938489) as a Non-executive, Independent Director of the Company for a term of two years with effect from September 16, 2020.
2nd AGM	September 28, 2021, at 12:00 noon (IST)	Through Video Conferencing or other audio-visual means	NIL
3rd AGM	September 28, 2022, at 10:00 am (IST)	Through Video Conferencing or other audio-visual means	To approve re-appointment of Ms. Rosemary Sebastian as an Independent Director of the Company for a second term of three consecutive years commencing from 16th September 2022 to 15th September 2025.

The details of Extraordinary General Meetings convened during the year are as follows:

Date and Time	Venue	Resolutions passed
June 08, 2022, at 3:00 pm (IST)	Through Video Conferencing or other audio-visual means through Microsoft Teams	**Special Resolution** • Increase in borrowing limits from the existing ₹10,000 Crores to ₹20,000 Crores under section 180(1)(c) of the Companies Act, 2013. • Creation of charge/security on the Assets of the Company under Section 180(1)(a) of the Companies Act, 2013. • Issuance of Non-Convertible Debentures on private placement basis.
March 24, 2023, at 3:00 pm (IST)	Through Video Conferencing or other audio-visual means through Microsoft Teams	**Special Resolution** Appointment of Mr. Prashant Kumar Ghose as an Independent Director of the Company for a term of three (3) consecutive years commencing from January 12, 2023 to January 11, 2026.

Details of resolutions passed through Postal Ballot:

As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, no resolutions were passed by members of the Company through Postal Ballot during the FY 2022-23.

Means of Communication

Financial Results & Other Communication	Quarterly, half-yearly and annual financial results are intimated to the National Stock Exchanges of India Limited and are published in the prominent daily newspaper i.e. Financial Express. The results are also hosted on the website of the Company https://www.aseeminfra.in/ A separate dedicated section 'Investors' is maintained on the website of the Company which keeps the investors updated on material developments in the Company. All the official news that carries material price sensitive information in addition to the same being sent to the stock exchange is also hosted on the Company's website. The Annual Report of the Company is also hosted on the Company's website at https://www.aseeminfra.in/
Official news releases	Official news releases including the investors presentation, if any, will be disseminated to the exchange and the same will also be hosted on the website of the Company https://www.aseeminfra.in/
Website	All the information and disclosures required to be disseminated as per Regulation 62 of the SEBI Listing Regulations, Companies Act, 2013 and RBI guideline are being posted at Company's website https://www.aseeminfra.in/
Details of Debenture Trustee	Catalyst Trusteeship Limited Windsor, 6th Floor, Office No- 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098 Contact: +91 22 4922 0555 Email: dt.mumbai@ctltrustee.com
Details of the Registrar & Share Transfer Agent	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Contact: +91 40 6716 1602 Email: unlservices@kfintech.com
Designated E-mail address for investor services	To serve the investors better and as required under the SEBI Listing regulations, the designated e-mail address for investors complaints is info@aseeminfra.in
Details of Compliance Officer	Ms. Karishma Jhaveri Address: 4th Floor, UTI Tower, GN Block, South Block, Bandra Kurla Complex Mumbai 400 051 Phone No.: + 022 6859 1300 Email: karishma.jhaveri@aseeminfra.in

General Shareholder Information

Date, Time and Venue of the 4th Annual General Meeting	September 27, 2023 at 11 A.M. (IST) by way of video conferencing/ other audio visual means through Microsoft Teams
Financial Year	2022-23
Dividend Payment Date	No dividend was declared or paid during the financial year 2022-23.
Name and Address of Stock Exchanges where Company's securities are listed	The Company issues non-convertible debentures on private placement basis and the same are listed on the debt market segment of the National Stock Exchange of India Limited. **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
Listing fees	Company's non-convertible securities being listed on NSE, the Annual listing fees, as prescribed, have been paid to the exchange up to March 31, 2023.
Stock code	Since the NCD's are listed on NSE there is no stock code available on NSE.
Market price data- high, low during each month in last financial year;	Not applicable
Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc	Not
In case the securities are suspended from trading, the directors report shall explain the reason thereof	During the FY 2022-23, the listed Non-convertible Debentures (NCDs) of the Company were not suspended from trading.

Share Transfer System	In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can only be transferred in dematerialized form with effect from April 1, 2019. Since, the Company was incorporated on May 23, 2019, it has been mandated to issue all the securities in dematerialized form. All the equity shares of the Company are in dematerialized form, hence, transfers of equity shares in electronic form takes place through the depositories without involvement of the Company.			
Shareholding pattern and distribution of shareholding as on March 31, 2023	**Name of the shareholder**	**No. of Equity Shares**	**No. of CCPS**	**Shareholding per cent (%)**
	National Investment Infrastructure Fund together with its nominees	1,40,56,37,939	-	59.05
	Government of India	73,68,89,692	-	30.95
	Sumitomo Mitsui Banking Corporation	23,80,58,625	-	10.00
	Total	**2,38,05,86,256**	**-**	**100.00**
Dematerialization of shares and liquidity	All the Equity Shares of the Company are held in dematerialized form. ISIN allotted to the Company for Equity shares is INE0AD501013. The Company also issues Non-Convertible Debentures (NCD's) in dematerialized form.			
Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;	Not Applicable			
Commodity price risk or foreign exchange risk and hedging activities;	The Company does not deal in any commodity and there were no foreign exchange earnings/ outgo. Hence, the Company is not directly exposed to any commodity price and foreign exchange risk. The Company does not enter into hedging activities. There is no foreign exchange borrowings.			
Plant locations	Not Applicable			
List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	The details pertaining to the credit ratings obtained by the Company is furnished in the Directors' Report which forms part of the Annual Report.			
Corporate Identification Number (CIN) / Registration no. of the Company as per Companies Act with the Registrar of Companies	U65990MH2019PLC325794			
Permanent Account Number (PAN)	AASCA3238P			
Address for correspondence	Investors and shareholders can either write to the Debenture Trustee or the Registrar & Share Transfer Agent or write to the Company at: 4th Floor, UTI Tower, GN Block, South Block, Bandra Kurla Complex Mumbai 400 051 Phone No.: + 022 6859 1300 Email: info@aseeminfra.in Website: www.aseeminfra.in			
Transfer of Unclaimed / Unpaid Amounts to the Investor Education and Protection Fund	During the year under review, no amount was due for transfer to Investor Education and Protection Fund.			
Registration / license/ authorization, obtained from other financial sector regulators	RBI's certificate of Registration no. N.13.02382 dated January 28, 2020			
Area and country of operation	India			

OTHER DISCLOSURES

Particulars	Details
a. Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of the Company	During the year under review the Company did not enter into any material related party transaction that could have a potential conflict with the interest of the Company. Further, the details of Related Party Transactions are furnished in the Directors' Report forming part of this Annual Report.
b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;	Nil
c. Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the audit committee	The Company has a Whistle Blower Policy and has established necessary Vigil Mechanism for Directors and employees to report their concerns about unethical behaviour. No person has been denied access to the Audit Committee.
d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	Details of compliance with mandatory and non-mandatory requirements are mentioned below in point no. 'n' and 'o' of this report, respectively.
e. Web link where policy for determining 'material' subsidiaries is disclosed	The Company does not have any subsidiary company
f. Web link where policy on dealing with related party transactions	The company's policy on dealing with the related party transactions is in place and the same is displayed on the website of the Company www.aseeminfra.in
g. Disclosure of commodity price risks and commodity hedging activities.	The Company does not deal in any commodity and there were no foreign exchange earnings/ outgo. Hence, the Company is not directly exposed to any commodity price and foreign exchange risk. The Company does not enter into hedging activities.
h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).	Not Applicable
i. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.	The Company has received a certificate from M/s. Rathi & Associates, Practicing Company Secretary, to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by SEBI/Ministry of Corporate Affairs or such other statutory authority. The said certificate has been enclosed as **Annexure V.**
j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof	During the financial year under review, all the recommendations of the various Committees were accepted by the Board.
k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part	M/s. B. K. Khare & Co., Chartered Accountants, having FRN 105102W Statutory Auditors of the Company have been paid the following the Statutory Fees the details of which are furnished below: Statutory audit fees: ₹14.00* Lakhs Tax Audit fees: ₹1.50* Lakhs Other Services: ₹9.79* Lakhs **Total: ₹25.29* Lakhs** * Amounts are excluding indirect taxes No fees has been paid to any other entity in the network firm/network entity of which the statutory auditor is a part.
l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	**No. of complaints filed during the financial year**: Nil **No. of complaints disposed of during the financial year**: Nil **No. of complaints pending as on the end of the financial year**: Nil
m. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount	NIL
n. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries	The Company does not have subsidiary, hence not applicable.

o. Non-compliance of any requirement of corporate governance report of sub-paras above, with reasons thereof shall be disclosed:

Not Applicable

p. The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (a) to (i) of Regulation 62(1A) of SEBI Listing Regulations shall be made in the section on corporate governance of the annual report.

As on March 31, 2023, the Company is in compliance with all the mandatory requirements specified in Regulation 17 to 27 and clauses (a) to (i) of Regulation 62(1A) of SEBI Listing Regulations.

q. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations applicable to the Company being a High Value Debt Listed Company. The Company has also complied with the discretionary requirements as under:

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

  The Company confirms that its financial statements have unmodified audit opinion.

- **Reporting of internal auditor**

  The Head of Internal Audit and the expert internal audit consultant of the Company directly report to the Audit Committee.

- **Separate posts of Chairperson and the Chief Executive Officer**

  The Company has appointed separate persons to the post of the Chairperson and the Chief Executive Officer, such that the Chairperson shall be a Non-Executive Director; and not be related to the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.

r. Declaration signed by the Chief Executive Officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management

The SEBI Listing Regulations requires listed companies to lay down a code of conduct for its directors and senior management, incorporating duties of directors prescribed in the Act. Accordingly, the Company has a Board approved Code of Conduct for Board members and senior management of the Company. This code has been placed on the Company's website and can be accessed at www.aseeminfra.in

All the Directors on the Board and Senior Management Personnel of the Company have affirmed compliance with the code of conduct as adopted by the Company. A declaration signed by the Chief Executive Officer to this effect is reproduced at the end of this report and marked as **Annexure VI**.

s. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

The compliance certificate obtained from M/s. Mehta & Mehta, Practicing Company Secretaries regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations. This certificate is annexed as **Annexure VII**.

t. Disclosures with respect to demat suspense account/ unclaimed suspense account:

Not Applicable.

u. Disclosure of certain types of agreements binding listed entities:

Not Applicable.

Annexure V

CERTIFICATE ON NON–DISQUALIFICATION OF DIRECTORS

(Pursuant to Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Aseem Infrastructure Finance Limited (CIN: U65990MH2019PLC325794) and having registered office at UTI Tower, GN Block, 4th Floor, Bandra Kurla Complex, Mumbai – 400 051 (hereinafter referred to as **'the Company'**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Circular No. NSE/CML/2022/01 dated January 7, 2022 issued by the National Stock Exchange of India Limited read with Schedule V Para C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) and as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Nature of Directorship	Date of Appointment in the Company
1.	Mr. Surya Prakashrao Pendyala	02888802	Chairman & Non-Executive Director	23/05/2019
2.	Mr. Saurabh Jain	02052518	Non-Executive Director	23/05/2019
3.	Mr. Rajiv Dhar	00073997	Non-Executive Director	23/05/2019
4.	Mr. Venkatadri Chandrasekaran	03126243	Non-Executive- Independent Director	22/07/2020
5.	Ms. Rosemary Sebastian	07938489	Non-Executive- Independent Director	16/09/2020
6.	Mr. Prashant Kumar Ghose	00034945	Non-Executive- Independent Director	12/01/2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RATHI & ASSOCIATES
Company Secretaries

Neha R Lahoty
Partner
Membership. No: F8568
COP. No: 10286

Date: May 30, 2023
Place: Mumbai

UDIN: F008568E000425545
Peer Review Cert No: 668/2020

Annexure VI

Declaration by Chief Executive Officer

[Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors,
Aseem Infrastructure Finance Limited

I, Virender Pankaj, Chief Executive Officer of Aseem Infrastructure Finance Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct of the Company laid down for them for the year ended March 31, 2023.

Virender Pankaj
Chief Executive Officer

Place: Mumbai
Date: August 04, 2023

ANNEXURE VII

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
ASEEM INFRASTRUCTURE FINANCE LIMITED
UTI Tower, GN Block, 4th Floor,
Bandra Kurla Complex,
Mumbai - 400051

We have examined the compliance of conditions of Corporate Governance by **Aseem Infrastructure Finance Limited** (hereinafter referred as "Company") for the Financial year ended March 31, 2023 as prescribed under Regulations 17 to 27, clauses (a) to (i) of sub-regulation (1A) of regulation 62 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)
(Peer Review Certificate No. 786/2020)

Atul Mehta
Partner

FCS No: 5782
CP No.: 2486

Place: Mumbai
Date: June 15, 2023

UDIN: F005782E000489199

Management Discussion and Analysis Report

I. Industry structure and developments

This was a year of continued growth for Aseem, with a net addition of ~₹4,750 Crores to the Assets Under Management (AUM), increasing the AUM to ~₹12,000 Crores. The focus on high quality assets continued, proven by a best in class weighted average external rating of AA- for the portfolio.

The year was marked by continued Government of India (GOI) emphasis on infrastructure sector. The budgeted capex by the Centre in FY 2022-23 was ~₹7.3 Lakh Crores which has increased by 37% to ~₹10 Lakh Crores in FY 2023-24. India installed ~15.6 GW of renewable energy capacity during FY 2022-23 with plans to install ~50 GW of renewable capacity annually for the next 5 years. The capital outlay for roads in FY 2022-23 was ~₹4.10 Lakh Crores. In FY 2022-23, air traffic in India rebounded, reaching 95% of pre-pandemic levels, demonstrating strong demand and is expected to exceed the pre-pandemic levels in FY 2023-24. Increasing investments, focus on infrastructure and strong regulatory framework in focus sectors augurs well for AIFL's strategy.

However, global geo-political factors caused headwinds arising from inflation and higher interest rates. This created liquidity pressure which resulted into increase in borrowing costs.

II. Opportunities and Threats

Infrastructure sectors continue to attract investments from government, domestic and global investors alike. With policy support, close monitoring of projects through 'Gati Shakti', and sustained focus on Environment, Social and Governance (ESG), green infrastructure projects are expected to attract even larger investments from global capital pools.

Newer avenues in renewable sector with Round the Clock power, storage, strengthening of transmission network, evolution of C&I power demand, robust power markets etc. offer opportunities for AIFL to leverage its debt structuring capabilities to provide market leading solutions in its focus segments.

Transportation sector will continue to offer opportunities with improving air connectivity backed by healthy domestic & international demand and continuous expansion of the road network and monetisation of operational road assets through the National Monetisation Pipeline (NMP).

Given the scale of opportunities in India, upcoming sectors like electric mobility, data centres, smart metering are witnessing enhanced investor interest. More projects are expected to be announced in water sector in the coming years. Pick up in logistics, warehousing and multi modal logistics offers opportunities to continue to expand AIFL's sectoral coverage.

AIFL will continue to dedicate part of resources towards the emerging infrastructure sectors with an eye to lead in future growth sectors.

As a specialized infrastructure lender, it will be AIFL's endeavour to leverage its own expertise and that of the unique ecosystem of NIIF platform to provide customised and impactful solutions.

In the current scenario, the gap in spreads offered by INR vs USD denominated debt have narrowed to new lows. This opens opportunity for domestic lenders including AIFL to provide INR denominated debt financing solutions to clients looking to refinance USD denominated debt.

Ongoing geopolitical armed and trade conflicts may continue to impact supply chain, oil, and commodities prices. Even though domestic economic factors continue to be relatively positive, this could lead to continued inflationary pressures across the globe and may cause further increases in interest rates.

Deepening of debt capital pool for infrastructure sectors is expected to continue. Besides domestic banks and NBFCs, there is increased interest from offshore debt markets, foreign banks, and Development Finance Institutions (DFIs). Further, InVITs have gained prominence as a specialized vehicle to house operational infrastructure assets. Competitive intensity thus may increase alongside expansion of opportunity basket.

III. Segment–wise or product-wise performance

Throughout the year, Aseem has persistently focused on fortifying its core strengths in Renewable Energy, Roads & Transport, Airports, and Power Transmission. Simultaneously, the company has progressively diversified exposure in sectors such as Warehousing, Data Centre, and Biomass-based energy projects. Aseem has built a substantial green energy asset book (~47% of outstanding book) and shall remain committed to furthering its contribution to the nation's green energy objectives. The Assets Under Management are across tenures, instruments (rupee term loans as well as NCDs) and stages of project life cycle.

IV. Future Outlook

Aseem shall look to further build on its reputation as a provider of well structured, risk mitigated debt financing solutions. Aseem intends to maintain its focus on high quality assets across project lifecycle in the infrastructure sectors while sharpening focus on its margins, given the interest rate scenario.

V. Risks and Concerns

Aseem aspires to deliver sustainable asset growth to stakeholders with utmost commitment to asset quality. AIFL has a robust framework for management of Credit Risk, Asset Liability Risk and Portfolio Monitoring (including early warning system) under the guidance of its management/board committees and Board of Directors. Driven by the global emphasis on sustainable growth, AIFL has also integrated Environment, Social and Governance (ESG) factors in its risk assessment. The first half of FY 2022-23, saw heightened headwinds stemming from the continued uncertainties in the global geopolitics and the monetary policy changes. AIFL's portfolio had seen external rating upgrades in various SPVs wherein around 45% of the sanctioned portfolio was upgraded post initial sanction and the weighted average external rating as on March 31, 2023, was 'AA-'. AIFL shall continue its focus on proactive asset management and diversification.

VI. Internal control systems and their adequacy

Internal Financial Controls

The Company's internal controls have been designed to ensure appropriate accounting controls, substantiation of financial statements and adherence to the requirements of the accounting standards (Ind AS) and the GAAP, safeguarding of resources, prevention and detection of frauds and errors, operating effectiveness, reliability of financial reporting, compliance with applicable regulations and relevant matters covered under section 134(5)(e) of the Companies Act 2013. These Internal controls are commensurate with the business requirements, its scale of operations and applicable statutes to ensure orderly and efficient conduct of business and ensuring governance.

Following practices have been adopted in AIFL to strengthen overall control during FY 23:

- The management testing of controls has been conducted for all key processes to check the operating effectiveness of controls. Periodic reviews were regularly communicated to the management and monitoring of control activities was undertaken on ongoing basis.
- The Internal Audit team has also reviewed these control activities as per agreed upon procedures. Remedial action has been undertaken through preventive and corrective measures.
- Standard Operating Procedures (SOPs) have been designed across all the functions of AIFL to ensure standardisation across the organisation, mitigate person specific dependencies and comply with the rules and regulations prescribed by the regulators.

There are no material observations pertaining to Internal Financial Controls outstanding as on March 31, 2023. Based on the above, the management believes that Internal Financial Controls are adequate and are operating effectively.

Internal Audit

The Internal Audit function of AIFL has adopted a Risk Based Internal Audit approach in accordance with the RBI guidelines issued on February 03, 2021. The internal auditors are also guided by International Internal Audit Standards issued by the Institute of Internal Auditors (IIA) and Standards & Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) along with guidelines issued under section 138 of the Companies Act 2013, read with Rule 13 of the Companies (Accounts) Rules, 2014, SEBI guidelines, etc., as amended and notified from time to time. The Internal Audit function operates under the supervision of Head – Internal Audit (HIA). The HIA reports the findings of the internal audit function to the Audit Committee of the Board.

The internal audits are carried out with assistance from an external reputed international internal audit firm with specialist professionals across all functions of the Company. The internal auditors, through their expertise, also independently review the adequacy and effectiveness of AIFL's governance, internal controls, and risk management practices.

VII. Information Technology

The company recognizes information technology as a crucial business enabler and allocates significant resources and senior-level attention to developing a robust technology and information security ecosystem.

The various application software implemented by the company have been operational and value-additive to the objectives of the company. The Loan Management System, Financial Accounting System and Document Management System continue to be enhanced considering the evolving business needs. Information Security Audit has been conducted during the year and processes have been enhanced where needed.

The company is also executing the implementation of a Treasury application that is aimed at being an end-to-end Treasury Management System. The application will cover liabilities, treasury deployment, accounting, MIS, and reporting.

As a strategy, the company, from a long-term perspective, shall continue to review its information technology environment to ensure that it meets growing needs of business while maintaining its competitive edge and protecting itself from cyber security threats.

VIII. Discussion on financial performance with respect to operational performance

AIFL Financial Performance Highlights

Consolidated Result – FY 2022-23

Summary

AIFL has one associate company in its group viz. NIIF Infrastructure Finance Limited (NIIF IFL) wherein AIFL holds 30.8% of equity. The consolidated financial results of the Group accordingly include the share of profit of AIFL in NIIF IFL, consolidated per the equity method.

The consolidated total comprehensive income of the group for the year ended March 31, 2023, was ₹22,076.47 Lakhs and the group net worth as at that date was ₹2,95,896.55 Lakhs.

Standalone Result – FY 2022-23

A summary of Aseem Infrastructure Finance Limited's FY 2022-23 financial performance and its comparison with FY 2021-22 performance is as under:

Income

Total revenue for FY 2022-23 was ₹78,911.95 Lakhs compared to 31,394.40 Lakhs for FY 2021-22, a significant year-on-year growth. Comprised herein, interest income, which constitutes the largest component of the revenue, was at ₹77,723.42 Lakhs. The increase in interest income is as a result of the increase in the infrastructure loan book during the year.

Expenses

Total expenses for FY 2022-23 were ₹60,070.59 Lakhs (₹20,584.62 Lakhs for FY 2021-22). Excluding the impairment provision on the credit book, the operating costs were ₹56,731.70 Lakhs (₹16,345.11 Lakhs for FY 2021-22). Finance costs were at ₹53,969.25 Lakhs (₹14,427.02 Lakhs for FY 2021-22) in respect of the borrowings of the Company.

Employee benefits expense was ₹1,607.75 Lakhs (₹1,090.24 Lakhs for FY 2021-22) and depreciation expenses were ₹171.98 Lakhs (₹20.15 Lakhs for FY 2021-22). Other operating expenses were at ₹982.72 Lakhs, ₹807.70 Lakhs for FY 2021-22.

All the loan assets of the Company are Standard Assets, and the average portfolio rating is high at AA-. The Company conservatively provides for impairment provision on the loan book at 0.70% while the RBI IRAC norms require a standard asset provision of only 0.40%. The impairment provision required as at March 31, 2023 as per the Expected Credit Loss methodology is significantly lower at 0.11%.

Profit After Tax

Profit after Tax was ₹14,590.28 Lakhs, up from ₹8,523.37 Lakhs for FY 2021-22 and the Total Comprehensive Income was at ₹14,584.13 Lakhs. This signified a significant growth of over 71 percent over the previous year. 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 ₹12,88,714.66 Lakhs (₹8,47,219.57 Lakhs for FY 2021-22). The Net Worth increased to ₹2,79,986.86 Lakhs (₹2,65,402.73 Lakhs for FY 2021-22).

The Company has a diversified secured liability portfolio, including borrowings from banks in the form of Term Loans and Non-Convertible Debentures (NCDs) issuances to banks, financial institutions, mutual funds, insurance companies and HNIs. The total secured borrowings stood at ₹10,04,244.09 Lakhs (₹5,80,278.09 for FY 2021-22) as at March 31, 2023. Effective asset and liability management is at the core of the Company's liability strategy.

The loan book of the company is diversified across renewables, roads, transmission, airports, and other sectors and distributed between term loans and NCDs. The total loan book stood at ₹11,46,306.94 Lakhs (₹6,94,283.39 for FY 2021-22) as at March 31, 2023. During the year, the Company has also forayed into a few emerging infrastructure sectors like urban electric public transport, water and data centres.

Capital Changes during FY 2022-23

Authorized Share Capital

The Company's authorized capital stood at ₹54,00,00,00,009 as at the end of FY 2022-23.

Issued, Subscribed and Paid-up Capital

There was no change in the issued, subscribed, and paid-up share capital of the Company during the financial year ended March 31, 2023. The details in respect of share capital are provided in the Director's Report forming part of this Annual Report.

IX. Material developments in Human Resources / Industrial Relations front, including number of people employed

Talent is the biggest anchor and differentiator for our organisation. Our people, their diverse skill sets, proven expertise, and deep industry knowledge constitute our human capital. During the year, we continued strengthening our team across functions and as on March 31, 2023, the Company had 40 employees. Women employees constitute 33% of the workforce.

Wellbeing of employees remained a focus for us, and we continued to provide support and enablers to employees. The Company introduced initiatives /policies to focus on physical and mental wellness of the employees.

Our open and inclusive work environment fosters innovation and team spirit to help team members grow and realise their true potential. Team meetings and CEO Connects enabled employees to be aligned with the Company's vision, get clarification on various matters, or bring to the management's notice any concerns. The various departments continued to work in close collaboration to achieve the Organisation goals.

Talent Development is a key focus area for the organisation. We initiated exclusive learning interventions to focus on behavioural and technical skills both. Employees were also nominated to attend specific Management Development Programs (MDP) from premier institutes and Industry conferences. In addition to the formal trainings, initiatives such as Outbound trainings on team building and sports tournaments were also organised to further strengthen the team bonding.

Independent Auditors' 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 Company"), which includes the Company's share of profit from its Associate which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows 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 and based on the consideration of report of the other auditor on separate financial statements of the Associate, referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its Associate as at March 31, 2023, its consolidated profit, consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows 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) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the audit of the Consolidated Financial Statements' section of our report. We are independent of the company and its Associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment of financial instruments (expected credit losses) (as described in Note 34A(1)(b) of the Consolidated Financial Statements) Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit losses (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'.	• Our audit procedures included considering the Company's accounting policies for impairment of loan receivables and assessing compliance of the policies with Ind AS 109. • Tested the assumptions used by the Company for staging of loan portfolio into various categories and default buckets for determining the Probability of default (PD) and Loss given default (LGD) rates. • Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company and its Associate. • Read and assessed the disclosures included in the Consolidated Financial Statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information at the date of this Auditors' Report comprises the information included in the Board of Directors' Report, but does not include the Consolidated Financial Statements and our Auditors' 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, compare with the Financial Statements of the Associate audited by the other auditors, to the extent it relates to those entities and, in doing so, place reliance on the work of the other auditors and consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the Associate is traced from their financial statements audited by the other auditors.

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

Responsibilities of Management for the Consolidated 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 Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the company including its Associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the company and 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 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 Directors of the company, as aforesaid.

In preparing the Consolidated Financial Statements, Board of Directors of the company and of its Associate are responsible for assessing the ability of the entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate or cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the company and of its Associate are also responsible for overseeing the financial reporting process of the company and of its Associate.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the 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 auditors' 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 auditors' report. However, future events or conditions may cause the 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 of the company of which we are the independent auditors and whose financial information we have audited, 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 company of which we are the independent auditors. For the Financial Statements of Associate included in the Consolidated Financial Statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Company 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements and other financial information of NIIF Infrastructure Finance Limited ("Associate") which reflect Company's share of net profit of ₹100.42 Crores for the year ended March 31, 2023. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and Auditors' Reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this Associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associate, is based solely on the reports of such other auditor.

Our opinion on the Consolidated Financial Statements, and our report on other Legal and Regulatory requirements, is not modified in respect of the above matters with respect to our reliance on the work performed and the reports of the other auditors and the financial statements and other financial information certified by the management.

Report on other Legal and Regulatory requirements

1. As required by Clause 3(xxi) of the Companies (Auditor's Report) Order, 2020, we have considered the Auditors' Reports of the company included in the Consolidated Financial Statements. We have observed that there are no qualifications or adverse remarks by the auditor in its report under the Companies (Auditor's Report) Order, 2020.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on the separate financial information of the Associate referred to in the Other Matters section above 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 Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of its Associate company incorporated in India, none of the directors of the Company and its Associate company incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate report in Annexure A which is based on the auditors' reports of the Company and Associate and to the extent applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial statements of those companies.

   (g) The company has not paid or provided for managerial remuneration for the year ended March 31, 2023 under section 197 of the Act. Hence, provision of section 197 does not apply to the Company.

   (h) With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the reports of the other auditor on separate financial statements as also the other financial information of the Associate, as noted in the 'Other Matter' paragraph:

      (i) The Company and its Associate do not have any pending litigations which would impact its financial position;

      (ii) The company and its Associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its Associate during the year ended March 31, 2023.

(iv) (a) The managements of the company and its associate which is a company incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such associate respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or Associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The managements of the Company has represented to us, and the managements of the Associate which is a Company incorporated in India whose financial statements have been audited under the Act, has represented to the other auditors of such Associate that, to the best of their knowledge and belief, no funds have been received by the Company or any of such Associate from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its Associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the Associate which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company and its Associate have not declared and paid any dividend on equity shares during the year.

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

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 23044784BGXWNE5398
Place: Mumbai
Date: May 5, 2023

Annexure A to the Independent Auditors' Report

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

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

In conjunction with our audit of the consolidated financial statements of Aseem Infrastructure Finance Limited as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Aseem Infrastructure Finance Limited (hereinafter referred to as the "Company") and its associate company which is a company incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 ("the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Company and its associate company, based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 system with reference to 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 controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the associate company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Company and its associate company.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Company and its associate company, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to the associate company which is a company incorporated in India, is based solely on the corresponding reports of the auditor of such associate company incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 23044784BGXWNE5398
Place: Mumbai
Date: May 5, 2023

Consolidated Balance Sheet

as at March 31, 2023

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

Particulars	Note	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
I. ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	4	49,503.46	64,173.52
(b) Loans	5	1,146,306.94	694,283.39
(c) Investments	6	107,672.41	97,660.19
(d) Other financial assets	7	390.47	136.31
Total financial assets (A)		**1,303,873.28**	**856,253.41**
2 Non-financial assets			
(a) Current tax assets (net)	8	363.68	162.46
(b) Property, plant and equipment	9A	36.86	28.25
(c) Intangible assets	9B	114.42	139.84
(d) Capital work-in-progress	9C	7.25	-
(e) Right of use assets	40	2,124.16	-
(f) Other non-financial assets	10	132.97	147.84
Total non-financial assets (B)		**2,779.34**	**478.39**
Total Assets (A+B)		**1,306,652.62**	**856,731.80**
II. LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
(a) Payables			
(i) Trade payables	11		
- Total outstanding dues of micro enterprises and small enterprises		2.65	5.40
- Total outstanding dues of creditors other than micro enterprises and small enterprises		12.35	36.35
(b) Debt securities	12	216,664.24	107,529.69
(c) Borrowings (other than debt securities)	13	787,579.85	472,748.40
(d) Lease liability	40	2,190.95	-
(e) Other financial liabilities	14	1,531.11	1,098.28
Total financial liabilities (A)		**1,007,981.15**	**581,418.12**
2 Non-financial liabilities			
(a) Provisions	16	540.24	284.02
(b) Deferred tax liabilities (net)	15	2,028.27	1,094.88
(c) Other non-financial liabilities	17	206.41	114.70
Total non-financial liabilities (B)		**2,774.92**	**1,493.60**
3 Equity			
(a) Equity share capital	18A	238,058.63	238,058.63
(b) Instruments entirely equity in nature	18B	-	-
(c) Other equity	19	57,837.92	35,761.45
Total equity (C)		**295,896.55**	**273,820.08**
Total Liabilities and Equity (A+B+C)		**1,306,652.62**	**856,731.80**

The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

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

per **Padmini Khare Kaicker**
Partner
Membership No : 044784

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: May 5, 2023

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Consolidated Statement of Profit and Loss

for the year ending March 31, 2023

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

Particulars	Note	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
Revenue from operations			
Interest income	20	77,723.42	31,124.30
Fees and commission income	21	1,141.17	217.45
Net gains on derecognition of financial assets measured at amortised cost		47.36	52.65
Total Income (A)		**78,911.95**	**31,394.40**
Expenses			
Finance costs	22	53,969.25	14,427.02
Impairment on financial instruments	23	3,338.89	4,239.51
Employee benefits expenses	24	1,607.75	1,090.24
Depreciation, amortisation and impairment	25	171.98	20.15
Other expenses	26	982.72	807.70
Total expenses (B)		**60,070.59**	**20,584.62**
Profit before tax (C = A - B)		**18,841.36**	**10,809.78**
Share of net profit of associate accounted using equity method (D)		**10,041.56**	**7,190.27**
Tax expense			
Current tax		5,835.50	3,547.49
Deferred tax credit		942.84	548.57
Total tax expenses (E)		**6,778.34**	**4,096.06**
Net profit after tax (F = C + D - E)		**22,104.58**	**13,903.99**
Other Comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
- Share of OCI of associate accounted using Equity method		(29.34)	(4.68)
- Actuarial (gain) / loss on remeasurements of the net defined benefit plans		(8.22)	1.07
Income tax relating to items that will not be reclassified to profit or loss		9.45	0.91
Total Other comprehensive income/(loss) (G)		**(28.11)**	**(2.70)**
Total comprehensive income (H = F + G)		**22,076.47**	**13,901.29**
Earnings per equity share:	27		
Basic earnings per share (in ₹)		0.93	0.64
Diluted earnings per share (in ₹)		0.93	0.64

The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

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

per **Padmini Khare Kaicker**
Partner
Membership No : 044784

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: May 5, 2023

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

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

A) Equity Share Capital

Particulars	Number of shares	Amount
As at March 31, 2021	**1,405,637,939**	**140,563.79**
Add : issued during the year	238,058,625	23,805.87
Add : CCPS conversion into equity share during the year	736,889,692	73,688.97
As at March 31, 2022	**2,380,586,256**	**238,058.63**
Changes during the year	-	-
As at March 31, 2023	**2,380,586,256**	**238,058.63**

B) Compulsorily Convertible Preference Share Capital (‘CCPS’)

Particulars	Number of shares	Amount
As at March 31, 2021	**736,889,692**	**81,057.87**
Less : CCPS conversion into equity share during the year	(736,889,692)	(81,057.87)
As at March 31, 2022	**-**	**-**
Changes during the year	-	-
As at March 31, 2023	**-**	**-**

C) Other Equity

Particulars	Reserves & Surplus				
	Statutory reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Impairment reserve	Retained earnings	Total
Closing balance as at March 31, 2021	**421.20**	**1,705.62**	**54.42**	**4,512.81**	**6,694.05**
Net profit after tax for the year	-	-	-	13,903.99	13,903.99
Other comprehensive income for the year	-	-	-	(2.70)	(2.70)
Addition during the year	-	15,272.44	-	-	15,272.44
Less: Share issue expenses	-	(105.51)	-	-	(105.51)
Less: Dividend on CCPS	-	-	-	(0.82)	(0.82)
Add/(Less): Transferred to Statutory reserve	1,704.63	-	-	(1,704.63)	-
Closing balance as at March 31, 2022	**2,125.83**	**16,872.55**	**54.42**	**16,708.65**	**35,761.45**
Net profit after tax for the year	-	-	-	22,104.58	22,104.58
Other comprehensive income for the year	-	-	-	(28.11)	(28.11)
Add/(Less): Transferred to Statutory reserve	2,918.08	-	-	(2,918.08)	-
Closing balance as at March 31, 2023	**5,043.91**	**16,872.55**	**54.42**	**35,867.04**	**57,837.92**

The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

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

per **Padmini Khare Kaicker**
Partner
Membership No : 044784

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: May 5, 2023

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

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

Particulars	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
A. Cash flow from operating activities		
Profit before tax	18,841.36	10,809.78
Adjustment for:		
Depreciation and amortisation	171.98	20.15
Interest income on financial assets- EIR adjustment	(916.42)	(423.34)
Interest expense on financial liabilities- EIR adjustment	438.21	144.54
Interest on Lease Liabilities	50.97	-
Interest income	(4.19)	-
Gain on derecognition of financial assets	(47.36)	(52.65)
Financial guarantee obligation	(543.36)	(81.74)
Impairment on financial instruments	3,338.89	4,239.52
Operating profit before working capital changes	**21,330.08**	**14,656.26**
Changes in working capital:		
Increase in provisions	137.75	68.26
(Decrease) / increase in trade payables	(26.75)	9.84
Increase in other financial liabilities	976.19	483.90
Increase / (decrease) in other non financial liabilities	91.71	(26.28)
(Increase) / decrease in other financial assets	(340.86)	158.73
(Increase) in non-financial assets	14.87	(110.13)
(Increase) in loans	(454,288.41)	(539,886.01)
Increase / (decrease) in interest accrual on borrowings	951.93	(133.45)
Increase in interest accrual on debt securities	6,512.84	3,171.90
Cash (used in)/generated in operations	**(424,640.65)**	**(521,606.98)**
(Payment) of tax (net)	(6,036.72)	(3,758.96)
Net Cash (used in)/generated in operations (A)	**(430,677.37)**	**(525,365.94)**
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(23.74)	(22.26)
Proceeds from sale of property, plant and equipment	0.16	0.28
Addition to Capital work in progress	(7.25)	-
Purchase of intangible assets	-	(69.94)
Purchase of investments	-	(31,192.87)
Net cash used in investing activities (B)	**(30.83)**	**(31,284.79)**
C. Cash flows from financing activities		
Share issue expenses	-	(67.51)
Proceeds from issuance of Equity Share Capital, net of Share issue expenses	-	31,671.41
Payment of dividend on CCPS	-	(0.82)
Proceeds from borrowings, net of cost	347,701.69	431,054.82
Repayment of borrowings	(34,131.94)	(2,500.00)
Proceeds from issue of Debt Securities	102,493.27	104,357.79
Repayment of lease liability	(24.88)	-
Net cash generated in financing activities (C)	**416,038.14**	**564,515.69**
Net Increase in cash and cash equivalents (D) = (A + B + C)	**(14,670.06)**	**7,864.96**
Cash and cash equivalents at the beginning of the period (E)	64,173.52	56,308.56
Cash and cash equivalents at the end of the period (F) = (D) + (E)	**49,503.46**	**64,173.52**
Cash and cash equivalents include the following		
Balances with banks in current account	5,494.66	8,565.22
Fixed deposits with maturity less than 3 months	44,008.80	55,608.30
Total cash and cash equivalents	**49,503.46**	**64,173.52**

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

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

Change in liabilities arising from financing activities	For the year ended March 31, 2023	For the year ended March 31, 2022
Borrowings (other than debt securities)		
Opening balance	472,748.40	44,182.49
Borrowings taken during the year	348,988.91	431,898.66
Finance cost	41,805.66	11,057.31
Repayments of borrowings during the year	(34,131.94)	(2,500.00)
Payment of interest during the year	(41,789.37)	(11,190.77)
EIR adjustments	(41.81)	(699.29)
Closing balance	**787,579.85**	**472,748.40**
Debt Securities (Secured, Non-convertible)		
Opening balance	107,529.69	-
Issued during the year	102,500.00	105,000.00
Finance cost	11,880.86	3,207.35
Repayments of borrowings during the year	-	-
Payment of interest during the year	(5,368.01)	(35.46)
EIR adjustments	121.70	(642.20)
Closing balance	**216,664.24**	**107,529.69**

(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 specified 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 **B. K. Khare & Co**
Chartered Accountants
ICAI Firm Registration No. 105102W

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

per **Padmini Khare Kaicker**
Partner
Membership No : 044784

Surya Prakash Rao Pendyala
Director
DIN: 02888802

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Place: Mumbai
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Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 received its 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 statements for the year ended March 31, 2023 were authorised for issue in accordance with a resolution of the directors on May 05, 2023.

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. Also, any directions issued by the RBI or other regulators applicable to the Company are implemented as and when they become applicable.

The Company has uniformly applied the accounting policies for all the periods presented 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.

These consolidated financial statements comprise of the standalone financial statements of the Company and its associate company NIIF Infrastructure Finance Limited (NIIF IFL), in which the Company holds 30.83% stake on a fully diluted basis in its capacity as regulatory Sponsor.

(ii) 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.

(iii) Order of Liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 38.

3. Significant accounting policies

a. Functional and Presentation Currency

The consolidated financial statements are presented in India Rupees (₹) 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

Effective Interest Rate ("EIR") (continued)

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 items 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

For long term leases, the cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment loss, if any, and adjusted for certain re-measurements of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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 change 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:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- 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;

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

- 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.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

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for the year ended March 31, 2023

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 an EIR 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
Intangible assets including software	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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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.

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. Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortized cost. Finance costs are charged to the Statement of profit and loss.

p. 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 unfunded. The Company accounts for the liability for future gratuity benefits based on an independent 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.

q. 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.

r. 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.

s. 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.

t. Foreign Currency transactions

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Statement of profit and loss.

u. 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 an 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:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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 formulae 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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

4 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
- in current accounts	5,494.66	8,565.22
- Fixed deposits with original maturity less than 3 months	44,008.80	55,608.30
Total	**49,503.46**	**64,173.52**

5 Loans

	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
Term Loans	754,298.79	427,039.78
Non Convertible Debentures	400,125.91	272,154.50
Total Gross	**1,154,424.70**	**699,194.28**
Less: Impairment loss allowance	(8,117.76)	(4,910.89)
Total Net	**1,146,306.94**	**694,283.39**
Secured	1,154,424.70	699,194.28
Unsecured	-	-
Total Gross	**1,154,424.70**	**699,194.28**
Less: Impairment loss allowance	(8,117.76)	(4,910.89)
Total Net	**1,146,306.94**	**694,283.39**
Loans in India		
Public sector	-	-
Others	1,154,424.70	699,194.28
Total Gross	**1,154,424.70**	**699,194.28**
Less: Impairment loss allowance	(8,117.76)	(4,910.89)
Total Net	**1,146,306.94**	**694,283.39**
Total	**1,146,306.94**	**694,283.39**

6 Investments

Investment in equity shares of associate company (Unquoted)

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
NIIF Infrastructure Finance Limited	423,932,487	97,660.19	423,932,487	90,474.60
Share of profit of associate		10,041.56		7,190.27
Share of Other comprehensive Income of associate		(29.34)		(4.68)
Total (A)	**423,932,487**	**107,672.41**	**423,932,487**	**97,660.19**
Investments in India (i)	423,932,487	107,672.41	423,932,487	97,660.19
Investments outside India (ii)	-	-	-	-
Total (B) (i+ii)	**423,932,487**	**107,672.41**	**423,932,487**	**97,660.19**
Total	**423,932,487**	**107,672.41**	**423,932,487**	**97,660.19**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

7 Other financial assets

	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
Guarantee commission receivable	156.02	126.96
Security deposits	234.45	9.00
Receivable from employees	-	0.35
Total	**390.47**	**136.31**

8 Current tax assets (net)

	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provision for income tax of ₹ 10,389.66 Lakhs as at March 31, 2023; previous year ₹ 4,554.16 Lakhs)	363.68	162.46
	363.68	**162.46**

9A Property, plant and equipment

Particulars	Computer equipment	Office equipment	Server / networking equipment	Total
Gross block				
Balance as at March 31, 2021	**9.24**	**2.00**	**5.27**	**16.51**
Additions/Adjustments	16.30	5.96	-	**22.26**
Disposals/Adjustments	-	0.40	-	**0.40**
Balance as at March 31, 2022	**25.54**	**7.56**	**5.27**	**38.37**
Additions/Adjustments	18.63	5.11	-	**23.74**
Disposals/Adjustments	-	0.40	-	**0.40**
Balance as at March 31, 2023	**44.17**	**12.27**	**5.27**	**61.71**
Accumulated depreciation				
Balance as at March 31, 2021	**2.01**	**0.19**	**0.56**	**2.76**
Depreciation charge	5.31	1.29	0.88	**7.48**
Disposals/Adjustments	-	0.12	-	**0.12**
Balance as at March 31, 2022	**7.32**	**1.36**	**1.44**	**10.12**
Depreciation charge	10.93	3.17	0.87	**14.97**
Disposals/Adjustments	-	0.24	-	**0.24**
Balance as at March 31, 2023	**18.25**	**4.29**	**2.31**	**24.85**
Net block				
Balance as at March 31, 2023	**25.92**	**7.98**	**2.96**	**36.86**
Balance as at March 31, 2022	**18.22**	**6.20**	**3.83**	**28.25**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

9B Intangible assets

Particulars	Software	Total
Gross block		
Balance as at March 31, 2021	**-**	**-**
Additions/Adjustments	152.51	**152.51**
Disposals/Adjustments	-	**-**
Balance as at March 31, 2022	**152.51**	**152.51**
Additions/Adjustments	-	**-**
Disposals/Adjustments	-	**-**
Balance as at March 31, 2023	**152.51**	**152.51**
Accumulated amortisation charge		
Balance as at March 31, 2021	-	**-**
Amortisation charge	12.67	**12.67**
Balance as at March 31, 2022	**12.67**	**12.67**
Amortisation charge	25.42	**25.42**
Balance as at March 31, 2023	**38.09**	**38.09**
Net block		
Balance as at March 31, 2023	**114.42**	**114.42**
Balance as at March 31, 2022	**139.84**	**139.84**

9C Capital work-in-progress

Particulars	Leasehold Improvements	Total
Balance as at March 31, 2023	**7.25**	**7.25**
Balance as at March 31, 2022	**-**	**-**

10 Other non-financial assets

	As at March 31, 2023	As at March 31, 2022
Advance to vendors	43.51	15.29
Prepaid expenses	89.46	132.55
Total	**132.97**	**147.84**

11 Trade payables

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	2.65	5.40
Total outstanding dues of creditors other than micro, small and medium enterprises	12.35	36.35
Total	**15.00**	**41.75**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

Trade payable ageing schedule

As at 31 March 2023

Particulars	Not Due	Less than a year	1-2 years	2-3 years	More than 3 years	Total
i. Total outstanding dues of micro enterprises and small enterprises	-	2.65	-	-	-	**2.65**
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	-	12.35	-	-	-	**12.35**
iii. Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
iv. Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**

As at 31 March 2022

Particulars	Not Due	Less than a year	1-2 years	2-3 years	More than 3 years	Total
i. Total outstanding dues of micro enterprises and small enterprises	-	5.40	-	-	-	**5.40**
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	-	36.35	-	-	-	**36.35**
iii. Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
iv. Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**

12 Debt Securities

	As at March 31, 2023	As at March 31, 2022
At Amortised cost		
Debentures (Secured, non convertible)	206,979.50	104,357.79
Interest accrued but not due on debentures	9,684.74	3,171.90
	216,664.24	**107,529.69**
Debt securities in India	216,664.24	107,529.69
Debt securities outside India	-	-
19,500 (Previous year 10,500) No. of debentures with face value per debenture	1,000,000	1,000,000
12,500 (Previous year Nil) No. of debentures with face value per debenture	100,000	-

i) Debt securities are secured against pari passu charge on asset portfolio of book debts and receivables.

ii) Terms of repayment and rate of interest:

As At March 31, 2023	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured, Non convertible debentures	5.6%-8.25%	88,292.16	128,372.08	-	216,664.24
Total					**216,664.24**

As At March 31, 2022	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured, Non convertible debentures	5.6%-7.7%	86,269.52	21,260.17	-	107,529.69
Total					**107,529.69**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

13 Borrowings (other than debt securities)

	As at March 31, 2023	As at March 31, 2022
At Amortised Cost		
Borrowings - In India		
Secured		
Term loan from bank	537,582.62	242,752.31
Term loan from financial institutions	249,997.23	224,997.11
Cash credit facility	-	4,998.98
Total	**787,579.85**	**472,748.40**

Details of borrowings:

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

ii) Borrowings from bank and financial institutions are secured against pari passu charge on asset portfolio of book debts and receivables.

iii) Terms of repayment and rate of interest:

As At March 31, 2023	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Term loan from Banks	Floating*	38,118.72	149,797.87	336,538.36	524,454.95
Term loan from Banks	6.50%	13,127.67	-	-	13,127.67
Term loan from financial institutions	Floating*	49,999.66	149,998.05	49,999.53	249,997.23
Cash credit facility	Floating*	-	-	-	-
Total					**787,579.85**

As At March 31, 2022	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Term loan from Banks	Floating*	39,986.90	53,371.30	134,394.11	227,752.31
Term loan from Banks	6.50%	15,000.00	-	-	15,000.00
Term loan from financial institutions	Floating*	49,999.50	149,997.61	25,000.00	224,997.11
Cash credit facility	Floating*	4,998.98	-	-	4,998.98
Total					**472,748.40**

* Linked with MCLR/Base Rate of Respective Banks

14 Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
Payable to related parties	3.06	20.61
Staff incentives payable	234.54	229.62
Financial guarantee obligation	422.17	297.86
Processing fees received pending disbursement	734.56	421.95
Capital expenses payable	-	9.40
Share issue expenses payable	-	38.00
Salary payable	0.90	-
Other expenses payable	135.88	80.84
Total	**1,531.11**	**1,098.28**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

15 Deferred tax assets (net)

	As at March 31, 2023	As at March 31, 2022
Temporary difference attributable to:		
Deferred tax liabilities		
Depreciation on property, plant and equipment	7.96	2.36
Undistributed profit of associate	5,350.86	2,830.98
	5,358.82	**2,833.34**
Deferred tax assets		
Preliminary expenses	15.10	30.20
Provision for gratuity payable	15.27	6.80
Provision for leave encashment payable	41.27	18.48
Lease liability	551.42	-
Right-of-use assets	(567.73)	-
Financial assets measured at amortised cost	1,152.71	400.80
Impairment allowance on financial assets	2,122.51	1,282.18
	3,330.55	**1,738.46**
Total Deferred tax liabilities (net)	**2,028.27**	**1,094.88**

16 Provisions

	As at March 31, 2023	As at March 31, 2022
Provisions for employee benefits		
Provision for gratuity	60.66	27.02
Provision for leave benefits	163.97	73.41
Provision for Impairment loss on non-fund based facility	315.61	183.59
Total	**540.24**	**284.02**

17 Other non-financial liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory dues	206.41	114.70
Total	**206.41**	**114.70**

18A Equity Share Capital

	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Authorised capital				
Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	4,500,000,000	450,000.00	4,500,000,000	450,000.00
	4,500,000,000	**450,000.00**	**4,500,000,000**	**450,000.00**
Issued, subscribed and paid up*				
(I) Equity Shares				
Equity Shares of ₹ 10 each fully paid (Previous year ₹ 10 each)	2,380,586,256	238,058.63	2,380,586,256	238,058.63
	2,380,586,256	**238,058.63**	**2,380,586,256**	**238,058.63**

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

18B Compulsorily Convertible Preference Share Capital ('CCPS')

	As at March 31, 2023		As at March 31, 2022	
	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
	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	-	-	-	-
	-	**-**	**-**	**-**

Rights, preferences and restrictions attached to Preference Shares

During the previous year, the CCPS have been converted into equity shares in the ratio of 1 equity share for each CCPS. The CCPS carried a pre-determined cumulative dividend rate of 0.001% per annum, which was provided for during the previous year. Each CCPS was issued at a face value of ₹ 11 per CCPS and a premium of ₹ 0.06 per CCPS, and was to 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 was earlier. The CCPS did not carry any voting rights and had liquidation preference over the Equity Shares, in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016. This CCPS infusion from Government of India during financial year 2020-21 was 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.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares				
At the beginning of the year	2,380,586,256	238,058.63	1,405,637,939	140,563.79
Add : issued during the year	-	-	238,058,625	23,805.87
Add : CCPS conversion into equity share during the year	-	-	736,889,692	73,688.97
At the end of the year	**2,380,586,256**	**238,058.63**	**2,380,586,256**	**238,058.63**
Total issued, subscribed and fully paid up Equity Shares	**2,380,586,256**	**238,058.63**	**2,380,586,256**	**238,058.63**
0.001 % Compulsorily Convertible Preference Shares				
At the beginning of the year	-	-	736,889,692	81,057.87
Less : CCPS conversion into equity share during the year	-	-	(736,889,692)	(81,057.87)
At the end of the year	-	-	-	-
Total issued, subscribed and fully paid up 0.001 % Compulsorily Convertible Preference Shares	**-**	**-**	**-**	**-**

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹10 each				
National Investment and Infrastructure Fund-II	1,405,637,939	59%	1,405,637,939	59%
Government of India	736,889,692	31%	736,889,692	31%
Sumitomo Mitsui Banking Corporation	238,058,625	10%	238,058,625	10%
Total	**2,380,586,256**	**100%**	**2,380,586,256**	**100%**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

Shareholding of Promoters in the company

As at 31 March 2023

Name of promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
National Investment and Infrastructure Fund-II	1,405,637,939	-	1,405,637,939	59%	0%
Total	**1,405,637,939**	**-**	**1,405,637,939**	**59%**	**0%**

As at 31 March 2022

Name of promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
National Investment and Infrastructure Fund-II	1,405,637,939	-	1,405,637,939	59%	-41%
Total	**1,405,637,939**	**-**	**1,405,637,939**	**59%**	**-41%**

19 Other equity

	As at March 31, 2023	As at March 31, 2022
(a) Statutory reserve u/s. 45-IC of RBI Act, 1934	5,043.91	2,125.83
(b) Securities premium	16,872.55	16,872.55
(c) Impairment reserve	54.42	54.42
(d) Retained earnings	35,867.04	16,708.65
Total	**57,837.92**	**35,761.45**
(a) Statutory reserve u/s. 45-IC of RBI Act, 1934		
Opening balance	2,125.83	421.20
Addition during the year	2,918.08	1,704.63
Closing balance	**5,043.91**	**2,125.83**
(b) Securities premium		
Opening balance	16,872.55	1,705.62
Addition during the year	-	15,272.44
Less: Share issue expenses	-	(105.51)
Closing balance	**16,872.55**	**16,872.55**
(c) Impairment reserve		
Opening balance	54.42	54.42
Addition during the year	-	-
Closing balance	**54.42**	**54.42**
(d) Retained earnings		
Opening balance	16,708.65	4,512.81
Transactions during the year		
Net profit for the year	22,104.58	13,903.99
Other comprehensive income for the year	(28.11)	(2.70)
Less: Transfer to Statutory reserve u/s. 45-IC of RBI Act, 1934	(2,918.08)	(1,704.63)
Less: Dividend on CCPS	-	(0.82)
Closing balance	**35,867.04**	**16,708.65**

*During the previous year, the Company had received equity share capital of ₹ 31,709.41 Lakhs (including securities premium of ₹ 7,903.55 Lakhs) from Sumitomo Mitsui Banking Corporation, Japan, to be utilised for the business purposes of the Company or investment into its associate company NIIF IFL, in its capacity as sponsor to maintain its regulatorily required stakeholding. Also, as a result of the conversion of the CCPS held by the President of India (represented by and acting through the Secretary, Department of Corporate Affairs, Ministry of Finance, Government of India (GOI)) as indicated above, the paid-up equity share capital has been increased by ₹ 81,057.87 Lakhs (including securities premium).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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 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, 2023 and March 31, 2022 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.

20 Interest income

	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial assets measured at amortised cost:		
Interest on loans	46,011.44	23,777.82
Interest on Non Convertible Debentures	30,017.44	6,460.91
Interest on bank deposits	1,679.77	794.50
Prepayment premium on loans	-	82.31
Other interest income*	14.77	8.76
Total	**77,723.42**	**31,124.30**

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

21 Fees and commission income

	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial assets measured at amortised cost:		
Commission fees	971.99	217.45
Advisory fees	52.50	-
Others (security creation charges, penal interest etc.)	116.68	-
Total	**1,141.17**	**217.45**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

22 Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
On Financial liabilities measured at amortised cost		
Bank charges	5.30	8.46
Interest on borrowings	41,805.66	11,057.31
Interest on debt securities	11,880.86	3,207.35
Interest on corporate taxes	-	2.50
Interest on lease liabilities	50.97	-
Other fees and borrowing costs	226.46	151.40
Total	**53,969.25**	**14,427.02**

23 Impairment on financial instruments

	For the year ended March 31, 2023	For the year ended March 31, 2022
On Financial instruments measured at amortised cost		
Term Loans	2,311.38	2,349.82
Non Convertible Debentures	895.49	1,766.60
Non Fund Based Facility	132.02	123.09
Total	**3,338.89**	**4,239.51**

24 Employee benefits expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	1,360.03	968.86
Gratuity and leave encashment	116.34	69.60
Contribution to provident and other funds	65.82	39.40
Staff welfare expenses	65.56	12.38
Total	**1,607.75**	**1,090.24**

25 Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	14.97	7.48
Depreciation on right-of-use assets	131.59	-
Amortisation of intangible assets	25.42	12.67
Total	**171.98**	**20.15**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

26 Other expenses*

	For the year ended March 31, 2023	For the year ended March 31, 2022
Shared services cost expense	9.63	73.17
Legal and professional fees	302.35	280.81
Internal audit fees	16.80	13.53
Auditor's remuneration (Refer note 26 (a) below)	27.57	23.78
Office rent expenses (includes facility support charges)	141.76	170.25
Corporate social responsibility expenditure	90.25	27.35
Director sitting fees	24.20	22.89
Recruitment expenses	18.95	35.63
Information technology expenses	248.77	122.95
Insurance expenses	23.78	12.03
Other expenses	78.66	25.31
Total	**982.72**	**807.70**

* Above amounts include balance of indirect taxes after claiming input credit.

26(a) Break up of Auditors' remuneration*

	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory audit	15.29	14.35
Tax audit	1.64	1.09
Other services (including certification fees)	10.64	8.34
Total	**27.57**	**23.78**

* Above amount includes balance of indirect taxes after claiming input credit.

27 Earnings per share (EPS)

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit after tax available for equity shareholders	22,104.58	13,903.99
Weighted average number of Equity shares used in computing Basic EPS & Diluted EPS	23,806	21,582

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share (in ₹)	0.93	0.64
Diluted earnings per share (in ₹)	0.93	0.64

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

28 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 /previous year)' 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 Pranav 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. V. Chandrashekaran
Independent Director	Mr. Prashant Kumar Ghose

b. Key management personnel compensation:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration to KMP		
Employee benefits (short term)	392.19	367.27
Post-employment defined benefit#	16.95	15.38

#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.

Particulars of Director sitting fees	For the year ended March 31, 2023	For the year ended March 31, 2022
Ms. Rosemary Sebastian- Independent Director	10.00	10.20
Mr. V. Chandrasekaran- Independent Director	11.40	10.80
Mr. Prashant Kumar Ghose- Independent Director	0.80	-
Total	**22.20**	**21.00**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

c. Transactions with related parties during the year

Nature of transaction	Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of equity shares			
NIIF Infrastructure Finance Limited	Associate company	-	31,192.87*
Downsell / Assignment of Loans			
NIIF Infrastructure Finance Limited	Associate company	-	18,472.88
Expenses charged by Company			
NIIF Infrastructure Finance Limited	Associate company	0.61	2.50
Expenses on Company's behalf by			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	18.94	159.00
NIIF Infrastructure Finance Limited	Associate company	54.20	106.91

*During the previous year, the Company had subscribed to additional equity shares of ₹ 31,192.86 Lakhs (including premium of ₹ 19,737.53 Lakhs) in associate company NIIF Infrastructure Finance Limited ("NIIF IFL"), and continues to hold 30.83% stake in NIIF IFL on a fully diluted basis.

d. Closing balance of the transactions with related parties

Nature of transaction	Relationship	As at March 31, 2023	As at March 31, 2022
Equity shares			
National Investment and Infrastructure Fund-II	Holding company	140,563.79	140,563.79
Investment in equity shares			
NIIF Infrastructure Finance Limited	Associate company	86,411.86	86,411.86
Reimbursement of expense receivable			
NIIF Infrastructure Finance Limited	Associate company	0.66	-
Expenses on Company's behalf payable			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	-	21.06
NIIF Infrastructure Finance Limited	Associate company	3.72	-

29 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 – ₹ 90.08 Lakhs (previous year - ₹ 27.03 Lakhs)

(b) amount of expenditure incurred and shortfall at the end of the year

For the year ended March 31, 2023	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	**90.25**	**-**	**-**

For the year ended March 31, 2022	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	27.35	-	-

Notes to the Consolidated Financial Statements
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(All amounts are in INR Lakhs, unless otherwise stated)

The Company's CSR spend shall enable through support to two specific programs – (1) Intelligent Solutions for Road Safety through Technology and Engineering (iRASTE) in the state of Telangana, applying a Safe Systems approach to aspects of Vehicle Safety, Mobility Analysis & Infrastructure Safety, and (2) Screening of women in vulnerable districts of Andhra Pradesh for Cervical and Breast Cancer, using AI enabled hand held devices. Aseem Infrastructure Finance has sponsored both these programs, with unique partnership mechanisms. Project iRASTE is a partnership of industry, academia and government and is driven by Government of Telangana, TSRTC (Telangana State Road Transport Corporation), INAI, IIIT-Hyderabad, Central Road Research Institute (CRRI), Uber, and Intel. The Cancer screening program is a partnership between the Health department of Government of Andhra Pradesh, its implementation NGO partner SHARE India, Rotary Foundation International and their local clubs, and the technology partner providing the AI enabled cancer screening devices.

30 Contingent liabilities and capital commitments

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

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets	-	-

Contingent liabilities as at the end of reporting year are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Letter of comfort issued	45,087.60	26,227.00

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

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the year end has been made in the financial statements based on information received and available with the Company and has been relied upon by the statutory auditors.

Particulars	March 31, 2023	March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.65	5.40
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Further interest remaining due and payable for earlier years	-	-
	2.65	**5.40**

32 Tax expense recognised in P&L

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	5,835.50	3,547.49
Deferred tax	942.84	548.57
	6,778.34	**4,096.06**

Tax expense/(benefits) recognised in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	-	-
Deferred tax- remeasurement of defined benefit obligation	9.45	0.91
	9.45	**0.91**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

32.1 Tax reconciliation (for profit and loss)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(loss) before income tax expense	28,882.92	18,000.05
Tax at the rate of	25.168%	25.168%
Income tax expense calculated	7,269.25	4,530.26
Tax impact of not deductible/allowable expenses/income for tax purpose	53.18	(4.91)
Tax impact of deduction allowed separately under Income Tax Act, 1961	(546.16)	(429.02)
Others	(7.38)	(1.18)
Income tax expense	**6,768.89**	**4,095.15**

32.2 Deferred tax assets (net)

	As at March 31, 2023	As at March 31, 2022
Deferred tax on account of :		
Depreciation of property, plant and equipment	7.96	2.36
Undistributed profit of associate	5,350.86	2,830.98
Preliminary expenses	(15.10)	(30.20)
Provision for gratuity payable	(15.27)	(6.80)
Provision for leave encashment payable	(41.27)	(18.48)
Lease liability	(551.42)	-
Right-of-use assets	567.73	-
Financial assets measured at amortised cost	(1,152.71)	(400.80)
Impairment allowance on financial assets	(2,122.51)	(1,282.18)
Net deferred tax liabilities	**2,028.27**	**1,094.88**

Deferred tax related to the following:

Particulars	As at March 31, 2023	Recognised through profit & loss	Recognised through OCI	As at March 31, 2022	Recognised through profit & loss	Recognised through OCI
Depreciation of property, plant and equipment	7.96	5.60	-	2.36	1.71	-
Undistributed profit of associate	5,350.86	2,527.26	7.38	2,830.98	1,809.65	1.18
Preliminary expenses	(15.10)	15.10	-	(30.20)	15.10	-
Provision for gratuity payable	(15.27)	(6.40)	2.07	(6.80)	(4.09)	(0.27)
Provision for leave encashment payable	(41.27)	(22.79)	-	(18.48)	(13.09)	-
Lease liability	(551.42)	(551.42)	-	-	-	-
Right of use assets	567.73	567.73	-	-	-	-
Financial assets measured at amortised cost	(1,152.71)	(751.91)	-	(400.80)	(194.09)	-
Impairment allowance on financial assets	(2,122.51)	(840.33)	-	(1,282.18)	(1,067.00)	-
Expenses disallowed for Income tax	-	-	-	-	0.38	-
Total deferred tax liabilities (net)	**2,028.27**	**942.84**	**9.45**	**1,094.88**	**548.57**	**0.91**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

33 Fair value measurements

Financial instruments by category

Particulars	As at March 31, 2023			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	49,503.46	49,503.46
Loans	-	-	1,146,306.94	1,146,306.94
Investments	-	-	107,672.41	107,672.41
Other financial assets	-	-	390.47	390.47
Total financial assets	**-**	**-**	**1,303,873.28**	**1,303,873.28**
Financial liabilities				
Trade payables	-	-	15.00	15.00
Debt Securities	-	-	216,664.24	216,664.24
Borrowings (other than debt securities)	-	-	787,579.85	787,579.85
Lease liability	-	-	2,190.95	2,190.95
Other financial liabilities	-	-	1,531.11	1,531.11
Total financial liabilities	**-**	**-**	**1,007,981.15**	**1,007,981.15**

Particulars	As at March 31, 2022			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	64,173.52	64,173.52
Loans	-	-	694,283.39	694,283.39
Investments	-	-	97,660.19	97,660.19
Other financial assets	-	-	136.31	136.31
Total financial assets	**-**	**-**	**856,253.41**	**856,253.41**
Financial liabilities				
Trade payables	-	-	41.75	41.75
Debt Securities	-	-	107,529.69	107,529.69
Borrowings (other than debt securities)	-	-	472,748.40	472,748.40
Other financial liabilities	-	-	1,098.28	1,098.28
Total financial liabilities	**-**	**-**	**581,418.12**	**581,418.12**

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.

Notes to the Consolidated Financial Statements
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(All amounts are in INR Lakhs, unless otherwise stated)

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 Committee (AC).

IV. Fair value of financial instrument measured at amortised cost

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans	1,146,306.94	1,146,306.94	694,283.39	694,283.39
Other financial assets (Guarantee Commission receivable)	156.02	156.02	126.96	126.96
Financial liabilities				
Debt Securities	216,664.24	216,664.24	107,529.69	107,529.69
Borrowings (other than debt securities)	787,579.85	787,579.85	472,748.40	472,748.40

Note: During the years mentioned above, there have been no transfers amongst the levels of hierarchy.

34 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 of off-balance sheet.

Regulatory capital

Particulars	As at March 31, 2023	As at March 31, 2022
Tier- I capital	217,628.06	203,328.22
Tier- II capital	8,433.39	5,094.48
Total Capital	**226,061.45**	**208,422.70**
Risk weighted assets	1,066,982.88	593,417.27
Tier- I capital ratio	20.40%	34.26%
Tier- II capital ratio	0.79%	0.86%
Total Capital ratio	**21.19%**	**35.12%**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

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 unpredictability 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 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, 2023	As at March 31, 2022
Financial Assets at amortised cost- Loans (Gross)	1,159,681.67	701,550.40
Other financial assets at amortised cost	156.02	126.96
Non Fund Based Facility	45,087.60	26,227.00
Total Gross exposure	**1,204,925.29**	**727,904.36**
Less: Non Fund Based Facility	(45,087.60)	(26,227.00)
Less : Impairment loss allowances	(8,433.39)	(5,094.48)
Less: EIR adjustments	(5,256.95)	(2,356.12)
Total carrying value	**1,146,147.35**	**694,226.76**

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

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%.

Notes to the Consolidated Financial Statements

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

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

Stage	As at March 31, 2023		As at March 31, 2022	
	Carrying amount	ECL	Carrying amount	ECL
Stage 1*	1,204,769.27	8,433.39	727,777.40	5,094.48
Stage 2	-	-	-	-
Stage 3	-	-	-	-

* Carrying amount includes non-fund based exposure of ₹ 45,087.60 Lakhs (previous year ₹ 26,227.00 Lakhs)

The movement in the allowance for impairment in respect of loans

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(4,910.89)	(793.11)
Impairment provision recognised	(3,206.87)	(4,117.78)
Derecognition	-	-
Closing balance	(8,117.76)	(4,910.89)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(183.59)	(60.50)
Impairment provision recognised	(132.02)	(123.09)
Derecognition	-	-
Closing balance	(315.61)	(183.59)

Credit Concentration

The Company's loan portfolio is concentrated on infrastructure, as detailed below.

Particulars	As at March 31, 2023	As at March 31, 2022
Infrastructure	1,141,698.94	694,226.76
Non-Infrastructure	4,448.41	-
Total	**1,146,147.35**	**694,226.76**

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.

Notes to the Consolidated Financial Statements

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

The Company's concentration risk is managed at the sector/sub-sector level. Sectoral limits have been laid down and reviewed every 6 months at the Risk Management Committee (RMC).

Sector/sub-sector	Exposure as % of total exposure	
	As at March 31, 2023	As at March 31, 2022
Solar	32.27%	41.09%
Roads	28.08%	18.36%
Transmission	3.16%	10.41%
Telecom	6.78%	11.07%
Natural Gas	1.05%	1.42%
Power Distribution	6.74%	7.14%
Airport	4.99%	7.14%
Solar & Wind (Hybrid)	9.52%	3.02%
Wind	3.14%	0.34%
Biomass	2.87%	0.00%
Logistics	1.01%	0.00%
Urban Public Transport	0.37%	0.00%
Data Center	0.02%	0.00%
Total	**100.00%**	**100.00%**

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

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

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) is conducted to determine the credit migration and rating of the portfolio. The analysis below summarises the credit quality of the Company's debt portfolio.

Sector/sub-sector	% of total customers		% of total outstanding	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
iAAA	0%	0%	0%	0%
iAA+, iAA, iAA-	44%	41%	43%	43%
iA+, iA, iA-	23%	40%	23%	46%
iBBB+	17%	14%	26%	9%
iBBB	14%	5%	4%	2%
iBBB-	2%	0%	4%	0%
Total	**100%**	**100%**	**100%**	**100%**

b) Expected credit loss measurement

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

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer note 34 (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 note34 (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 34 (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.

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**

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

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, 2023 and March 31, 2022.

ii) Default and credit-impaired asset

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

Quantitative criteria:

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

Qualitative criteria:

The borrower meets 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

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

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

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

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

PD Estimation:

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

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

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

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

Internal rating grades – 12 month PD Mapping:

Internal rating grades	Internal rating grades	PD% Base Case	PD% Best Case	PD% Worst Case
Highest Safety	iAAA	0.03%	0.03%	0.03%
High Safety	iAA+	0.03%	0.03%	0.06%
	iAA	0.03%	0.03%	0.06%
	iAA-	0.03%	0.03%	0.06%
Adequate Safety	iA+	0.03%	0.03%	0.12%
	iA	0.03%	0.03%	0.12%
	iA-	0.03%	0.03%	0.12%
Moderate Safety	iBBB+	0.31%	0.09%	0.91%
	iBBB	0.31%	0.09%	0.91%
	iBBB-	0.31%	0.09%	0.91%
Moderate Risk	iBB+	2.53%	1.19%	4.94%
	iBB	2.53%	1.19%	4.94%
	iBB-	2.53%	1.19%	4.94%
High Risk	iB	7.11%	4.03%	11.74%
Very High Risk	iC	19.04%	12.44%	27.44%
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.

Notes to the Consolidated Financial Statements

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

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, after considering the threshold level of collateralisation and required level of over collateralisation for full recognition of collateral, have been taken as a proxy measure.

ECL computation:

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

iv) Forward-looking information incorporated in the ECL model

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

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

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

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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, 2023

ECL Scenario	Assigned probabilities %	2023	2024	2025	2026	2027
Base case	50%	5.90%	6.30%	6.20%	6.10%	6.00%
Best case	20%	8.82%	9.22%	9.12%	9.02%	8.91%
Worst case	30%	2.98%	3.38%	3.28%	3.18%	3.08%

Year ended March 31, 2022

ECL Scenario	Assigned probabilities %	2022	2023	2024	2025	2026
Base case	50%	8.95%	8.15%	6.89%	6.99%	7.04%
Best case	20%	11.93%	11.13%	9.87%	9.97%	10.02%
Worst case	30%	5.97%	5.17%	3.91%	4.01%	4.06%

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.

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Base case	Best case	Worst case	Base case	Best case	Worst case
Assigned probabilities %	50%	20%	30%	50%	20%	30%
ECL (₹ in Lakhs)	918.84	365.55	2,741.42	217.25	141.41	543.71

Scenario weighted ECL as on March 31, 2023 is ₹ 1,354.95 Lakhs (March 31, 2022 ₹ ₹ 300.02 Lakhs).

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 officials, site visits, etc.

Proposals shall be approved by the Credit Committee post recommendation by the Management Committee

Term loans /debentures can have fixed rate or floating rate of interest linked to the Company's benchmark rate or another agreed benchmark. There may be 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, 2023	As at March 31, 2022
Less than 1 year	62%	68%
More than 1 year	38%	32%

vii) Overview of modified and forborne loan

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

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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, 2023			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety	-	-	-	-
High Safety	398,429.03	-	-	398,429.03
Adequate Safety	379,650.43	-	-	379,650.43
Moderate Safety	426,845.83	-	-	426,845.83
Non- performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	**1,204,925.29**	**-**	**-**	**1,204,925.29**

Term loans and debentures	As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety	-	-	-	-
High Safety	326,305.81	-	-	326,305.81
Adequate Safety	306,162.07	-	-	306,162.07
Moderate Safety	95,436.48	-	-	95,436.48
Non- performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	**727,904.36**	**-**	**-**	**727,904.36**

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

The Company does not have any exposure to Financial instruments not subjected to impairment.

iii) Collateral and other credit enhancement

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

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

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

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

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

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, 2023						
Loans to corporate entities/individuals:						
- Term loans	758,949.06	5,312.64	-	4,655.24	748,981.18	1,008,736.14
- Debentures and bonds	397,495.05	2,782.47	-	601.73	394,110.85	1,966,996.99
- Accrued interest on loans, debentures and bonds	3,237.56	22.65	-	-	3,214.91	3,237.56
- Other financial Asset	156.02	-	-	-	156.02	156.02
- Non-Fund Based facility	45,087.60	315.61	45,087.60	-	(315.61)	60,128.54
Total	**1,204,925.29**	**8,433.37**	**45,087.60**	**5,256.97**	**1,146,147.35**	**3,039,255.25**
As at March 31, 2022						
Loans to corporate entities/individuals:						
- Term loans	428,749.38	3,001.28	-	1,709.60	424,038.50	834,755.43
- Debentures and bonds	271,449.70	1,902.85	-	646.52	268,900.33	418,937.42
- Accrued interest on loans, debentures and bonds	1,351.32	6.76	-	-	1,344.56	1,351.32
- Other financial Asset	126.96	-	-	-	126.96	126.96
- Non-Fund Based facility	26,227.00	183.59	26,227.00	-	(183.59)	18,734.02
Total	**727,904.36**	**5,094.48**	**26,227.00**	**2,356.12**	**694,226.76**	**1,273,905.16**

iv) Loss allowance

The loss allowance recognised in the year 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 year, and the consequent “step up” (or “step down”) between 12-month and Lifetime ECL;
- additional allowances for new financial instruments recognised during the year, as well as releases for financial instruments de-recognised in the year;
- impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the year, arising from regular refreshing of inputs to models;
- impacts on the measurement of ECL due to changes made to models and assumptions;
- financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the year.

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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, 2023			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	**699,194.28**	-	-	**699,194.28**
New assets originated or purchased	690,437.27	-	-	690,437.27
Assets derecognised or repaid	(235,206.85)	-	-	(235,206.85)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**1,154,424.70**	-	-	**1,154,424.70**

Term loans and debentures	Year ended March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	**158,832.28**	-	-	**158,832.28**
New assets originated or purchased	632,918.07	-	-	632,918.07
Assets derecognised or repaid	(92,556.07)	-	-	(92,556.07)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**699,194.28**	-	-	**699,194.28**

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

Term loans and debentures	Year ended March 31, 2023			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	**4,910.89**	-	-	**4,910.89**
New assets originated or purchased	4,853.32	-	-	4,853.32
Assets derecognised or repaid	(1,646.45)	-	-	(1,646.45)
Net remeasurement of loss allowance	-		-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**8,117.76**	-	-	**8,117.76**

Term loans and debentures	Year ended March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	**793.11**	-	-	**793.11**
New assets originated or purchased	4,765.67	-	-	4,765.67
Assets derecognised or repaid	(647.89)	-	-	(647.89)
Net remeasurement of loss allowance	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**4,910.89**	-	-	**4,910.89**

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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 outflows [maximum]	-10% of cumulative outflows for 0 to 14 days -20% of cumulative outflows 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 Crores or 15% of the Annual Budgeted Net Interest Income; whichever is lower
Liquidity Coverage Ratio (LCR)	0.7

Financing arrangements

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

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate		
Borrowings		
Expiring within one year	57,500.00	214,000.00
Expiring beyond one year	-	-
Total	**57,500.00**	**214,000.00**

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 was exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar in the year ended March 31, 2023 and March 31, 2022.

Foreign currency risk management

In respect of the foreign currency transactions, the Company does not hedge the exposures since it relates only to a small value of 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, 2023	As at March 31, 2022
Financial liabilities		
Provisions		
USD Exposure (in ₹ Lakhs)	-	4.60
Financial Assets		
Trade receivables		
USD Exposure (in ₹ Lakhs)	-	-
Net exposure to foreign currency risk	**-**	**4.60**

Notes to the Consolidated Financial Statements
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(All amounts are in INR Lakhs, unless otherwise stated)

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, 2023		As at March 31, 2022	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	-	-	(0.23)	0.23

(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, 2023	As at March 31, 2022
Variable rate liabilities		
Borrowings	774,452.18	473,498.66
Variable rate assets		
Loans	735,238.53	404,498.73

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, 2023	As at March 31, 2022
Interest rates – increase by 0.50%	(196.07)	(345.00)
Interest rates – decrease by 0.50%	196.07	345.00

(iii) Price risk

The Company is not exposed to price risk as at March 31, 2023 and March 31, 2022.

D Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or from external events. The operational risks of the Company are managed through comprehensive internal control systems and procedures and key back up processes. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The Internal Audit function also enables mitigation on an ongoing basis. The Company has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with adverse events such as natural disasters, technological failures, human errors, terrorism, etc. Periodic testing is carried out to address gaps in the framework, if any.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

35 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, 2023	For the year ended March 31, 2022
Segment revenue		
- India	78,911.95	31,394.40
- Outside India	-	-
Total	**78,911.95**	**31,394.40**

Revenue from major customers

For the year ended March 31, 2023, no customer of the company contributed more than 10% of the Company's total revenues (March 31, 2022 - 1 customer contributed ₹ 3,359 Lakhs).

(b) Segment assets and segment liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Segment assets		
- India	1,306,652.62	856,731.80
- Outside India	-	-
	1,306,652.62	**856,731.80**
Segment liabilities		
- India	1,010,756.07	582,911.72
- Outside India	-	-
	1,010,756.07	**582,911.72**

36 Collateral / security pledged

Particulars	As at March 31, 2023	As at March 31, 2022
Pledged as security against borrowings		
Receivables and Loan Assets	1,156,444.11	700,204.43
Other financial assets	156.02	126.96
Total	**1,156,600.13**	**700,331.39**

37 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund and other fund	65.82	39.40

(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	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Actuarial assumptions		
Discount rate (per annum)	7.50%	7.30%
Salary escalation rate	9.00%	9.00%
Retirement age	60	60
(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 year	27.02	11.84
Current Service Cost	23.45	16.06
Benefit payments from plan	-	(0.63)
Interest cost	1.97	0.82
Actuarial losses on obligations	8.22	(1.07)
Defined benefit obligation at end of year	**60.66**	**27.02**
(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	-	0.63
Benefit payments from plan assets	-	(0.63)
Actuarial gains	-	-
Fair value of Plan assets at the end of the year	**-**	**-**

(v) Assets and liabilities recognised in the balance sheet	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	60.66	27.02
Fair value of plan assets	-	-
Net defined benefit liability	**60.66**	**27.02**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

(vi) Expenses recognised in the Statement of Profit and Loss	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Service cost	23.45	16.06
Interest cost on net defined benefit obligation	1.97	0.82
Past Service cost	-	-
Total expenses recognised in the Statement of Profit and Loss	**25.42**	**16.88**
Included in note 'Employee benefits expense'		

(vii) Expenses recognised in the Statement of other comprehensive income	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening amount recognized in OCI outside P&L account	0.65	1.71
Effect of changes in actuarial assumptions	(1.72)	(1.33)
Experience adjustments	9.94	0.27
Total remeasurements included in OCI	**8.87**	**0.65**

(viii) **Sensitivity Analysis:**

Particulars	As at March 31, 2023	As at March 31, 2022
Present value obligation		
Discount rate +50 basis points	56.64	25.26
Discount rate-50 basis points	65.08	28.95
Salary Increase Rate +50 basis points	63.75	28.91
Salary Increase Rate-50 basis points	57.45	25.28

(ix) Projected plan cash flow

Maturity Profile	As at March 31, 2023	As at March 31, 2022
Expected total benefit payments		
Year 1	0.18	0.08
Year 2	0.46	0.10
Year 3	1.39	0.28
Year 4	1.78	0.77
Year 5	16.86	0.85
Next 5 years	191.05	86.55

(x) Provision for leave encashment

Maturity Profile	As at March 31, 2023	As at March 31, 2022
Liability for compensated absences	163.97	73.41

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

38 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, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	49,503.46	-	49,503.46	64,173.52	-	64,173.52
Loans	89,381.61	1,056,925.33	1,146,306.94	53,345.05	640,938.34	694,283.39
Investments	-	107,672.41	107,672.41	-	97,660.19	97,660.19
Other financial assets	51.88	338.59	390.47	123.39	12.92	136.31
Non-Financial assets						
Current tax assets (net)	363.68	-	363.68	162.46	-	162.46
Property, plant and equipment	-	36.86	36.86	-	28.25	28.25
Intangible assets	-	114.42	114.42	-	139.84	139.84
Capital work in progress	-	7.25	7.25	-	-	-
Right of use assets	-	2,124.16	2,124.16	-	-	-
Other non-financial assets	132.97	-	132.97	147.84	-	147.84
Total Assets	**139,433.60**	**1,167,219.02**	**1,306,652.62**	**117,952.26**	**738,779.54**	**856,731.80**
Liabilities						
Financial Liabilities						
Trade payables	15.00	-	15.00	41.75	-	41.75
Debt securities	34,867.96	181,796.28	216,664.24	2,656.97	104,872.72	107,529.69
Borrowings (other than debt securities)	104,185.63	683,394.22	787,579.85	34,446.10	438,302.30	472,748.40
Lease liability	370.02	1,820.93	2,190.95	-	-	-
Other financial liabilities	1,278.93	252.18	1,531.11	1,093.59	4.69	1,098.28
Non Financial Liabilities						
Provisions	45.62	494.62	540.24	153.75	130.27	284.02
Deferred tax liabilities	-	2,028.27	2,028.27	-	1,094.88	1,094.88
Other non-financial liabilities	206.41	-	206.41	114.70	-	114.70
Total Liabilities	**140,969.56**	**869,786.50**	**1,010,756.07**	**38,506.86**	**544,404.86**	**582,911.72**

39 Interest in associate

Assets	Carrying amount as at		% of ownership interest	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
NIIF Infrastructure Finance Limited	107,672.41	97,660.19	30.83%*	30.83%*

* The company has considered its ownership interest on a fully 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 three additional infusions on May 20, 2020, on March 29, 2021 and on March 28, 2022. On March 28, 2022 The company invested in the associate company for ₹ 31,192.86 Lakhs without impacting its percentage of ownership interest. 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, 2023	March 31, 2022
Financial Assets	1,825,087.89	1,533,480.20
Non-financial Assets	15,554.00	11,829.61
Financial liabilities	1,496,213.19	1,233,422.62
Non-financial liabilities	455.74	392.79
Net assets	**343,972.95**	**311,494.40**

Notes to the Consolidated Financial Statements
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(All amounts are in INR Lakhs, unless otherwise stated)

Summarised statement of profit and loss for the period ended:	March 31, 2023	March 31, 2022
Total Income	140,422.63	98,432.60
Profit for the year	32,573.86	23,325.96
Other comprehensive income/ (expense)	(95.18)	(15.16)
Total comprehensive income	**32,478.68**	**23,310.80**

The Particulars of investments in associate as on March 31, 2023 are as follows :

Particulars	Amount
Original Cost of investment on 29th March 2020	26,591.01
Additional Investment on 21st May 2020	8,437.50
Additional Investment on 30th March 2021	20,190.48
Additional Investment on 28th March 2022	31,192.86
Share of Post Acquisition Profit/Loss	21,293.64
Share of Post Acquisition OCI	(23.29)
Share of share issue expenses	(9.79)
Goodwill/(Capital Reserve)	-
Impairment	-
Carrying amount of investment	**107,672.41**

39.1 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, 2023

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%	295,896.55	54.57%	12,063.02	21.88%	(6.15)	54.61%	12,056.87
Associate (Investment as per the equity method)								
Indian								
NIIF Infrastructure Finance Limited	0.00%	-	45.43%	10,041.56	78.12%	(21.96)	45.39%	10,019.60
Total	**100.00%**	**295,896.55**	**100.00%**	**22,104.58**	**100.00%**	**(28.11)**	**100.00%**	**22,076.47**

As at March 31, 2022

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%	273,820.08	48.29%	6,713.72	-29.66%	0.80	48.30%	6,714.52
Associate (Investment as per the equity method)								
Indian								
NIIF Infrastructure Finance Limited	0.00%	-	51.71%	7,190.27	129.66%	(3.50)	51.70%	7,186.77
Total	**100.00%**	**273,820.08**	**100.00%**	**13,903.99**	**100.00%**	**(2.70)**	**100.00%**	**13,901.29**

Notes to the Consolidated Financial Statements

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

40 Ind AS 116 - Leases:

As a lessee the Company classified property leases as operating leases under Ind AS 116. These include office premises taken on lease. The lease typically run for a period of one to five years. Lease include conditions such as non-cancellable period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation in prices. During the previous year, the Company only had short term lease of a tenor less than 12 months. During the current year, the Company has entered into a long term lease for office premises.

Information about the lease for which the Company is a lessee is presented below.

(I) Right-of-use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	-	-
Additions during the year	2,255.75	-
Deletion during the year	-	-
Depreciation charge for the year	(131.59)	-
Balance at the end of the year	**2,124.16**	**-**

(II) Movement of Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	-	-
Additions during the year	2,164.86	-
Deletion during the year	-	-
Finance cost for the year	50.97	
Payment of lease liabilities for the year	(24.88)	-
Balance at the end of the year	**2,190.95**	**-**

(III) Future minimum lease payments under non-cancellable operating lease were payable as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one month	45.38	-
Between one and three months	90.75	-
Between three months and one year	414.12	-
Between one and five years	2,092.10	-
More than 5 years	-	-

(IV) Amounts recognized in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities	50.97	-
Depreciation on Right-of-use assets	131.59	-

(V) Amounts recognised in statement of cash flows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total cash outflow for leases	24.88	-

Company has considered entire lease term of 5 years for the purpose of determination of Right of Use assets and Lease liabilities.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

41 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 year. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous year. 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, 2023	As at March 31, 2022
i.	CRAR (%)	21.19%	35.12%
ii.	CRAR- Tier I capital (%)	20.40%	34.26%
ii.	CRAR- Tier II capital (%)	0.79%	0.86%

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 years presented.

Notes to the Consolidated Financial Statements

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

42 Ratio and its elements

Ratios	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	NA	NA	NA	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	3.39	2.12	60.15%	Relatively higher leverage during the year.
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	NA	NA	NA	
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	7.76%	5.54%	40.12%	Higher profitability.
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
Trade Receivables Turnover Ratio	Net credit sales = Gross credit sales- sales return	Average Trade Receivable	NA	NA	NA	
Trade Payables Turnover Ratio	Net credit purchases = Gross credit purchases- purchase return	Average Trade Payables	NA	NA	NA	
Net Capital Turnover Ratio	Net sales = Total sales- sales return	Working capital = Current assets – Current liabilities	NA	NA	NA	
Net Profit Ratio	Net Profit	Net sales = Total sales- sales return	NA	NA	NA	
Return on Capital employed	Earnings before taxes	Average Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	2.68%	3.19%	-16.09%	
Capital to risk-weighted assets ratio (CRAR)	Total Risk weighted Assets/ Exposures	Total capital funds	21.19%	35.12%	-39.68%	Relatively higher leverage during the year.
Tier I CRAR	Total Risk weighted Assets/ Exposures	Tier I capital	20.40%	34.26%	-40.47%	Relatively higher leverage during the year.
Tier II CRAR	Total Risk weighted Assets/ Exposures	Tier II capital	0.79%	0.86%	-7.93%	
Return on Investment	Interest (Finance Income)	Investment	0.00%	0.00%	0.00%	Investment is strategic equity investment.

43 Details of loans transferred / acquired during the year ended March 31, 2023 and March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) The Company has not transferred any non-performing assets during both the years.

(ii) The Company has not transferred any Special Mention Accounts (SMA) during both the years.

(iii) For details of loans not in default transferred by the Company, refer note 46 f.

(iv) The Company has not acquired any stressed assets during both the years.

(v) Details of Rupee term loans not in default acquired are given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate amount of loans acquired	123,609.02	153,533.00
Weighted average residual maturity (in years)	13.08	10.02
Retention of beneficial economic interest by originator	Nil	Nil
Security coverage	100%	100%
Rating wise distribution of rated loans	A- to AA+	A to AA

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

(i) There are no intra-group exposures as at March 31, 2023 and March 31, 2022 except the strategic investment in the associate company NIIF Infrastructure Finance Limited of ₹ 86,411.86 Lakhs (previous year ₹ 86,411.86 Lakhs).

(ii) There is no foreign currency exposure as at March 31, 2023 (previous year ₹ 4.60 Lakhs).

(iii) There is no breach of covenant of loans availed or debt securities issued for year ended March 31, 2023 and March 31, 2022.

(iv) Sectoral exposure

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry						
a. Vehicles, Vehicle Parts & Transport Equipment	4,479.93	-	-	-	-	-
b. Infrastructure						
i) Power	83,619.24	-	-	50,023.97	-	-
ii) Telecommunications	81,302.93	-	-	78,237.02	-	-
iii) Roads	336,437.43	-	-	128,269.36	-	-
iv) Airports	59,851.03	-	-	50,008.37	-	-
v) Electricity Transmission	23,861.07	-	-	72,614.96	-	-
vi) Solar Renewal Energy	544,650.28	-	-	336,327.73	-	-
vii) Wind Energy	37,324.35	-	-	2,397.63	-	-
viii) Other Infrastructure	24,874.85	-	-	7,542.24	-	-
Total of Industry	**1,196,401.11**	**-**	**-**	**725,421.28**	**-**	**-**
3. Services	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
5. Others, if any (please specify)	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

(v) The following are the details of transactions and balances as at March 31 with related parties

Related Party/ Items	Parent (as per ownership) or control	Subsidiaries	Associates / Joint Ventures	Key Management Personnel[3]	Relatives of key Management Personnel	Key Management Personnel Director	Others (Investing Party, Subsidiaries, Joint Ventures, Employee Benefit Companies of Investing Party and their Group Companies / Associates / Joint Ventures)[9]	Total
Balances as at March 31								
Investment by Parent (Note 4)	140,563.79	-	-	-	-	-	-	140,563.79
	(140,563.79)	-	-	-	-	-	-	(140,563.79)
Investment in equity shares		-	86,411.86	-	-	-	-	86,411.86
		-	(86,411.86)	-	-	-	-	(86,411.86)
Other Liability (Note 5)		-	3.72	-	-	-	-	3.72
		-	-	-	-	-	-	-
Others Assets (Note 6)	-	-	0.66	-	-	-	-	0.66
	-	-	-	-	-	-	-	-

The following are the details of transactions and balances as at March 31 with related parties (continued)

Related Party/Items	Parent (as per ownership) or control	Subsidiaries	Associates / Joint Ventures	Key Management Personnel[3]	Relatives of key Management Personnel	Key Management Personnel Director	Others (Investing Party, Subsidiaries, Joint Ventures, Employee Benefit Companies of Investing Party and their Group Companies / Associates / Joint Ventures)9	Total
Transaction during the year								
Investment in equity shares	-	-	-	-	-	-	-	-
	-	-	(31,192.87)	-	-	-	-	(31,192.87)
Sale of loan assets	-	-	-	-	-	-	-	-
	-	-	(18,472.88)	-	-	-	-	(18,472.88)
Income/ Expenditure								
Remuneration to KMPs	-	-	-	409.14	-	-	-	409.14
	-	-	-	(382.65)	-	-	-	(382.65)
Director sitting fee	-	-	-	-	-	22.20	-	22.20
	-	-	-	-	-	(21.00)	-	(21.00)
Other Receipts (Note 7)	-	-	0.61	-	-	-	-	0.61
	-	-	(2.50)	-	-	-	-	(2.50)
Others Expenses (Note 8)	-	-	54.20	-	-	-	18.94	73.14
	-	-	(106.91)	-	-	-	(159.00)	(265.91)
Maximum outstanding during the year								
Investment by Parent (Note 4)	140,563.79	-	-	-	-	-	-	140,563.79
	(140,563.79)	-	-	-	-	-	-	(140,563.79)
Investment in equity shares	-	-	86,411.86	-	-	-	-	86,411.86
	-	-	(86,411.86)	-	-	-	-	(86,411.86)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

Notes:

1) Figures in bracket pertains to March 31, 2022.
2) Nature of relationship with related party are defined at note 28.
3) Key Management Personnel includes transactions pertaining to Chief Executive Officer, Chief Financial Officer & Company Secretary.
4) Parent is National Investment and Infrastructure Fund-II.
5) Other Liability represents expenses payable to Associate Company.
6) Other assets represents reimbursement of expenses receivable from Associate Company.
7) Other receipts represents reimbursement of expenses paid on behalf of Associate Company.
8) Other expenses represents reimbursement for shared service cost and other expenses.
9) Group Company of investing party refers to National Investment and Infrastructure Fund Limited, Investment manager of holding entity.

(vi) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr.No	Particulars	March 31, 2023	March 31, 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	-	-
3	Number of complaints disposed during the year	-	-
	3.1 Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
	5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombud	-	-
	5.1 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
	5.1 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2) Since the company has not received any complaints from customers or banking ombudsman, the disclosure regarding top five grounds of complaints is not applicable.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

45 Disclosure Pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

Year ended March 31, 2023

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	1,154,424.70	8,117.76	1,146,306.94	4,638.73	3,479.03
	Stage 2	-	-	-	-	-
Subtotal		**1,154,424.70**	**8,117.76**	**1,146,306.94**	**4,638.73**	**3,479.03**
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 assets		-	-	-	-	-
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	45,087.60	315.61	44,771.99	-	315.61
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**45,087.60**	**315.61**	**44,771.99**	**-**	**315.61**
Total	**Stage 1**	**1,199,512.30**	**8,433.37**	**1,191,078.93**	**4,638.73**	**3,794.64**
	Stage 2	**-**	**-**	**-**	**-**	**-**
	Stage 3	**-**	**-**	**-**	**-**	**-**
Total		**1,199,512.30**	**8,433.37**	**1,191,078.93**	**4,638.73**	**3,794.64**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

Year ended March 31, 2022

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	699,194.28	4,910.89	694,283.39	2,806.20	2,104.69
	Stage 2					-
Subtotal		**699,194.28**	**4,910.89**	**694,283.39**	**2,806.20**	**2,104.69**
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	26,227.00	183.59	26,043.41	-	183.59
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**26,227.00**	**183.59**	**26,043.41**	**-**	**183.59**
Total	**Stage 1**	**725,421.28**	**5,094.48**	**720,326.80**	**2,806.20**	**2,288.28**
	Stage 2	**-**	**-**	**-**	**-**	**-**
	Stage 3	**-**	**-**	**-**	**-**	**-**
Total		**725,421.28**	**5,094.48**	**720,326.80**	**2,806.20**	**2,288.28**

46 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:

a. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)

S. No	Item	For the year ended March 31, 2023	For the year ended March 31, 2022
1	CRAR (%)	21.19%	35.12%
2	CRAR- Tier I capital (%)	20.40%	34.26%
3	CRAR- Tier II Capital (%)	0.79%	0.86%
4	Amount of subordinated debt raised as Tier-II capital	-	-
5	Amount raised by issued of Perpetual Debt Instruments	-	-

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

b. Investments

S. No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	**Value of investments**		
	(i) Gross value of investments		
	(a) in India	107,672.41	97,660.19
	(b) outside India	-	-
	(ii) Provision for depreciation		
	(a) in India	-	-
	(b) outside India	-	-
	(iii) Net value of investments		
	(a) in India	107,672.41	97,660.19
	(b) outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write-off/ write-back of excess provision during the year	-	-
	(iv) Closing balance	-	-

c. Derivatives

The Company has no transactions / exposure in derivatives in the year ending March 31, 2023 and March 31, 2022. 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, 2023 and March 31, 2022. 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, 2023 and March 31, 2022. Hence the related disclosures are not applicable to the Company.

f. Details of Assignment transactions undertaken

S. No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	No. of accounts	-	7
(ii)	Aggregate value (net of provisions) of accounts sold	-	25,829.70
(iii)	Aggregate consideration	-	25,882.35
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value*	-	52.65

*Aggregate gain / loss over net book value refer to net gains/(losses) accounted on derecognition of financial assets measured at amortised cost as per Accounting Standards.

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, 2023 and March 31, 2022. Hence the related disclosures are not applicable to the Company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

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 or lent and invested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI during the years ended March 31, 2023 and March 31, 2022.

k. Unsecured Advances

The Company has not given any unsecured advances in the years ended March 31, 2023 and March 31, 2022.

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 years ended March 31, 2023 and March 31, 2022.

n. Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):

S. No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	Provision made towards income tax	5,835.50	3,547.49
(ii)	Provision for employee benefits	123.91	233.90
(iii)	Provision for employee stock compensation cost	-	-
(iv)	Provision for gratuity	25.42	16.89
(v)	Provision for compensated absence cost	90.92	52.72
(vi)	Provision for impairment of financial assets	3,338.89	4,239.51
(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 year ended March 31, 2023 and March 31, 2022. 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, 2023	For the year ended March 31, 2022
Total Advances to twenty largest borrowers	535,434.53	481,781.65
Percentage of Advances to twenty largest borrowers to Total Advances	77.78%	75.99%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

ii) Concentration of Exposures

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Exposures to twenty largest borrowers *	667,126.31	518,446.08
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	57.79%	73.90%

*Exposure does not include investment in Associate company.

iii) Concentration of NPAs

All loan accounts are standard assets as at March 31, 2023 and March 31, 2022.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total of Exposures to top four NPA accounts*	-	-

* there are no account classified as NPA as on March 31, 2023 and March 31, 2022.

iv) Sector-wise NPAs (% of NPA to Total Advances in that sector)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

v) Movement of NPAs

S. No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(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 years ending March 31, 2023 and March 31, 2022.

r. Off-balance Sheet SPVs sponsored by the Company

The Company has not sponsored off-balance sheet SPV in the years ending March 31, 2023 and March 31, 2022.

s. Disclosure of Complaints

There were no customer complaints received during the years ending March 31, 2023 and March 31, 2022.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

t. Ratings assigned by credit rating agencies and migration of ratings during the year

S. No.	Instruments	Credit Rating Agency	As at March 31, 2023	As at March 31, 2022
1	Long Term Instrument- Non convertible debentures	CARE	AA+ Stable	AA+ Stable
2	Long Term Instrument- Bank Lines	CARE	-	AA+ Stable
3	Long Term Instrument- Non convertible debentures	CRISIL	AA+ Stable	AA+ Stable
4	Short Term Instrument- Short Term Debt	CRISIL	A1+	A1+
5	Short Term Instrument- Bank Lines	ICRA Ltd	A1+	A1+
6	Long Term Instrument- Bank Lines	ICRA Ltd	AA+ Stable	AA+ Stable
7	Long Term Instrument- Non convertible debentures	ICRA Ltd	AA+ Stable	AA+ Stable
8	Long Term Instrument- Principal Protected Market Linked Debenture	ICRA Ltd	AA+ Stable	AA+ Stable
9	Long Term Instrument- Non convertible debentures	India Ratings & Research Private Limited	AA+ Stable	AA+ Stable
10	Short Term Instrument- Other instruments	India Ratings & Research Private Limited	-	A1+

u. Statement on Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2023

Item	0 day to 7 days	8 days to 14 days	15 days 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											
Debt Securities	-	-	-	1,969.40	-	4,530.72	28,367.84	69,624.66	112,171.62	-	216,664.24
Borrowings (other than debt securities)	-	-	5,539.79	6,493.06	11,215.28	20,729.17	60,208.33	293,126.33	300,970.25	89,297.64	787,579.85
Assets											
Investments			-	-	-	-	-	-	-	107,672.41	107,672.41
Loans	-	-	49,850.58	412.12	8,745.88	8,683.79	21,689.24	104,286.86	249,592.67	703,045.80	1,146,306.94

Maturity pattern of certain items of assets and liabilities as at March 31, 2022

Item	0 day to 7 days	8 days to 14 days	15 days 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											
Debt Securities	-	-	-	1,969.40	-	-	687.57	85,514.93	19,357.79	-	107,529.69
Borrowings (other than debt securities)	4,998.98	-	2,502.67	3,750.00	277.78	5,138.89	17,777.78	167,236.11	224,944.44	46,121.75	472,748.40
Assets											
Investments			-	-	-	-	-	-	-	97,660.19	97,660.19
Loans	934.03	-	167.71	314.00	5,665.78	31,166.37	15,097.16	105,019.21	125,923.39	409,995.73	694,283.39

v. Restructured advances

There are no restructured advance as on March 31, 2023, 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.

w. 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	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount Involved	-	-
Amount Recovered	-	-
Amount written off/provided	-	-
Balance	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

47 (a) Public disclosure on liquidity risk as of March 31, 2023

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

S. No.	No of significant counterparties	Amount (₹ in Lakhs)	% of Total deposits	% of Total Liabilities
1	16	962,647.97	-	95.24%

(ii) Top 20 large deposits - Nil

(iii) Top 10 borrowings: ₹ 858,380.72 Lakhs (represent 85.32% of total borrowings)

(iv) Funding concentration based on significant instrument/product

S. No.	Name of instrument	Amount (₹ in Lakhs)	% of Total Liabilities
1	Term loans from Banks	538,907.21	53.32%
2	Term loans from Financial Institution	250,000.00	24.73%
3	Non-Convertible Debentures	217,184.74	21.49%

(v) Stock ratios:

S. 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	0.99%	0.98%	0.76%

(vi) Institutional set-up for liquidity risk management

The Company has instituted Asset Liability Management Policy (Policy) under which the Asset Liability Management Committee (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) Risk Management Committee-comprises of one Independent Director and two Non - Executive Directors. It reviews and monitors the activities of Asset Liability Management Committee (ALCO).

(iii) ALCO-comprises of Chief Executive Officer (CEO), Representative of NIIF Fund II, Chief Financial Officer (CFO) and Chief Risk Officer (CRO). It is a decision making body responsible for strategic management of interest rate and liquidity risks.

(iv) Asset Liability Management Support Group-which consists of operating staff from Risk, Accounts and Treasury group, who analyse/monitor liquidity profile, limits & report to ALCO.

(v) Finance Committee-comprises of CEO, CFO and CRO which is authorised to borrow monies through various instruments permitted by RBI.

(vi) 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

47 (b) Disclosure on Liquidity Coverage Ratio (LCR) under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

	Particulars	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
	High Quality Liquid Assets	**March 31, 2023**		**December 31, 2022**		**September 30, 2022**		**June 30, 2022**	
1	Total High Quality Liquid Assets (HQLA)1	232,146	205,079	204,631	178,079	161,887	142,828	170,550	154,102
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	11,484	13,206	11,201	12,881	5,745	6,607	5,156	5,930
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	74,770	85,986	34,595	39,784	78,476	90,248	43,413	49,925
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash Outflows**	**86,254**	**99,192**	**45,795**	**52,664**	**84,222**	**96,855**	**48,569**	**55,854**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	45,528	34,146	13,216	9,912	14,041	10,530	32,740	24,555
11	Other cash inflows	46,142	34,606	38,193	28,645	68,590	51,442	8,100	6,075
12	**Total Cash Inflows**	**91,669**	**68,752**	**51,409**	**38,557**	**82,630**	**61,973**	**40,840**	**30,630**
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		205,079		178,079		142,828		154,102
14	Total Net Cash Outflows (Higher of inflow less outflows or 25% of outflows		30,440		14,107		34,882		25,224
15	**LIQUIDITY COVERAGE RATIO (%)**		**674%**		**1262%**		**409%**		**611%**

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

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

Notes :

1. HQLA includes unencumbered portion of current account balance, short term fixed deposits with scheduled commercial banks and only considers AAA rated corporate bonds in the credit book

2. Undrawn borrowing lines have not been considered as potential inflows above.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

48 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:

		As at March 31, 2023		As at March 31, 2022	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a.	Debentures (other than falling within the meaning of public deposits)				
	- Secured	216,664.24	-	107,529.69	-
	- Unsecured	-	-	-	-
b.	Deferred Credits	-	-	-	-
c.	Term Loans	787,579.85	-	472,748.40	-
d.	Inter-corporate loans and borrowings	-	-	-	-
e.	Commercial Paper	-	-	-	-
f.	Public Deposits (Refer note 1 below)	-	-	-	-
g.	Other Loans	-	-	-	-

ASSET SIDE

			Amount Outstanding as at March 31, 2023	Amount Outstanding as at March 31, 2022
2. Break up of Loans and Advances including bills receivables [other than those included in(4) below]:				
a.	Secured		1,146,306.94	694,283.39
b.	Unsecured		-	-
3. Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities				
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 activities:			
	a.	Loans where assets have been	-	-
	b.	Loans other than (a) above	-	-
4. Break up of Investments:				
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	-	-

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

	Amount Outstanding as at March 31, 2023	Amount Outstanding as at March 31, 2022
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	107,672.41	97,660.19
- 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 as at March 31, 2023			Amount net of provision as at March 31, 2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 . Related Parties**						
a. Subsidiaries	-	-	-	-	-	-
b. Companies in the same group	-	-	-	-	-	-
c. Other related parties	-	-	-	-	-	-
2 . Other than related parties	1,146,306.94	-	1,146,306.94	694,283.39	-	694,283.39
Total	**1,146,306.94**	**-**	**1,146,306.94**	**694,283.39**	**-**	**694,283.39**

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	As at March 31, 2023		As at March 31, 2022	
	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)	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	142,695.68	107,672.41	115,436.82	97,660.19
c. Other related parties	-	-	-	-
2 . Other than related parties	-	-	-	-
Total	**142,695.68**	**107,672.41**	**115,436.82**	**97,660.19**

**As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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

7. Other information

Particulars	Amount as at March 31, 2023	Amount as at March 31, 2022
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	-	-

48 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.

49 Previous year 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 **B. K. Khare & Co**
Chartered Accountants
ICAI Firm Registration No. 105102W

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

per **Padmini Khare Kaicker**
Partner
Membership No : 044784

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: May 5, 2023

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Independent Auditors' 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, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment of financial instruments (expected credit losses) (as described in Note 34A(1)(b) of the Standalone Financial Statements) Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit losses (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'.	• Our audit procedures included considering the Company's accounting policies for impairment of loan receivables and assessing compliance of the policies with Ind AS 109. • Tested the assumptions used by the Company for staging of loan portfolio into various categories and default buckets for determining the Probability of default (PD) and Loss given default (LGD) rates. • Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Read and assessed the disclosures included in the Standalone Financial Statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Standalone Financial Statements and our Auditors' 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 the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibilities of management for the 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

- Evaluate the overall presentation, structure and content of the 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including other Comprehensive income, the statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   (g) The Company has not paid / provided for the managerial remuneration for the year ended March 31, 2023 as stipulated under section 197 of the Companies Act, 2013.

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

      (i) The Company does not have any pending litigations which would impact its financial position;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / paid on equity shares any dividend during the year.

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

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 23044784BGXWND4144
Place: Mumbai
Date: May 5, 2023

Annexure A to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

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

We have audited the internal financial controls with reference to financial statements of Aseem Infrastructure Finance Limited ("the Company") as of March 31, 2023 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 23044784BGXWND4144
Mumbai, May 5, 2023

Annexure B to the Independent Auditors' Report

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

i. a) A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a programme designed to verify all the items once in a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. No material discrepancies were noticed on earlier verification conducted in accordance with the programme.

c) According to the information and explanations given to us, the Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

d) According to the information and explanations given to us by the management, the Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year.

e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.

b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees from bank on the basis of security of first pari-passu charge on all receivables / loan assets. The receivable and loan statements filed by the Company with Bank on a monthly basis are in agreement with the unaudited books of account as certified by the management.

iii. a) The principal business of the Company is to give loans. Accordingly, the provisions of Clause 3(iii) (a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us by the management, the Company has not made any investments during the year. The Company granted loans and provided letter of comfort during the year. In our opinion and according to information and explanation given to us, the terms and conditions of all loans granted and letter of comfort given by the Company during the year are not prejudicial to the interest of the Company.

c) According to the information and explanations given to us, the repayment schedules are stipulated for each of the loan granted by the Company. The repayments were regular as per the repayment schedule stipulated by the Company.

d) According to the information and explanation given to us, there were no overdue amounts as per the repayment schedule of the loans granted. Accordingly, reporting under Clause 3(iii)(d) of the Order is not applicable to the Company.

e) The principal business of the Company is to give loans. Accordingly, the provisions of Clause 3(iii) (e) of the Order is not applicable to the Company.

f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to investment made. The Company has not granted any loans or provided guarantee or security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. There are no undisputed statutory dues payable in respect to the above statues, outstanding as at March 31, 2023, for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company did not have dues which have not been deposited as on March 31, 2023, on account of any disputes.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. a) According to the information and explanation given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender during the year.

b) As represented, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company and further considering the Asset Liability management mechanism of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

e) According to the information and explanation given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanation given to us and based on the audit procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer/ further public offer (including debt instruments) during the year.

b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding entity or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. a) According to the information and explanations given to us, the Company has registered as required under Section 45-IA of the Reserve Bank of India Act, 1934.

b) In our opinion and according to the information and explanations given to us, the Company has conducted Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has no CIC.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

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

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

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 23044784BGXWND4144
Place: Mumbai
Date: May 5, 2023

Standalone Balance Sheet

as at March 31, 2023

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

Particulars	Note	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
I. ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	4	49,503.46	64,173.52
(b) Loans	5	1,146,306.94	694,283.39
(c) Investments	6	86,411.86	86,411.86
(d) Other financial assets	7	390.47	136.31
Total financial assets (A)		**1,282,612.73**	**845,005.08**
2 Non-financial assets			
(a) Current tax assets (net)	8	363.68	162.46
(b) Deferred tax assets (net)	9	3,322.59	1,736.10
(c) Property, plant and equipment	10A	36.86	28.25
(d) Intangible assets	10B	114.42	139.84
(e) Capital work-in-progress	10C	7.25	-
(f) Right of use assets	39	2,124.16	-
(g) Other non-financial assets	11	132.97	147.84
Total non-financial assets (B)		**6,101.93**	**2,214.49**
Total Assets (A+B)		**1,288,714.66**	**847,219.57**
II. LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
(a) Payables			
(i) Trade payables	12		
- Total outstanding dues of micro enterprises and small enterprises		2.65	5.40
- Total outstanding dues of creditors other than micro enterprises and small enterprises		12.35	36.35
(b) Debt securities	13	216,664.24	107,529.69
(c) Borrowings (other than debt securities)	14	787,579.85	472,748.40
(d) Lease liability	39	2,190.95	-
(e) Other financial liabilities	15	1,531.11	1,098.28
Total financial liabilities (A)		**1,007,981.15**	**581,418.12**
2 Non-financial liabilities			
(a) Provisions	16	540.24	284.02
(b) Other non-financial liabilities	17	206.41	114.70
Total non-financial liabilities (B)		**746.65**	**398.72**
3 Equity			
(a) Equity share capital	18A	238,058.63	238,058.63
(b) Instruments entirely equity in nature	18B	-	-
(c) Other equity	19	41,928.23	27,344.10
Total equity (C)		**279,986.86**	**265,402.73**
Total Liabilities and Equity (A+B+C)		**1,288,714.66**	**847,219.57**

The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

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

per **Padmini Khare Kaicker**
Partner
Membership No : 044784

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: May 5, 2023

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Standalone Statement of Profit and Loss

for the year ending March 31, 2023

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

Particulars	Note	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
Revenue from operations			
Interest income	20	77,723.42	31,124.30
Fees and commission income	21	1,141.17	217.45
Net gains on derecognition of financial assets measured at amortised cost		47.36	52.65
Total Income (A)		**78,911.95**	**31,394.40**
Expenses			
Finance costs	22	53,969.25	14,427.02
Impairment on financial instruments	23	3,338.89	4,239.51
Employee benefits expenses	24	1,607.75	1,090.24
Depreciation, amortisation and impairment	25	171.98	20.15
Other expenses	26	982.72	807.70
Total expenses (B)		**60,070.59**	**20,584.62**
Profit before tax (C = A - B)		**18,841.36**	**10,809.78**
Tax expense			
Current tax		5,835.50	3,547.49
Deferred tax credit		(1,584.42)	(1,261.08)
Total tax expenses (D)		**4,251.08**	**2,286.41**
Net profit after tax (E = C - D)		**14,590.28**	**8,523.37**
Other Comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
- Actuarial (gain) / loss on remeasurements of the net defined benefit plans		(8.22)	1.07
Income tax relating to items that will not be reclassified to profit or loss		2.07	(0.27)
Total Other comprehensive income/(loss) (F)		**(6.15)**	**0.80**
Total comprehensive income (G =E + F)		**14,584.13**	**8,524.17**
Earnings per equity share:	27		
Basic earnings per share (in ₹)		0.61	0.39
Diluted earnings per share (in ₹)		0.61	0.39

The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

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

per **Padmini Khare Kaicker**
Partner
Membership No : 044784

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: May 5, 2023

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

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

A) Equity Share Capital

Particulars	Number of shares	Amount
As at March 31, 2021	**1,405,637,939**	**140,563.79**
Add : issued during the year	238,058,625	23,805.87
Add : CCPS conversion into equity share during the year	736,889,692	73,688.97
As at March 31, 2022	**2,380,586,256**	**238,058.63**
Changes during the year	-	-
As at March 31, 2023	**2,380,586,256**	**238,058.63**

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

Particulars	Number of shares	Amount
As at March 31, 2021	**736,889,692**	**81,057.87**
Less : CCPS conversion into equity share during the year	(736,889,692)	(81,057.87)
As at March 31, 2022	**-**	**-**
Changes during the year	-	-
As at March 31, 2023	**-**	**-**

C) Other Equity

Particulars	Reserves & Surplus				
	Statutory reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Impairment reserve	Retained earnings	Total
Closing balance as at March 31, 2021	**421.20**	**1,705.62**	**54.42**	**1,472.58**	**3,653.82**
Net profit after tax for the year	-	-	-	8,523.37	8,523.37
Other comprehensive income for the year	-	-	-	0.80	0.80
Addition during the year	-	15,272.44	-	-	15,272.44
Less: Share issue expenses	-	(105.51)	-	-	(105.51)
Less: Dividend on CCPS	-	-	-	(0.82)	(0.82)
Add/(Less): Transferred to Statutory reserve	1,704.63	-	-	(1,704.63)	-
Closing balance as at March 31, 2022	**2,125.83**	**16,872.55**	**54.42**	**8,291.30**	**27,344.10**
Net profit after tax for the year	-	-	-	14,590.28	14,590.28
Other comprehensive income for the year	-	-	-	(6.15)	(6.15)
Add/(Less): Transferred to Statutory reserve	2,918.08	-	-	(2,918.08)	-
Closing balance as at March 31, 2023	**5,043.91**	**16,872.55**	**54.42**	**19,957.35**	**41,928.23**

The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

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

per **Padmini Khare Kaicker**
Partner
Membership No : 044784

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: May 5, 2023

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Standalone Statement of Cash Flows

for the year ended March 31, 2023

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

Particulars	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
A. Cash flow from operating activities		
Profit before tax	18,841.36	10,809.78
Adjustment for:		
Depreciation and amortisation	171.98	20.15
Interest income on financial assets- EIR adjustment	(916.42)	(423.34)
Interest expense on financial liabilities- EIR adjustment	438.21	144.54
Interest on Lease Liabilities	50.97	-
Interest income	(4.19)	-
Gain on derecognition of financial assets	(47.36)	(52.65)
Financial guarantee obligation	(543.36)	(81.74)
Impairment on financial instruments	3,338.89	4,239.52
Operating profit before working capital changes	**21,330.08**	**14,656.26**
Changes in working capital:		
Increase in provisions	137.75	68.26
(Decrease) / increase in trade payables	(26.75)	9.84
Increase in other financial liabilities	976.19	483.90
Increase / (decrease) in other non financial liabilities	91.71	(26.28)
(Increase) / decrease in other financial assets	(340.86)	158.73
(Increase) in non-financial assets	14.87	(110.13)
(Increase) in loans	(454,288.41)	(539,886.01)
Increase / (decrease) in interest accrual on borrowings	951.93	(133.45)
Increase in interest accrual on debt securities	6,512.84	3,171.90
Cash (used in)/generated in operations	**(424,640.65)**	**(521,606.98)**
(Payment) of tax (net)	(6,036.72)	(3,758.96)
Net Cash (used in)/generated in operations (A)	**(430,677.37)**	**(525,365.94)**
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(23.74)	(22.26)
Proceeds from sale of property, plant and equipment	0.16	0.28
Addition to Capital work in progress	(7.25)	-
Purchase of intangible assets	-	(69.94)
Purchase of investments	-	(31,192.87)
Net cash used in investing activities (B)	**(30.83)**	**(31,284.79)**
C. Cash flows from financing activities		
Share issue expenses	-	(67.51)
Proceeds from issuance of Equity Share Capital, net of Share issue expenses	-	31,671.41
Payment of dividend on CCPS	-	(0.82)
Proceeds from borrowings, net of cost	347,701.69	431,054.82
Repayment of borrowings	(34,131.94)	(2,500.00)
Proceeds from issue of Debt Securities	102,493.27	104,357.79
Repayment of lease liability	(24.88)	-
Net cash generated in financing activities (C)	**416,038.14**	**564,515.69**
Net Increase in cash and cash equivalents (D) = (A + B + C)	**(14,670.06)**	**7,864.96**
Cash and cash equivalents at the beginning of the period (E)	**64,173.52**	**56,308.56**
Cash and cash equivalents at the end of the period (F) = (D) + (E)	49,503.46	64,173.52
Cash and cash equivalents include the following		
Balances with banks in current account	5,494.66	8,565.22
Fixed deposits with maturity less than 3 months	44,008.80	55,608.30
Total cash and cash equivalents	**49,503.46**	**64,173.52**

Standalone Statement of Cash Flows

for the year ended March 31, 2023

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

Change in liabilities arising from financing activities	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
Borrowings (other than debt securities)		
Opening balance	**472,748.40**	**44,182.49**
Borrowings taken during the year	348,988.91	431,898.66
Finance cost	41,805.66	11,057.31
Repayments of borrowings during the year	(34,131.94)	(2,500.00)
Payment of interest during the year	(41,789.37)	(11,190.77)
EIR adjustments	(41.81)	(699.29)
Closing balance	**787,579.85**	**472,748.40**
Debt Securities (Secured, Non-convertible)		
Opening balance	107,529.69	-
Issued during the year	102,500.00	105,000.00
Finance cost	11,880.86	3,207.35
Repayments of borrowings during the year	-	-
Payment of interest during the year	(5,368.01)	(35.46)
EIR adjustments	121.70	(642.20)
Closing balance	**216,664.24**	**107,529.69**

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

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

per **Padmini Khare Kaicker**
Partner
Membership No : 044784

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: May 5, 2023

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Notes to the Financial Statements

for the year ended March 31, 2023

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 received its 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 statements for the year ended March 31, 2023 were authorised for issue in accordance with a resolution of the directors on May 05, 2023.

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. Also, any directions issued by the RBI or other regulators applicable to the Company are implemented as and when they become applicable.

The Company has uniformly applied the accounting policies for all the periods presented 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.

(iii) Order of Liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 38.

3. Significant accounting policies

a. Functional and Presentation Currency

The financial statements are presented in India Rupees (₹) 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

Notes to the Financial Statements

for the year ended March 31, 2023

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 items 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

Notes to the Financial Statements

for the year ended March 31, 2023

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

For long term leases, the cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment loss, if any, and adjusted for certain re-measurements of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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 change 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.

Notes to the Financial Statements
for the year ended March 31, 2023

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:

Notes to the Financial Statements

for the year ended March 31, 2023

- 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.

Notes to the Financial Statements
for the year ended March 31, 2023

— 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.

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.

Notes to the Financial Statements

for the year ended March 31, 2023

(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.

Notes to the Financial Statements

for the year ended March 31, 2023

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 an EIR 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
Intangible assets including software	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.

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.

Notes to the Financial Statements
for the year ended March 31, 2023

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. Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortized cost. Finance costs are charged to the Statement of profit and loss.

p. 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 unfunded. The Company accounts for the liability for future gratuity benefits based on an independent 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.

Notes to the Financial Statements

for the year ended March 31, 2023

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.

q. 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.

r. 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.

s. 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.

t. Foreign Currency transactions

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Statement of profit and loss.

u. 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 an 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.

Notes to the Financial Statements

for the year ended March 31, 2023

(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 formulae 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.

Notes to the Financial Statements

for the year ended March 31, 2023

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

4 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
- in current accounts	5,494.66	8,565.22
- Fixed deposits with original maturity less than 3 months	44,008.80	55,608.30
Total	**49,503.46**	**64,173.52**

5 Loans

	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
Term Loans	754,298.79	427,039.78
Non Convertible Debentures	400,125.91	272,154.50
Total Gross	**1,154,424.70**	**699,194.28**
Less: Impairment loss allowance	(8,117.76)	(4,910.89)
Total Net	**1,146,306.94**	**694,283.39**
Secured	1,154,424.70	699,194.28
Unsecured	-	-
Total Gross	**1,154,424.70**	**699,194.28**
Less: Impairment loss allowance	(8,117.76)	(4,910.89)
Total Net	**1,146,306.94**	**694,283.39**
Loans in India		
Public sector	-	-
Others	1,154,424.70	699,194.28
Total Gross	**1,154,424.70**	**699,194.28**
Less: Impairment loss allowance	(8,117.76)	(4,910.89)
Total Net	**1,146,306.94**	**694,283.39**
Total	**1,146,306.94**	**694,283.39**

6 Investments

Investment in equity shares of associate company (Unquoted)

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
NIIF Infrastructure Finance Limited	423,932,487	86,411.86	423,932,487	86,411.86
Total (A)	**423,932,487**	**86,411.86**	**423,932,487**	**86,411.86**
Investments in India (i)	423,932,487	86,411.86	423,932,487	86,411.86
Investments outside India (ii)	-	-	-	-
Total (B) (i+ii)	**423,932,487**	**86,411.86**	**423,932,487**	**86,411.86**
Total	**423,932,487**	**86,411.86**	**423,932,487**	**86,411.86**

Notes to the Financial Statements

for the year ended March 31, 2023

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

7 Other financial assets

	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
Guarantee commission receivable	156.02	126.96
Security deposits	234.45	9.00
Receivable from employees	-	0.35
Total	**390.47**	**136.31**

8 Current tax assets (net)

	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provision for income tax of ₹ 10,389.66 Lakhs as at March 31, 2023; previous year ₹ 4,554.16 Lakhs)	363.68	162.46
	363.68	**162.46**

9 Deferred tax assets (net)

	As at March 31, 2023	As at March 31, 2022
Temporary difference attributable to:		
Deferred tax assets		
Preliminary expenses	15.10	30.20
Provision for gratuity payable	15.27	6.80
Provision for leave encashment payable	41.27	18.48
Lease liability	551.42	-
Right-of-use assets	(567.73)	-
Financial assets measured at amortised cost	1,152.71	400.80
Impairment allowance on financial assets	2,122.51	1,282.18
	3,330.55	**1,738.46**
Deferred tax liabilities		
Depreciation on property, plant and equipment	(7.96)	(2.36)
	(7.96)	**(2.36)**
Total Deferred tax assets (net)	**3,322.59**	**1,736.10**

Notes to the Financial Statements

for the year ended March 31, 2023

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

10A Property, plant and equipment

Particulars	Computer equipment	Office equipment	Server / networking equipment	Total
Gross block				
Balance as at March 31, 2021	**9.24**	**2.00**	**5.27**	**16.51**
Additions/Adjustments	16.30	5.96	-	**22.26**
Disposals/Adjustments	-	0.40	-	**0.40**
Balance as at March 31, 2022	**25.54**	**7.56**	**5.27**	**38.37**
Additions/Adjustments	18.63	5.11	-	**23.74**
Disposals/Adjustments	-	0.40	-	**0.40**
Balance as at March 31, 2023	**44.17**	**12.27**	**5.27**	**61.71**
Accumulated depreciation				
Balance as at March 31, 2021	**2.01**	**0.19**	**0.56**	**2.76**
Depreciation charge	5.31	1.29	0.88	**7.48**
Disposals/Adjustments	-	0.12	-	**0.12**
Balance as at March 31, 2022	**7.32**	**1.36**	**1.44**	**10.12**
Depreciation charge	10.93	3.17	0.87	**14.97**
Disposals/Adjustments	-	0.24	-	**0.24**
Balance as at March 31, 2023	**18.25**	**4.29**	**2.31**	**24.85**
Net block				
Balance as at March 31, 2023	**25.92**	**7.98**	**2.96**	**36.86**
Balance as at March 31, 2022	**18.22**	**6.20**	**3.83**	**28.25**

10B Intangible assets

Particulars	Software	Total
Gross block		
Balance as at March 31, 2021	**-**	**-**
Additions/Adjustments	152.51	**152.51**
Disposals/Adjustments	-	**-**
Balance as at March 31, 2022	**152.51**	**152.51**
Additions/Adjustments	-	**-**
Disposals/Adjustments	-	**-**
Balance as at March 31, 2023	**152.51**	**152.51**
Accumulated amortisation charge		
Balance as at March 31, 2021	-	**-**
Amortisation charge	12.67	**12.67**
Balance as at March 31, 2022	**12.67**	**12.67**
Amortisation charge	25.42	**25.42**
Balance as at March 31, 2023	**38.09**	**38.09**
Net block		
Balance as at March 31, 2023	**114.42**	**114.42**
Balance as at March 31, 2022	**139.84**	**139.84**

10C Capital work-in-progress

Particulars	Leasehold Improvements	Total
Balance as at March 31, 2023	**7.25**	**7.25**
Balance as at March 31, 2022	**-**	**-**

Notes to the Financial Statements
for the year ended March 31, 2023

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

11 Other non-financial assets

	As at March 31, 2023	As at March 31, 2022
Advance to vendors	43.51	15.29
Prepaid expenses	89.46	132.55
Total	**132.97**	**147.84**

12 Trade payables

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	2.65	5.40
Total outstanding dues of creditors other than micro, small and medium enterprises	12.35	36.35
Total	**15.00**	**41.75**

Trade payable ageing schedule

As at 31 March 2023

Particulars	Not Due	Less than a year	1-2 years	2-3 years	More than 3 years	Total
i. Total outstanding dues of micro enterprises and small enterprises	-	2.65	-	-	-	**2.65**
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	-	12.35	-	-	-	**12.35**
iii. Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
iv. Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**

As at 31 March 2022

Particulars	Not Due	Less than a year	1-2 years	2-3 years	More than 3 years	Total
i. Total outstanding dues of micro enterprises and small enterprises	-	5.40	-	-	-	**5.40**
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	-	36.35	-	-	-	**36.35**
iii. Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
iv. Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**

13 Debt Securities

	As at March 31, 2023	As at March 31, 2022
At Amortised cost		
Debentures (Secured, non convertible)	206,979.50	104,357.79
Interest accrued but not due on debentures	9,684.74	3,171.90
	216,664.24	**107,529.69**
Debt securities in India	216,664.24	107,529.69
Debt securities outside India	-	-
19,500 (Previous year 10,500) No. of debentures with face value per debenture	1,000,000	1,000,000
12,500 (Previous year Nil) No. of debentures with face value per debenture	100,000	-

Notes to the Financial Statements
for the year ended March 31, 2023

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

i) Debt securities are secured against pari passu charge on asset portfolio of book debts and receivables.

ii) Terms of repayment and rate of interest:

As At March 31, 2023	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured, Non convertible debentures	5.6%-8.25%	88,292.16	128,372.08	-	216,664.24
Total					**216,664.24**

As At March 31, 2022	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured, Non convertible debentures	5.6%-7.7%	86,269.52	21,260.17	-	107,529.69
Total					**107,529.69**

14 Borrowings (other than debt securities)

	As at March 31, 2023	As at March 31, 2022
At Amortised Cost		
Borrowings - In India		
Secured		
Term loan from bank	537,582.62	242,752.31
Term loan from financial institutions	249,997.23	224,997.11
Cash credit facility	-	4,998.98
Total	**787,579.85**	**472,748.40**

Details of borrowings:

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

ii) Borrowings from bank and financial institutions are secured against pari passu charge on asset portfolio of book debts and receivables.

iii) Terms of repayment and rate of interest:

As At March 31, 2023	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Term loan from Banks	Floating*	38,118.72	149,797.87	336,538.36	524,454.95
Term loan from Banks	6.50%	13,127.67	-	-	13,127.67
Term loan from financial institutions	Floating*	49,999.66	149,998.05	49,999.53	249,997.23
Cash credit facility	Floating*	-	-	-	-
Total					**787,579.85**

As At March 31, 2022	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Term loan from Banks	Floating*	39,986.90	53,371.30	134,394.11	227,752.31
Term loan from Banks	6.50%	15,000.00	-	-	15,000.00
Term loan from financial institutions	Floating*	49,999.50	149,997.61	25,000.00	224,997.11
Cash credit facility	Floating*	4,998.98	-	-	4,998.98
Total					**472,748.40**

* Linked with MCLR/Base Rate of Respective Banks

Notes to the Financial Statements

for the year ended March 31, 2023

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

15 Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
Payable to related parties	3.06	20.61
Staff incentives payable	234.54	229.62
Financial guarantee obligation	422.17	297.86
Processing fees received pending disbursement	734.56	421.95
Capital expenses payable	-	9.40
Share issue expenses payable	-	38.00
Salary payable	0.90	-
Other expenses payable	135.88	80.84
Total	**1,531.11**	**1,098.28**

16 Provisions

	As at March 31, 2023	As at March 31, 2022
Provisions for employee benefits		
Provision for gratuity	60.66	27.02
Provision for leave benefits	163.97	73.41
Provision for Impairment loss on non-fund based facility	315.61	183.59
Total	**540.24**	**284.02**

17 Other non-financial liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory dues	206.41	114.70
Total	**206.41**	**114.70**

18A Equity Share Capital

	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Authorised capital				
Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	4,500,000,000	450,000.00	4,500,000,000	450,000.00
	4,500,000,000	**450,000.00**	**4,500,000,000**	**450,000.00**
Issued, subscribed and paid up*				
(I) Equity Shares				
Equity Shares of ₹ 10 each fully paid (Previous year ₹ 10 each)	2,380,586,256	238,058.63	2,380,586,256	238,058.63
	2,380,586,256	**238,058.63**	**2,380,586,256**	**238,058.63**

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.

Notes to the Financial Statements
for the year ended March 31, 2023

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

18B Compulsorily Convertible Preference Share Capital ('CCPS')

	As at March 31, 2023		As at March 31, 2022	
	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
	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	-	-	-	-
	-	**-**	**-**	**-**

Rights, preferences and restrictions attached to Preference Shares

During the previous year, the CCPS have been converted into equity shares in the ratio of 1 equity share for each CCPS. The CCPS carried a pre-determined cumulative dividend rate of 0.001% per annum, which was provided for during the previous year. Each CCPS was issued at a face value of ₹ 11 per CCPS and a premium of ₹ 0.06 per CCPS, and was to 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 was earlier. The CCPS did not carry any voting rights and had liquidation preference over the Equity Shares, in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016. This CCPS infusion from Government of India during financial year 2020-21 was 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.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares				
At the beginning of the year	2,380,586,256	238,058.63	1,405,637,939	140,563.79
Add : issued during the year	-	-	238,058,625	23,805.87
Add : CCPS conversion into equity share during the year	-	-	736,889,692	73,688.97
At the end of the year	**2,380,586,256**	**238,058.63**	**2,380,586,256**	**238,058.63**
Total issued, subscribed and fully paid up Equity Shares	**2,380,586,256**	**238,058.63**	**2,380,586,256**	**238,058.63**
0.001 % Compulsorily Convertible Preference Shares				
At the beginning of the year	-	-	736,889,692	81,057.87
Less : CCPS conversion into equity share during the year	-	-	(736,889,692)	(81,057.87)
At the end of the year	-	-	-	-
Total issued, subscribed and fully paid up 0.001 % Compulsorily Convertible Preference Shares	**-**	**-**	**-**	**-**

Notes to the Financial Statements
for the year ended March 31, 2023

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

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of Rs 10 each				
National Investment and Infrastructure Fund-II	1,405,637,939	59%	1,405,637,939	59%
Government of India	736,889,692	31%	736,889,692	31%
Sumitomo Mitsui Banking Corporation	238,058,625	10%	238,058,625	10%
Total	**2,380,586,256**	**100%**	**2,380,586,256**	**100%**

Shareholding of Promoters in the company

As at 31 March 2023

Name of promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
National Investment and Infrastructure Fund-II	1,405,637,939	-	1,405,637,939	59%	0%
Total	**1,405,637,939**	**-**	**1,405,637,939**	**59%**	**0%**

As at 31 March 2022

Name of promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
National Investment and Infrastructure Fund-II	1,405,637,939	-	1,405,637,939	59%	-41%
Total	**1,405,637,939**	**-**	**1,405,637,939**	**59%**	**-41%**

19 Other equity

	As at March 31, 2023	As at March 31, 2022
(a) Statutory reserve u/s. 45-IC of RBI Act, 1934	5,043.91	2,125.83
(b) Securities premium	16,872.55	16,872.55
(c) Impairment reserve	54.42	54.42
(d) Retained earnings	19,957.35	8,291.30
Total	**41,928.23**	**27,344.10**
(a) Statutory reserve u/s. 45-IC of RBI Act, 1934		
Opening balance	2,125.83	421.20
Addition during the year	2,918.08	1,704.63
Closing balance	**5,043.91**	**2,125.83**
(b) Securities premium		
Opening balance	16,872.55	1,705.62
Addition during the year	-	15,272.44
Less: Share issue expenses	-	(105.51)
Closing balance	**16,872.55**	**16,872.55**

Notes to the Financial Statements

for the year ended March 31, 2023

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

	As at March 31, 2023	As at March 31, 2022
(c) Impairment reserve		
Opening balance	54.42	54.42
Addition during the year	-	-
Closing balance	**54.42**	**54.42**
(d) Retained earnings		
Opening balance	8,291.30	1,472.58
Transactions during the year		
Net profit for the year	14,590.28	8,523.37
Other comprehensive income for the year	(6.15)	0.80
Less: Transfer to Statutory reserve u/s. 45-IC of RBI Act, 1934	(2,918.08)	(1,704.63)
Less: Dividend on CCPS	-	(0.82)
Closing balance	**19,957.35**	**8,291.30**

*During the previous year, the Company had received equity share capital of ₹ 31,709.41 Lakhs (including securities premium of ₹ 7,903.55 Lakhs) from Sumitomo Mitsui Banking Corporation, Japan, to be utilised for the business purposes of the Company or investment into its associate company NIIF IFL, in its capacity as sponsor to maintain its regulatorily required stakeholding. Also, as a result of the conversion of the CCPS held by the President of India (represented by and acting through the Secretary, Department of Corporate Affairs, Ministry of Finance, Government of India (GOI)) as indicated above, the paid-up equity share capital has been increased by ₹ 81,057.87 Lakhs (including securities premium).

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 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, 2023 and March 31, 2022 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.

Notes to the Financial Statements

for the year ended March 31, 2023

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

20 Interest income

	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial assets measured at amortised cost:		
Interest on loans	46,011.44	23,777.82
Interest on Non Convertible Debentures	30,017.44	6,460.91
Interest on bank deposits	1,679.77	794.50
Prepayment premium on loans	-	82.31
Other interest income*	14.77	8.76
Total	**77,723.42**	**31,124.30**

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

21 Fees and commission income

	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial assets measured at amortised cost:		
Commission fees	971.99	217.45
Advisory fees	52.50	-
Others (security creation charges, penal interest etc.)	116.68	-
Total	**1,141.17**	**217.45**

22 Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
On Financial liabilities measured at amortised cost		
Bank charges	5.30	8.46
Interest on borrowings	41,805.66	11,057.31
Interest on debt securities	11,880.86	3,207.35
Interest on corporate taxes	-	2.50
Interest on lease liabilities	50.97	-
Other fees and borrowing costs	226.46	151.40
Total	**53,969.25**	**14,427.02**

23 Impairment on financial instruments

	For the year ended March 31, 2023	For the year ended March 31, 2022
On Financial instruments measured at amortised cost		
Term Loans	2,311.38	2,349.82
Non Convertible Debentures	895.49	1,766.60
Non Fund Based Facility	132.02	123.09
Total	**3,338.89**	**4,239.51**

Notes to the Financial Statements
for the year ended March 31, 2023

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

24 Employee benefits expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	1,360.03	968.86
Gratuity and leave encashment	116.34	69.60
Contribution to provident and other funds	65.82	39.40
Staff welfare expenses	65.56	12.38
Total	**1,607.75**	**1,090.24**

25 Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	14.97	7.48
Depreciation on right-of-use assets	131.59	-
Amortisation of intangible assets	25.42	12.67
Total	**171.98**	**20.15**

26 Other expenses*

	For the year ended March 31, 2023	For the year ended March 31, 2022
Shared services cost expense	9.63	73.17
Legal and professional fees	302.35	280.81
Internal audit fees	16.80	13.53
Auditor's remuneration (Refer note 26 (a) below)	27.57	23.78
Office rent expenses (includes facility support charges)	141.76	170.25
Corporate social responsibility expenditure	90.25	27.35
Director sitting fees	24.20	22.89
Recruitment expenses	18.95	35.63
Information technology expenses	248.77	122.95
Insurance expenses	23.78	12.03
Other expenses	78.66	25.31
Total	**982.72**	**807.70**

* Above amounts include balance of indirect taxes after claiming input credit.

26(a) Break up of Auditors' remuneration*

	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory audit	15.29	14.35
Tax audit	1.64	1.09
Other services (including certification fees)	10.64	8.34
Total	**27.57**	**23.78**

* Above amount includes balance of indirect taxes after claiming input credit.

Notes to the Financial Statements

for the year ended March 31, 2023

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

27 Earnings per share (EPS)

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit after tax available for equity shareholders	14,590.28	8,523.37
Weighted average number of Equity shares used in computing Basic EPS & Diluted EPS	23,806	21,582

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share (in ₹)	0.61	0.39
Diluted earnings per share (in ₹)	0.61	0.39

28 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 /previous year)' 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 Pranav 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. V. Chandrashekaran
Independent Director	Mr. Prashant Kumar Ghose

b. Key management personnel compensation:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration to KMP		
Employee benefits (short term)	392.19	367.27
Post-employment defined benefit#	16.95	15.38

#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.

Notes to the Financial Statements
for the year ended March 31, 2023

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

Particulars of Director sitting fees	For the year ended March 31, 2023	For the year ended March 31, 2022
Ms. Rosemary Sebastian- Independent Director	10.00	10.20
Mr. V. Chandrasekaran- Independent Director	11.40	10.80
Mr. Prashant Kumar Ghose- Independent Director	0.80	-
Total	**22.20**	**21.00**

c. Transactions with related parties during the year

Nature of transaction	Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of equity shares			
NIIF Infrastructure Finance Limited	Associate company	-	31,192.87*
Downsell / Assignment of Loans			
NIIF Infrastructure Finance Limited	Associate company	-	18,472.88
Expenses charged by Company			
NIIF Infrastructure Finance Limited	Associate company	0.61	2.50
Expenses on Company's behalf by			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	18.94	159.00
NIIF Infrastructure Finance Limited	Associate company	54.20	106.91

*During the previous year, the Company had subscribed to additional equity shares of ₹ 31,192.86 Lakhs (including premium of ₹ 19,737.53 Lakhs) in associate company NIIF Infrastructure Finance Limited ("NIIF IFL"), and continues to hold 30.83% stake in NIIF IFL on a fully diluted basis.

d. Closing balance of the transactions with related parties

Nature of transaction	Relationship	As at March 31, 2023	As at March 31, 2022
Equity shares			
National Investment and Infrastructure Fund-II	Holding company	140,563.79	140,563.79
Investment in equity shares			
NIIF Infrastructure Finance Limited	Associate company	86,411.86	86,411.86
Reimbursement of expense receivable			
NIIF Infrastructure Finance Limited	Associate company	0.66	-
Expenses on Company's behalf payable			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	-	21.06
NIIF Infrastructure Finance Limited	Associate company	3.72	-

Notes to the Financial Statements
for the year ended March 31, 2023

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

29 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 – ₹ 90.08 Lakhs (previous year - ₹ 27.03 Lakhs)

(b) amount of expenditure incurred and shortfall at the end of the year

For the year ended March 31, 2023	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	90.25	-	-

For the year ended March 31, 2022	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	27.35	-	-

The Company's CSR spend shall enable through support to two specific programs – (1) Intelligent Solutions for Road Safety through Technology and Engineering (iRASTE) in the state of Telangana, applying a Safe Systems approach to aspects of Vehicle Safety, Mobility Analysis & Infrastructure Safety, and (2) Screening of women in vulnerable districts of Andhra Pradesh for Cervical and Breast Cancer, using AI enabled hand held devices. Aseem Infrastructure Finance has sponsored both these programs, with unique partnership mechanisms. Project iRASTE is a partnership of industry, academia and government and is driven by Government of Telangana, TSRTC (Telangana State Road Transport Corporation), INAI, IIIT-Hyderabad, Central Road Research Institute (CRRI), Uber, and Intel. The Cancer screening program is a partnership between the Health department of Government of Andhra Pradesh, its implementation NGO partner SHARE India, Rotary Foundation International and their local clubs, and the technology partner providing the AI enabled cancer screening devices.

30 Contingent liabilities and capital commitments

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

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets	-	-

Contingent liabilities as at the end of reporting year are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Letter of comfort issued	45,087.60	26,227.00

Notes to the Financial Statements

for the year ended March 31, 2023

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

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

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the year end has been made in the financial statements based on information received and available with the Company and has been relied upon by the statutory auditors.

Particulars	March 31, 2023	March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.65	5.40
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Further interest remaining due and payable for earlier years	-	-
	2.65	**5.40**

32 Tax expense recognised in P&L

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	5,835.50	3,547.49
Deferred tax	(1,584.42)	(1,261.08)
	4,251.08	**2,286.41**

Tax expense/(benefits) recognised in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	-	-
Deferred tax- remeasurement of defined benefit obligation	2.07	(0.27)
	2.07	**(0.27)**

32.1 Tax reconciliation (for profit and loss)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(loss) before income tax expense	18,841.36	10,809.78
Tax at the rate of	25.168%	25.168%
Income tax expense calculated	4,741.99	2,720.61
Tax impact of not deductible/allowable expenses/income for tax purpose	53.18	(4.91)
Tax impact of deduction allowed separately under Income Tax Act, 1961	(546.16)	(429.02)
Income tax expense	**4,249.01**	**2,286.68**

32.2 Deferred tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax on account of :		
Preliminary expenses	15.10	30.20
Provision for gratuity payable	15.27	6.80
Provision for leave encashment payable	41.27	18.48
Lease liability	551.42	-
Right-of-use assets	(567.73)	-
Financial assets measured at amortised cost	1,152.71	400.80
Impairment allowance on financial assets	2,122.51	1,282.18
Depreciation of property, plant and equipment	(7.96)	(2.36)
Net deferred tax Assets	**3,322.59**	**1,736.10**

Notes to the Financial Statements
for the year ended March 31, 2023

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

Deferred tax related to the following:

Particulars	As at March 31, 2023	Recognised through profit & loss	Recognised through OCI	As at March 31, 2022	Recognised through profit & loss	Recognised through OCI
Preliminary expenses	15.10	15.10	-	30.20	15.10	-
Provision for gratuity payable	15.27	(6.40)	2.07	6.80	(4.09)	(0.27)
Provision for leave encashment payable	41.27	(22.79)	-	18.48	(13.09)	-
Lease liability	551.42	(551.42)	-	-	-	-
Right of use assets	(567.73)	567.73	-	-	-	-
Financial assets measured at amortised cost	1,152.71	(751.91)	-	400.80	(194.09)	-
Impairment allowance on financial assets	2,122.51	(840.33)	-	1,282.18	(1,067.00)	-
Expenses disallowed for Income tax	-	-	-	-	0.38	-
Depreciation of property, plant and equipment	(7.96)	5.60	-	(2.36)	1.71	-
Total deferred tax Assets (net)	**3,322.59**	**(1,584.42)**	**2.07**	**1,736.10**	**(1,261.08)**	**(0.27)**

33 Fair value measurements

Financial instruments by category

Particulars	As at March 31, 2023			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	49,503.46	49,503.46
Loans	-	-	1,146,306.94	1,146,306.94
Investments	-	-	86,411.86	86,411.86
Other financial assets	-	-	390.47	390.47
Total financial assets	**-**	**-**	**1,282,612.73**	**1,282,612.73**
Financial liabilities				
Trade payables	-	-	15.00	15.00
Debt Securities	-	-	216,664.24	216,664.24
Borrowings (other than debt securities)	-	-	787,579.85	787,579.85
Lease liability	-	-	2,190.95	2,190.95
Other financial liabilities	-	-	1,531.11	1,531.11
Total financial liabilities	**-**	**-**	**1,007,981.15**	**1,007,981.15**

Particulars	As at March 31, 2022			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	64,173.52	64,173.52
Loans	-	-	694,283.39	694,283.39
Investments	-	-	86,411.86	86,411.86
Other financial assets	-	-	136.31	136.31
Total financial assets	**-**	**-**	**845,005.08**	**845,005.08**
Financial liabilities				
Trade payables	-	-	41.75	41.75
Debt Securities	-	-	107,529.69	107,529.69
Borrowings (other than debt securities)	-	-	472,748.40	472,748.40
Other financial liabilities	-	-	1,098.28	1,098.28
Total financial liabilities	**-**	**-**	**581,418.12**	**581,418.12**

Notes to the Financial Statements

for the year ended March 31, 2023

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

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 Committee (AC).

IV. Fair value of financial instrument measured at amortised cost

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans	1,146,306.94	1,146,306.94	694,283.39	694,283.39
Other financial assets (Guarantee Commission receivable)	156.02	156.02	126.96	126.96
Financial liabilities				
Debt Securities	216,664.24	216,664.24	107,529.69	107,529.69
Borrowings (other than debt securities)	787,579.85	787,579.85	472,748.40	472,748.40

Note: During the years mentioned above, there have been no transfers amongst the levels of hierarchy.

Notes to the Financial Statements
for the year ended March 31, 2023

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

34 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 of off-balance sheet.

Regulatory capital

Particulars	As at March 31, 2023	As at March 31, 2022
Tier- I capital	217,733.11	203,407.74
Tier- II capital	8,433.39	5,094.48
Total Capital	**226,166.50**	**208,502.22**
Risk weighted assets	1,065,059.65	592,401.92
Tier- I capital ratio	20.44%	34.34%
Tier- II capital ratio	0.79%	0.86%
Total Capital ratio	**21.24%**	**35.20%**

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 unpredictability 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 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.

Notes to the Financial Statements
for the year ended March 31, 2023

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

Following provides exposure to credit risk for Financial Instruments :

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets at amortised cost- Loans (Gross)	1,159,681.67	701,550.40
Other financial assets at amortised cost	156.02	126.96
Non Fund Based Facility	45,087.60	26,227.00
Total Gross exposure	1,204,925.29	727,904.36
Less: Non Fund Based Facility	(45,087.60)	(26,227.00)
Less : Impairment loss allowances	(8,433.39)	(5,094.48)
Less: EIR adjustments	(5,256.95)	(2,356.12)
Total carrying value	**1,146,147.35**	**694,226.76**

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

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, 2023		As at March 31, 2022	
	Carrying amount	ECL	Carrying amount	ECL
Stage 1*	1,204,769.27	8,433.39	727,777.40	5,094.48
Stage 2	-	-	-	-
Stage 3	-	-	-	-

* Carrying amount includes non-fund based exposure of ₹ 45,087.60 Lakhs (previous year ₹ 26,227.00 Lakhs)

The movement in the allowance for impairment in respect of loans

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(4,910.89)	(793.11)
Impairment provision recognised	(3,206.87)	(4,117.78)
Derecognition	-	-
Closing balance	(8,117.76)	(4,910.89)

Notes to the Financial Statements
for the year ended March 31, 2023

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(183.59)	(60.50)
Impairment provision recognised	(132.02)	(123.09)
Derecognition	-	-
Closing balance	(315.61)	(183.59)

Credit Concentration

The Company's loan portfolio is concentrated on infrastructure, as detailed below.

Particulars	As at March 31, 2023	As at March 31, 2022
Infrastructure	1,141,698.94	694,226.76
Non-Infrastructure	4,448.41	-
Total	**1,146,147.35**	**694,226.76**

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 is managed at the sector/sub-sector level. Sectoral limits have been laid down and reviewed every 6 months at the Risk Management Committee (RMC).

Sector/sub-sector	Exposure as % of total exposure	
	As at March 31, 2023	As at March 31, 2022
Solar	32.27%	41.09%
Roads	28.08%	18.36%
Transmission	3.16%	10.41%
Telecom	6.78%	11.07%
Natural Gas	1.05%	1.42%
Power Distribution	6.74%	7.14%
Airport	4.99%	7.14%
Solar & Wind (Hybrid)	9.52%	3.02%
Wind	3.14%	0.34%
Biomass	2.87%	0.00%
Logistics	1.01%	0.00%
Urban Public Transport	0.37%	0.00%
Data Center	0.02%	0.00%
Total	**100.00%**	**100.00%**

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.

Notes to the Financial Statements
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(All amounts are in INR Lakhs, unless otherwise stated)

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

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) is conducted to determine the credit migration and rating of the portfolio. The analysis below summarises the credit quality of the Company's debt portfolio.

Sector/sub-sector	% of total customers		% of total outstanding	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
iAAA	0%	0%	0%	0%
iAA+, iAA, iAA-	44%	41%	43%	43%
iA+, iA, iA-	23%	40%	23%	46%
iBBB+	17%	14%	26%	9%
iBBB	14%	5%	4%	2%
iBBB-	2%	0%	4%	0%
Total	**100%**	**100%**	**100%**	**100%**

b) Expected credit loss measurement

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

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer note 34 (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 note34 (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 34 (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.

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

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, 2023 and March 31, 2022.

ii) Default and credit-impaired asset

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

Quantitative criteria:

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

Qualitative criteria:

The borrower meets 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

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.

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for the year ended March 31, 2023

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

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

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

PD Estimation:

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

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

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

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

Internal rating grades – 12 month PD Mapping:

Internal rating grades	Internal rating grades	PD% Base Case	PD% Best Case	PD% Worst Case
Highest Safety	iAAA	0.03%	0.03%	0.03%
High Safety	iAA+	0.03%	0.03%	0.06%
	iAA	0.03%	0.03%	0.06%
	iAA-	0.03%	0.03%	0.06%
Adequate Safety	iA+	0.03%	0.03%	0.12%
	iA	0.03%	0.03%	0.12%
	iA-	0.03%	0.03%	0.12%
Moderate Safety	iBBB+	0.31%	0.09%	0.91%
	iBBB	0.31%	0.09%	0.91%
	iBBB-	0.31%	0.09%	0.91%
Moderate Risk	iBB+	2.53%	1.19%	4.94%
	iBB	2.53%	1.19%	4.94%
	iBB-	2.53%	1.19%	4.94%
High Risk	iB	7.11%	4.03%	11.74%
Very High Risk	iC	19.04%	12.44%	27.44%
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.

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

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, after considering the threshold level of collateralisation and required level of over collateralisation for full recognition of collateral, have been taken as a proxy measure.

ECL computation:

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

iv) Forward-looking information incorporated in the ECL model

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

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

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

Notes to the Financial Statements
for the year ended March 31, 2023

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

Year ended March 31, 2023

ECL Scenario	Assigned probabilities %	2023	2024	2025	2026	2027
Base case	50%	5.90%	6.30%	6.20%	6.10%	6.00%
Best case	20%	8.82%	9.22%	9.12%	9.02%	8.91%
Worst case	30%	2.98%	3.38%	3.28%	3.18%	3.08%

Year ended March 31, 2022

ECL Scenario	Assigned probabilities %	2022	2023	2024	2025	2026
Base case	50%	8.95%	8.15%	6.89%	6.99%	7.04%
Best case	20%	11.93%	11.13%	9.87%	9.97%	10.02%
Worst case	30%	5.97%	5.17%	3.91%	4.01%	4.06%

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.

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Base case	Best case	Worst case	Base case	Best case	Worst case
Assigned probabilities %	50%	20%	30%	50%	20%	30%
ECL (₹ in Lakhs)	918.84	365.55	2,741.42	217.25	141.41	543.71

Scenario weighted ECL as on March 31, 2023 is ₹ 1,354.95 Lakhs (March 31, 2022 ₹ ₹ 300.02 Lakhs).

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 officials, site visits, etc.

Proposals shall be approved by the Credit Committee post recommendation by the Management Committee

Term loans /debentures can have fixed rate or floating rate of interest linked to the Company's benchmark rate or another agreed benchmark. There may be 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, 2023	As at March 31, 2022
Less than 1 year	62%	68%
More than 1 year	38%	32%

vii) Overview of modified and forborne loan

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

Notes to the Financial Statements

for the year ended March 31, 2023

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

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, 2023			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety	-	-	-	-
High Safety	398,429.03	-	-	398,429.03
Adequate Safety	379,650.43	-	-	379,650.43
Moderate Safety	426,845.83	-	-	426,845.83
Non- performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	**1,204,925.29**	**-**	**-**	**1,204,925.29**

Term loans and debentures	As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Performing				
Highest Safety	-	-	-	-
High Safety	326,305.81	-	-	326,305.81
Adequate Safety	306,162.07	-	-	306,162.07
Moderate Safety	95,436.48	-	-	95,436.48
Non- performing				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
Total	**727,904.36**	**-**	**-**	**727,904.36**

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

The Company does not have any exposure to Financial instruments not subjected to impairment.

iii) Collateral and other credit enhancement

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

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

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

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

Notes to the Financial Statements
for the year ended March 31, 2023

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

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, 2023						
Loans to corporate entities/individuals:						
- Term loans	758,949.06	5,312.64	-	4,655.24	748,981.18	1,008,736.14
- Debentures and bonds	397,495.05	2,782.47	-	601.73	394,110.85	1,966,996.99
- Accrued interest on loans, debentures and bonds	3,237.56	22.65	-	-	3,214.91	3,237.56
- Other financial Asset	156.02	-	-	-	156.02	156.02
- Non-Fund Based facility	45,087.60	315.61	45,087.60	-	(315.61)	60,128.54
Total	**1,204,925.29**	**8,433.37**	**45,087.60**	**5,256.97**	**1,146,147.35**	**3,039,255.25**

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, 2022						
Loans to corporate entities/individuals:						
- Term loans	428,749.38	3,001.28	-	1,709.60	424,038.50	834,755.43
- Debentures and bonds	271,449.70	1,902.85	-	646.52	268,900.33	418,937.42
- Accrued interest on loans, debentures and bonds	1,351.32	6.76	-	-	1,344.56	1,351.32
- Other financial Asset	126.96	-	-	-	126.96	126.96
- Non-Fund Based facility	26,227.00	183.59	26,227.00	-	(183.59)	18,734.02
Total	**727,904.36**	**5,094.48**	**26,227.00**	**2,356.12**	**694,226.76**	**1,273,905.16**

iv) Loss allowance

The loss allowance recognised in the year 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 year, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- additional allowances for new financial instruments recognised during the year, as well as releases for financial instruments de-recognised in the year;
- impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the year, arising from regular refreshing of inputs to models;
- impacts on the measurement of ECL due to changes made to models and assumptions;
- financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the year.

Notes to the Financial Statements
for the year ended March 31, 2023

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

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, 2023			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	**699,194.28**	-	-	**699,194.28**
New assets originated or purchased	690,437.27	-	-	690,437.27
Assets derecognised or repaid	(235,206.85)	-	-	(235,206.85)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**1,154,424.70**	-	-	**1,154,424.70**

Term loans and debentures	Year ended March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	**158,832.28**	-	-	**158,832.28**
New assets originated or purchased	632,918.07	-	-	632,918.07
Assets derecognised or repaid	(92,556.07)	-	-	(92,556.07)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**699,194.28**	-	-	**699,194.28**

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

Term loans and debentures	Year ended March 31, 2023			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	**4,910.89**	-	-	**4,911**
New assets originated or purchased	4,853.32	-	-	4,853.32
Assets derecognised or repaid	(1,646.45)	-	-	(1,646.45)
Net remeasurement of loss allowance	-		-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**8,117.76**	-	-	**8,117.76**

Term loans and debentures	Year ended March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	**793.11**	-	-	**793.11**
New assets originated or purchased	4,765.67	-	-	4,765.67
Assets derecognised or repaid	(647.89)	-	-	(647.89)
Net remeasurement of loss allowance	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**4,910.89**	-	-	**4,910.89**

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

Notes to the Financial Statements
for the year ended March 31, 2023

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

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 outflows [maximum]	-10% of cumulative outflows for 0 to 14 days -20% of cumulative outflows 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 Crores or 15% of the Annual Budgeted Net Interest Income; whichever is lower
Liquidity Coverage Ratio (LCR)	0.7

Financing arrangements

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

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate		
Borrowings		
Expiring within one year	57,500.00	214,000.00
Expiring beyond one year	-	-
Total	**57,500.00**	**214,000.00**

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 was exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar in the year ended March 31, 2023 and March 31, 2022.

Foreign currency risk management

In respect of the foreign currency transactions, the Company does not hedge the exposures since it relates only to a small value of 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, 2023	As at March 31, 2022
Financial liabilities		
Provisions		
USD Exposure (in ₹ Lakhs)	-	4.60
Financial Assets		
Trade receivables		
USD Exposure (in ₹ Lakhs)	-	-
Net exposure to foreign currency risk	**-**	**4.60**

Notes to the Financial Statements

for the year ended March 31, 2023

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

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, 2023		As at March 31, 2022	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	-	-	(0.23)	0.23

(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, 2023	As at March 31, 2022
Variable rate liabilities		
Borrowings	774,452.18	473,498.66
Variable rate assets		
Loans	735,238.53	404,498.73

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, 2023	As at March 31, 2022
Interest rates – increase by 0.50%	(196.07)	(345.00)
Interest rates – decrease by 0.50%	196.07	345.00

(iii) Price risk

The Company is not exposed to price risk as at March 31, 2023 and March 31, 2022.

D Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or from external events. The operational risks of the Company are managed through comprehensive internal control systems and procedures and key back up processes. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The Internal Audit function also enables mitigation on an ongoing basis. The Company has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with adverse events such as natural disasters, technological failures, human errors, terrorism, etc. Periodic testing is carried out to address gaps in the framework, if any.

Notes to the Financial Statements
for the year ended March 31, 2023

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

35 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, 2023	For the year ended March 31, 2022
Segment revenue		
- India	78,911.95	31,394.40
- Outside India	-	-
Total	**78,911.95**	**31,394.40**

Revenue from major customers

For the year ended March 31, 2023, no customer of the company contributed more than 10% of the Company's total revenues (March 31, 2022 - 1 customer contributed ₹ 3,359 Lakhs).

(b) Segment assets and segment liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Segment assets		
- India	1,288,714.66	847,219.57
- Outside India	-	-
	1,288,714.66	**847,219.57**
Segment liabilities		
- India	1,008,727.80	581,816.84
- Outside India	-	-
	1,008,727.80	**581,816.84**

36 Collateral / security pledged

Particulars	As at March 31, 2023	As at March 31, 2022
Pledged as security against borrowings		
Receivables and Loan Assets	1,156,444.11	700,204.43
Other financial assets	156.02	126.96
Total	**1,156,600.13**	**700,331.39**

37 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.

Notes to the Financial Statements
for the year ended March 31, 2023

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund and other fund	65.82	39.40

(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	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Actuarial assumptions		
Discount rate (per annum)	7.50%	7.30%
Salary escalation rate	9.00%	9.00%
Retirement age	60	60
(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 year	27.02	11.84
Current Service Cost	23.45	16.06
Benefit payments from plan	-	(0.63)
Interest cost	1.97	0.82
Actuarial losses on obligations	8.22	(1.07)
Defined benefit obligation at end of year	**60.66**	**27.02**
(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	-	0.63
Benefit payments from plan assets	-	(0.63)
Actuarial gains	-	-
Fair value of Plan assets at the end of the year	**-**	**-**

Particulars	As at March 31, 2023	As at March 31, 2022
(v) Assets and liabilities recognised in the balance sheet		
Defined benefit obligation	60.66	27.02
Fair value of plan assets	-	-
Net defined benefit liability	**60.66**	**27.02**

Notes to the Financial Statements

for the year ended March 31, 2023

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(vi) Expenses recognised in the Statement of Profit and Loss		
Current Service cost	23.45	16.06
Interest cost on net defined benefit obligation	1.97	0.82
Past Service cost	-	-
Total expenses recognised in the Statement of Profit and Loss	**25.42**	**16.88**
Included in note 'Employee benefits expense'		
(vii) Expenses recognised in the Statement of other comprehensive income		
Opening amount recognized in OCI outside P&L account	0.65	1.71
Effect of changes in actuarial assumptions	(1.72)	(1.33)
Experience adjustments	9.94	0.27
Total remeasurements included in OCI	**8.87**	**0.65**

(viii) Sensitivity Analysis:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value obligation		
Discount rate +50 basis points	56.64	25.26
Discount rate-50 basis points	65.08	28.95
Salary Increase Rate +50 basis points	63.75	28.91
Salary Increase Rate-50 basis points	57.45	25.28
(ix) Projected plan cash flow		
Maturity Profile	**As at March 31, 2023**	**As at March 31, 2022**
Expected total benefit payments		
Year 1	0.18	0.08
Year 2	0.46	0.10
Year 3	1.39	0.28
Year 4	1.78	0.77
Year 5	16.86	0.85
Next 5 years	191.05	86.55
(x) Provision for leave encashment		
Maturity Profile	**As at March 31, 2023**	**As at March 31, 2022**
Liability for compensated absences	163.97	73.41

Notes to the Financial Statements

for the year ended March 31, 2023

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

38 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, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	49,503.46	-	49,503.46	64,173.52	-	64,173.52
Loans	89,381.61	1,056,925.33	1,146,306.94	53,345.05	640,938.34	694,283.39
Investments	-	86,411.86	86,411.86	-	86,411.86	86,411.86
Other financial assets	51.88	338.59	390.47	123.39	12.92	136.31
Non-Financial assets						
Current tax assets (net)	363.68	-	363.68	162.46	-	162.46
Deferred tax assets (net)	-	3,322.59	3,322.59	-	1,736.10	1,736.10
Property, plant and equipment	-	36.86	36.86	-	28.25	28.25
Intangible assets	-	114.42	114.42	-	139.84	139.84
Capital work in progress	-	7.25	7.25	-	-	-
Right of use assets	-	2,124.16	2,124.16	-	-	-
Other non-financial assets	132.97	-	132.97	147.84	-	147.84
Total Assets	**139,433.60**	**1,149,281.06**	**1,288,714.66**	**117,952.26**	**729,267.31**	**847,219.57**
Liabilities						
Financial Liabilities						
Trade payables	15.00	-	15.00	41.75	-	41.75
Debt securities	34,867.96	181,796.28	216,664.24	2,656.97	104,872.72	107,529.69
Borrowings (other than debt securities)	104,185.63	683,394.22	787,579.85	34,446.10	438,302.30	472,748.40
Lease liability	370.02	1,820.93	2,190.95	-	-	-
Other financial liabilities	1,278.93	252.18	1,531.11	1,093.59	4.69	1,098.28
Non Financial Liabilities						
Provisions	45.62	494.62	540.24	153.75	130.27	284.02
Other non-financial liabilities	206.41	-	206.41	114.70	-	114.70
Total Liabilities	**140,969.56**	**867,758.24**	**1,008,727.80**	**38,506.86**	**543,309.98**	**581,816.84**

39 Ind AS 116 - Leases:

As a lessee the Company classified property leases as operating leases under Ind AS 116. These include office premises taken on lease. The lease typically run for a period of one to five years. Lease include conditions such as non-cancellable period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation in prices. During the previous year, the Company only had short term lease of a tenor less than 12 months. During the current year, the Company has entered into a long term lease for office premises.

Notes to the Financial Statements
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Information about the lease for which the Company is a lessee is presented below.

(I) Right-of-use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	-	-
Additions during the year	2,255.75	-
Deletion during the year	-	-
Depreciation charge for the year	(131.59)	-
Balance at the end of the year	**2,124.16**	**-**

(II) Movement of Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	-	-
Additions during the year	2,164.86	-
Deletion during the year		-
Finance cost for the year	50.97	
Payment of lease liabilities for the year	(24.88)	-
Balance at the end of the year	**2,190.95**	**-**

(III) Future minimum lease payments under non-cancellable operating lease were payable as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one month	45.38	-
Between one and three months	90.75	-
Between three months and one year	414.12	-
Between one and five years	2,092.10	-
More than 5 years	-	-

(IV) Amounts recognized in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities	50.97	-
Depreciation on Right-of-use assets	131.59	-

(V) Amounts recognised in statement of cash flows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total cash outflow for leases	24.88	-

Company has considered entire lease term of 5 years for the purpose of determination of Right of Use assets and Lease liabilities.

Notes to the Financial Statements
for the year ended March 31, 2023

(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 year. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous year. 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 :

Particulars		As at March 31, 2023	As at March 31, 2022
i.	CRAR (%)	21.24%	35.20%
ii.	CRAR- Tier I capital (%)	20.44%	34.34%
ii.	CRAR- Tier II capital (%)	0.79%	0.86%

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 years presented.

Notes to the Financial Statements

for the year ended March 31, 2023

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

41 Ratio and its elements

Ratios	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	NA	NA	NA	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	3.59	2.19	64.05%	Relatively higher leverage during the year.
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	NA	NA	NA	
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	5.35%	3.47%	54.01%	Higher profitability.
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
Trade Receivables Turnover Ratio	Net credit sales = Gross credit sales- sales return	Average Trade Receivable	NA	NA	NA	
Trade Payables Turnover Ratio	Net credit purchases = Gross credit purchases- purchase return	Average Trade Payables	NA	NA	NA	
Net Capital Turnover Ratio	Net sales = Total sales- sales return	Working capital = Current assets – Current liabilities	NA	NA	NA	
Net Profit Ratio	Net Profit	Net sales = Total sales- sales return	NA	NA	NA	
Return on Capital employed	Earnings before taxes	Average Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	1.77%	1.94%	-8.71%	
Capital to risk-weighted assets ratio (CRAR)	Total Risk weighted Assets/ Exposures	Total capital funds	21.24%	35.20%	-39.67%	Relatively higher leverage during the year.
Tier I CRAR	Total Risk weighted Assets/ Exposures	Tier I capital	20.44%	34.34%	-40.46%	Relatively higher leverage during the year.
Tier II CRAR	Total Risk weighted Assets/ Exposures	Tier II capital	0.79%	0.86%	-7.92%	
Return on Investment	Interest (Finance Income)	Investment	0.00%	0.00%	0.00%	Investment is strategic equity investment.

42 Details of loans transferred / acquired during the year ended March 31, 2023 and March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) The Company has not transferred any non-performing assets during both the years.

(ii) The Company has not transferred any Special Mention Accounts (SMA) during both the years.

(iii) For details of loans not in default transferred by the Company, refer note 45 f.

(iv) The Company has not acquired any stressed assets during both the years.

(v) Details of Rupee term loans not in default acquired are given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate amount of loans acquired	123,609.02	153,533.00
Weighted average residual maturity (in years)	13.08	10.02
Retention of beneficial economic interest by originator	Nil	Nil
Security coverage	100%	100%
Rating wise distribution of rated loans	A- to AA+	A to AA

Notes to the Financial Statements

for the year ended March 31, 2023

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

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

(i) There are no intra-group exposures as at March 31, 2023 and March 31, 2022 except the strategic investment in the associate company NIIF Infrastructure Finance Limited of ₹ 86,411.86 Lakhs (previous year ₹ 86,411.86 Lakhs).

(ii) There is no foreign currency exposure as at March 31, 2023 (previous year ₹ 4.60 Lakhs).

(iii) There is no breach of covenant of loans availed or debt securities issued for year ended March 31, 2023 and March 31, 2022.

(iv) Sectoral exposure

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry						
a. Vehicles, Vehicle Parts & Transport Equipment	4,479.93	-	-	-	-	-
b. Infrastructure						
i) Power	83,619.24	-	-	50,023.97	-	-
ii) Telecommunications	81,302.93	-	-	78,237.02	-	-
iii) Roads	336,437.43	-	-	128,269.36	-	-
iv) Airports	59,851.03	-	-	50,008.37	-	-
v) Electricity Transmission	23,861.07	-	-	72,614.96	-	-
vi) Solar Renewal Energy	544,650.28	-	-	336,327.73	-	-
vii) Wind Energy	37,324.35	-	-	2,397.63	-	-
viii) Other Infrastructure	24,874.85	-	-	7,542.24	-	-
Total of Industry	**1,196,401.11**	**-**	**-**	**725,421.28**	**-**	**-**
3. Services	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
5. Others, if any (please specify)	-	-	-	-	-	-

Notes to the Financial Statements

for the year ended March 31, 2023

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

(v) The following are the details of transactions and balances as at March 31 with related parties

Related Party/ Items	Parent (as per ownership) or control	Subsidiaries	Associates / Joint Ventures	Key Management Personnel3	Relatives of key Management Personnel	Key Management Personnel Director	Others (Investing Party, Subsidiaries, Joint Ventures, Employee Benefit Companies of Investing Party and their Group Companies / Associates / Joint Ventures)9	Total
Balances as at March 31								
Borrowings	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Investment by Parent (Note 4)	140,563.79	-	-	-	-	-	-	140,563.79
	(140,563.79)	-	-	-	-	-	-	(140,563.79)
Investment in equity shares	-	-	86,411.86	-	-	-	-	86,411.86
	-	-	(86,411.86)	-	-	-	-	(86,411.86)
Other Liability (Note 5)	-	-	3.72	-	-	-	-	3.72
	-	-	-	-	-	-	-	-
Placement of Deposit (Fixed Deposit outstanding)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Others Assets (Note 6)	-	-	0.66	-	-	-	-	0.66
	-	-	-	-	-	-	-	-

The following are the details of transactions and balances as at March 31 with related parties (continued)

Related Party/Items	Parent (as per ownership) or control	Subsidiaries	Associates / Joint Ventures	Key Management Personnel3	Relatives of key Management Personnel	Key Management Personnel Director	Others (Investing Party, Subsidiaries, Joint Ventures, Employee Benefit Companies of Investing Party and their Group Companies / Associates / Joint Ventures)9	Total
Transaction during the year								
Investment in equity shares	-	-	-	-	-	-	-	-
	-	-	(31,192.87)	-	-	-	-	(31,192.87)
Sale of loan assets	-	-	-	-	-	-	-	-
	-	-	(18,472.88)	-	-	-	-	(18,472.88)
Equity Dividend paid	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Debt securities subscribed	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Debt securities redemption	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Placement of Deposit (fixed deposit)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

Notes to the Financial Statements
for the year ended March 31, 2023

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

Related Party/Items	Parent (as per ownership) or control	Subsidiaries	Associates / Joint Ventures	Key Management Personnel3	Relatives of key Management Personnel	Key Management Personnel Director	Others (Investing Party, Subsidiaries, Joint Ventures, Employee Benefit Companies of Investing Party and their Group Companies / Associates / Joint Ventures)9	Total
Income/ Expenditure								
Interest paid-debt securities	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Interest received fixed deposits	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Remuneration to KMPs	-	-	-	409.14	-	-	-	409.14
	-	-	-	(382.65)	-	-	-	(382.65)
Director sitting fee	-	-	-	-	-	22.20	-	22.20
	-	-	-	-	-	(21.00)	-	(21.00)
Other Receipts (Note 7)	-	-	0.61	-	-	-	-	0.61
	-	-	(2.50)	-	-	-	-	(2.50)
Others Expenses (Note 8)	-	-	54.20	-	-	-	18.94	73.14
	-	-	(106.91)	-	-	-	(159.00)	(265.91)
Maximum outstanding during the year								
Investment by Parent (Note 4)	140,563.79	-	-	-	-	-	-	140,563.79
	(140,563.79)	-	-	-	-	-	-	(140,563.79)
Investment in equity shares	-	-	86,411.86	-	-	-	-	86,411.86
	-	-	(86,411.86)	-	-	-	-	(86,411.86)

Notes:

1) Figures in bracket pertains to March 31, 2022.

2) Nature of relationship with related party are defined at note 28.

3) Key Management Personnel includes transactions pertaining to Chief Executive Officer, Chief Financial Officer & Company Secretary.

4) Parent is National Investment and Infrastructure Fund-II.

5) Other Liability represents expenses payable to Associate Company.

6) Other assets represents reimbursement of expenses receivable from Associate Company.

7) Other receipts represents reimbursement of expenses paid on behalf of Associate Company.

8) Other expenses represents reimbursement for shared service cost and other expenses.

9) Group Company of investing party refers to National Investment and Infrastructure Fund Limited, Investment manager of holding entity.

Notes to the Financial Statements

for the year ended March 31, 2023

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

(vi) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr.No	Particulars	March 31, 2023	March 31, 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	-	-
3	Number of complaints disposed during the year	-	-
	3.1 Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
	5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombud	-	-
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2) Since the company has not received any complaints from customers or banking ombudsman, the disclosure regarding top five grounds of complaints is not applicable.

44 Disclosure Pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

Year ended March 31, 2023

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	1,154,424.70	8,117.76	1,146,306.94	4,638.73	3,479.03
	Stage 2	-	-	-	-	-
Subtotal		**1,154,424.70**	**8,117.76**	**1,146,306.94**	**4,638.73**	**3,479.03**
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 assets		-	-	-	-	-
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	45,087.60	315.61	44,771.99	-	315.61
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**45,087.60**	**315.61**	**44,771.99**	**-**	**315.61**
Total	**Stage 1**	**1,199,512.30**	**8,433.37**	**1,191,078.93**	**4,638.73**	**3,794.64**
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		**1,199,512.30**	**8,433.37**	**1,191,078.93**	**4,638.73**	**3,794.64**

Notes to the Financial Statements
for the year ended March 31, 2023

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

Year ended March 31, 2022

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	699,194.28	4,910.89	694,283.39	2,806.20	2,104.69
	Stage 2					-
Subtotal		**699,194.28**	**4,910.89**	**694,283.39**	**2,806.20**	**2,104.69**
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	26,227.00	183.59	26,043.41	-	183.59
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**26,227.00**	**183.59**	**26,043.41**	**-**	**183.59**
Total	**Stage 1**	**725,421.28**	**5,094.48**	**720,326.80**	**2,806.20**	**2,288.28**
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		**725,421.28**	**5,094.48**	**720,326.80**	**2,806.20**	**2,288.28**

45A 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:

a. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)

S. No	Item	For the year ended March 31, 2023	For the year ended March 31, 2022
1	CRAR (%)	21.24%	35.20%
2	CRAR- Tier I capital (%)	20.44%	34.34%
3	CRAR- Tier II Capital (%)	0.79%	0.86%
4	Amount of subordinated debt raised as Tier-II capital	-	-
5	Amount raised by issued of Perpetual Debt Instruments	-	-

Notes to the Financial Statements

for the year ended March 31, 2023

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

b. Investments

S. No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	**Value of investments**		
	(i) Gross value of investments		
	(a) in India	86,411.86	86,411.86
	(b) outside India	-	-
	(ii) Provision for depreciation		
	(a) in India	-	-
	(b) outside India	-	-
	(iii) Net value of investments		
	(a) in India	86,411.86	86,411.86
	(b) outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write-off/ write-back of excess provision during the year	-	-
	(iv) Closing balance	-	-

c. Derivatives

The Company has no transactions / exposure in derivatives in the year ending March 31, 2023 and March 31, 2022. 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, 2023 and March 31, 2022. 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, 2023 and March 31, 2022. Hence the related disclosures are not applicable to the Company.

f. Details of Assignment transactions undertaken

S. No	Item	For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	No. of accounts	-	7
(ii)	Aggregate value (net of provisions) of accounts sold	-	25,829.70
(iii)	Aggregate consideration	-	25,882.35
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value*	-	**52.65**

*Aggregate gain / loss over net book value refer to net gains/(losses) accounted on derecognition of financial assets measured at amortised cost as per Accounting Standards.

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, 2023 and March 31, 2022. Hence the related disclosures are not applicable to the Company.

Notes to the Financial Statements
for the year ended March 31, 2023

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

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, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

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 or lent and invested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI during the years ended March 31, 2023 and March 31, 2022.

k. Unsecured Advances

The Company has not given any unsecured advances in the years ended March 31, 2023 and March 31, 2022.

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 years ended March 31, 2023 and March 31, 2022.

n. Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):

S. No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	Provision made towards income tax	5,835.50	3,547.49
(ii)	Provision for employee benefits	123.91	233.90
(iii)	Provision for employee stock compensation cost	-	-
(iv)	Provision for gratuity	25.42	16.89
(v)	Provision for compensated absence cost	90.92	52.72
(vi)	Provision for impairment of financial assets	3,338.89	4,239.51
(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 year ended March 31, 2023 and March 31, 2022. 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, 2023	For the year ended March 31, 2022
Total Advances to twenty largest borrowers	535,434.53	481,781.65
Percentage of Advances to twenty largest borrowers to Total Advances	77.78%	75.99%

Notes to the Financial Statements
for the year ended March 31, 2023

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

ii) Concentration of Exposures

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Exposures to twenty largest borrowers *	667,126.31	518,446.08
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	57.79%	73.90%

*Exposure does not include investment in Associate company.

iii) Concentration of NPAs

All loan accounts are standard assets as at March 31, 2023 and March 31, 2022.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total of Exposures to top four NPA accounts*	-	-

* there are no account classified as NPA as on March 31, 2023 and March 31, 2022.

iv) Sector-wise NPAs (% of NPA to Total Advances in that sector)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

v) Movement of NPAs

S. No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(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 years ending March 31, 2023 and March 31, 2022.

r. Off-balance Sheet SPVs sponsored by the Company

The Company has not sponsored off-balance sheet SPV in the years ending March 31, 2023 and March 31, 2022.

s. Disclosure of Complaints

There were no customer complaints received during the years ending March 31, 2023 and March 31, 2022.

Notes to the Financial Statements

for the year ended March 31, 2023

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

t. Ratings assigned by credit rating agencies and migration of ratings during the year

S. No.	Instruments	Credit Rating Agency	As at March 31, 2023	As at March 31, 2022
1	Long Term Instrument- Non convertible debentures	CARE	AA+ Stable	AA+ Stable
2	Long Term Instrument- Bank Lines	CARE	-	AA+ Stable
3	Long Term Instrument- Non convertible debentures	CRISIL	AA+ Stable	AA+ Stable
4	Short Term Instrument- Short Term Debt	CRISIL	A1+	A1+
5	Short Term Instrument- Bank Lines	ICRA Ltd	A1+	A1+
6	Long Term Instrument- Bank Lines	ICRA Ltd	AA+ Stable	AA+ Stable
7	Long Term Instrument- Non convertible debentures	ICRA Ltd	AA+ Stable	AA+ Stable
8	Long Term Instrument- Principal Protected Market Linked Debenture	ICRA Ltd	AA+ Stable	AA+ Stable
9	Long Term Instrument- Non convertible debentures	India Ratings & Research Private Limited	AA+ Stable	AA+ Stable
10	Short Term Instrument- Other instruments	India Ratings & Research Private Limited	-	A1+

u. Statement on Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2023

Item	0 day to 7 days	8 days to 14 days	15 days 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											
Debt Securities	-	-	-	1,969.40	-	4,530.72	28,367.84	69,624.66	112,171.62	-	216,664.24
Borrowings (other than debt securities)	-	-	5,539.79	6,493.06	11,215.28	20,729.17	60,208.33	293,126.33	300,970.25	89,297.64	787,579.85
Assets											
Investments			-	-	-	-	-	-	-	86,411.86	86,411.86
Loans	-	-	49,850.58	412.12	8,745.88	8,683.79	21,689.24	104,286.86	249,592.67	703,045.80	1,146,306.94

Maturity pattern of certain items of assets and liabilities as at March 31, 2022

Item	0 day to 7 days	8 days to 14 days	15 days 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											
Debt Securities	-	-	-	1,969.40	-	-	687.57	85,514.93	19,357.79	-	107,529.69
Borrowings (other than debt securities)	4,998.98	-	2,502.67	3,750.00	277.78	5,138.89	17,777.78	167,236.11	224,944.44	46,121.75	472,748.40
Assets											
Investments			-	-	-	-	-	-	-	86,411.86	86,411.86
Loans	934.03	-	167.71	314.00	5,665.78	31,166.37	15,097.16	105,019.21	125,923.39	409,995.73	694,283.39

v. Restructured advances

There are no restructured advance as on March 31, 2023, 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.

w. 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	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount Involved	-	-
Amount Recovered	-	-
Amount written off/provided	-	-
Balance	-	-

Notes to the Financial Statements

for the year ended March 31, 2023

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

45B (a) Public disclosure on liquidity risk as of March 31, 2023

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

S. No.	No of significant counterparties	Amount (₹ in Lakhs)	% of Total deposits	% of Total Liabilities
1	16	962,647.97	-	95.43%

(ii) Top 20 large deposits - Nil

(iii) Top 10 borrowings: ₹ 858,380.72 Lakhs (represent 85.32% of total borrowings)

(iv) Funding concentration based on significant instrument/product

S. No.	Name of instrument	Amount (₹ in Lakhs)	% of Total Liabilities
1	Term loans from Banks	538,907.21	53.42%
2	Term loans from Financial Institution	250,000.00	24.78%
3	Non-Convertible Debentures	217,184.74	21.53%

(v) Stock ratios:

S. 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	0.99%	0.98%	0.77%

(vi) Institutional set-up for liquidity risk management

The Company has instituted Asset Liability Management Policy (Policy) under which the Asset Liability Management Committee (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) Risk Management Committee-comprises of one Independent Director and two Non - Executive Directors. It reviews and monitors the activities of Asset Liability Management Committee (ALCO).

(iii) ALCO-comprises of Chief Executive Officer (CEO), Representative of NIIF Fund II, Chief Financial Officer (CFO) and Chief Risk Officer (CRO). It is a decision making body responsible for strategic management of interest rate and liquidity risks.

(iv) Asset Liability Management Support Group-which consists of operating staff from Risk, Accounts and Treasury group, who analyse/monitor liquidity profile, limits & report to ALCO.

(v) Finance Committee-comprises of CEO, CFO and CRO which is authorised to borrow monies through various instruments permitted by RBI.

(vi) 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.

Notes to the Financial Statements

for the year ended March 31, 2023

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

45B (b) Disclosure on Liquidity Coverage Ratio (LCR) under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

	Particulars	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
High Quality Liquid Assets		**March 31, 2023**		**December 31, 2022**		**September 30, 2022**		**June 30, 2022**	
1	Total High Quality Liquid Assets (HQLA)1	232,146	205,079	204,631	178,079	161,887	142,828	170,550	154,102
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	11,484	13,206	11,201	12,881	5,745	6,607	5,156	5,930
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	74,770	85,986	34,595	39,784	78,476	90,248	43,413	49,925
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	Total Cash Outflows	86,254	99,192	45,795	52,664	84,222	96,855	48,569	55,854
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	45,528	34,146	13,216	9,912	14,041	10,530	32,740	24,555
11	Other cash inflows	46,142	34,606	38,193	28,645	68,590	51,442	8,100	6,075
12	Total Cash Inflows	91,669	68,752	51,409	38,557	82,630	61,973	40,840	30,630
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		205,079		178,079		142,828		154,102
14	Total Net Cash Outflows (Higher of inflow less outflows or 25% of outflows		30,440		14,107		34,882		25,224
15	LIQUIDITY COVERAGE RATIO (%)		674%		1262%		409%		611%

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

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

Notes :

1. HQLA includes unencumbered portion of current account balance, short term fixed deposits with scheduled commercial banks and only considers AAA rated corporate bonds in the credit book
2. Undrawn borrowing lines have not been considered as potential inflows above.

Notes to the Financial Statements

for the year ended March 31, 2023

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

46 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:

		As at March 31, 2023		As at March 31, 2022	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a.	Debentures (other than falling within the meaning of public deposits)				
	- Secured	216,664.24	-	107,529.69	-
	- Unsecured	-	-	-	-
b.	Deferred Credits	-	-	-	-
c.	Term Loans	787,579.85	-	472,748.40	-
d.	Inter-corporate loans and borrowings	-	-	-	-
e.	Commercial Paper	-	-	-	-
f.	Public Deposits (Refer note 1 below)	-	-	-	-
g.	Other Loans	-	-	-	-

ASSET SIDE

Particulars	Amount Outstanding as at March 31, 2023	Amount Outstanding as at March 31, 2022
2. Break up of Loans and Advances including bills receivables [other than those included in(4) below]:		
a. Secured	1,146,306.94	694,283.39
b. Unsecured	-	-
3. Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities		
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 activities:		
a. Loans where assets have been repossessed	-	-
b. Loans other than (a) above	-	-
4. Break up of Investments:		
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	-	-

Notes to the Financial Statements

for the year ended March 31, 2023

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

Particulars	Amount Outstanding as at March 31, 2023	Amount Outstanding as at March 31, 2022
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	86,411.86	86,411.86
- 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 as at March 31, 2023			Amount net of provision as at March 31, 2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 . Related Parties**						
a. Subsidiaries	-	-	-	-	-	-
b. Companies in the same group	-	-	-	-	-	-
c. Other related parties	-	-	-	-	-	-
2 . Other than related parties	1,146,306.94	-	1,146,306.94	694,283.39	-	694,283.39
Total	**1,146,306.94**	**-**	**1,146,306.94**	**694,283.39**	**-**	**694,283.39**

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	As at March 31, 2023		As at March 31, 2022	
	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)	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	142,695.68	86,411.86	115,436.82	86,411.86
c. Other related parties	-	-	-	-
2 . Other than related parties	-	-	-	-
Total	**142,695.68**	**86,411.86**	**115,436.82**	**86,411.86**

**As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

Notes to the Financial Statements

for the year ended March 31, 2023

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

7. Other information

Particulars	Amount as at March 31, 2023	Amount as at March 31, 2022
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	-	-

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.

47 Previous year 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 **B. K. Khare & Co**
Chartered Accountants
ICAI Firm Registration No. 105102W

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

per **Padmini Khare Kaicker**
Partner
Membership No : 044784

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: May 5, 2023

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

ASEEM
INFRA FINANCE

https://aseeminfra.in/

Concept, Content & Design (info@wyatt.co.in)