

INDEPENDENT AUDITOR'S REPORT

To the Members of Aseem Infrastructure Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Aseem Infrastructure Finance Limited (hereinafter referred to as "the Holding Company"), and its associate comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the period May 23, 2019 to March 31, 2020, 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 reports of other auditors on separate financial statements and on the other financial information of the associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate as at March 31, 2020, their consolidated profit and their consolidated cash flows for the period May 23, 2019 to March 31, 2020.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 19 of these consolidated financial statements which describes the extent to which COVID-19 Pandemic impact the Holding Company and its associate's operations and its financial results on financial assets will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its associate in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Holding Company and of its associate are responsible for assessing the ability of the Holding Company and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the

Holding Company and its associate of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The consolidated financial statements also include the Holding Company's share of net profit of Rs. 42,34,722 for the period March 30, 2020 to March 31, 2020. We did not audit the financial statements and other financial information, in respect of an associate, whose financial statements, other financial information have been audited by other auditors and whose 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 the 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 report(s) of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) The other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss 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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
- (e) The matter described in Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Holding Company and its associate;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its associate company, none of the directors of the Holding Company and its associate incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

Report on Other Legal and Regulatory Requirements (continued)

- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its, associate company incorporated in India, refer to our separate report in "Annexure 1" to this report;

- (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company, incorporated in India for the period May 23, 2019 to March 31, 2020; and
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the associate as noted in the 'Other matter' paragraph:
- i. The Holding Company and its associate do not have any pending litigations which would impact its consolidated financial position;
 - ii. The Holding Company and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the period May 23, 2019 to March 31, 2020; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate incorporated in India during the period May 23, 2019 to March 31, 2020.

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

per Rutushtra Patell
Partner
Membership Number: 123596
UDIN: 20123596AAAAJD3976
Place of Signature: Mumbai
Date: June 30, 2020

ANNEXURE 1 to the independent auditor's report of even date on the consolidated financial statements of Aseem Infrastructure Finance Limited

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

In conjunction with our audit of the consolidated financial statements of Aseem Infrastructure Finance Limited as of March 31, 2020 and for the period May 23, 2019 to March 31, 2020, we have audited the internal financial controls over financial reporting of Aseem Infrastructure Finance Limited (hereinafter referred to as the "Holding Company") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors 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 over financial reporting with reference to these consolidated financial statements.

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

A company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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 Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the

internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its associate company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to its associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such associate company incorporated in India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Rutushtra Patell

Partner

Membership Number: 123596

UDIN: 20123596AAAAJD3976

Place of Signature: Mumbai

Date: June 30, 2020

Aseem Infrastructure Finance Limited

Consolidated Financial Statements

For the period ended March 31, 2020

Aseem Infrastructure Finance Limited
Consolidated Balance Sheet as at March 31, 2020
(Amount in Rs. unless otherwise stated)

	Note	<u>As at March 31, 2020</u>
Equity and liabilities		
Shareholders' funds		
Share capital	3	5,77,00,00,000
Reserves and surplus	4	68,28,922
		<u>5,77,68,28,922</u>
Current liabilities		
Short-term provisions	5	43,16,181
Other current liabilities	6	4,00,90,319
		<u>4,44,06,500</u>
Total		<u><u>5,82,12,35,422</u></u>
Assets		
Non-current assets		
Non-current investments	7	2,66,33,35,776
Deferred tax asset	8	60,40,628
		<u>2,66,93,76,404</u>
Current assets		
Cash and bank balances	9	3,15,13,15,217
Other current assets	10	5,43,801
		<u>3,15,18,59,018</u>
Total		<u><u>5,82,12,35,422</u></u>

Summary of significant accounting policies and other explanatory information
The accompanying notes form an integral part of these financial statements.

2

As per our report of even date.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of

Aseem Infrastructure Finance Limited

Rutushtra Patell

Partner

Membership No : 123596

Place: Mumbai

Date: June 30, 2020

Surya Prakash Rao Pendyala

Director

DIN: 02888802

Place: Mumbai

Date: June 30, 2020

Rajiv Dhar

Director

DIN: 00073997

Virender Pankaj

Chief Executive Officer

Aseem Infrastructure Finance Limited**Consolidated Statement of Profit and Loss for the period May 23, 2019 to March 31, 2020**

(Amount in Rs. unless otherwise stated)

	Note	For the period May 23, 2019 to March 31, 2020
Income		
Other income	11	4,55,17,898
Total		4,55,17,898
Expenses		
Finance cost	12	5,232
Other expenses	13	4,00,91,094
Total		4,00,96,326
Profit before tax		54,21,572
Tax expenses		
Current tax: pertaining to profit for the current period		88,68,000
Deferred tax		(60,40,628)
Total tax expense		28,27,372
Profit after tax for the period		25,94,200
Share of profit from associate		42,34,722
Profit after tax and share of profit for the period		68,28,922
Earnings per equity share [Nominal value per share ₹ 10]	14	
Basic Earnings per equity share (₹)		0.05
Diluted Earnings per equity share (₹)		0.05
Summary of significant accounting policies and other explanatory information	2	
The accompanying notes form an integral part of these financial statements.		

As per our report of even date.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

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

Partner

Membership No : 123596

Surya Prakash Rao Pendyala

Director

DIN: 02888802

Rajiv Dhar

Director

DIN: 00073997

Virender Pankaj

Chief Executive Officer

Place: Mumbai

Date: June 30, 2020

Place: Mumbai

Date: June 30, 2020

Aseem Infrastructure Finance

Consolidated Cash Flow Statement for the period May 23, 2019 to March 31, 2020

(Amount in Rs. unless otherwise stated)

	For the period May 23, 2019 to March 31, 2020
Cash flow from operating activities	
Profit before tax	54,21,572
Adjustments	-
Operating profit before working capital changes	<u>54,21,572</u>
Movements in working capital:	
Increase in other liabilities	4,00,90,319
(Increase) in other current assets	(5,43,801)
Cash from operating activities	<u>4,49,68,090</u>
Income taxes paid	(45,51,819)
Net cash flow from operating activities	(A) <u>4,04,16,271</u>
Cash flows from investing activities	
Purchase of non-current investments	(2,65,91,01,054)
Cash flow used in investing activities	(B) <u>(2,65,91,01,054)</u>
Cash flows from financing activities	
Proceeds from issuance of equity share capital	5,77,00,00,000
Net cash flow from financing activities	(C) <u>5,77,00,00,000</u>
Net increase in cash and cash equivalents (A+B+C)	<u><u>3,15,13,15,217</u></u>
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at the end of the period	<u><u>3,15,13,15,217</u></u>
Components of cash and cash equivalents	
Cash on hand	-
Balance with bank in current accounts	7,15,128
Balance in bank deposits account (maturity less than 3 months)	3,15,06,00,089
Total cash and cash equivalents (refer note 9)	<u><u>3,15,13,15,217</u></u>

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

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

Rutushtra Patell

Partner

Membership No : 123596

Surya Prakash Rao Pendyala

Director

DIN: 02888802

Rajiv Dhar

Director

DIN: 00073997

Virender Pankaj

Chief Executive Officer

Place: Mumbai

Date: June 30, 2020

Place: Mumbai

Date: June 30, 2020

Aseem Infrastructure Finance Limited
Notes forming part of the consolidated financial statements
For the period ended March 31, 2020

Note 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-Banking Finance Institution regulated by the Reserve Bank of India ('RBI'). The registered office of the Company is located at 4th Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051, India.

The Company has received the NBFC license certificate no. N 13.02382 from RBI on January 28, 2020. The object of the Company is to undertake infrastructure financing activities.

The Company is a wholly owned 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").

These financial statements were approved by the board of directors on June 30, 2020.

Note 2: Significant accounting policies

i) Basis of accounting and preparation of the consolidated financial statements

The consolidated financial statements of Aseem Infrastructure Finance Limited (the "Company" / "Group") have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. This is the year of incorporation and therefore these are first financial statements of the Company.

Current assets do not include elements which are not expected to be realised within one year and current liabilities do not include items which are due after one year.

ii) Principles of consolidation

The consolidated financial statements relate to Aseem Infrastructure Finance Limited (the "Company") and the Company's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2020 or upto the date on which it ceased to be an associate of the Company whichever is earlier.
- b) The consolidated financial statements include the share of profit/ (loss) of associate company, which have been accounted for using the equity method as per AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements). The profit from March 30, 2020 till March 31, 2020 has been taken.

Accordingly, the share of profit/ (loss) of the associate company (the loss being restricted to the cost of the investment) has been added/deducted to the costs of investments.

- c) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be and adjusted against the carrying amount of investment in the associate.

iii) Use of estimates

The preparation of financial statements require the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. Example of such estimates includes provision for income taxes.

iv) Investments

a. Non current investments:

Non-current investments are investments intended to be held for a period of more than a year. Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Goodwill comprises the portion of a purchase price for an acquisition that exceeds the market value of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

b. Current investments

Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost and market value, determined on an individual investment basis.

Aseem Infrastructure Finance Limited
Notes forming part of the consolidated financial statements
For the period ended March 31, 2020

Note 2: Significant accounting policies (contd.)

v) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has present obligations, as result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but disclosed in the financial statements. A Contingent asset is neither recognised nor disclosed in the financial statements.

vi) Impairment of assets

At each Balance Sheet date, the Company reviews, whether there is any indication of impairment of an asset. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

Recoverable amount of the asset is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flow expected from continuing use of the asset and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the asset. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased above the lower of recoverable amount and the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

vi) Taxation

Income taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a year different from when they were recognised in the financial statements.

Deferred tax is recognised on the timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward losses and items relating to capital losses, Deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

vii) Operating cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

viii) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Aseem Infrastructure Finance Limited
Notes forming part of the consolidated financial statements
For the period ended March 31, 2020
(Amount in Rs. unless otherwise stated)

Note 3: Share capital

	As at March 31, 2020
Authorised shares	
62,00,00,000 equity shares of Rs. 10 each	<u>6,20,00,00,000</u>
Issued, subscribed and fully paid-up shares	
57,70,00,000 equity shares of Rs. 10 each	<u>5,77,00,00,000</u>
	<u>5,77,00,00,000</u>

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

Equity shares

	As at March 31, 2020	
	Number	Amount
At the beginning of the period	-	-
Issued during the period	57,70,00,000	5,77,00,00,000
Balance at the end of the period	<u>57,70,00,000</u>	<u>5,77,00,00,000</u>

b) Rights and preference of equity shareholders

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.

c) Details of shareholder holding more than 5% shares in the company

	As at March 31, 2020	
Name of the shareholder	No of shares	% holding
National Investment and Infrastructure Fund-II	57,70,00,000	100%
	<u>57,70,00,000</u>	<u>100%</u>

Aseem Infrastructure Finance Limited
Notes forming part of the consolidated financial statements
For the period ended March 31, 2020
(Amount in Rs. unless otherwise stated)

Note 4: Reserves and surplus

	As at March 31, 2020
Statutory reserve u/s. 45-IC of RBI Act, 1934	
Balance at the beginning of the period	-
Add: Transferred from surplus in Statement of Profit and Loss	5,18,840
Balance at the end of the period	5,18,840
Surplus in the statement of profit and loss	
Balance at the beginning of the period	-
Add: Profit for the period	25,94,200
Less: Transfer to Special Reserve u/s. 45-IC of RBI Act, 1934	(5,18,840)
Share of profit from associate	42,34,722
Balance at the end of the period	63,10,082
	68,28,922

*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.

Note 5: Provisions

	Long-term As at March 31, 2020	Short-term As at March 31, 2020
Provision for taxation		
Provision for income tax (net of taxes paid Rs 45,51,819)	-	43,16,181
	-	43,16,181

Note 6: Other current liabilities

Tax deducted at source payable	-	9,97,222
Amount due to related parties (refer note 15c)	-	3,82,54,696
Expenses payable	-	8,38,401
	-	4,00,90,319

Note:

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said act as available with the Company and relied upon by the auditors, is as follows:

Particulars	As at March 31, 2020
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the period end	-
- Principal amount	-
- Interest due thereon	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-
The amount of interest accrued and remaining unpaid at the end of accounting period.	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-

Aseem Infrastructure Finance Limited
Notes forming part of the consolidated financial statements
For the period ended March 31, 2020
(Amount in Rs. unless otherwise stated)

Note 7: Non-current investments

	As at March 31, 2020
<i>Unquoted</i>	
Investment in equity instruments	
NIIIF Infrastructure Finance Limited (Formerly, IDFC Infrastructure Finance Limited) (16,20,00,000 equity shares having face value of Rs.10 @ Rs 16.41) (Holding 30% as of reporting date)	2,65,91,01,054
Share of profit from associate	42,34,722
	<u>2,66,33,35,776</u>

Note: The excess of purchase consideration paid by the company over the aggregate value of the net assets acquired has been treated as goodwill. Goodwill of Rs. 11,19,49,298 comprises the value of expected synergies arising from the acquisition which is not separately recognised.

Note 8: Deferred tax asset

	As at March 31, 2020
Deferred tax asset arising on:	
Preliminary expenses written off	60,40,628
	<u>60,40,628</u>

Note 9: Cash and bank balances

	As at March 31, 2020
Cash and cash equivalents	
Cash on hand	-
Balance with bank in current accounts	7,15,128
Balance in bank deposits account (maturity less than 3 months)	3,15,06,00,089
	<u>3,15,13,15,217</u>

Note 10: Other current assets

	As at March 31, 2020
(Unsecured, considered good)	
Interest accrued on Bank deposits	5,43,801
	<u>5,43,801</u>

Aseem Infrastructure Finance Limited
Notes forming part of the consolidated financial statements
For the period ended March 31, 2020
(Amount in Rs. unless otherwise stated)

Note 11: Other income

	For the period May 23, 2019 to March 31, 2020
Interest income on Bank deposits	4,55,17,898
	<u>4,55,17,898</u>

Note 12: Finance cost

	For the period May 23, 2019 to March 31, 2020
Bank charges	5,232
	<u>5,232</u>

Note 13: Other expenses

	For the period May 23, 2019 to March 31, 2020
Pre-incorporation expenses written off	3,00,01,531
Pre-operataive expenses written off	58,09,083
Legal and professional fees	36,57,280
Payment to auditor (refer note a below)	5,75,000
Other expenses	48,200
	<u>4,00,91,094</u>

a. Payment to auditor

Statutory audit fees	3,50,000
Certification fees	2,25,000
	<u>5,75,000</u>

Note 14: Earnings per Share (EPS)*

Net profit attributable to equity shareholders	68,28,922
Weighted average number of shares outstanding during the period for computing basic and diluted EPS	14,66,65,605
Earnings per equity share (nominal value of share- Rs. 10 each)	10
Basic Earnings per equity share (₹)	0.05
Diluted Earnings per equity share (₹)	0.05

*The company is incorporated during the financial year. Hence earning per share (EPS) is not represent annualised value.

Aseem Infrastructure Finance Limited
Notes forming part of the consolidated financial statements
For the period ended March 31, 2020
(Amount in Rs. unless otherwise stated)

Note 15: Related party disclosure

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) Key management personnel

Director	Mr. Saurabh Jain
Director	Mr. Surya Prakash Rao Pendyala
Director	Mr. Rajiv Dhar
Chief executive officer	Mr. Virender Pankaj

iii) Associate company

NIIF Infrastructure Finance Limited

b. Transactions with related parties during the period

Nature of transaction	Relationship	For the period May 23, 2019 to March 31, 2020
Purchase of equity shares		
NIIF Infrastructure Finance Limited	Associate company	2,65,91,01,054
Expenses on Company's behalf by		
National Investment and Infrastructure Fund-II	Holding entity	3,00,01,531
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	83,34,917
NIIF Infrastructure Finance Limited	Associate company	8,28,220

c. Closing balance of the transactions with related parties

Nature of transaction	Relationship	As at March 31, 2020
Investment in equity shares		
NIIF Infrastructure Finance Limited	Associate company	2,66,33,35,776
Expenses on Company's behalf payable		
National Investment and Infrastructure Fund-II	Holding entity	3,00,01,531
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	75,07,767
NIIF Infrastructure Finance Limited	Associate company	7,45,398

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

Aseem Infrastructure Finance Limited
Notes forming part of the consolidated financial statements
For the period ended March 31, 2020
(Amount in Rs. unless otherwise stated)

Note 16: Earning and expenditure in foreign currency

There is no earning and expenditure in foreign currency during the period

Note 17: Segment information

The Company is considered to have one segment for the purpose of Accounting Standard 17 on Segment Reporting. The Company operates in a single geographical segment i.e., domestic.

Note 18: Subsequent events after balance sheet date

a. Increase in authorised share capital

The Authorized Share Capital of the Company increased from the present Rs. 6,20,00,00,000/- (Rupees Six Hundred Twenty Crores only) to Rs. 13,00,00,00,000/- (Rupees One Thousand Three hundred crores) divided into 1,30,00,00,000 (One hundred Thirty crores) Equity Shares of Rs. 10/- (Rupees Ten only) each by creation of new 68,00,00,000 (Sixty-eight crore) Equity Shares of Rs. 10/- (Rupees Ten only) each.

b. Issue of share capital

The Company has received Rs. 7,09,37,49,990 towards equity share capital at par (Face value of Rs. 10/- per equity share) by way of rights issue from its shareholder, M/s National Investment & Infrastructure Fund II, which was allotted on May 21, 2020.

Note 19: Impact of COVID-19

The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days and 14 days across the country to contain the spread of virus.

The Indian Government, the Reserve Bank of India and other regulators have announced various measures and relaxations acknowledging the current situation to ensure that there is enough liquidity in the hands of market participants and provided moratoriums to the borrowers in terms of their repayments to the financial institutions.

The Company, being a Infrastructure Finance Company -NBFC (IFC-NBFC), is in the business of providing loans to infrastructure projects. The Company has not disbursed any loans and also not made any borrowings as of March 31, 2020. It has enough liquidity which is invested in fixed deposits with bank. The Company believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. The Company has further assessed the recoverability and carrying value of its assets comprising mainly Investments as at balance sheet date, and has concluded that there are no material adjustments required in the financial Statements, other than those already considered. However, the impact assessment of COVID-19 on future operations is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions. Given that the Company is monitoring Covid-19's impact on infrastructure sectors, any future lending/investment opportunities shall be assessed considering the expected impact, if any.

Note 20: There are no contingent liabilities and no capital commitments as at March 31, 2020.

Note 21: This being the first Balance Sheet laid before the Company, there are no corresponding amounts for the immediately preceding previous period.

As per our report of even date.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of

Aseem Infrastructure Finance Limited

Rutushtra Patell

Partner

Membership No : 123596

Surya Prakash Rao Pendyala

Director

DIN: 02888802

Rajiv Dhar

Director

DIN: 00073997

Virender Pankaj

Chief Executive Officer

Place: Mumbai

Date: June 30, 2020

Place: Mumbai

Date: June 30, 2020