S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Aseem Infrastructure Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

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

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

(f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;

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

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

   i. The Company does not have any pending litigations which would impact its financial position;

   ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Rutushtra Patell
Partner
Membership No.: 123596

UDIN: 21123596AAAACS1991
Place: Mumbai
Date: June 8, 2021

Annexure I referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements on our report of even date

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management and audit procedures performed by us, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the "Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.

(vii)(a) Undisputed statutory dues including provident fund, income-tax, good and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in one instance.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to employees' state insurance, service tax, sales-tax, duty of custom, duty of excise, value added tax, are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company did not have any dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money by way of debt instruments, initial public offer or further public offer

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management and audit procedures performed by us, the Company has complied with provisions of section 42 of the Act in respect of the preferential allotment and private placement of shares. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any allotment of fully or partly convertible debentures during the year.

(xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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

per Rutushtra Patell
Partner
Membership No.: 123596

UDIN: 21123596AAAACS1991
Place: Mumbai
Date: June 8, 2021

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ASEEM INFRASTRUCTURE FINANCE LIMTED

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

We have audited the internal financial controls with reference to standalone financial statements of Aseem Infrastructure Finance Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

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

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

per Rutushtra Patell
Partner
Membership No.: 123596

UDIN: 21123596AAAACS1991
Place: Mumbai
Date: June 8, 2021

Aseem Infrastructure Finance Limited

Standalone Financial Statements

For the year ended March 31, 2021

Aseem Infrastructure Finance Limited

Standalone Balance Sheet as at March 31, 2021

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

Particulars		Note	As at March 31, 2021	As at March 31, 2020
I.	**ASSETS**			
1	**Financial assets**			
	(a) Cash and cash equivalents	4	56,308.56	31,518.59
	(b) Loans	5	158,039.17	-
	(c) Investments	6	55,218.99	26,591.01
	(d) Other financial assets	7	293.69	-
	Total financial assets (A)		**269,860.41**	**58,109.60**
2	**Non-financial assets**			
	(a) Deferred tax assets (net)	8	475.29	60.41
	(b) Property, plant and equipment	9A	13.75	-
	(c) Intangible assets under development	9B	73.17	-
	(d) Other non-financial assets	10	37.71	-
	Total non-financial assets (B)		**599.92**	**60.41**
	Total Assets (A+B)		**270,460.33**	**58,170.01**
II.	**LIABILITIES AND EQUITY**			
	Liabilities			
1	**Financial liabilities**			
	(a) Payables			
	(i) Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises		-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	11	31.91	-
	(b) Borrowings	12	44,182.49	-
	(c) Other financial liabilities	13	686.72	390.93
	Total financial liabilities (A)		**44,901.12**	**390.93**
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	14	49.01	43.16
	(b) Provisions	15	93.74	-
	(c) Other non-financial liabilities	16	140.98	9.97
	Total non-financial liabilities (B)		**283.73**	**53.13**
3	**Equity**			
	(a) Equity share capital	17A	140,563.79	57,700.00
	(b) Instruments entirely equity in nature	17B	81,057.87	-
	(c) Other equity	17C	3,653.82	25.95
	Total equity (C)		**225,275.48**	**57,725.95**
	Total Liabilities and Equity (A+B+C)		**270,460.33**	**58,170.01**

The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Aseem Infrastructure Finance Limited

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

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

Particulars	Note	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Revenue from operations			
Interest income	18	4,701.11	455.18
Fees and commission income	19	37.72	-
Total Income (A)		**4,738.83**	**455.18**
Expenses			
Finance costs	20	185.73	0.05
Impairment on financial instruments	21	854.97	-
Employee benefits expenses	22	598.68	-
Depreciation, amortisation and impairment	23	2.76	-
Other expenses	24	448.00	400.91
Total expenses (B)		**2,090.14**	**400.96**
Profit before tax (C = A - B)		**2,648.69**	**54.22**
Tax expense			
Current tax		983.10	88.68
Deferred tax credit		(414.44)	(60.41)
Total tax expenses (D)		**568.66**	**28.27**
Net profit after tax (E = C - D)		**2,080.03**	**25.95**
Other Comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
- Actuarial loss on remeasurements of the net defined benefit plans		(1.71)	-
Income tax relating to items that will not be reclassified to profit or loss		0.43	-
Total Other comprehensive income/(loss) (F)		(1.28)	-
Total comprehensive income (G =E + F)		**2,078.75**	**25.95**
Earnings per equity share:	25		
Basic earnings per share (in ₹)		0.15	0.02
Diluted earnings per share (in ₹)		0.15	0.02

The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

per Rutushtra Patell
Partner
Membership No : 123596

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

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Place: Mumbai
Date: June 8, 2021

Aseem Infrastructure Finance Limited
Statement of Changes in Equity for the year ending March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

A) Equity Share Capital

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

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

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

C) Other equity

	Reserves & Surplus				
Particulars	Statutory reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Impairment reserve	Retained earnings	Total
As at May 23, 2019	-	-	-	-	**-**
Net profit after tax for the period	-	-	-	25.95	25.95
Less/Add: Transferred to Statutory reserve	5.19	-	-	(5.19)	-
Closing balance as at March 31, 2020	**5.19**	**-**	**-**	**20.76**	**25.95**
As at April 1, 2020	5.19	-	-	20.76	**25.95**
Net profit after tax for the year	-	-	-	2,080.03	2,080.03
Other comprehensive income for the year	-	-	-	(1.28)	(1.28)
Addition during the period	-	1,706.32	-	-	1,706.32
Less: Share issue expenses	-	(0.70)	-	(156.50)	(157.20)
Add/(Less): Transferred to Statutory reserve	416.01	-	-	(416.01)	**-**
(Less)/Add: Transferred to Impairment reserve	-	-	54.42	(54.42)	-
Closing balance as at March 31, 2021	**421.20**	**1,705.62**	**54.42**	**1,472.58**	**3,653.82**

The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
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Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Aseem Infrastructure Finance Limited

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

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

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

Notes:

(i) Figures in brackets represent cash 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 S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

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

per Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Place: Mumbai
Date: June 8, 2021

Virender Pankaj
Chief Executive Officer

Nilesh Sampat
Chief Financial Officer

Karishma Pranav Jhaveri
Company Secretary

Aseem Infrastructure Finance Limited

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

1. Corporate Information

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

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

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

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

2. Basis of Preparation

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

Transition to Ind AS:

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

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

Further, there are no measurement differences between erstwhile Indian GAAP and Ind AS in respect of Company's assets and liabilities as at March 31, 2020 and its total comprehensive income for the period then ended, and accordingly, reconciliations required as per Ind AS 101 as of and for the period then ended are also not relevant.

2. Basis of Preparation (continued)

(i) Compliance with Ind AS (continued)

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

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

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

(ii) Historical cost convention

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

(ii) Order of Liquidity

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

3. Significant accounting policies

a. Functional and Presentation Currency

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

b. Investments in Associates

The investments in associates are carried in the financial statements at historical cost, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as per Ind AS 105 – “Non-current Assets Held for Sale and Discontinued Operations”. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

3. Significant accounting policies (continued)

c. Revenue recognition

Effective Interest Rate ("EIR")

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

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

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

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

d. Income tax

(i) Current tax

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

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

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

3. Significant accounting policies (continued)

d. Income tax (continued)

(ii) Deferred tax

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

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

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

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

e. Leases

Company as a lessee

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

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

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

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

3. Significant accounting policies (continued)

Company as a lessor

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

e. Cash and cash equivalents

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

f. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

g. Financial instruments

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

Financial Assets

(i) Initial recognition and measurement

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

3. Significant accounting policies (continued)

h. Financial instruments (continued)

(ii) Classification

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

Business model assessment

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

- the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile;
- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.
- The Company monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Based on the Company policy, it can sell financial assets out of Amortized cost business model under following scenarios:
  - If such financial assets no longer meet the credit criteria in Company's investment policy;
  - Credit risk on a financial asset has increased significantly;
  - To meet liquidity needs in 'stress case scenarios' and does not anticipate selling these assets except in scenarios such as to fund unexpected outflow;
  - Sales are infrequent or insignificant in value both individually or in aggregate
  - If sales are made close to the maturity of the financial assets and the proceeds from the sales approximate the collection of the remaining contractual cash flows.

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

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

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

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

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

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

3. Significant accounting policies (continued)

h. Financial instruments (continued)

(iii) Impairment of financial assets

Methodology for computation of Expected Credit Losses (ECL):

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

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

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

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

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

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

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

  For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.
  If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized:

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

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

3. Significant accounting policies (continued)

h. Financial instruments (continued)

(iii) Impairment of financial assets (continued)

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

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

Stage 1: 12 month ECL
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized. Interest income is accrued using the effective interest rate on the gross carrying amount.

Stage 2: Lifetime ECL (not credit impaired):
At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information, deterioration in internal/external ratings and other qualitative factors to assess deterioration in credit quality of a financial asset.
For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Interest income is accrued using the effective interest rate on the gross carrying amount.

Stage 3: Lifetime ECL (credit impaired):
Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).
If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.
For financial instruments whose significant payment obligations are only after next 12 months, lifetime ECL is applied.

Method used to compute lifetime ECL:

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

3. Significant accounting policies (continued)

h. Financial instruments (continued)

(iii) Impairment of financial assets (continued)

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

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

(iv) Write-offs

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

(v) Derecognition

A financial asset is derecognised only when:

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

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

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

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

3. Significant accounting policies (continued)

h. Financial instruments (continued)

Financial liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

i. Financial guarantee contracts

Financial guarantees are initially recognised in the financial statements (within 'other financial liabilities') at fair value, being the premium received/receivable Further, a financial asset is recognised for the present value of the expected future premium.
Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. The ECLs related to financial guarantee contracts are recognised within Provisions.
Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in impairment on financial instruments. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee. Unwinding of discount on guarantee commission income receivable is recognised in other interest income.

j. Property plant and equipment (PPE)

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

Depreciation:

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

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

3. Significant accounting policies (continued)

j. Property plant and equipment (PPE)

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Derecognition:

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

k. Intangible assets under development

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

l. Impairment of non-financial assets

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

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

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

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

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.
- The Company expenses off 50% of eligible input tax credit in line with applicable Goods and Services Tax laws.

3. Significant accounting policies (continued)

n. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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

o. Employee Benefits

Compensated absences

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

Post-employment obligations:

The Company operates the following post-employment schemes:

(i) Defined contribution plans:

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constructive obligation to pay additional sums. These comprise of contributions to the employees provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

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

(ii) Defined benefit plans:

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

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

3. Significant accounting policies (continued)

p. Earnings per share

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

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

q. Events after the reporting period

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

r. Segmental Reporting

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

s. Significant accounting estimates, judgements and assumptions

The preparation of financial statements in accordance with Ind AS requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively.

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

(i) Property, plant and equipment:

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

3. Significant accounting policies (continued)

s. Significant accounting estimates, judgements and assumptions (continued)

(ii) Income tax:

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

(iii) Provision and contingencies:

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

(iv) Defined benefit obligations:

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

(v) Allowance for impairment of financial asset:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

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

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

3. Significant accounting policies (continued)

(vi) Business model assessment:

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

(vii) Effective Interest Rate (EIR) method:

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

t. Impact of COVID-19

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

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

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

Aseem Infrastructure Finance Limited

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

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

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

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

Note 6: Investments	As at March 31, 2021		As at March 31, 2020	
Investment in equity shares of associate company (Unquoted)	**Number**	**Amount**	**Number**	**Amount**
NIIF Infrastructure Finance Limited (Formerly, IDFC Infrastructure Finance Limited)	309,379,182	55,218.99	162,000,000	26,591.01
Total (A)	**309,379,182**	**55,218.99**	**162,000,000**	**26,591.01**
Investments in India (i)	309,379,182	55,218.99	162,000,000	26,591.01
Investments outside India (ii)	-	-	-	-
Total (B) (i+ii)	**309,379,182**	**55,218.99**	**162,000,000**	**26,591.01**
Total	**309,379,182**	**55,218.99**	**162,000,000**	**26,591.01**

Note 7: Other financial assets	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost		
Guarantee commission receivable	133.48	-
Processing fees receivable	161.56	
Less: Impairment loss allowance	(1.35)	
Total	**293.69**	**-**

Aseem Infrastructure Finance Limited

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

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

Note 8: Deferred tax assets (net)	As at March 31, 2021	As at March 31, 2020
Temporary difference attributable to:		
Deferred tax assets		
Preliminary expenses	45.30	60.41
Provision for gratuity payable	2.98	-
Provision for leave encashment payable	5.39	-
Financial assets measured at amortised cost	206.71	-
Impairment allowance on financial assets	215.18	-
Expenses disallowed for Income tax	0.38	
	475.94	**60.41**
Deferred tax liabilities		
Depreciation on property, plant and equipment	(0.65)	-
	(0.65)	**-**
Total Deferred tax assets (net)	**475.29**	**60.41**

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

Note 9A: Property, plant and equipment

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

Note 9B: Intangible assets under development

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

Aseem Infrastructure Finance Limited

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

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

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

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

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

Additional information:

Details of borrowings:

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

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

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

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

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

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

Aseem Infrastructure Finance Limited

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

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

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

Rights, preferences and restrictions attached to Equity Shares

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

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

Rights, preferences and restrictions attached to Preference Shares

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

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

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

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

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

Note 17C: Other equity

	As at March 31, 2021	As at March 31, 2020
(a) Statutory reserve u/s. 45-IC of RBI Act, 1934	421.20	5.19
(b) Securities premium	1,705.62	-
(c) Impairment reserve	54.42	-
(d) Retained earnings	1,472.58	20.76
Total	**3,653.82**	**25.95**

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

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

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

(d) Retained earnings	As at March 31, 2021	As at March 31, 2020
Opening balance	20.76	-
Transaction during the year :		
Net profit for the year	2,080.03	25.95
Other comprehensive income for the year	(1.28)	-
Less: Share issue expenses	(156.50)	-
Less: Transfer to Statutory reserve u/s. 45-IC of RBI Act, 1934	(416.01)	(5.19)
Less: Transfer to Impairment reserve	(54.42)	-
Closing balance	**1,472.58**	**20.76**

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

Nature and purpose of reserves

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

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

Securities premium

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

Impairment reserve

In terms of the requirement as per RBI Notification No. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020, on implementation of Ind AS, Non-Banking Financial Companies (NBFCs) are required to create an Impairment Reserve for any 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, 2021 is higher than the provision required under IRACP norms and accordingly, no additional transfer to the Impairment Reserve has been made.

Retained earnings

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

Aseem Infrastructure Finance Limited

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

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

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

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

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

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

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

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

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

Aseem Infrastructure Finance Limited

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

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

Note 24: Other expenses

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

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

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

Note 25: Earning per share (EPS)

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

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Net Profit after tax	2,078.75	25.95
Less: Share issue expenses	(156.50)	-
Less: Impairment reserve	(54.42)	-
Net Profit after tax available for equity shareholders	**1,867.83**	**25.95**
Weighted average number of shares before adjustment of Compulsorily Convertible Preference Shares (CCPS) dilution	11,931	1,467
Effect of dilution on account of CCPS	121	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**12,052**	**1,467**

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

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Basic earnings per share	0.15	0.02
Diluted earnings per share	0.15	0.02

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

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

Note 26: Related party disclosures

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

a. Name of related parties and related party relationship

i) Parties where control exists

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

ii) Associate company	NIIF Infrastructure Finance Limited

iii) Key management personnel

Chief executive officer	Mr. Virender Pankaj
Chief financial officer	Mr. Nilesh Sampat
Company Secretary	Ms. Karishma 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. Chandrasekaran

b. Key management personnel compensation:

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

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

Note : Mr. Virender Pankaj was appointed as Chief Executive Officer (CEO) in board meeting dated March 24, 2020 with effect from April 1, 2020. Hence, there are no transaction during the period ending March 31, 2020 which are required to be reported under the managerial remuneration paid or payable to the company’s chief executive officer under Key management personnel.

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

c. Transactions with related parties during the period

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

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

Note 26: Related party disclosures (continued)

d. Closing balance of the transactions with related parties

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

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

27 Corporate social responsibility (CSR)

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

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

(b) Amount spent during the year

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

28 Contingent liabilities & capital commitments

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

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

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

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

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

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

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

30 Tax expense recognised in P&L

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	983.10	88.68
Deferred tax	(414.44)	(60.41)
	568.66	**28.27**

Tax expense/(benefits) recognised in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	-	-
Deferred tax - remeasurement of defined benefit obligation	0.43	-
	0.43	**-**

30.1 Tax reconciliation (for profit and loss)	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(loss) before income tax expense	**2,648.69**	**54.22**
Tax at the rate of	25.168%	25.168%
Income tax expense calculated	666.62	13.65
Tax impact of not deductible expenses for tax purpose	6.21	14.62
Tax impact of deduction allowed separately under Income Tax Act, 1961	(104.60)	-
Income tax expense	**568.23**	**28.27**

30.2 Deferred tax assets (net)	As at March 31, 2021	As at March 31, 2020
Deferred tax on account of :		
Preliminary Expenses	45.30	-
Provision for Gratuity Payable	2.98	60.41
Provision for Leave Encashment Payable	5.39	-
Financial assets measured at amortised cost	206.71	-
Impairment allowance on financial assets	215.18	-
Expenses disallowed for Income tax	0.38	-
Depreciation of property, plant and equipment	(0.65)	-
Net deferred tax Assets	**475.29**	**60.41**

Deferred tax related to the following:

Particulars	As at March 31, 2021	Recognised through profit & loss	Recognised through OCI	As at March 31, 2020	Recognised through profit & loss	Recognised through OCI
Preliminary Expenses	45.30	15.11	-	60.41	(60.41)	-
Provision for Gratuity Payable	2.98	(2.55)	0.43	-	-	-
Provision for Leave Encashment Payable	5.39	(5.39)	-	-	-	-
Financial assets measured at amortised cost	206.71	(206.71)	-	-	-	-
Impairment allowance on financial assets	215.18	(215.18)	-	-	-	-
Expenses disallowed for Income tax	0.38	(0.38)	-	-	-	-
Depreciation of property, plant and equipment	(0.65)	0.65	-	-	-	-
Total deferred tax Assets (net)	**475.29**	**(414.45)**	**0.43**	**60.41**	**(60.41)**	**-**

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

31 Fair value measurements

Financial instruments by category

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

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

I. Fair value hierarchy

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

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

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

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

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

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

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

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

III. Valuation Process

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

IV. Fair value of financial instrument measured at amortised cost

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

Note:

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

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

32 Capital Management

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

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

Regulatory capital

Particulars	As at March 31, 2021	As at March 31, 2020
Tier - I capital	192,001.37	36,841.08
Tier - II capital	854.96	-
Total Capital	**192,856.33**	**36,841.08**
Risk weighted assets	127,830.30	
Tier - I capital ratio	150.20%	638.88%
Tier - II capital ratio	0.67%	0.00%
Total Capital ratio	**150.87%**	**638.88%**

Financial risk management

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

A Credit risk

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

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

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

Following provides exposure to credit risk for Financial Instruments :

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets at amortised cost - Loans (Gross)	159,499.90	-
Other financial assets at amortised cost	295.04	-
Non Fund Based Facility	12,100.00	
Total Gross exposure	**171,894.94**	-
Less: Non Fund Based Facility	(12,100.00)	
Less : Impairment loss allowances	(854.97)	-
Less: EIR adjustments	(667.66)	
Total carrying value	**158,272.31**	-

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

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

32 Capital Management (continued)

A Credit risk (continued)

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

Loans

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

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

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

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

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

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

Stage	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	ECL	Carrying amount	ECL
Stage 1	158,272.31	854.97	-	-
Stage 2	-	-	-	-
Stage 3	-	-	-	-

The movement in the allowance for impairment in respect of loans

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

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

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

32 Capital Management (continued)

A Credit risk (continued)

1) Credit risk measurement - loans and advances

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

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

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

a) Credit risk grading

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

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

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

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

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

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

1) Credit risk measurement - loans and advances (continued)
a) Credit risk grading (continued)
As per risk rating policy, the Company does not finance the projects having internal rating grade below *investment grade (BBB-)* , arrived as per the above mentioned risk rating framework.

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

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

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

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

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

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

Change in credit quality since initial recognition

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

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

Quantitative criteria:
The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 61 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been more than 61 days past due.
Qualitative criteria:
For all financial instruments held by the Company, if the borrower is on the watch list and/or the instrument meets one or more of the following criteria:
- Internal rating downgrade of two notches or more
- Any event/s of non-cooperation
- Evidence of diversion of funds

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

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

ii) Default and credit-impaired asset
The Company defines a financial asset as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:
Quantitative criteria:
The borrower is more than 90 days past due on its contractual payments to be considered in default.

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

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

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

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

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

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

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

PD Estimation:

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

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

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

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

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

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

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

Internal rating grades – 12 month PD Mapping:

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

Exposure at default:

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

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

Loss given default:

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

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

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

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

32 Capital Management (continued)

A Credit risk (continued)

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

b) Expected credit loss measurement (continued)

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

ECL computation:

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

iv) Forward-looking information incorporated in the ECL model

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

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

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

Year ended March 31, 2021

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

There were no loan assets in the previous period FY 2019-20 and hence no comparable figures have been included.

The GDP estimates are used to project the grade wise PD for base case, best case and worst case scenario. The final (weighted) ECL is arrived at by assigning 50%, 20% and 30% weights to the base case, best case and worst case ECL respectively.

The GDP estimates are presented for calendar years & not financials years.

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

1) Credit risk measurement - loans and advances (continued)
b) Expected credit loss measurement (continued)
iv) Forward-looking information incorporated in the ECL model (continued)

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

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

v) Financial assets measured on a collective basis

ECL is calculated on individual basis for all loan assets.

vi) Proposal appraisal

The Company collects relevant project/ corporate documents and initiates appraisal of the proposal. The evaluation process encompasses establishment of viability of proposal including borrower's ability to service the loan. The evaluation is undertaken through a combination of review of project/corporate documents, external rating rationales (if any), meetings with project promoters/key 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, 2021	As at March 31, 2020
Less than 1 year	77%	0.00%
More than 1 year	23%	0.00%

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.

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

32 Capital Management (continued)

A Credit risk (continued)

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

c) Credit risk exposure

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

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

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

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

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

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

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

32 Capital Management (continued)

A Credit risk (continued)

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

c) Credit risk exposure (continued)

iii) Collateral and other credit enhancement

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

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

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

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

iv) Loss allowance

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

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

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

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

1) Credit risk measurement - loans and advances (continued)
c) Credit risk exposure (continued)
iv) Loss allowance (continued)
An analysis of change in the gross carrying amount of the loan portfolio and corresponding loss allowance:

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

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

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

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

32 Capital Management (continued)

A Credit risk (continued)

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

c) Credit risk exposure (continued)

iv) Loss allowance (continued)

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

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

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

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

32 Capital Management (continued)

B Liquidity risk

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

Liquidity risk framework

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

Catergory	Limits
Limits on cumulative negative gaps, as a % of cumulative 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 crore or 15% of the Annual Budgeted Net Interest Income; whichever is lower
Liquidity Coverage Ratio (LCR)	0.3

Financing arrangements

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

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

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

32 Capital Management (continued)

C Market Risk

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

(i) Foreign currency risk

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

Foreign currency risk management

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

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

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

Sensitivity to foreign currency risk

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

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

(ii) Cash flow and fair value interest rate risk

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

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

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

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

Sensitivity

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

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

** Holding all other variables constant*

(iii) Price risk

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

33 Segment reporting

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

(a) Segment revenue

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

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

Revenue from major customers

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

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

(b) Segment assets and segment liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Segment assets		
- India	270,460.33	58,170.01
- Outside India	-	-
Segment liabilities		
- India	45,184.85	444.06
- Outside India	-	-
Total	**270,460.33**	**58,170.01**

34 Collateral / security pledged

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

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

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

35 Employee benefits

(A) Labour Law

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

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

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

(C) Defined Benefit Plan

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

Contribution to Gratuity fund (funded scheme)

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

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

Aseem Infrastructure Finance Limited

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

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

35 Employee benefits

(C) Defined Benefit Plan (continued)

(v) Assets and liabilities recognised in the balance sheet

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

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

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

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

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

(viii) Sensitivity Analysis:

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

(ix) Projected plan cash flow

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

(x) **Provision for leave encashment**

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

Aseem Infrastructure Finance Limited

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

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

36 Maturity analysis of assets and liabilities

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

	As at March 31, 2021			As at March 31, 2020		
Assets	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial assets						
Cash and cash equivalents	56,308.56	-	56,308.56	31,518.59	-	31,518.59
Loans	6,176.76	151,862.41	158,039.17	-	-	-
Investments	-	55,218.99	55,218.99	-	26,591.01	26,591.01
Other financial assets	232.52	61.17	293.69	-	-	-
Non-Financial assets						
Deferred tax assets (net)	-	475.29	475.29	-	60.41	60.41
Property, plant and equipment	-	13.75	13.75	-	-	-
Intangible assets under development	-	73.17	73.17			
Other non-financial assets	37.71	-	37.71	-	-	-
Total Assets	**62,755.55**	**207,704.78**	**270,460.33**	**31,518.59**	**26,651.42**	**58,170.01**
Liabilities						
Financial Liabilities						
Trade payables	31.91	-	31.91	-	-	-
Borrowings	136.13	44,046.36	44,182.49	-	-	-
Other financial liabilities	616.20	70.52	686.72	390.93	-	390.93
Non Financial Liabilities						
Current tax liabilities	49.01	-	49.01	43.16	-	43.16
Provisions	38.06	55.68	93.74	-	-	-
Other non-financial liabilities	140.98	-	140.98	9.97	-	9.97
Total Liabilities	**1,012.29**	**44,172.56**	**45,184.85**	**444.06**	**-**	**444.06**

37 Note on COVID-19

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

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

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

38 Certificate of Registration (CoR) conditions note

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

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

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

39 Capital Management

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

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous period. However, they are under constant review by the Board.

The following additional information is disclosed in terms of the RBI circular (Ref No. DNBR .PD. 008 / 03.10.119 / 2016-17 dated September 01, 2016) and RBI circular DNBR(PD) CC No. 053 / 03.10.119 / 2015-16 :

Items	As at March 31, 2021	As at March 31, 2020
i. CRAR (%)	150.87%	638.88%
ii. CRAR - Tier I capital (%)	150.20%	638.88%
ii. CRAR - Tier II capital (%)	0.67%	0.00%

As per RBI Prudential norms, the minimum CRAR requirement for NBFCs is 15% and the Company has maintained CRAR well above the regulatory norms throughout the year.

Regulatory capital-related information is presented as a part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the company comprises of share capital, share premium, reserves and Tier II capital comprises of provision on loans that are not credit-impaired. There were no changes in the capital management process during the periods presented.

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

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

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
Performing assets						
Standard	Stage 1	158,832.28	793.11	158,039.17	632.35	160.76
	Stage 2					-
Subtotal		**158,832.28**	**793.11**	**158,039.17**	**632.35**	160.76
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-		-
1 to 3 years	Stage 3	-	-	-		-
More than 3 years	Stage 3	-	-	-		-
Subtotal for doubtful		-	-	-	-	-
Loss				-		-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	12,100.00	60.50	12,039.50	-	60.50
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		12,100.00	60.50	12,039.50	-	60.50
Total	**Stage 1**	170,932.28	853.61	170,078.67	632.35	221.26
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		170,932.28	853.61	170,078.67	632.35	221.26

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

41 Additional Disclosures as per the circular issued by the Reserve Bank of India (Ref no. DNBR .PD. 008/ 03.10.119/ 2016-17 dated September 01,2016) & RBI circular DNBR(PD) CC no. 053/ 03.10.119 / 2015-16) in respect of Non Banking Financial (Non deposit accepting or holding) Systemically Important (NBFC-ND-SI) is as under:

The disclosures are based on the Ind AS Financials. Accordingly, the corresponding comparative for the previous period have been restated, in order to confirm to current year presentation.

Additional Disclosures required by the Reserve Bank of India ('RBI')

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

S.No	Item	For the year ended March 31, 2021	For the year ended March 31, 2020
1	CRAR (%)	**150.87%**	**638.88%**
2	CRAR - Tier I capital (%)	150.20%	638.88%
3	CRAR - Tier II Capital (%)	0.67%	0.00%
4	Amount of subordinated debt raised as Tire-II capital	-	-
5	Amount raised by issued of Perpetual Debt Instruments	-	-

b. Investments

S.No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Value of investments**		
	(i) Gross value of investments		
	(a) in India	55,218.99	26,591.01
	(a) outside India	-	-
	(ii) Provision for depreciation		
	(a) in India	-	-
	(a) outside India	-	-
	(iii) Net value of investments		
	(a) in India	55,218.99	26,591.01
	(a) outside India	-	-
2	**Movement of provisions held towards depreciation on investments**		
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year		-
	(iii) Less : Write-off/ write-back of excess provision during the year		-
	(i) Closing balance	-	-

c. Derivatives

The Company has no transactions / exposure in derivatives in the year ending March 31, 2021 and period ending March 31, 2020, hence the related disclosures are not applicable to the Company.

d. Disclosures relating to Securitisation

The Company has not entered in securitisation transaction in the year ending March 31, 2021 and period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

e. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Company has not sold any financial asset to securitisation / reconstruction company for asset reconstruction in the year ending March 31, 2021 and the period ending March 31, 2020. Hence the related disclosures are not applicable to the

f. Details of Assignment transactions

The Company has not undertaken any assignment transactions in the year ending March 31, 2021 and the period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

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

41 Additional Disclosures required by the Reserve Bank of India ('RBI') (continued)

g. Details of non-performing financial assets purchased / sold

The Company has not purchased / sold any non-performing financial assets in the year ending March 31, 2021 and period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

h. Exposure

i. Exposure to Real Estate Sector

This disclosure is not applicable to the Company as there are no exposures, direct or indirect to real estate sector as at March 31, 2021 and March 31, 2020.

ii. Exposure to Capital Market

This disclosure is not applicable to the Company as there are no exposures to capital market as at March 31, 2021 and March 31, 2020.

i. Details of financing of parent company products

This disclosure is not applicable to the Company as there is no financing of Parent Company products.

j Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not lent/ invested/ lent and invested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI during the year ended March 31, 2021 and period ended March 31, 2020.

k. Unsecured Advances

The Company has not given any unsecured advances in the year ended March 31, 2021 and period ended March 31, 2020.

l. Registration obtained from other financial sector regulators

The Company is not registered with any financial sector regulators except with the RBI.

m Disclosure of Penalties imposed by RBI and other regulators

No penalties were imposed by the RBI and other regulators during the year ended March 31, 2021 and the period ended March 31, 2020.

n Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):

S.No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Provision made towards income tax	983.10	88.68
(ii)	Provision for employee benefits	132.02	-
(iii)	Provision for employee stock compensation cost	-	-
(iv)	Provision for gratuity	11.84	-
(v)	Provision for compensated absence cost	21.40	-
(vi)	Provision for impairment of financial assets	854.97	-
(vii)	Provisions for depreciation on Investment	-	-
(viii)	Provision towards NPA	-	-

o. Draw Down from Reserves

There has been no draw down from reserves during the period ending March 31, 2021 and March 31, 2020. Hence the related disclosures are not applicable to the Company.

p. Concentration of Advances, Exposures and NPAs

i) Concentration of Advances

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Advances to twenty largest borrowers	151,687.73	-
Percentage of Advances to twenty largest borrowers to Total Advances	95.10%	0.00%

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

41 Additional Disclosures required by the Reserve Bank of India ('RBI') (continued)

p. Concentration of Advances, Exposures and NPAs (continued)

ii) Concentration of Exposures

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Exposures to twenty largest borrowers / customers	164,057.84	-
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	95.46%	0.00%

Exposure does not include investment in associate.

iii) Concentration of NPAs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total of Exposures to top four NPA accounts*	-	-

* there are no account classified as NPA as on March 31, 2021 and March 31, 2020.

iv) Sector-wise NPAs (% of NPA to Total Advances in that sector)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

v) Movement of NPAs

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	**Net NPAs to Net Advances (%)**	-	-
(ii)	**Movement of NPAs (Gross):**		
(a)	Opening balance	-	-
(b)	Additions during the year	-	-
(c)	Reductions during the year	-	-
(d)	**Closing balance**	**-**	**-**
(iii)	**Movement of Net NPAs**		
(a)	Opening balance	-	-
(b)	Additions during the year	-	-
(c)	Reductions during the year	-	-
(d)	**Closing balance**	**-**	**-**
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
(a)	Opening balance	-	-
(b)	Provisions made during the year	-	-
(c)	Write-off / write-back of excess provisions	-	-
(d)	**Closing balance**	**-**	**-**

q. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company has not invested in overseas assets in the period ending March 31, 2021 and March 31, 2020.

r. Off-balance Sheet SPVs sponsored by the Company

The Company has not sponsored off-balance sheet SPV in the period ending March 31, 2021 and March 31, 2020.

s. Disclosure of Complaints

There were no customer complaints recieved during the year.

Aseem Infrastructure Finance Limited

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

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

41 Additional Disclosures required by the Reserve Bank of India ('RBI') (Continued)

t. Statement on Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March 2021

Item	Up to 30 / 31 days	Over one month to two months	Over two months upto three months	Over three months to six months	Over six months to one year	Over one year to three years	Over three years to five years	Over five years	Total
Liabiities									
Borrowings	136.13	-	-	-	-	17,640.00	17,640.00	8,766.36	**44,182.49**
									-
Assets									-
Investments	-	-	-	-	-	-	-	55,218.99	**55,218.99**
Loans	3.48	1,132.68	641.68	1,522.07	2,876.85	18,183.99	13,452.35	120,226.07	**158,039.17**

Maturity pattern of certain items of assets and liabilities as at 31st March 2020

Item	Up to 30 / 31 days	Over one month to two months	Over two months upto three months	Over three months to six months	Over six months to one year	Over one year to three years	Over three years to five years	Over five years	Total
Assets									-
Investments	-	-	-	-	-	-	-	26,591.01	**26,591.01**
									-

u. Restructured advances

There are no restructured advance as on 31st March 2021, hence disclosure of information as required in terms of Para 24 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (RBI guidelines) is not required.

v. Fraud Reporting

As required by the Chapter II paragraph 5 for Monitoring of frauds in NBFCs (RBI guidelines), the details of frauds noticed / reported are as below:

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Amount Involved	-	-
Amount Recovered	-	-
Amount written off/provided	-	-
Balance	-	-

Aseem Infrastructure Finance Limited

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

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

42 Public disclosure on liquidity risk

The disclosure in terms of RBI circular ref. DOR.NBFC(PD)CC.NO.102/03.10.001/2019-20 dated November 04, 2019 on liquidity risk management framework for NBFCs Is provided below :

(i) Funding concentration based on significant counterparty

Sr no	No of significant counterparties	Amount (₹ in lakhs)	% of Total deposits	% of Total Liabilities
1	1	44,182.49	-	97.78%

(ii) Top 20 large deposits - Nil

(iii) Top 10 borrowings: ₹ 44,182.49 lakhs (represent 100.00% of total borrowings)

(iv) Funding concentration based on significant instrument/product

Sr no	Name of instrument	Amount (₹ in lakhs)	% of Total Liabilities
1	Term loans from Banks	44,182.49	97.78%

(v) **Stock ratios:**

Sr no	Instrument	As a % of total public funds	As a % of total liabilities	As a % of total assets
(a)	Commercial papers	Nil	Nil	Nil
(b)	Non Convertible Debentures (original maturity <1 year)	Nil	Nil	Nil
(c)	Other short term liabilities	2.29%	2.24%	0.37%

(vi) Institutional set-up for liquidity risk management

The Company has instituted Asset Liability Management Policy under which the Asset Liability Management 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) **ALCO**-comprises of Nominee Director of NIIF Fund II, Nominee of NIIF Fund II (majority shareholder), Chief Executive Officer (CEO), Head-Risk and Chief Financial Officer (CFO). It is a decision making body responsible for strategic management of interest rate and liquidity risks.

(iii) **Asset Liability Management Support Group**-which consist of operating staff from Risk, Accounts and Treasury group, who analyse/monitor liquidity profile, limits & report to ALCO & RBI.

(iv) **Finance Committee**-comprises of CEO, Head-Risk and CFO which is authorised to borrow monies through various instruments permitted by RBI.

(v) **Treasury Group**-which is ALM support group and is responsible for fund raising, maintain appropriate liquidity buffers, provide market related inputs and actively implement ALM strategy.

Aseem Infrastructure Finance Limited

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

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

43. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016]

LIABILITIES SIDE			
1	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**	**Amount Outstanding**	**Amount Overdue**
a.	Debentures (other than falling within the meaning of public		
	- Secured	-	-
	- Unsecured	-	-
b.	Deferred Credits	-	-
c.	Term Loans	44,182.49	-
d.	Inter-corporate loans and borrowings	-	-
e.	Commercial Paper	-	-
f.	Public Deposits (Refer note 1 below)	-	-
g.	Other Loans	-	-

ASSET SIDE		
2	**Break up of Loans and Advances including bills receivables [other than those included in(4) below]:**	**Amount Outstanding**
a.	Secured	158,039.17
b.	Unsecured	-
3	**Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities**	**Amount Outstanding**
i.	Lease Assets including lease rentals under sundry debtors:	
	a. Finance Lease	-
	b. Operating Lease	-
ii.	Stocks on hire including hire charges under sundry debtors:	
	a. Assets on hire	-
	b. Repossessed Assets	-
iii.	Other Loans counting towards AFC activities:	
	a. Loans where assets have been repossessed	-
	b. Loans other than (a) above	-
4	**Break up of Investments:**	**Amount**
	Current Investments	
	1. Quoted	
	i. Shares - Equity	-
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-
	2. Unquoted	
	i. Shares - Equity	-
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-

Aseem Infrastructure Finance Limited

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

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

43. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016] (continued)

4	**Break up of Investments (continued):**	
	Long Term Investments	
	1. Quoted	
	i. Shares - Equity	-
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-
	2. Unquoted	
	i. Shares - Equity	55,218.99
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-

5	**Borrower group-wise classification of asset financed (Refer note 2 below):**			
	Category	**Amount net of provision**		
		Secured	**Unsecured**	**Total**
1	Related Parties**			
	a. Subsidiaries	-	-	-
	b. Companies in the same group	-	-	-
	c. Other related parties	-	-	-
2	Other than related parties	158,039.17	-	158,039.17
	Total	**158,039.17**	**-**	**158,039.17**

6	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)**		
	Category	**Market Value/ Break up of fair value or NAV**	**Book Value (Net of Provisions)**
1	Related Parties**		
	a. Subsidiaries	-	-
	b. Companies in the same group	65,093.38	55,218.99
	c. Other related parties	-	-
2	Other than related parties	-	-
	Total	**65,093.38**	**55,218.99**

** As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

7	**Other information**	**Amount**
i.	Gross Non-Performing Assets	
	a. Related Parties	-
	b. Other than related parties	-
ii.	Net Non-Performing Assets	
	a. Related Parties	-
	b. Other than related parties	-
iii.	Assets acquired in satisfaction of debt	-

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

43. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016] (continued)

Notes:

1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

3 All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category 4 above.

44 The additional information required to be disclosed in terms of RBI circular (Ref. No. RBI/2009-2010/356/IDMD/4135 /11.08.43/2009-10) dated March 23, 2010 is not applicable for the Company.

45 Previous period figures have been regrouped/reclassified wherever necessary to correspond with those of the current year's classification/disclosure.

As per our report of even date.

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

per Rutushtra Patell
Partner
Membership No : 123596

Place: Mumbai
Date: June 8, 2021

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

Surya Prakash Rao Pendyala	**Rajiv Dhar**
Director	Director
DIN: 02888802	DIN: 00073997

Virender Pankaj	**Nilesh Sampat**	**Karishma Pranav Jhaveri**
Chief Executive Officer	Chief Financial Officer	Company Secretary