

# ASEEM INFRASTRUCTURE FINANCE LIMITED

**Reg Office:** 4<sup>th</sup> Floor, UTI Tower, GN Block, Bandra Kurla Complex, Mumbai - 400 051

**Tel No:** 022 6859 1350

**Email ID:** info@aseeminfra.in

**Website:** www.aseeminfra.in

**CIN:** U65990MH2019PLC325794

**PAN:** AASCA3238P

**Date of Incorporation:** May 23, 2019

**RBI Registration Number:** N- 13. 02382

## DISCLOSURE DOCUMENT DATED January 20, 2023

This Disclosure Document is issued in conformity with the Companies Act, 2013, as amended, prepared in the format as per Form PAS – 4 prescribed under Section 42 of Rule 14 (1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, Circular No. RBI/2014-15/475 DNBR (PD) CC No. 021/03.10.001/2014-15 dated February 20, 2015 issued by the Reserve Bank of India on "Raising Money through Private Placement by NBFCs – Non – convertible Debentures (**NCDs**) by NBFCs", and is an information memorandum/ disclosure document for the purposes of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended or replaced from time to time. This Disclosure Document is in accordance with all applicable laws, rules, regulations and guidelines.

**DISCLOSURE DOCUMENT OF ASEEM INFRASTRUCTURE FINANCE LIMITED ("THE COMPANY"/ "THE ISSUER") FOR ISSUANCE OF 20,000 NUMBER OF DEBENTURES IN THE NATURE OF LISTED, RATED, SECURED, REDEEMABLE, PRINCIPAL PROTECTED, MARKET LINKED, NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS (THE "BONDS" OR "DEBENTURES"), HAVING FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH) EACH, FOR AN AMOUNT NOT EXCEEDING RS. 200,00,00,000 (RUPEES TWO HUNDRED CRORES ONLY), INCLUDING A GREEN SHOE ISSUE OF INR 75,00,00,000 (RUPEES SEVENTY FIVE CRORES ONLY), (THE "ISSUE") (HEREINAFTER REFERRED TO AS "THE DISCLOSURE DOCUMENT" OR "DISCLOSURE DOCUMENT").**

**NEITHER THE ISSUER NOR ANY OF THE CURRENT DIRECTORS OR PROMOTERS OF THE ISSUER HAS BEEN DECLARED AS WILFUL DEFAULTER.**

## LISTING

The aforesaid NCDs of the Company are proposed to be listed on the wholesale debt market segment of the NSE. The Issuer has obtained an 'in-principle' approval from the NSE for listing vide its letter dated January 13<sup>th</sup> 2023 and will apply for final listing within 3 (Three) trading days from the Deemed Date of Allotment. Please refer to Annexure 1 (In Principle Listing Approval) of this Disclosure Document for a copy of the in-principle approval letter dated January 13<sup>th</sup>, 2023 issued by NSE.

## DEBENTURE TRUSTEE FOR THE DEBENTURE HOLDERS

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



Logo:



## REGISTRAR TO THE ISSUE

KFin Technologies Private Limited (formerly known as  
Karvy Fintech Private Limited)  
Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500  
032  
Contact: +91 40 6716 1602  
Contact Person: Hanumantha Rao  
Website: www.kfintech.com  
Email: unlservices@kfintech.com



Logo: Inspired By Passion. Driven By Technology.

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PROMOTERS		CREDIT RATING AGENCY ICRA Ratings Limited	
<p>National Investment and Infrastructure Fund 3rd Floor, Hindustan Times House 18-20, Kasturba Gandhi Marg New Delhi – 110001 Contact: +91-11- 48987000 Email: niifinvestments@niifindia.in Contact Person: Ekta Agarwal</p> <p></p> <p>Website: www.niifindia.in</p>		<p>ICRA Ratings Limited 4th Floor, Electric Mansion Prabhadevi, Mumbai - 400 025 Contact: +91.22.61693300 Email: info@icraindia.com Contact Person: Manushree Sagar Website: www.icra.in Logo:</p> <p></p>	
COMPANY SECRETARY AND COMPLIANCE OFFICER		STOCK EXCHANGE NATIONAL STOCK EXCHANGE LIMITED	
<p>Ms. Karishma Jhaveri Designation: Company Secretary and Compliance Officer Address: 4th Floor, UTI Tower, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Phone No.: 022 6859 1300 Email ID: karishma.jhaveri@aseeminfra.in</p>		<p>National Stock Exchange Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Contact: +91-22-2659 8100/ 2659 8114 / 66418100</p>	
CHIEF FINANCIAL OFFICER			
<p>Mr. Nilesh Sampat Designation: Chief Financial Officer Address: 4th Floor, UTI Tower, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Phone No.: 022 6859 1363 Email ID: nilesh.sampat@aseeminfra.in Website: www.aseeminfra.in</p>			
<p><b>Credit Rating:</b> "PP MLD AA+ (Stable) from ICRA Ratings" The Press Release for the above Credit Rating can be found at website of respective credit rating agencies. A copy of the same has been attached as Annexure 2 hereto.</p>			
<b>Eligible Investors</b>	shall mean: a. provident funds, superannuation funds and gratuity funds; b. mutual funds; c. companies, bodies corporate and societies; d. insurance companies; e. commercial banks and financial institutions; f. regional rural banks; g. co-operative banks; h. non-banking financial companies and residuary non-banking financial companies; and i. any other investor authorized to invest in these Debentures, in terms of Applicable Law.		
<b>Interest/Coupon Rate</b>	<b>Scenario</b>	<b>Interest/Coupon (XIRR)</b>	
	If Final Fixing Level >75% Initial Fixing Level	8% XIRR	
	If Final Fixing Level <=75% of Initial Fixing Level and Final Fixing Level > 25% of Initial Fixing Level	7.95% XIRR	
	If Final Fixing Level <= 25% of Initial Fixing Level	0.00% XIRR	

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<b>Coupon Payment Frequency/Interest Payment Date</b>	Bullet on Maturity
<b>Interest/Coupon Amount</b>	$Face\ Value * [(1 + Coupon\ Rate)^{\frac{(Tenor\ in\ Days)}{365}} - 1]$
<b>Redemption Date</b>	23 <sup>rd</sup> July 2025
<b>Redemption Premium /Discount</b>	Not Applicable
<b>Details of underwriting</b>	Not Applicable
<b>Issue Opens on:</b> 23 <sup>rd</sup> January 2023	<b>Issue Closes on:</b> 23 <sup>rd</sup> January 2023
<b>Pay in Date:</b> 23 <sup>rd</sup> January 2023	<b>Pay out Date:</b> 23 <sup>rd</sup> January 2023
<b>Deemed Date of Allotment:</b> 23 <sup>rd</sup> January 2023	

The Issuer reserves the right to change the Issue Program including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Program.

**Note:** This Disclosure Document prepared under the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) 2021, as amended from time to time, for private placement of the NCDs is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the debt securities to be issued by the Issuer. This is only an information brochure intended for private use.

## SECTION I

### DEFINITIONS

This Disclosure Document uses certain definitions and abbreviations which shall have the meaning ascribed to them in the debenture trust deed to be entered between the Issuer and the Debenture Trustee ("**Debenture Trust Deed**") unless the context indicates or implies otherwise, have the meaning as provided below. References to any legislation, act or regulation shall be to such term as amended from time to time.

Term	Description
<b>Act or Companies Act</b>	shall mean the Companies Act, 2013, as may be amended or replaced from time to time and shall include any statutory amendment or re-enactment thereof from time to time including but not limited to the rules, circulars or orders issued.
<b>Allotment</b>	shall mean the issue and allotment of the Debentures to the successful Applicants pursuant to this Issue.
<b>Amalgamation or Acquisition</b>	shall have the meaning ascribed to in the Companies Act.
<b>AOA or Articles of Association</b>	means the Articles of Association of the Issuer.
<b>Applicant</b>	shall mean a person who makes an offer to subscribe the Debentures pursuant to the terms of this Disclosure Document and the Application Form.
<b>Application Form</b>	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for Allotment of Debentures.
<b>Board or Board of Directors</b>	shall mean Board of Directors of the Company/Issuer and includes any Committee thereof.
<b>Business Day</b>	means a day, other than a Sunday or a Public Holiday, on which, banks are open for business in the city of Mumbai and New Delhi, India for carrying out high value clearing of cheques and/or for effecting transfer of payment through the Real Time Gross Settlement System operated by or on behalf of the Reserve

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	Bank of India.
<b>Certificate of Registration</b>	means the certificate of registration number N- 13. 02382 issued by the Reserve Bank of India to the Issuer dated 28 <sup>th</sup> January 2020.
<b>Credit Rating Agency</b>	Means ICRA Ratings Limited
<b>DIN</b>	means Director Identification Number.
<b>Debentures</b>	shall mean secured, redeemable, principal protected, market linked, non-convertible debentures issued/ to be issued by the Company from time to time on the terms and conditions as provided in the Debenture Trust Deed and the Disclosure Documents and aggregating up to INR 200,00,00,000 (Rupees Two Hundred Crores only), including a green shoe option of INR 75,00,00,000 (Rupees Seventy-Five Crores only).
<b>Debenture Holders or Investors</b>	means the persons who are, for the time being and from time to time, the holders of the Debentures and, who are entered in the Register of Debenture Holders as the holders of the Debentures, where such Debentures are held in physical form, or whose names appear in the Register of Beneficial Owners, where such Debentures are held in dematerialized form, and shall include the registered transferees of the Debentures from time to time and " <b>Debenture Holder</b> " means each such person.
<b>Debenture Secured Obligations / Outstanding Amounts</b>	shall mean: (a) all amounts payable to the Debenture Holders by the Company, pursuant to the terms of the Transaction Documents, including without limitation the amounts outstanding under the Debentures (together with all Interest, Default Interest, additional interest, commission, costs, charges, expenses and other monies, fees and/or remuneration payable to the Debenture Holders and/or Debenture Trustee, if any), and all other amounts whatsoever stipulated in or payable by the Company under the Transaction Documents; (b) any and all sums advanced or monetary obligations incurred, directly or indirectly, by any Debenture Holder or the Debenture Trustee, in order to secure, maintain or preserve the Security; and (c) in the event of any proceeding for the collection or enforcement of the Debenture Secured Obligations, after an Event of Default has occurred and is continuing, the expenses incurred for taking possession of, holding, preparing for sale or lease, selling or otherwise disposing of or realizing the Security Interest, or of any exercise of the Debenture Trustee of its right under the Security Documents, or of any exercise by the Debenture Holders and/or Debenture Trustee of their respective rights under the Security Documents, together with legal fees and court costs in connection therewith.
<b>Debenture Trust Deed</b>	shall mean debenture trust deed dated January 20 <sup>th</sup> 2023 executed between the Company and Debenture Trustee.
<b>Debenture Trustee Agreement</b>	shall mean debenture trustee agreement dated January 13 <sup>th</sup> 2023 executed between the Company and Debenture Trustee
<b>Deed of Hypothecation</b>	Shall mean Amended and Restated deed of hypothecation dated November 24 <sup>th</sup> , 2022 executed by the Company in favour of the Security Trustee
<b>Deemed Date of Allotment</b>	means the date on which the Debentures are deemed to be allotted to the Debenture Holders
<b>Depository</b>	means National Securities Depository Limited or Central Depository Services (India) Limited, as the case may be.
<b>Depositories Act</b>	shall mean the Depositories Act, 1996, as amended.
<b>Depository Participant</b>	shall mean a Depository Participant as defined under the Depositories Act, 1996.



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<b>Designated Account</b>	means the non-interest bearing account titled 'Aseem Infrastructure Finance Limited' bearing No. '921020027936917' opened and maintained by the Company with Axis Bank at its branch office situated at Bandra Kurla Complex, Mumbai
<b>FY</b>	shall mean Period of 12 (twelve) months ending on March 31 of that particular year.
<b>FCCB</b>	shall mean Foreign Currency Convertible Bonds.
<b>GoI</b>	shall mean Government of India.
<b>Hypothecation Power of Attorney</b>	shall mean power of attorney dated November 24 <sup>th</sup> , 2022 executed by the Company in favour of the Security Trustee.
<b>Issuer, AIFL, our Company or the Company</b>	shall mean Aseem Infrastructure Finance Limited.
<b>IFC – NBFC</b>	shall mean Infrastructure Finance Company– Non-Banking Financial Company, as defined under the RBI guidelines.
<b>Infrastructure Project</b>	shall mean a project undertaken in relation to any of the sectors classified by the RBI as an 'infrastructure' sector from time to time.
<b>Interest Payment Date</b>	Payable on Maturity
<b>Eligible Investors</b>	shall mean: a. provident funds, superannuation funds and gratuity funds; b. mutual funds; c. companies, bodies corporate and societies; d. insurance companies; e. commercial banks and financial institutions; f. regional rural banks; g. co-operative banks; h. non-banking financial companies and residuary non-banking financial companies; and i. any other investor authorized to invest in these Debentures, in terms of Applicable Law.
<b>Majority Debenture Holders</b>	means, in the context of a Meeting of the Debenture Holders, the Beneficial Owner(s)/Debenture Holder(s) whose participation or share in the Principal Amount(s) outstanding due and payable from time to time with respect to the Debentures aggregate to more than 51% (Fifty One percent) of the outstanding value of Debentures issued by the Company collectively outstanding from time to time. In case of any opinion, action, waiver, consent, instruction, direction, authorization, approval, notice, amendment, modification or supplement in relation to any event, no opinion, action, waiver, consent, instruction, direction, authorization, approval, notice, amendment, modification or supplement may be taken, given or agreed to unless the Majority Debenture Holder(s) have agreed to the same;
<b>Memorandum or MOA or Memorandum of Association</b>	means the Memorandum of Association of the Issuer.
<b>NCD</b>	shall mean Non-Convertible Debentures.
<b>NBFC</b>	means a non-banking financial company as defined under Section 45-IA of the Reserve Bank of India Act, 1934.
<b>NPA</b>	shall mean non-performing asset.
<b>NRI</b>	shall mean non Resident Indians.
<b>Negotiated Trade Reporting Platform</b>	erstwhile Wholesale Debt Market on the National Stock Exchange.
<b>NEFT</b>	means National Electronic Fund Transfer.

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<b>NSE</b>	means National Stock Exchange of India Limited, a public company incorporated under Companies Act, 1956 with corporate identification number U67120MH1992PLC069769 and having its registered office at Exchange Plaza, C-1, Block – G, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra – 400051, India.
<b>PAN</b>	shall mean Permanent Account Number.
<b>Private Placement Offer Document or Disclosure Document or Offer Document</b>	shall mean this document.
<b>Rs. / INR / Rupees</b>	means the lawful currency of the Republic of India.
<b>RBI</b>	shall mean Reserve Bank of India.
<b>Reconstruction or Reorganization</b>	shall have the meaning ascribed to in the Companies Act.
<b>Record Date</b>	shall mean 15 calendar days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.
<b>Redemption</b>	means the repayment of the entire Outstanding Amounts outstanding in respect of the Debentures as per the Disclosure Documents; and shall include <b>"Repay"</b> and vice-versa and repaid, repayable, repayment, redeemed, redeemable and redemption shall be construed accordingly;
<b>Register of Debenture Holders</b>	means the register maintained by the Company at its registered office and containing the names of the Debenture Holders entitled to receive Interest on the Debentures;
<b>Registrar of the Issue (RTA)</b>	KFin Technologies Private Limited
<b>RTGS</b>	means Real Time Gross Settlement, an electronic funds transfer facility provided by RBI.
<b>SEBI</b>	shall mean the Securities and Exchange Board of India.
<b>SEBI Debt Listing Regulations</b>	means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time.
<b>Security</b>	means collectively, the Security Interest created over the Hypothecated Property in accordance with the terms and conditions contained in the Security Documents;
<b>Security Documents</b>	means the following: (a) Deed of Hypothecation; (b) Hypothecation Power of Attorney; (c) any other security document or any other document entered into from time to time for creation of any Security for the benefit of the Debenture Holders.
<b>Security Interest</b>	means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same;
<b>Security Trustee</b>	shall mean SBICAP Security Trustee Company Limited.
<b>Security Trustee Agreement</b>	shall mean the common security trustee agreement executed <i>inter alia</i> between the Company and SBICAP Security Trustee Company Limited and which term shall also include any amendments/accessions made thereto from time to time.

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<b>Transaction Documents</b>	means: a) Debenture Trust Deed; b) Debenture Trustee Agreement; c) Security Trustee Agreement d) Security Documents; e) this Disclosure Document; and f) any other Transaction Documents (as defined in the Debenture Trust Deed)
<b>We or us,</b>	shall mean Aseem Infrastructure Finance Limited
<b>Working day</b>	shall mean Working days of the stock exchange where the securities of the entity are listed.

This Disclosure Document shall be read in conjunction with the Debenture Trust Deed and other Transaction Documents and it is agreed between the Trustee and the Issuer that in case of any inconsistency or conflict between this Disclosure Document and the Debenture Trust Deed, the provisions of the Disclosure Document shall prevail and override the provisions of this Debenture Trust Deed.

## SECTION II

### RISKS IN RELATION TO THE ISSUE

There has been no principal trading market for the securities of the Issuer. No assurance can be given regarding any active or sustained trading in the securities of the Issuer or regarding the price at which the securities will be traded after listing.

### GENERAL RISKS

Investment in debt and debt related securities involves a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Prospective Investors are advised to read the risk factors carefully before taking an investment decision in relation to this issue. Prospective Investors should consult their own legal, regulatory, tax, financial and/or accounting advisors about risks associated with an investment in Debentures and the suitability of investing in the Debentures in light of such Prospective Investor's particular circumstances. For taking an investment decision, the Investors must rely on their own examination of the Company, this Disclosure Document issued in pursuance hereof and the issue including the risks involved. This issue has not been recommended or approved by any regulatory authority in India, including Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. Prospective Investors are advised to carefully read the risks associated with the issue of Debentures. Specific attention of Investors is invited to statement of 'Risk Factors' contained on Page 13 of this Disclosure Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or Investor's decision to purchase the debentures.

### CREDIT RATING

ICRA has assigned a rating (for the amount of Rs. Two Hundred Crores) of "PP MLD AA+ (Stable)" to the Issue of Debentures. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Of this, the Company proposes to issue debentures of amount of INR 200,00,00,000 (Rupees Two Hundred Crores Only), including a green shoe option of INR 75,00,00,000 (Rupees Seventy Five Crores Only).

Investors may please note that the credit rating of the Debentures of this Issue is not a recommendation to buy, sell or hold securities and the prospective investors should take their own investment decisions. The rating may be subject to revision, withdrawal or suspension at any time, on the basis of new information or unavailability of information or other circumstances which the rating agency believes may have an impact on the credit rating. Please refer to the credit rating letters, and rating rationale issued by ICRA is attached as Annexure 2 to this Disclosure Document for further information.

### ISSUER'S ABSOLUTE RESPONSIBILITY

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The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Disclosure Document contains all information with regard to the Issuer and the issue which is material in the context of the issue, that the information contained in the Disclosure Document memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this Disclosure Document as a whole or any of such information or the expression of any such opinions or intentions misleading.

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Disclosure Documents. Any covenants later added shall be disclosed on the stock exchange website where the Debentures are listed.

#### **GENERAL DISCLAIMER**

This Disclosure Document is for private placement of Debentures and has been prepared in conformity with the SEBI Debt Listing Regulations and sections 42 and 71 of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and applicable RBI regulations. Unless otherwise provided, the information provided in this Disclosure Document is as on September 30, 2022.

This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus. The issue of rated, secured, redeemable, principal protected, market linked, non-convertible debentures are proposed to be listed on the Negotiated Trade Reporting Platform of the NSE and is being made strictly on private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the debentures to the public in general. Apart from this Disclosure Document, no offer document or prospectus has been prepared in connection with the offering of this Issue, nor is such a Disclosure Document required to be registered under the applicable laws. Accordingly, this Disclosure Document has neither been delivered for registration nor is it intended to be registered. The contents of this Disclosure Document are intended to be used only by those Debenture Holders to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient. The person to whom a copy of the Disclosure Document is provided would alone be entitled to apply for the debentures. No invitation is being made to any persons other than those to whom the Application Forms along with this Disclosure Document have been addressed. Any application by a person to whom the Disclosure Document and/or the Application Form has not been addressed by the Issuer shall be rejected without assigning any reason. The person who is in receipt of this Disclosure Document shall maintain utmost confidentiality regarding the contents of this Disclosure Document and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the Issuer.

This Disclosure Document has been prepared to provide general information about the Issuer to potential Investors to whom it is addressed and who are willing and are eligible to subscribe to the Debentures. This Disclosure Document does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document nor any other information supplied in connection with the Debentures should be considered as a recommendation to purchase or subscribe to any Debentures. Neither this Disclosure Document nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt as a recommendation to subscribe to any Debentures. Each Investor contemplating the purchase of any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such investor's particular circumstances. It is the responsibility of potential Investors to also ensure that they will sell these debentures in strict accordance with this Disclosure Document and other applicable laws, so that the sale does not constitute an offer to the public within the meaning of the Companies Act, 2013.

#### **DISCLAIMER CLAUSE FOR STOCK EXCHANGES AND SEBI**

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Issuance of Debentures on private placement basis under this Disclosure Document is proposed to be listed on the Negotiated Trade Reporting Platform of NSE and copy of this Disclosure Document will be filed with the Negotiated Trade Reporting Platform of the NSE in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time. It is to be distinctly understood that submission of the Disclosure Document to SEBI or NSE should not in any way be deemed or construed to mean that the Disclosure Document has been cleared or approved by NSE and / or SEBI; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document, nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the issuer, its promoters, its management.

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter Ref.: NSE/LIST/5824 dated January 13, 2023 or hosting the same on the website of NSE in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER CLAUSE OF RESERVE BANK OF INDIA**

The Issuer has a valid certificate of registration dated January 28, 2020 bearing registration no. N- 13. 02382 issued by the RBI under section 45-IA of the Reserve Bank of India Act, 1934.

The Debentures have not been recommended or approved by RBI nor does RBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the Debentures have been recommended for investment by RBI. Further, RBI does not take any responsibility either for the financial soundness of the Issuer, or the Debentures being issued by the Issuer or for the correctness of the statements made or opinions expressed in the Disclosure Document. The potential Investors may make investment decision in respect of the Debentures offered in terms of this Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing /repayment of such investment.

#### **DISCLAIMER CLAUSE OF DEBENTURE TRUSTEE**

- I) The Debenture Trustee does not undertake to review the financial condition or affairs of the issuer during the life of the arrangements contemplated by this disclosure document and does not have any responsibility to advise any Investor or prospective investor in the Debentures of any information available with or subsequently coming to the attention of the Debenture Trustee, its agents or advisors except as specifically provided for in the Debenture Trust Deed.
- II) The Debenture Trustee has not separately verified the information contained in this Disclosure Document. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by Debenture Trustee as to the accuracy or any other information provided by the Company. Accordingly, Debenture Trustee associated with the issue shall have no liability in relation to the information contained in this Disclosure Document or any other information provided by the Company in connection with the Issue.
- III) The Debenture Trustee is neither a principal debtor nor a guarantor of the Debentures.



**DISCLAIMER CLAUSE OF THE CREDIT RATING AGENCY**

As at the date of this Disclosure Document, the Credit Rating Agency has assigned "PP MLD AA+ (Stable)" rating to the Debentures. The rating assigned by the Credit Rating Agency is an opinion on credit quality and is not a recommendation to buy, sell or hold the rated debt instruments. The Investors should take their own decisions. The Credit Rating Agency has based its rating on information obtained from sources believed by them to be accurate and reliable. The Credit Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information.

The rating may be subject to revision or withdrawal at any time by the Credit Rating Agency and should be evaluated independently of any other rating. The Credit Rating Agency has the right to suspend or withdraw the rating at any time basis of factors such as new information or unavailability of information or any other circumstances.

**DISCLAIMER CLAUSE OF THE COMPANY**

The Company has certified that the disclosures made in this Disclosure Document are adequate and in conformity with SEBI guidelines and RBI guidelines in force for the time being. This requirement is to facilitate Investors to take an informed decision for making an investment in the proposed Issue. The Company accepts no responsibility for statements made otherwise than in the Disclosure Document or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk. The Issuer accepts no responsibility for statements made other than in this Disclosure Document or any other material expressly stated to be issued by or at the instance of the Issuer in connection with the issue of the Debentures. Any person placing reliance on any other source of information would be doing so at such person's own risk.

**ELIGIBILITY OF THE ISSUER TO COME OUT WITH THE ISSUE**

AS ON THE DATE OF THIS DISCLOSURE DOCUMENT:

- (I) THE ISSUER AND ITS DIRECTORS HAVE NOT BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTIONS PASSED BY SEBI;
- (II) NONE OF THE PROMOTERS OR DIRECTORS OF THE ISSUER IS A PROMOTER OR DIRECTOR OF ANOTHER COMPANY WHICH IS DEBARRED FROM ACCESSING THE CAPITAL MARKET OR DEALING IN SECURITIES BY SEBI;
- (III) NEITHER THE ISSUER NOR ANY OF ITS PROMOTERS OR DIRECTORS IS A WILFUL DEFAULTER;
- (IV) NONE OF THE PROMOTERS OR WHOLE-TIME DIRECTORS OF THE ISSUER IS A PROMOTER OR WHOLE-TIME DIRECTOR OF ANOTHER COMPANY WHICH IS A WILFUL DEFAULTER;
- (V) NONE OF ITS PROMOTERS OR DIRECTORS IS A FUGITIVE ECONOMIC OFFENDER; AND
- (VI) NO FINE OR PENALTIES LEVIED BY SEBI /STOCK EXCHANGES IS PENDING TO BE PAID BY THE ISSUER AT THE TIME OF FILING THE DISCLOSURE DOCUMENTS.

**DISCLAIMER IN RESPECT OF JURISDICTION**

Issue of these Debentures have been/will be made in India to Investors as specified under clause "Who Can Apply" in this Disclosure Document, who have been/shall be specifically approached by the Company. The Debentures are governed by and shall be construed in accordance with the existing Indian laws as applicable in the State of Maharashtra and the National Capital Territory of Delhi. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of Mumbai and New Delhi. This Disclosure Document does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

**FORCE MAJEURE**

The Company reserves the right to withdraw the Issue at any time prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, collected in respect of the Issue without assigning any reason.



### **ISSUE OF DEBENTURES IN DEMATERIALISED FORM**

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of the Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its Depository Participant. The Issuer will make the Allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

### **EACH PERSON RECEIVING THIS DISCLOSURE DOCUMENT ACKNOWLEDGES THAT**

Such person has been afforded an opportunity to request and to review and has received all this Disclosure Document and all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and such person has not relied on any intermediary that may be associated with issuance of Debentures in connection with its investigation of the accuracy of such information or its investment decision. The Issuer does not undertake to update the information in this Disclosure Document to reflect subsequent events after the date of the Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Neither the delivery of this Disclosure Document nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Disclosure Document in any jurisdiction where such action is required. The distribution of this Disclosure Document and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this comes are required to inform them about and to observe any such restrictions. The Disclosure Document is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential.

### **CONFIDENTIALITY**

The information and data contained herein is submitted to each recipient of this Disclosure Document on a strictly private and confidential basis. By accepting a copy of this Disclosure Document, each recipient agrees that neither it nor any of its employees, agents or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This Disclosure Document must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Company. If at any time any such reproduction or disclosure is made and the Company suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or disclosure, the recipient of this Disclosure Document breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify the Company from and against any such loss, damage or liability.

### **FORWARD-LOOKING STATEMENTS**

While no forecasts or projections relating to the Issuer's financial performance are included in this Disclosure Document, this document contains certain "forward-looking statements" like "intends", "believes", "expects" and other similar expressions or variations of such expressions. These statements are primarily meant to give prospective Investors an overview of the Issuer's future plans, as they currently stand. The Issuer operates in a highly competitive, regulated and ever-changing business environment, and a change in any of these variables may necessitate an alteration of the Issuer's plans. Further, these plans are not static, but are subject to continuous internal review, and may be altered if the altered plans suit the Issuer's needs better. Further, many of the plans may be based on one or more underlying assumptions (all of which may not be contained in this Disclosure Document) which may not come to fruition. Thus, actual results may differ materially from those suggested by the forward-looking statements. The Issuer cannot be held liable by estoppels or otherwise for any forward-looking statement contained herein. All statements contained in this Disclosure Document that are not statements of historical fact constitute "forward-looking statements" and are not forecasts or projections relating to the Issuer's financial performance. All forward-looking statements are subject to risks, uncertainties

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and assumptions that may cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that may cause actual results to differ materially from the Issuer's expectations include, among others, the risk factors set out in Section II (Risks relating to the Debentures) of this Disclosure Document. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The forward-looking statements made in this Disclosure Document speak only as of the date of this Disclosure Document. Neither the Issuer nor its Directors nor any of the Issuer's affiliates have any obligation, or intention, to update or otherwise revise any forward-looking statement to reflect circumstances arising after the date hereof or to reflect the events occurring after the date hereof, even if the underlying assumptions do not come to fruition and the Issuer does not assume any responsibility to do so.

### **CAUTIONARY NOTE**

The investors acknowledge by the receipt of this Disclosure Document that they, (i) are knowledgeable and experienced in financial and business matters, have expertise in assessing credit, market and all other relevant risk and are capable of evaluating, and have evaluated, independently the merits, risks and suitability of purchasing the Debentures, (ii) understand that the Issuer has not provided, and will not provide, any material or other information regarding the Debentures, except as included in the Disclosure Document, (iii) have not requested the Issuer to provide it with any such material or other information, (iv) have not relied on any investigation that any person acting on their behalf may have conducted with respect to the Debentures, (v) have made their own investment decision regarding the Debentures, (vi) have had access to such information as deemed necessary or appropriate in connection with purchase of the Debentures, and (vii) understand that, by purchase or holding of the Debentures, they are assuming and are capable of bearing the risk of loss that may occur with respect to the Debentures, including the possibility that they may lose all or a substantial portion of their investment in the Debentures.

Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

## **SECTION III**

### **RISK FACTORS**

The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Potential investors should carefully consider all the risk factors in this Disclosure Document for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. The order of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Disclosure Document and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

**PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THESE KEY RISKS ASSOCIATED WITH THE DEBENTURES. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO THE DEBENTURES OR YOUR DECISION TO PURCHASE THE DEBENTURES. THIS DISCLOSURE DOCUMENT IS NOT AND DOES NOT PURPORT TO BE AN INVESTMENT ADVICE.**

#### **A. INTERNAL RISK FACTORS**

##### **1. Increasing competition from banks, financial institutions and NBFCs**

The successful implementation of Company's growth plans depends on its ability to face the competition. The main competitors of the Company are Infrastructure Finance Companies, Infra Debt Funds, NBFCs, offshore investors, financial institutions and banks. The Company, being a non-deposit taking NBFC, does not have access to low-cost deposits because of which it may become less competitive than others. Many of its competitors have significantly greater financial, technical, marketing and other resources. Many of them also offer a wider range of services and financial products than the Company does and have greater brand recognition and a larger client base. If the Company is unable to manage its business and compete effectively with current or future competitors, it might impede its competitive position and profitability.

##### **2. Credit Risk**

Any lending and investment activity by the Company is exposed to credit risk arising from interest / repayment default by borrowers and other counterparties. The Company has institutionalized a systematic credit evaluation process monitoring the performance of its asset portfolio on a regular and continual basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure. The Company will also endeavor to undertake a periodic review of its entire asset portfolio with a view to determine the portfolio valuation, identify potential areas of action and devise appropriate strategies thereon. Despite these efforts, there can be no assurance that repayment default will not occur and/or there will be no adverse effect on the Company's financial results and/or operations as a result thereof.

In performing its credit assessment, the Company relies largely on information furnished by or on behalf of its borrowers, including financial information, based on which the Company performs its credit assessment. The Company may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. The Company is also exposed to the risk of such third parties which owe money, securities or other assets not performing their obligations due to various reasons. Any such information if materially misleading may increase the risk of default and could adversely impact the financial condition, financial results and/or operations of the Company.

##### **3. Repayment of principal is subject to the credit risk of the Company**

Potential Investors should be aware that receipt of principal amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company. Potential investors assume the risk that the Company will not be able to satisfy its obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

##### **4. Interest Rate Risk**

The Company's interest income from lending and gains from trading in debt securities are dependent upon interest rates and their movement. Interest rates are highly sensitive to many factors beyond the control of the Company, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility.

Consequently, there can be no assurance that significant interest rate movements will not have an adverse effect on the Company's financial results and/or operations.

**5. Non-performing assets.**

A material increase in the level of non-performing assets in the Issuer's portfolio may cause its business and results of operations to suffer. The Issuer has NIL NPA as of date and its provisioning norms fully comply with the RBI guidelines/directives. The Issuer believes that its overall financial profile, capitalisation levels and risk management systems provide significant risk mitigation. However, the occurrence of NPAs or an increase in the level of NPAs may adversely affect the Company's business, financial results and/or operations.

**6. Access to Bank Loans, Capital Markets and Commercial Borrowings**

With the growth of its business, the Company will increasingly rely on funding from the bank loans, debt capital markets and commercial borrowings. The Company's growth will depend on its continued ability to access funds at competitive rates which in turn will depend on various factors including its ability to maintain its credit ratings. If the Company is unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to offer competitive interest rates for its loans or have adequate funds for its investment activities. This may adversely impact its business results and its future financial performance.

**7. Adverse developments in the industries that the Company operates in**

Our principal business segment is infrastructure finance with a focus on renewable energy, road and transmission projects. Any adverse developments in the industries we operate in, may adversely affect our business and results of operations. Our asset portfolio includes, and will likely continue to include, a high concentration of infrastructure loans. Infrastructure projects are characterized by project-specific risks as well as general risks. These risks are generally beyond our control, and the success of our lending business is thus dependent on, amongst others:

- The demand for infrastructure projects in India, especially public private partnerships (PPPs) and private sector projects;
- Regulatory changes, changes in tax policies, adverse court rulings, environment-protection guidelines;
- Political events such as toll payment stoppages, renegeing of PPAs and other schemes announced by central and state governments;
- Other macroeconomic conditions in India and globally.

**8. Operational and System Risk**

The Company may be faced with operational and system risks, which may arise as a result of various factors, viz., improper authorizations, failure of employees to adhere to approved procedures, inappropriate documentation, failure in maintenance of proper security policies, frauds, inadequate training and employee errors. Further, there can also be a security risk in terms of handling information technology related products such as system failures, information system disruptions, communication systems failure which involves certain risks like data loss, breach of confidentiality and adverse effect on business continuity and network security.

If any of the systems do not operate properly or are disabled or if other shortcomings or failures in internal processes or systems are to arise, this could affect the Company's operations and/or result in financial loss, disruption of Company's businesses, regulatory intervention and/or damage to its reputation. In addition, the Company's ability to conduct business may be adversely impacted by a disruption (i) in the infrastructure that supports its businesses and (ii) in the localities in which it is located.

**9. Any inability of the Company to attract or retain talented professionals may impact its business operations**

The business in which the Company operates is very competitive and ability to attract and retain quality talent impacts the successful implementation of growth plans. The Company may lose many business opportunities and business would suffer if such required manpower is not available on time. The inability of the Company to replace manpower in a satisfactory and timely manner may adversely affect its business and future financial performance.

**10. Employee Misconduct**

Any kind of employee misconduct may impair the Company's ability to service clients. It is not always possible to deter employee misconduct and the precautions the Company takes to detect and prevent this activity may not be effective in all cases.

**11. No guarantee**

The Promoter of the Company has not provided any guarantee in any manner with respect to the Debentures and no Investor shall have any recourse against the Promoter, any of its promoters or group companies, except the Company, with respect to the performance of the terms and conditions of the Issue.

**12. Downgrading in credit rating**

The Company cannot guarantee that its credit ratings will not be downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that any of the Rating Agencies may downgrade the rating of the Debentures. In such cases, potential investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

**13. Decisions may be made on behalf of all Debenture Holders that may be adverse to the interest of individual Debenture Holders**

The terms of the Debentures contain provisions for calling meetings of Debenture Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Debenture Holders including Debenture Holders who did not attend and vote at the relevant meeting and Debenture Holders who voted in a manner contrary to the majority. In view of the same, it is possible that the decisions made through defined majorities on behalf of all Debenture Holders may be adverse to the interest of individual Debenture Holders.

**14. No Debenture Redemption Reserve**

As per the provisions of the Companies (Share Capital and Debentures) Rules, 2014 as amended time to time, the Company is exempted from the requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve funds for the redemption of the Debentures. However, the Company will continue to comply with the other applicable provisions of the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time.

**15. Recovery Expense Fund**

The Company hereby agrees and undertakes that it shall create a recovery expense fund in the manner as may be specified by the SEBI from time to time and shall inform the Debenture Trustee/Debenture Holders of the same, in writing. The Debenture Trustee after obtaining consent of Debenture Holder(s) for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out under relevant circulars and regulations issued by SEBI, for utilisation of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund towards enforcement of Security.



**16. Security may be insufficient to redeem the Debentures**

In the event that, the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of the Debenture Trustee Deed and other related documents. The Investors recovery in relation to the Debentures will be subject to (i) the market value of the property offered as security, and (ii) finding a willing buyer for such security at a price sufficient to repay the potential investors' amounts outstanding under the Debentures.

**17. Tax and other Considerations**

Special tax, accounting and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of an investment into the Debentures.

**18. Conflict of Interest**

Our controlling shareholder National Investment and Infrastructure Fund II is also the controlling shareholder of our associate concern, NIIF Infrastructure Finance Limited (NIIF IFL) that operates in similar lines of business as us. Further, two of our Directors are also on the board of directors of NIIF IFL. In the event of a conflict of interest, our controlling shareholder and our Directors may make decisions which may not be in the best interests of our stakeholders and adversely affect our business, results of operations and financial condition.

**19. Legal Risk**

Enforcement proceedings before Indian courts may be time consuming and could expose the Company to potential losses. Although the Company regularly reviews its credit exposures, defaults may arise from events or circumstances that are difficult to detect or foresee.

**20. Environmental & Social Risk (E&S Risk)**

Although sufficient safeguards in the form of E&S due diligence is carried out, most infrastructure projects are subject to E&S Risks at various stages of execution which could be beyond the control of the issuer.

**21. Model Risk**

The Debentures are subject to model risk, i.e., the Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

**22. Credit Risk**

In case of principal/Capital Protected Market Linked Debt securities, the principal amount is subject to the credit risk of the Issuer, whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.

**B. EXTERNAL RISK FACTORS**

**1. The Debentures may be illiquid**

The Company intends to list the Debentures on the Negotiated Trade Reporting Platform of the NSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange and that there would be any market for the Debentures. It is not possible to predict if and to



what extent a secondary market may develop for the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

Further, the Company may not be able to issue any further Debentures, in case of any disruptions in the securities market.

## **2. Future legal and regulatory obstructions**

Future government policies and changes in laws and regulations in India (including their interpretation and application to the operations of the Company) and comments, statements or policy changes by any regulator, including but not limited to SEBI or RBI, may adversely affect the Debentures, and restrict the Company's ability to do business in its target markets. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on its business, financial results and/or operations.

Further, SEBI, the relevant Stock Exchange(s), RBI or other regulatory authorities may require clarifications on this Disclosure Document, which may cause a delay in the issuance of Debentures or may result in the Debentures being materially affected or even rejected.

## **3. Material changes in regulations to which the Company is subject**

NBFCs in India are subject to detailed supervision and regulation by the RBI, though currently NBFCs not accepting public deposits are exempt from many provisions. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. The RBI also requires the Company to make provisions in respect of NPAs. Any changes in the regulatory framework affecting NBFCs including risk weights on assets and/or provisioning norms for NPAs and/or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. The Company is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's loans, investments and other products.

## **4. A slowdown in economic growth in India**

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy or a fall in India's GDP may adversely affect its business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general downtrend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

## **5. Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally**

If there was to be any slowdown in the economic liberalization, or a reversal of steps already taken, it could have an adverse effect on the Company's business. Financial difficulties and other problems in certain financial institutions in India could cause the Company's business to suffer. The Company is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties, trends and other problems faced by certain Indian financial institutions. The problems faced by such Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create an adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect the Company's business, its future financial performance and its shareholders' funds.

**6. Acts of God, terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Company's business**

Acts of God, terrorist attacks and other acts of violence or war may negatively affect the Indian markets and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, adverse social, economic and political events in India could have a negative impact on the Company. Such incidents could also create a perception that investment in Indian companies involves a higher degree of risk which could have an adverse impact on the Company's business.

**7. The Company's business may be adversely impacted by natural calamities or unfavourable climatic changes**

India has experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. India has also experienced pandemics, including the outbreak of avian flu, swine flu and coronavirus. The extent and severity of these natural disasters and the lock downs due to these pandemics determine their impact on the economy and in turn their effect on the financial services sector of which the Company is a part cannot be ascertained or predicted but could adversely affect the Company. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economy which in turn could adversely affect the financial results and/or operations of the Company.

**C. GENERAL RISK FACTORS**

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risks attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this Issue. For taking an investment decision, investors must rely on their examination of the Company, this Disclosure Document and the Issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section III of this Disclosure Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. The Issue has not been recommended or approved by any regulatory authority in India, including SEBI or RBI nor does SEBI or RBI guarantee the accuracy or adequacy of this Disclosure Document.

**D. ADDITIONAL ASSUMPTIONS**

The initial subscriber by subscribing to and any subsequent purchaser by purchasing the Debentures shall be deemed to have agreed that and accordingly the Company shall be entitled to presume that each of the initial subscribers and any subsequent purchasers (Debenture Holder, as referred to hereinabove and hereinafter):

- (1) has reviewed the terms and conditions applicable to the NCDs as contained in the Disclosure Document and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that NCDs are a suitable investment and that the Debenture Holder can bear the economic risk of that investment;
- (2) has received all the information believed by it to be necessary and appropriate or material in connection with, and for, investment in the NCDs;
- (3) has sufficient knowledge, experience and expertise as an investor, to make the investment in the NCDs;
- (4) has not relied on either the Company or any of its affiliate, associate, holding, subsidiary or group entities, if any or any person acting in its or their behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the NCDs set out in this Disclosure Document;

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- (5) has understood that information contained in this Disclosure Document is not to be construed as business or investment advice;
- (6) has made an independent evaluation and judgment of all risks and merits before investing in the NCDs;
- (7) has understood that the method and manner of computation of returns and calculations on the NCDs shall be solely determined by the Company and the decision of the Company shall be final and binding;
- (8) has understood that in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial or other related markets or if for any other reason the calculations cannot be made as the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder(s) and no liability thereof will attach to the Company;
- (9) has understood that in the event that the Debenture Holder(s) suffers adverse consequences or loss, the Debenture Holder(s) shall be solely responsible for the same and the Company, its parent, its subsidiaries or affiliates, if any shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture Holder(s) including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood;
- (10) has the legal ability to invest in the NCDs and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or its assets;
- (11) where the Debenture Holder is a mutual fund / provident fund / pension fund / superannuation fund / gratuity fund or any kind of retirement benefit funds or other welfare funds (each a "**fund**"), that:
  - (a) investing in the NCDs on the terms and conditions stated herein is within the scope of the fund's investment policy and does not conflict with the provisions of the trust deed / bye laws / regulations currently in force,
  - (b) the investment in NCDs is being made by and on behalf of the fund and that the fund is in force and existing and the investment has been ratified by appropriate resolutions, and
  - (c) the investment in NCDs has been duly authorised and does not contravene any provisions of the trust deed / bye laws / regulations as currently in force or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the fund or its assets;
- (12) where the Debenture Holder is a company, that:
  - (a) the Debenture Holder is not precluded under any law, rules, regulations and / or circular(s) issued by any statutory authority (ies) including under the Act from investing in the NCDs;
  - (b) All necessary corporate or other necessary action has been taken and that the Debenture Holder has corporate ability and authority, to invest in the NCDs; and
  - (c) Investment in the NCDs does not contravene any provisions of the Memorandum and Articles of Association or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture Holder's assets.

#### SECTION IV

**DISCLOSURES AS PER SCHEDULE II OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 AS AMENDED.**

(For Private Circulation Only)

**Aseem Infrastructure Finance Limited**

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The following documents have been / shall be submitted to the NSE:

- (i) Memorandum and Articles of Association and necessary resolution(s) for the issue of the debt securities;
- (ii) Copy of last three years audited annual reports (to the extent applicable);
- (iii) Copy of the board / committee resolution authorizing the borrowing and list of authorized signatories;
- (iv) Disclosure Document;
- (v) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (vi) An undertaking from the issuer stating that the necessary documents for creation of the charge, wherever applicable, including the Debenture Trust Deed has been executed within the time frame prescribed in the relevant regulations/Act/rules etc. and the same would be uploaded on the website of NSE;
- (vii) an undertaking that permission / consent from the prior creditor for a second or pari passu charge being created, wherever applicable, in favour of the Debenture Trustee to the proposed Issue has been obtained; and
- (viii) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

### Issuer Information

- (i) Name and address of the following:

Name	Aseem Infrastructure Finance Limited
Address	Registered Office: 4th Floor, UTI Tower, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.  Corporate Office: 1 <sup>st</sup> Floor, Tower 2, Equinox Business Park, LBS Marg, Kurla – West, Mumbai 400 070
Date of Incorporation	May 23, 2019
Chief Finance Officer of the Company	Mr. Nilesh Sampat Designation: Chief Financial Officer Address: 1 <sup>st</sup> Floor, Tower 2, Equinox Business Park, LBS Marg, Kurla – West, Mumbai 400 070. Phone No.: 022 6859 1363 Email ID: <a href="mailto:nilesh.sampat@aseeminfra.in">nilesh.sampat@aseeminfra.in</a>  Website: <a href="http://www.aseeminfra.in">www.aseeminfra.in</a>
Arranger, if any, of the Issue	The Company reserves the right to appoint arranger(s) in the Issue or may choose to launch the Issue directly.
Trustee of the Issue	The Company has currently appointed Catalyst Trusteeship Limited. However, the Company reserves the right to appoint any other Trustee for the Issue.  Catalyst Trusteeship Limited (Debenture Trustee) has given their consent to AIFL for its appointment under regulation 8 of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to act as a Debenture Trustee to the proposed issue.
Registrar of the Issue:	KFin Technologies Private Limited. However, the Company reserves the right to appoint any other registrar for the Issue.
Credit Rating Agencies of the Issue:	ICRA or any other credit rating agency as may be appointed by the Company for the Issue

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Auditors of the Company	Name: B. K. Khare & Co. Address: 706/708, Sharda Chambers, New Marine Lines, Mumbai – 400 020 Email: <a href="mailto:pbkhare@bkkhareco.com">pbkhare@bkkhareco.com</a> Contact Person: Ms. Padmini Khare Kaicker
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(ii) Brief summary of the business/activities of the Issuer and its line of business:

a. Overview:

**Promoter:**

Brief Background of National Investment and Infrastructure Fund ("NIIF"):

National Investment and Infrastructure Fund II (NIIF's Strategic Opportunities Fund) and its' nominees own 59% equity stake in Aseem Infrastructure Finance Limited on a fully diluted basis. National Investment and Infrastructure Fund Limited (NIIFL) is the investment manager of National Investment and Infrastructure Fund II.

NIIFL is a collaborative investment platform for international and Indian investors, anchored by the Government of India (GoI). NIIFL invests across asset classes such as infrastructure, private equity and other diversified sectors in India, intending to generate attractive risk-adjusted returns for its investors. NIIFL thinks long-term, believes in generating returns through efficiently operating its investments through economic cycles, and is committed to sustainable investing principles.

NIIF Limited manages over USD 4.5 billion of equity capital commitments across its three funds – Master Fund, Fund of Funds and Strategic Opportunities Fund, each with its distinct investment strategy. NIIF Strategic Opportunities Fund is a Private Equity fund which aims to build scalable businesses across a range of opportunity long but capital short sectors.

**Brief Background of Aseem Infrastructure Finance Limited:**

Aseem Infrastructure Finance Limited (AIFL) aspires to become one of the premier institutions for providing a full bouquet of debt and related financial solutions to the infrastructure sector. AIFL aims to build a profitable and prudent asset portfolio by adopting best in class processes. The procedures and practices at AIFL are fully compliant with internal and external regulations and policy framework. AIFL is registered with the Reserve Bank of India (RBI) as a non-banking finance company- infrastructure finance company (NBFC-IFC) and has been granted the Certificate of Registration to carry on the business of Infrastructure Financing in India.

**Brief summary of the business/ activities and its line of business**

Infrastructure Finance Company is a separate category of Non-Banking Finance Company registered with the Reserve Bank of India (RBI) and engaged predominantly in infrastructure financing. It can lend across phases of infrastructure projects with a mix of operating, brownfield and greenfield assets within regulatory guidelines.

AIFL aspires to be one of the leading players in the area of infrastructure financing by providing focused and customized solutions to clients. AIFL comes with a strong and experienced team that has an in-depth understanding of the local market and extensive knowledge of the industry. The Company's approach towards project life cycle financing is through expertise in technical, risk structuring, and asset management. AIFL aims to collaborate with key players in the ecosystem and leverage synergies to deliver value to its stakeholders and partners. The Company has robust Environmental, Social, and Governance policies and it constantly engages with its partners in monitoring and mitigating ESG risks post its investment.

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AIFL will build its capabilities gradually and move cautiously up on risk-reward curve basis its expertise. The initial focus sectors for the company would be Renewable Energy, Roads and Transmission.

#### Infrastructure sector in India

GoI launched the National Infrastructure Pipeline (NIP) for the FY 2020-2025 to facilitated world class infrastructure projects to be implemented. This first of its kind initiative will boost the economy, generate better employment opportunities, and drive the competitiveness of the Indian economy. It is jointly funded by the Central Government, State Government, and the private sector. The NIP was launched with the projected infrastructure investment of Rs 111 lakh crore (\$1.5 trillion) during the period 2020-2025. The sectors like energy, roads, urban infrastructure, railways have a major share in the NIP.

The road network is the backbone of the transport system in India and it is very well integrated with the multi-modal system of transportation, which provides crucial links with airports, railway stations, ports, and other logistical hubs. With 63.86 lakh kms of rural-urban roads and national-state highways, India is next only to the United States of America that has a road network of 66.45 lakh km. With the proactive policy initiatives in the sector, the road network has continuously been expanding in the country. During the decade ending in FY19, the national highways recorded a CAGR of 7.25 per cent followed by rural roads (6.25 per cent) and urban roads (4.27 per cent). The pace at which roads have been constructed has grown significantly from 12 kms per day in 2014-15 to 30 kms per day in FY19 before it moderated in FY20. The decline in the construction of road per day in FY21 is mostly on account of the COVID-19 shock. With the unlocking of the economy, construction of roads is expected to return back to the high pace attained before COVID-19. Total investment in the Roads and Highway sector has gone up more than three times in the six years period from FY15 to FY20, which also led to increased road density across the states.

Electricity is essential for powering economic activity and is also required in leisure time. The power sector has witnessed substantial transformation from both the demand (universal electrification) and supply-side (the advent of green energy). Commendable progress has been made in the generation and transmission of electricity in India. The total installed capacity has increased from 3,56,100 MW in March-2019 to 3,70,106 MW in March 2020. Further, the generation capacity increased to 3,73,436 MW in October-2020 and comprised of 2,31,321 MW of thermal, 45,699 MW of hydro, 6,780 MW of nuclear, and 89,636 MW of renewables and others. The capacity addition in the power sector was mainly driven by the Government in the year FY20. In 2014, GoI approved the Integrated Power Development Scheme (IPDS) to facilitate state utilities to ensure quality and reliable 24x7 power supply in the urban areas with a total outlay of Rs 32,612 crores. So far, projects worth Rs 30,991 crores have been sanctioned to the States and the distribution strengthening has been completed in 442 of the 546 circles till the end of September-2020. Further, the country has already accomplished two major landmarks in rural electrification arena: (i) 100 per cent village electrification under Deen Dayal Upadhyaya Gram Jyoti Yojana, and (ii) universal household electrification under 'Pradhan Mantri Sahaj Bijli Har Ghar Yojana' (Saubhaagya). T&D losses have been declining since 2001-02 but are still substantial. As compared to the T&D losses of the peer countries, India's T&D are very high.

Source: Economic Survey 2020-21 published by Government of India, Ministry of Finance. Department of Economic Affairs

#### **Associate Company**

##### Brief Background of NIIF Infrastructure Finance Limited ("NIIF IFL"):

NIIF IFL is registered with the Reserve Bank of India ("RBI") as a non-banking financial company – infrastructure debt fund ("NBFC-IDF") as per the extant guidelines applicable to Infrastructure Debt Funds ("IDFs") stipulated by the RBI. AIFL is the sponsor of NIIF IFL and holds 30.82% equity stake on a fully diluted basis in NIIF IFL.

NIIF IFL invests only in post-commercial operations date (COD) infrastructure projects which have completed at least one year of satisfactory commercial operations as per the extant guidelines of the RBI. It provides takeout financing to the original lenders by refinancing loans originally given for project



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development, thereby enabling original project financiers to recycle their capital following the commencement of operations. NIIF-IFL has a consistent track record of over five years in infrastructure financing with a sectoral focus on Renewable Power, Roads, Transmission, Logistics, Social Infrastructure.

**b. Corporate Structure**

The Issuer was incorporated under the Companies Act, 2013 as a public company, limited by shares, with an initial authorised share capital of Rs. 2,00,00,000/- divided into 20,00,000 equity shares of Rs. 10/- (Rupees ten) each. Subsequently, the authorised share capital was increased to Rs. 5400,00,00,009/- (Rupees Five Thousand Four Hundred Crores and Nine only) divided into 4,50,00,00,000 equity shares of Rs. 10/- each (Rupees ten only) and 81,81,81,819 preference shares of Rs. 11/- each (Rupees Eleven only).

- Details of equity shareholding of the Issuer as on December 31, 2022 are as follows:

Sr. No.	Name of the shareholder	No. of Equity Shares	Shareholding per cent
1.	National Investment Infrastructure Fund together with its nominees	1,40,56,37,939	59%
2.	Government of India	73,68,89,692	31%
3.	Sumitomo Mitsui Banking Corporation	23,80,58,625	10%
Total		2,38,05,86,256	100%

- Domestic and Foreign direct/indirect Subsidiaries:  
Nil
- Following is the shareholding pattern of the Company:  
Refer details in point 1 above
- Details of Promoter:  
Name: National Investment and Infrastructure Fund II (NIIF Fund II)  
Phone: 91-11-48987000  
Email: [niifinvestments@niifindia.in](mailto:niifinvestments@niifindia.in)  
PAN: AACTN8564C
- A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis from the date of incorporation

**Columnar representation of the audited financial statements – Consolidated  
Consolidated Balance Sheet**

Particulars	As at Sept 30, 2022 (Audited)	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
<b>ASSETS</b>				
<b>Financial assets</b>				
(a) Cash and cash equivalents	29,325.29	64,173.52	56,308.56	31,518.59
(b) Loans	949,961.74	6,94,283.39	1,58,039.17	-
(c) Investments accounted for using Equity method	102,533.81	97,660.19	59,281.74	26,603.31
(d) Other financial assets	297.18	136.31	293.69	-
<b>Total financial assets (A)</b>	<b>1,082,118.02</b>	<b>8,56,253.41</b>	<b>2,73,923.16</b>	<b>58,121.90</b>
<b>Non-financial assets</b>				
(a) Current tax assets (net)	274.86	162.46		
(b) Deferred tax assets (net)	-	-	-	57.31
(c) Property, plant and equipment	34.66	28.25	13.75	-
(d) Intangible assets	127.10	139.84		
(e) Intangible assets under development	-	-	73.17	-
(f) Other non-financial assets	154.53	147.84	37.71	-

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<b>Total non-financial assets (B)</b>	<b>591.15</b>	<b>478.39</b>	<b>124.63</b>	<b>57.31</b>
<b>Total Assets (A+B)</b>	<b>1,082,709.17</b>	<b>8,56,731.80</b>	<b>2,74,047.79</b>	<b>58,179.21</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Financial liabilities</b>				
(a) Payables				
(i) Trade payables	=	=	=	=
- Total outstanding dues of micro enterprises and small enterprises	-	5.40	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9.78	36.35	31.91	-
(b) Borrowings	595,052.97	4,72,748.40	44,182.49	-
(c) Debt Securities	199,680.15	1,07,529.69	-	-
(d) Other financial liabilities	1,938.29	1,098.28	686.72	390.93
<b>Total financial liabilities (A)</b>	<b>796,681.19</b>	<b>5,81,418.12</b>	<b>44,901.12</b>	<b>390.93</b>
<b>Non-financial liabilities</b>				
(a) Current tax liabilities (net)	-	-	49.01	43.16
(b) Provisions	457.22	284.02	93.74	-
(c) Deferred tax liabilities (net)	1,448.51	1,094.87	547.22	
(d) Other non-financial liabilities	333.26	114.70	140.98	9.97
<b>Total non-financial liabilities (B)</b>	<b>2,238.99</b>	<b>1,493.59</b>	<b>830.95</b>	<b>53.13</b>
<b>Equity</b>				
(a) Equity share capital	238,058.63	2,38,058.63	1,40,563.79	57,700.00
(b) Instruments entirely equity in nature	-	-	81,057.87	-
(c) Other equity	45,730.36	35,761.46	6,694.06	35.15
<b>Total equity (C)</b>	<b>283,788.99</b>	<b>2,73,820.09</b>	<b>2,28,315.72</b>	<b>57,735.15</b>
<b>Total Liabilities and Equity (A+B+C)</b>	<b>1,082,709.17</b>	<b>8,56,731.80</b>	<b>2,74,047.79</b>	<b>58,179.21</b>

### Consolidated Profit and Loss statement

Particulars	For the Half Year ended September 30, 2022 (Audited)	For the year ended March 31, 2022 (Audited)	For the year ended March 31, 2021 (Audited)	For the period from May 23, 2019 to Mar 31, 2020 (Audited)
Revenue from operations				
Interest income	32,114.52	31,124.30	4,701.11	455.18
Fees and commission income	310.03	217.45	37.72	-
Net gains/(losses) on derecognition of financial assets measured at amortised cost	69.89	52.65	-	
<b>Total Income (A)</b>	<b>32,494.44</b>	<b>31,394.40</b>	<b>4,738.83</b>	<b>455.18</b>
Expenses				
Finance costs	21,403.84	14,275.62	185.73	0.05
Impairment on financial instruments	1,919.34	4,239.51	854.97	-
Employee benefits expenses	667.54	1,090.24	598.68	-
Depreciation, amortisation and impairment	19.03	20.15	2.76	-
Other expenses	476.59	959.10	448.00	400.91
<b>Total expenses (B)</b>	<b>24,486.34</b>	<b>20,584.62</b>	<b>2,090.14</b>	<b>400.96</b>
<b>Profit before tax (C = A - B)</b>	<b>8,008.10</b>	<b>10,809.78</b>	<b>2,648.69</b>	<b>54.22</b>
Share of net profit of associates accounted using equity method	<b>4,903.61</b>	<b>7,190.27</b>	<b>4,049.51</b>	<b>12.30</b>
Tax expense				
Current tax	2,552.50	3,547.49	983.10	88.68
Deferred tax expense/(credit)	362.87	548.57	604.74	(57.31)
<b>Total tax expenses (D)</b>	<b>2,915.37</b>	<b>4,096.06</b>	<b>1,587.84</b>	<b>31</b>
<b>Net profit after tax (E = C - D)</b>	<b>9,996.34</b>	<b>13,903.99</b>	<b>5,110.36</b>	<b>35</b>
Other Comprehensive income/(loss)				
Items that will not be reclassified to profit or loss				
- Share of OCI of associates accounted using equity method	(29.99)	(4.68)	10.73	
- Actuarial loss on remeasurements of the net defined benefit plans	(6.68)	1.07	(1.71)	
Income tax relating to items that will not be reclassified to profit or loss	9.23	0.91	(2.27)	

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Total Other comprehensive income/(loss) (F)	(27.44)	(2.70)	6.75	-
<b>Total comprehensive income (G = E + F)</b>	<b>9,968.90</b>	<b>13,901.29</b>	<b>5,117.11</b>	<b>35.15</b>
Earnings per equity share:				
Basic earnings per share (in ₹)	0.46	0.64	0.41	0.02
Diluted earnings per share (in ₹)	0.46	0.64	0.41	0.02

**Consolidated Cash flow statement**

Particulars	For the Half Year Ended Sept 30, 2022	For the Year Ended March 31, 2022	For the year ended March 31, 2021	For the period from May 23, 2019 to Mar 31, 2020
<b>A. Cash flow from operating activities</b>				
<b>Profit before tax</b>	8,008.10	10,809.78	2,648.69	54.22
<b>Adjustment for:</b>				
Finance Cost		-	-	-
Depreciation and amortisation	19.03	20.15	2.76	-
Interest income on financial assets - EIR adjustment	(184.03)	(423.34)	(75.91)	
Interest expense on financial liabilities - EIR adjustment	190.17	144.54	0.40	
Gain on derecognition of financial assets	(69.89)	(52.65)		
Financial guarantee obligation	(143.42)	(81.74)	(14.35)	
Impairment on financial instruments	1,919.34	4,239.52	854.97	-
<b>Operating profit before working capital changes</b>	<b>9,739.30</b>	<b>14,656.26</b>	<b>3,416.56</b>	<b>54.22</b>
<b>Changes in working capital:</b>				
Increase in provisions	56.27	68.26	115.59	-
Increase in trade payables	(31.97)	9.84	31.91	-
(Increase) in other financial assets	(160.87)	158.73	(295.04)	-
Increase in other financial liabilities	983.43	483.90	200.31	390.93
Increase in other non financial liabilities	218.56	(26.28)	131.01	9.97
(Increase) in non-financial assets	(6.69)	(110.13)	(37.71)	-
(Increase) in loans	(257,233.52)	(5,39,886.01)	(1,58,756.37)	-
Increase in interest accrual on borrowings	951.93	(133.45)	136.13	
Interest accrual on Non-convertible debentures issued	2,074.07	3,171.90		
<b>Cash (used in)/generated in operations</b>	<b>(243,409.49)</b>	<b>(5,21,606.98)</b>	<b>(1,55,057.61)</b>	<b>455.12</b>
(Payment) of tax (net)	(2,664.90)	(3,758.96)	(1,000.81)	(45.52)
<b>Net Cash (used in)/generated in operations (A)</b>	<b>(246,074.39)</b>	<b>(5,25,365.94)</b>	<b>(1,56,058.42)</b>	<b>409.60</b>
<b>B. Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(12.70)	(22.26)	(16.51)	-
Proceeds from sale of property, plant and equipment	-	0.28		
Purchase of intangible assets	(0.00)	(69.94)		
Purchase of intangible assets under development	-	-	(46.17)	-
Purchase of investments	-	(31,192.87)	(28,627.98)	(26,591.01)
<b>Net cash used in investing activities (B)</b>	<b>(12.70)</b>	<b>(31,284.79)</b>	<b>(28,690.66)</b>	<b>(26,591.01)</b>
<b>C. Cash flows from financing activities</b>				
Share issue expenses	-	(67.51)	(134.89)	-
Proceeds from issuance of Equity Share Capital	-	31,671.41	84,127.98	57,700.00
Proceeds from issuance of Compulsorily Convertible Preference Share Capital	-	-	81,500.00	-
Payment of dividend on CCPS	-	(0.82)		
Proceeds from borrowings	132,957.58	4,31,054.82	44,045.96	-
Repayment of borrowings	(11,666.67)	(2,500.00)		
Proceeds from issue of Debt Securities	89,947.95	1,04,357.79		
Proceeds from issuance of Non-convertible debentures				
<b>Net cash generated in financing activities (C)</b>	<b>211,238.86</b>	<b>5,64,515.69</b>	<b>2,09,539.05</b>	<b>57,700.00</b>
<b>Net Increase in cash and cash equivalents (D) = (A + B + C)</b>	<b>(34,848.23)</b>	<b>7,864.96</b>	<b>24,789.97</b>	<b>31,518.59</b>

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Cash and cash equivalents at the beginning of the period (E)	64,173.52	56,308.56	31,518.59	-
<b>Cash and cash equivalents at the end of the period(F) = (D) + (E)</b>	<b>29,325.29</b>	<b>64,173.52</b>	<b>56,308.56</b>	<b>31,518.59</b>
<b>Cash and cash equivalents include the following</b>				
Balances with banks in current account	1,517.56	8,565.22	703.40	7.15
Fixed deposits with maturity less than 3 months	27,807.73	55,608.30	55,605.16	31,511.44
<b>Total cash and cash equivalents</b>	<b>29,325.29</b>	<b>64,173.52</b>	<b>56,308.56</b>	<b>31,518.59</b>

**Columnar representation of the audited financial statements – Standalone**  
**Standalone Balance sheet**

Particulars	As at Sept 30, 2022 (Audited)	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
<b>ASSETS</b>				
<b>Financial assets</b>				
(a) Cash and cash equivalents	29,325.29	64,173.52	56,308.56	31,518.59
(b) Loans	949,961.74	6,94,283.39	158,039.17	-
(c) Investments	86,411.86	86,411.86	55,218.99	26,591.01
(d) Other financial assets	297.18	136.31	293.69	-
<b>Total financial assets (A)</b>	<b>1,065,996.07</b>	<b>8,45,005.08</b>	<b>269,860.41</b>	<b>58,109.60</b>
<b>Non-financial assets</b>				
(a) Current tax assets (net)	274.86	162.46		
(b) Deferred tax assets (net)	2,609.05	1,736.10	475.29	60.41
(c) Property, plant and equipment	34.66	28.25	13.75	-
(d) Intangible assets	127.10	139.84		
(e) Intangible assets under development	-	-	73.17	-
(f) Other non-financial assets	154.53	147.84	37.71	-
<b>Total non-financial assets (B)</b>	<b>3,200.20</b>	<b>2,214.49</b>	<b>599.92</b>	<b>60.41</b>
<b>Total Assets (A+B)</b>	<b>1,069,196.27</b>	<b>8,47,219.57</b>	<b>270,460.33</b>	<b>58,170.01</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Financial liabilities</b>				
(a) Payables				
(i) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	-	5.40	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9.78	36.35	31.91	-
(b) Borrowings	595,052.97	4,72,748.40	44,182.49	-
(c) Debt Securities	199,680.15	1,07,529.69	-	-
(d) Other financial liabilities	1,938.29	1,098.28	686.72	390.93
<b>Total financial liabilities (A)</b>	<b>796,681.19</b>	<b>5,81,418.12</b>	<b>44,901.12</b>	<b>390.93</b>
<b>Non-financial liabilities</b>				
(a) Current tax liabilities (net)	-	-	49.01	43.16
(b) Provisions	457.22	284.02	93.74	-
(c) Other non-financial liabilities	333.26	114.70	140.98	9.97
<b>Total non-financial liabilities (B)</b>	<b>790.48</b>	<b>398.72</b>	<b>283.73</b>	<b>53.13</b>
<b>Equity</b>				
(a) Equity share capital	238,058.63	2,38,058.63	140,563.79	57,700.00
(b) Instruments entirely equity in nature	-	-	81,057.87	-
(c) Other equity	33,665.97	27,344.10	3,653.82	25.95
<b>Total equity (C)</b>	<b>271,724.60</b>	<b>2,65,402.73</b>	<b>225,275.48</b>	<b>57,725.95</b>
<b>Total Liabilities and Equity (A+B+C)</b>	<b>1,069,196.27</b>	<b>8,47,219.57</b>	<b>270,460.33</b>	<b>58,170.01</b>

**Standalone Profit and Loss statement**

Particulars	For the Half Year ended Sept 30, 2022 (Audited)	For the year ended March 31, 2022 (Audited)	For the year ended March 31, 2021 (Audited)	For the period from May 23, 2019 to Mar 31, 2020 (Audited)
Revenue from operations				
Interest income	32,114.52	31,124.30	4,701.11	455.18
Fees and commission income	310.03	217.45	37.72	-

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Net gains/(losses) on derecognition of financial assets measured at amortised cost	69.89	52.65	-	
<b>Total Income (A)</b>	<b>32,494.44</b>	<b>31,394.40</b>	<b>4,738.83</b>	<b>455.18</b>
<b>Expenses</b>				
Finance costs	21,403.84	14,275.62	185.73	0.05
Impairment on financial instruments	1,919.34	4,239.51	854.97	-
Employee benefits expenses	667.54	1,090.24	598.68	-
Depreciation, amortisation and impairment	19.03	20.15	2.76	-
Other expenses	476.59	959.10	448.00	400.91
<b>Total expenses (B)</b>	<b>24,486.34</b>	<b>20,584.62</b>	<b>2,090.14</b>	<b>400.96</b>
<b>Profit before tax (C = A - B)</b>	<b>8,008.10</b>	<b>10,809.78</b>	<b>2,648.69</b>	<b>54.22</b>
<b>Tax expense</b>				
Current tax	2,552.50	3,547.49	983.10	88.68
Deferred tax credit	(871.27)	(1,261.08)	(414.44)	(60.41)
Total tax expenses(D)	1,681.23	2,286.41	568.66	28.27
<b>Net profit after tax (E = C - D)</b>	<b>6,326.87</b>	<b>8,523.37</b>	<b>2,080.03</b>	<b>25.95</b>
Other Comprehensive income/(loss)				
Items that will not be reclassified to profit or loss				
- Actuarial loss on remeasurements of the net defined benefit plans	(6.68)	(0.27)	(1.71)	-
Income tax relating to items that will not be reclassified to profit or loss	1.68	0.80	0.43	-
<b>Total Other comprehensive income/(loss) (F)</b>	<b>(5.00)</b>	<b>0.53</b>	<b>(1.28)</b>	<b>-</b>
<b>Total comprehensive income G = E + F)</b>	<b>6,321.87</b>	<b>8,524.17</b>	<b>2,078.75</b>	<b>25.95</b>
Earnings per equity share:				
Basic earnings per share (in ₹)	0.29	0.39	0.15	0.02
Diluted earnings per share (in ₹)	0.29	0.39	0.15	0.02

**Standalone Cash flow statement**

Particulars	For the Half year ended Sept 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
<b>A. Cash flow from operating activities</b>				
<b>Profit before tax</b>	8,008.10	10,809.78	2,648.69	54.22
<b>Adjustment for:</b>				
Finance Cost			-	-
Depreciation and amortisation	19.03	20.15	2.76	-
Interest income on financial assets - EIR adjustment	(184.03)	(423.34)	(75.91)	-
Interest expense on financial liabilities - EIR adjustment	190.17	144.54	0.4	-
Gain on derecognition of financial assets	(69.89)	(52.65)		
Financial guarantee obligation	(143.42)	(81.74)	(14.35)	-
Impairment on financial instruments	1,919.34	4,239.52	854.97	-
<b>Operating profit before working capital changes</b>	<b>9,739.30</b>	<b>14,656.26</b>	<b>3,416.56</b>	<b>54.22</b>
<b>Changes in working capital:</b>				
Increase in provisions	56.27	68.26	115.59	-
Increase in trade payables	(31.97)	9.84	31.91	-
(Increase) in other financial assets	(160.87)	158.73	(295.04)	-
Increase in other financial liabilities	983.43	483.9	200.31	390.93
Increase in other non financial liabilities	218.56	(26.28)	131.01	9.97
(Increase) in non-financial assets	(6.69)	(110.13)	(37.71)	-
(Increase) in loans	(257,233.52)	(5,39,886.01)	(1,58,756.37)	-
Increase in interest accrual on borrowings	951.93	(133.45)	136.13	
Increase in interest accrual on debt securities	2,074.07	3,171.90		
Interest accrual on Non-convertible debentures issued		-		
<b>Cash (used in)/generated in operations</b>	<b>(243,409.49)</b>	<b>(5,21,606.98)</b>	<b>(1,55,057.61)</b>	<b>455.12</b>
(Payment) of tax (net)	(2,664.90)	(3,758.96)	(1,000.81)	(45.52)

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<b>Net Cash (used in)/generated in operations (A)</b>	<b>(246,074.39)</b>	<b>(5,25,365.94)</b>	<b>(1,56,058.42)</b>	<b>409.6</b>
B. Cash flows from investing activities				
Purchase of property, plant and equipment	(12.70)	(22.26)	(16.51)	-
Proceeds from sale of property, plant and equipment	-	0.28		
Purchase of intangible assets	(0.00)	(69.94)		
Purchase of intangible assets under development	-	-	(46.17)	-
Purchase of investments	-	(31,192.87)	(28,627.98)	(26,591.01)
<b>Net cash used in investing activities (B)</b>	<b>(12.70)</b>	<b>(31,284.79)</b>	<b>(28,690.66)</b>	<b>(26,591.01)</b>
C. Cash flows from financing activities				
Share issue expenses	-	(67.51)	(134.89)	-
Proceeds from issuance of Equity Share Capital	-	31,671.41	84,127.98	57,700.00
Proceeds from issuance of Compulsorily Convertible Preference Share Capital	-	-	<b>81,500.00</b>	-
Payment of dividend on CCPS	-	(0.82)		
Proceeds from borrowings	132,957.58	4,31,054.82	44,045.96	-
Repayment of borrowings	(11,666.67)	(2,500.00)		
Proceeds from issuance of Non-convertible debentures	89,947.95	1,04,357.79		
<b>Net cash generated in financing activities (C)</b>	<b>211,238.86</b>	<b>5,64,515.69</b>	<b>2,09,539.05</b>	<b>57,700.00</b>
<b>Net Increase in cash and cash equivalents (D) = (A + B + C)</b>	<b>(34,848.23)</b>	<b>7,864.96</b>	<b>24,789.97</b>	<b>31,518.59</b>
Cash and cash equivalents at the beginning of the period (E)	64,173.52	56,308.56	31,518.59	-
<b>Cash and cash equivalents at the end of the period (F) = (D) + (E)</b>	<b>29,325.29</b>	<b>64,173.52</b>	<b>56,308.56</b>	<b>31,518.59</b>
Cash and cash equivalents include the following				
Balances with banks in current account	1,517.56	8,565.22	703.40	7.15
Fixed deposits with maturity less than 3 months	27,807.73	55,608.30	55,605.16	31,511.44
<b>Total cash and cash equivalents</b>	<b>29,325.29</b>	<b>64,173.52</b>	<b>56,308.56</b>	<b>31,518.59</b>

• Key Operational and Financial Parameters on consolidated and standalone basis (audited)

a. Consolidated:

Parameters	As at Sept 30, 2022 (Audited)	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Balance Sheet	1,082,709.17	8,56,731.80	2,74,047.79	58,179.21
Net Fixed Assets	34.66	28.25	13.75	-
Current Assets	NA	1,17,952.26	62,755.55	31,518.59
Non-Current Assets	NA	7,38,779.54	2,11,292.24	26,648.32
Total Assets	1,082,709.17	8,56,731.80	2,74,047.79	58,166.91
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	NA	5,43,309.98	44,172.56	-
- Financial (borrowings, trade payables, and other financial liabilities)	NA	5,43,179.72	44,116.88	-
- Provisions	NA	130.27	55.68	-
- Deferred tax liabilities (net)	NA	-	-	-
- Other non-current liabilities	NA	-	-	-
Current Liabilities (including maturities of long-term borrowings)	NA	38,506.86	1,012.29	444.06
- Financial (borrowings, trade payables, and other financial liabilities)	NA	38,238.40	784.24	390.93
- Provisions	NA	153.75	38.06	
- Current tax liabilities (net)	NA	-	49.01	43.16
- Other current liabilities	NA	114.70	140.98	9.97
Equity (equity and other equity)	283,788.99	2,73,820.09	2,28,315.72	57,735.15
Total Equity and Liabilities	1,082,709.17	8,56,731.80	2,74,047.79	58,179.21
Total revenue:				
-From operations	32,494.44	31,394.40	4,738.83	455.18
-Other income	-	-	-	-
Total Expenses	24,486.34	20,584.62	2,090.14	400.96



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Total comprehensive income	9,968.90	13,901.29	5,117.11	35.15
-Profit/loss (before tax)	12,911.71	18,000.05	6,698.20	66.52
-Other comprehensive income	(27.44)	(2.70)	6.75	-
Profit/loss after tax	9,996.34	13,903.99	5,110.36	35.15
Earnings per equity share: (a) basic; and (b) diluted				
-Continuing Operations <sup>1</sup>	0.46	0.64	0.41	0.02
-Discontinued Operations	-	-	-	-
-Total continuing and discontinued operations	0.46	0.64	0.41	0.02
Net cash generated from operating activities	NA	(5,25,365.94)	(1,56,058.42)	409.60
Net cash used in/generated from investing activities	NA	(31,284.79)	(28,690.66)	(26,591.01)
Net cash used in financing activities	NA	5,64,515.69	2,09,539.05	57,700.00
Cash and cash equivalents	29,325.29	64,173.52	56,308.56	31,518.59
Balance as per statement of cash flows	NA	64,173.52	56,308.56	31,518.59

Parameters	As at Sept 30, 2022 (Audited)	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Net worth	283,788.99	2,73,820.09	2,28,315.72	57,735.15
Cash and Cash equivalents	29,325.29	64,173.52	56,308.56	31,518.59
Current Investments	-	-	-	-
Total Debts to Total Assets	0.73	0.68	0.16	-
Debt Service Coverage Ratios <sup>2</sup>	0.04	0.04	0.06	-
Interest service coverage ratio <sup>3</sup>	1.21	1.55	10.91	-
Bad debts to account receivable ratio	-	-	-	-
Share Application Money	-	-	-	-
Total Debt of which	794,733.12	5,80,278.09	44,182.49	-
-Long Term Borrowing	732,296.41	5,43,175.02	44,046.36	-
-Short Term Borrowing	62,436.71	37,103.07	136.13	-
Other Non-Current Liabilities-Provision for standard assets	7,013.82	4,886.01	854.97	-
Net Fixed Assets	34.66	28.25	13.75	-
Current Tax Assets	-	-	-	-
Deferred Tax Assets	-	-	-	57.31
Cash and Bank Balances	29,325.29	64,173.52	56,308.56	31,518.59
Non-Current Investments – NIIF IFL	102,533.81	97,660.19	59,281.74	26,603.31
Other Financial Assets	297.18	136.31	293.69	-
Other Non-Financial Assets	154.53	147.84	37.71	-
Other Financial Liabilities	1,938.29	1,098.28	686.72	390.93
Other Non-Financial Liabilities	333.26	114.70	140.98	9.97
Interest Income	32,114.52	31,124.30	4,701.11	455.18
Other income	379.92	270.10	37.72	-
Interest Expense	21,403.84	14,275.62	185.73	0.05
Provisioning & Write-offs	1,919.34	4,239.51	854.97	-
PAT	9,996.34	13,903.99	5,110.36	35.15
Total comprehensive income	0.20	(2.70)	6.75	-
Gross NPA (%) to gross advances	-	-	-	-
Net NPA (%) to net advances	-	-	-	-
Tier I Capital Adequacy Ratio (%)	24.43%	34.26%	149.28%	638.88%
Tier II Capital Adequacy Ratio (%)	0.82%	0.86%	0.67%	0.00%
Assets Under Management	1,001,973.93	7,01,555.75	1,71,866.53	-
Off Balance Sheet Assets	41,976.42	26,227.00	12,100.00	-

**b. Standalone:**

Parameters	As at Sept 30, 2022 (Audited)	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Balance Sheet	1,069,196.27	8,47,219.57	2,70,460.33	58,170.01
Net Fixed Assets	34.66	28.25	13.75	-
Current Assets	NA	1,17,952.26	62,755.55	31,518.59
Non-Current Assets	NA	7,29,267.31	2,07,704.78	26,651.42
Total Assets	1,069,196.27	8,47,219.57	2,70,460.33	58,170.01
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	NA	5,43,309.98	44,172.56	-
- Financial (borrowings, trade payables, and other financial liabilities)	NA	5,43,179.72	44,116.88	-

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- Provisions	NA	130.27	55.68	-
- Deferred tax liabilities (net)	NA	-	-	-
- Other non-current liabilities	NA	-	-	-
Current Liabilities (including maturities of long-term borrowings)	NA	41,158.42	1,012.29	444.06
- Financial (borrowings, trade payables, and other financial liabilities)	NA	40,889.97	784.24	390.93
- Provisions	NA	153.75	38.06	-
- Current tax liabilities (net)	NA	-	49.01	43.16
- Other current liabilities	NA	114.70	140.98	9.97
Equity (equity and other equity)	271,724.60	2,65,402.73	2,25,275.48	57,725.95
Total Equity and Liabilities	1,069,196.27	8,47,219.57	2,70,460.33	58,170.01
Total revenue:	32,494.44	31,394.40	4,738.83	455.18
-From operations	32,494.44	31,394.40	4,738.83	455.18
-Other income	-	-	-	-
Total Expenses	24,486.34	20,584.62	2,090.14	400.96
Total comprehensive income	6,321.87	8,524.17	2,078.75	25.95
-Profit/loss (before tax)	8,008.10	10,809.78	2,648.69	54.22
-Other comprehensive income	(5.00)	0.80	(1.28)	-
Profit/loss after tax	6,326.87	8,523.37	2,080.03	25.95
Earnings per equity share: (a) basic; and (b) diluted				
-Continuing Operations <sup>1</sup>	0.29	0.39	0.15	0.02
-Discontinued Operations	-	-	-	-
-Total continuing and discontinued operations	0.29	0.39	0.15	0.02
Net cash generated from operating activities	NA	(5,25,365.94)	(1,56,058.42)	409.60
Net cash used in/generated from investing activities	NA	(31,284.79)	(28,690.66)	(26,591.01)
Net cash used in financing activities	NA	5,64,515.69	2,09,539.05	57,700.00
Cash and cash equivalents	29,325.29	64,173.52	56,308.56	31,518.59
Balance as per statement of cash flows	NA	64,173.52	56,308.56	31,518.59
Net worth	271,724.60	2,65,402.73	2,25,275.48	57,725.95
Cash and Cash equivalents	29,325.29	64,173.52	56,308.56	31,518.59
Current Investments	-	-	-	-
Total Debts to Total Assets	74.33%	68.49%	16.34%	0.00%
Debt Service Coverage Ratios <sup>2</sup>	3.70%	4.33%	6.42%	0.00%
Interest service coverage ratio <sup>3</sup>	138.62%	189.54%	1681.74%	0.00%
Bad debts to account receivable ratio	-	-	-	-
Share Application Money	-	-	-	-

Parameters	As at Sept 30, 2022 (Audited)	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Total Debt of which	794,733.12	5,80,278.09	44,182.49	-
-Long Term Borrowing	732,296.41	5,43,175.02	44,046.36	-
-Short Term Borrowing	62,436.71	37,103.07	136.13	-
Other Non-Current Liabilities-Provision for standard assets	7,013.82	4,886.01	854.97	-
Net Fixed Assets	34.66	28.25	13.75	-
Current Tax Assets	-	-	-	-
Deferred Tax Assets	2,609.05	1,736.10	475.29	60.41
Cash and Bank Balances	29,325.29	64,173.52	56,308.56	31,518.59
Non-Current Investments – NIIF IFL	86,411.86	86,411.86	55,218.99	26,591.01
Other Financial Assets	297.18	136.31	293.69	-
Other Non-Financial Assets	154.53	147.84	37.71	-
Other Financial Liabilities	1,938.29	1,098.28	686.72	390.93
Other Non-Financial Liabilities	333.26	114.70	140.98	9.97
Interest Income	32,114.52	31,124.30	4,701.11	455.18
Other income	379.92	270.10	37.72	-
Interest Expense	21,403.84	14,275.62	185.73	0.05
Provisioning & Write-offs	1,919.34	4,239.51	854.97	-
PAT	6,326.87	8,523.37	2,080.03	25.95
Total comprehensive income	6,321.87	8,524.17	2,078.75	25.95
Gross NPA (%) to gross advances	-	-	-	-
Net NPA (%) to net advances	-	-	-	-
Tier I Capital Adequacy Ratio (%)	24.65%	34.34%	150.20%	638.88%
Tier II Capital Adequacy Ratio (%)	0.83%	0.86%	0.67%	0.00%
Assets Under Management	1,001,973.93	7,01,555.75	171,866.53	-

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Off Balance Sheet Assets	41,976.42	26,227.00	12,100.00	-
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**Notes:**

1. NA - The data points are not available from the Limited reviewed Standalone and consolidated financials for the quarter ended September 30, 2022 as per IndAS format for limited review
2. Basic and Diluted earnings per share are same.
3. Debt Service Coverage Ratio = (Earnings before Interest, Tax, Depreciation and amortization / (Interest + Principal))
4. Interest Service Coverage Ratio = [(Profit after Tax + Impairment provision + Finance cost + Depreciation) / Finance cost]

- Debt: Equity Ratio

(in ₹ lakhs)

Particulars	As at Sept 30, 2022 (Audited)	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)	Post-Issue (Unaudited)
Debt (Gross)*	794,733.12	5,80,278.09	44,182.49	-	9,03,420
Short Term Debt	Nil	Nil	Nil	Nil	Nil
Long Term Debt*	794,733.12	5,80,278.09	44,182.49	-	9,03,420
Total Debt*	794,733.12	5,80,278.09	44,182.49	-	9,03,420
Equity Share Capital	238,058.63	2,38,058.63	2,21,621.66	57,700.00	2,38,058.63
Reserves and surplus	33,665.97	27,344.10	3,653.82	25.95	37,861.37
Total Shareholders' Funds**	271,724.60	2,65,402.73	2,25,275.48	57,725.95	2,75,920
Debt to Equity Ratio	2.9	2.2	0.2	-	3.3

(\*) The total long-term debt as on 31<sup>st</sup> December 2022 is Rs 8,83,420 lakhs. Post issue Debt is assuming an incremental aggregate subscription of Rs 20,000 lakhs under various tranches issued under the Placement Memorandum. In the event, the subscription is less than Rs 20,000 lakhs, the ratio would be adjusted accordingly.

(\*\*) Equity Share Capital and Reserves as of December 31, 2022 based on unaudited financials.

- Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability

Contingent Liabilities as at end of financial year ending March 31, 2022 are as follows:  
 Letter of Comfort Issued of Rs 26,227 lakhs

- Project cost and means of financing, in case of funding of new projects:

The proceeds of the Issue will be utilized for such purposes as mentioned in "Utilization of Issue Proceeds" in termsheet.

- A brief history of the Issuer since its incorporation giving details of its following activities: -
  - a. Details of Share Capital as on December 31, 2022: -

Share Capital	No. of Shares	Rupees (Rs.)
Authorized Share Capital	4,50,00,00,000 Equity shares 81,81,81,819 Preference shares	Rs. 54,000,000,009
Issued, Subscribed and Paid-up Share Capital	2,38,05,86,256	Rs. 23,80,58,62,560

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- b. Changes in its capital structure as on last quarter end, since Incorporation: Annexure 3
- c. Paid up capital: Rs. 23,80,58,62,560/-
- d. After the offer: Since the said offer pertains to Secured Redeemable Principal Protected, Market Linked, Non Convertible Debentures, it will not have an impact on the Issued Share Capital of the Company.
- e. After conversion of convertible instruments (if applicable): Not Applicable
- f. Share premium account (before and after the offer): Not Applicable
- g. The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative		
						No of equity shares	Equity Share Capital (₹)	Equity Share Premium (₹)
10.01.2020	2000000	10/-	10/-	Cash	Initial Subscribers	2000000	20,000,000	-
15.01.2020	57500000	10/-	10/-	Cash	Allotted shares to NIIF Fund II on rights basis at par	57700000	5,77,00,00,000	-
21.05.2020	70937499	10/-	10/-	Cash	Allotted shares to NIIF Fund II on rights basis at par	128637499	12,86,37,49,990	-
26.03.2021	11,92,62,940	10/-	11.06/-	Cash	Private Placement to NIIF Fund II	1405637939	14,05,63,79,390	126418716.40
08.03.2022	23,80,58,625	10/-	13.32/-	Cash	Allotted shares to SMBC through preferential allotment cum private placement basis	1643696564	16,43,69,65,640	790354635
28.03.2022	73,68,89,692	10/-	-	-	Conversion of	2380586256	23,80,58,62,560	-

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					0.001% CCPS into Equity Shares held by President of India represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India (GoI)			
--	--	--	--	--	---	--	--	--

Details regarding pledge of share of promoters if any: Not applicable

The number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case:

- Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter:

**Standalone**

(Rs. in lakhs)

Year	Profit Before Tax	Provision for Tax	Profit after tax	Comprehensive Income
H1 F.Y. 2022-23	8,008.10	1,681.23	6,326.87	6,321.87
F.Y. 2021-22	10,809.78	2,286.41	8,523.37	8,524.17
F.Y. 2020 -21	2,648.69	568.66	2,080.03	2,078.75
F.Y. 2019 -20	54.22	28.27	25.95	25.95

- Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid):

**Standalone**

(Rs. in lakhs)

Year	Dividend	Interest Coverage Ratio (Cash Profit / Interest Cost)
H1 F.Y. 2022-23	NA	138.62%
F.Y. 2021-22	0.82*	189.54%
F.Y. 2020 -21	NA	1,681.74%
F.Y. 2019 -20	NA	0.00%



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- Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter:

(Please refer March'22, Audited Standalone financial information - Page #16, #17, #19 and March'22 Audited Consolidated financial information - Page #12, #13, #15; March'21 Audited Standalone financial statements - #11, #12, #14 and March'21 Audited Consolidated financial statements - #9, #10, #12; March' 20 Audited Standalone financial statements – Page #9, #10, #11 and March'20 Audited Consolidated financial statements – Page #8, #9, #10)

- Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company: Not Applicable
- Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at, along with Report of the Registered Valuer and the costs incurred for such valuation: Not Applicable
- Intention of promoters, directors or key managerial personnel to subscribe to the offer - Not Applicable as issuance is of Non-convertible Debentures.
- The Change in control, if any, in the company that would occur consequent to the private placement: Not applicable
- The justification for allotment proposed to be made for consideration other than cash together with Valuation Report of the Registered Valuer: Not Applicable
- Equity Share Capital History of the Company, for the last 3 (Three) years:  
 Refer point 11(g)
- Details of any Acquisition or Amalgamation in the last 1 (one) year:  
 Not applicable
- Details of any Reorganization or Reconstruction in the last 1 year:  
 NIL
- Details of the shareholding of the Company as on December 31, 2022:  
 refer point 1 under the title *Corporate Structure*
- Shareholding pattern of the Company as on December 31, 2022:  
 refer point 1 under the title *Corporate Structure*
- List of top 10 holders of equity shares of the Company as on December 31, 2022:  
 Refer point 2 above
- Following details regarding the directors of the Company:
  - a. Details of the directors of the Company as on December 31, 2022:

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Name, DIN and Designation	Age (yrs.)	Address	Director of the Company since	Details of other Directorship in Indian Companies
Mr. Surya Prakashrao Pendyala DIN: 02888802 Designation: Chairman & Non-Executive Director	63	Flat No. 4, Parkview Apartments, LD Ruparel, X Road, Malabar Hill, Mumbai Maharashtra 400-007	23/05/2019 (first Director)	(i) NIIF Infrastructure Finance Limited
Mr. Rajiv Dhar DIN: 00073997 Designation: Non-Executive Director	60	Flat no. 902, 9th Floor Pali Palms, 16th Road, Bandra Mumbai Maharashtra 400-050	23/05/2019 (first Director)	(i) Hindustan Infralog Private Limited (ii) NIIF Infrastructure Finance Limited
Mr. Saurabh Jain DIN: 02052518 Designation: Non-Executive Director	46	R- 6/193, Raj Nagar Ghaziabad Uttar Pradesh India 201-001	23/05/2019 (first Director)	(i)Athaang Devanahalli Tollway Private Limited (ii) Athaang Infrastructure Private Limited
Mr. Venkatadri Chandrasekaran DIN: 03126243 Designation: Independent & Non-Executive Director	64	3B Jeevan Jyoti Building, Setalvad Lane, Nepensea Road, Mumbai, Maharashtra 400-026	22/07/2020	(i) Tamilnadu Newsprint & Papers Limited (ii) Care ratings limited (iii) Tata investment corporation limited (iv) Waacox Energy Private Limited (v) Aditya Birla Renewables SPV 1 Limited (vi) Aditya Birla Housing Finance Limited (vii) Grasim Industries Limited
Ms. Rosemary Sebastian DIN: 07938489 Designation: Independent & Non-Executive Director	63	405, Buttercup Hiranandani Meadows, Gladys Alvares Road Thane Maharashtra 400-610	16/09/2020	(i) Godrej Housing Finance Limited (ii) NIIF Infrastructure Finance Limited

None of the current directors' name is appearing in the RBI defaulter list and/or ECGC default list and /or CIBIL defaulter list.

i. Details of change in directors since incorporation:

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Name, DIN and Designation	Date of Appointment/ Resignation/ cessation	Director of the Company since (in case of resignation)	Remark
Mr. Venkatadri Chandrasekaran DIN: 03126243 Designation: Independent & Non-Executive Director	Appointed on 22/07/2020	-	-
Ms. Rosemary Sebastian DIN: 07938489 Designation: Independent & Non-Executive Director	Re-appointed on 16/09/2022	-	-

- Following details regarding the auditors of the Company: -

i. Details of the auditor of the Company:

Name	Address	Auditor Since
B. K. Khare & Co.	706/708, Sharda Chambers, New Marine Lines, Mumbai – 400 020	September 28, 2021

ii. Details of change in auditor since last three years:

Name	Address	Auditor Till
S.R. Batliboi & Co LLP	12th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028	First Auditors till 28.09.2021

- Details of borrowings of the Company:

i. Details of Outstanding Secured Loan Facilities as on September 30, 2022: -

Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/Schedule	Security
State Bank of India	Secured Loan Facilities	Rs. 750,00,00,000	Rs. 675,00,00,000	Tenure of 6 years from the date of disbursement and repayable in quarterly instalments starting from May 2022.	Secured against pari passu charge on standard asset portfolio of book debts and receivables.
State Bank of India	Secured Loan Facilities	Rs. 1500,00,00,000	Rs. 1,240,00,00,000	Tenure of 7 years from the date of disbursement and repayable in quarterly instalments starting from March 2023.	Secured against pari passu charge on standard asset portfolio of book debts and receivables.

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State Bank of India	Secured WCDL/CC	Rs. 50,00,00,000	Rs. 0	Tenor of 7 days to 12 months	Secured against pari passu charge on standard asset portfolio of book debts and receivables.
Axis Bank	Secured Loan Facilities	Rs. 250,00,00,000	Rs. 200,00,00,000	Tenure of 5 years from the date of disbursement and repayable in half yearly instalments starting from October 2021.	Secured against pari passu charge on standard asset portfolio of book debts and receivables.
Federal Bank	Secured Loan Facilities	Rs. 250,00,00,000	Rs. 233,23,00,000	Tenure of 5 years from the date of disbursement and repayable in quarterly instalments starting from June 2022.	Secured against pari passu charge on standard asset portfolio of book debts and receivables.
HSBC Bank	Secured Loan Facilities	Rs. 250,00,00,000	Rs. 250,00,00,000	Tenure of 3 years Bullet Maturity.	Secured against pari passu charge on standard asset portfolio of book debts and receivables.
IIFCL	Secured Loan Facilities	Rs. 2500,00,00,000	Rs. 2250,00,00,000	Tenure of 3 years Bullet Maturity. Tenure of 5 years Bullet Maturity. Tenure of 7 years Bullet Maturity.	Secured against pari passu charge on standard asset portfolio of book debts and receivables.
ICICI Bank	Secured Loan Facilities	Rs. 150,00,00,000	Rs. 150,00,00,000	Tenure of 3 years and 15 days from the date of disbursement and repayable in quarterly instalments starting from March 2023.	Secured against pari passu charge on standard asset portfolio of book debts and receivables.
Karnataka Bank	Secured Loan Facilities	Rs. 200,00,00,000	Rs. 200,00,00,000	Tenure of 5 years from the date of disbursement and repayable in quarterly instalments	Secured against pari passu charge on standard asset portfolio of book debts and receivables.

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				starting from June 2023.	
Punjab National Bank	Secured Loan Facilities	Rs. 250,00,00,000	Rs. 250,00,00,000	Tenure of 6 years and 9 months from the date of disbursement and repayable in quarterly instalments starting from March 2023.	Secured against pari passu charge on standard asset portfolio of book debts and receivables.
IDBI Bank	Secured Loan Facilities	Rs. 250,00,00,000	Rs. 250,00,00,000	Tenure of 5 years from the date of disbursement and repayable in monthly instalments starting from April 2023.	Secured against pari passu charge on standard asset portfolio of book debts and receivables.
Indian Bank	Secured Loan Facilities	Rs. 200,00,00,000	Rs. 200,00,00,000	Tenure of 5 years from the date of disbursement and repayable in Quarterly instalments starting from April 2023.	Secured against pari passu charge on standard asset portfolio of book debts and receivables.
Bank of Baroda	Secured Loan Facilities	Rs. 750,00,00,000	Rs. 50,00,00,000	Tenure of 7 years from the date of disbursement and repayable in Quarterly instalments starting from December 2023.	Secured against pari passu charge on standard asset portfolio of book debts and receivables.

ii. Details of Outstanding Unsecured Loan Facilities as on September 30, 2022:

Nil

iii. Details of Outstanding non-convertible securities as on September 30, 2022:

Instruments	Amount issued	Principal Amount Outstanding	Repayment Date/Schedule	Security
Secured, Unlisted, Rated, Redeemable Non-Convertible Debentures – NCD PP 1A FY 2021-22	Rs. 100,00,00,000	Rs. 100,00,00,000	Tenure of 3 years from the date of disbursement and repayable in May 2024.	First ranking pari passu charge by way of hypothecation on all receivables.



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Secured, Unlisted, Rated, Redeemable Non-Convertible Debentures – NCD PP 1B FY 2021-22	Rs. 100,00,00,000	Rs. 100,00,00,000	Tenure of 4 years from the date of disbursement and repayable in May 2025.	First ranking pari passu charge by way of hypothecation on all receivables.
Secured, Unlisted, Rated, Redeemable Non-Convertible Debentures – NCD PP 1C FY 2021-22	Rs. 100,00,00,000	Rs. 100,00,00,000	Tenure of 5 years from the date of disbursement and repayable in May 2026.	First ranking pari passu charge by way of hypothecation on all receivables.
Secured, Listed, Rated, Redeemable Non-Convertible Debentures – NCD PP 2 FY 2021-22	Rs. 100,00,00,000	Rs. 100,00,00,000	Tenure of 2 years from the date of disbursement and repayable in November 2024.	First ranking pari passu charge by way of hypothecation on all receivables.
Secured, Listed, Rated, Redeemable Non-Convertible Debentures – NCD PP 3A FY 2021-22	Rs. 25,00,00,000	Rs. 25,00,00,000	Tenure of 2 years from the date of disbursement and repayable in December 2023.	First ranking pari passu charge by way of hypothecation on all receivables.
Secured, Listed, Rated, Redeemable Non-Convertible Debentures – NCD PP 3B FY 2021-22	Rs. 275,00,00,000	Rs. 275,00,00,000	Tenure of 34 months from the date of disbursement and repayable in October 2024.	First ranking pari passu charge by way of hypothecation on all receivables.
Secured, Listed, Rated, Redeemable Non-Convertible Debentures – NCD PP 4 FY 2021-22 (Reissuance)	Rs. 100,00,00,000	Rs. 100,00,00,000	Tenure of 2 years from the date of disbursement and repayable in November 2024.	First ranking pari passu charge by way of hypothecation on all receivables.
Secured, Listed, Rated, Redeemable Non-Convertible Debentures – NCD PP 5 FY 2021-22	Rs. 250,00,00,000	Rs. 250,00,00,000	Tenure of 23 months from the date of disbursement and repayable in November 2024.	First ranking pari passu charge by way of hypothecation on all receivables.
Secured, Listed, Rated, Redeemable Non-Convertible Debentures – NCD PP 1 FY 2022-23	Rs. 250,00,00,000	Rs. 250,00,00,000	Tenure of 60 months from the date of disbursement and repayable in July 2027.	First ranking pari passu charge by way of hypothecation on all receivables.
Secured, Listed, Rated, Redeemable Non-Convertible Debentures – NCD PP 2 FY 2022-23	Rs. 650,00,00,000	Rs. 650,00,00,000	Tenure of 60 months from the date of disbursement and repayable in September 2027.	First ranking pari passu charge by way of hypothecation on all receivables.

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iv. List of Top 10 *Non-Convertible Securities* Holders as on September 30, 2022:

<b>Holders of Non- Convertible Debentures</b>	<b>Amount (in Lakhs)</b>
State Bank of India	50,000.00
Star Health And Allied Insurance Co. Ltd.	30,000.00
Nippon Life India Trustee Ltd-A/C Nippon India Low	25,000.00
Kotak Mahindra Bank Limited	20,000.00
ICICI Securities Primary Dealership Limited	15,000.00
Bank of Baroda	12,500.00
Aditya Birla Finance Limited	6,500.00
Kalanithi Maran	4,500.00
Edelweiss GI Investment Assets	3,000.00
SBI General Insurance Company Limited	2,500.00
<b>Total</b>	<b>1,69,000.00</b>

v. Details of Commercial Papers as on September 30, 2022:

Nil

vi. Details of rest of borrowing (if any, including any hybrid debt like FCCB, optionally convertible debentures, preference shares) as on September 30, 2022,

Party Name/Instrument name	Type of Facility / Instrument	Amt Sanctioned / Issued (in ₹Cr.)	Principal Amount Outstanding (in ₹Cr.)	Repayment Date / Schedule	Credit Rating	Secured / Unsecured	Security
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 3 years:

Nil

- Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:

Nil

- Details with regard to the lending done by the Issuer out of the issue proceeds of debt securities in last 3 years, including details regarding the following:
- Lending policy (including overview of origination, risk management, monitoring and collections):

The financial assistance by the Company to any entity (Borrower) in the infrastructure sector shall be as per the prevailing RBI guidelines and Government policies. In accordance with extant RBI Guidelines w.r.t. NBFC-IFCs, atleast 75% of the total assets financed by Company shall be in nature of infrastructure loans in accordance with regulatory definition of the sector and updated from time to time in tune with regulatory guidelines, while up to 25% of financial assistance could be non-infrastructure loans. Risk Management Committee of the Board will periodically monitor and set limits on the sectoral/sub-sectoral exposures.

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The Company will offer a range of products and services to its clients so as to provide them with total financing solutions. Broadly, the Company may provide financing including investment in preference, equity, convertibles, debentures, rupee term loan etc. towards the following:

- i. Construction, operation and/ or maintenance of new projects;
- ii. Expansion of existing projects;
- iii. Refinancing of existing debt
- iv. Loan against future cash flows of projects/receivables.
- v. Funding of Cost overrun;
- vi. Support pending long term funding; and
- vii. Investments in new projects or businesses.

• **Merger/Acquisition financing**

Loans can carry fixed rate or floating rate linked to AIFL's Benchmark Rate or any other acceptable benchmark. Floating interest rates are typically subject to reset after a defined interval. Prepayment shall be usually subject to payment of prepayment premium except on interest resets and/or mandatory prepayment events, unless commercially agreed otherwise for competitive reasons.

Generally, a time period is specified for creation and perfection of security and delays, if any, lead to levy of additional interest. Depending on the reason for delay, the time period allowed for creation of security can be extended in line with the Credit Delegation as approved by the Board.

**Lending Strategy**

During the initial phase, AIFL will focus on core sectors of its expertise – Transportation, Renewable, Power Transmission, Healthcare and shall gradually expand the sectoral coverage leveraging on platform strength. The focus would be on operating and advance stage/ risk mitigated under-construction projects in the initial phase. Gradually, AIFL shall build its presence across entire project life cycle financing with a judicious mix of under-construction and operating projects.

**Project Progress Monitoring**

- **Independent engineers / Account Managers:** An independent engineer may be appointed by the Company, act as representative of the lender/ banker and get involved with the construction project from the very inception and look after the interests of the lender on need basis.
- **Site Visits:** The relationship managers shall review the progress of the project through site visits at the project premise. Relationship managers shall conduct the site visits at the initial and final stage of the project to understand the progress.
- **DCCO:** As covered under the RBI guidelines, the Company must fix a Date of Commencement of Commercial Operations (DCCO) for all project loans at the time of sanction of the loan/financial closure (in the case of multiple banking or consortium arrangements).

A loan for an infrastructure project will be classified as NPA if it fails to commence commercial operations within the stipulated timelines as per the extant RBI policy in this regard.

- **Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc.:** Nil
- **Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs, from time to time:**

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Total Exposures to twenty largest borrowers / customers	585,256.67	5,18,451.43	164,057.84	-
Percentage of Exposures to twenty largest borrowers / customers to	58.41%	73.90%	95.46%	0.00%

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Total Exposure on borrowers / customers				
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- Additional disclosures for NBFCs:
- A portfolio summary with regard to industries/ sectors to which borrowings have been made:

Sector	No. of Borrowers	Exposure as at Sept 30 <sup>th</sup> , 2022	Percentage of AUM
Solar	36	376,631.08	37.59%
Solar/Wind	09	65,949.68	6.58%
Roads	16	251,318.79	25.08%
Transmission	3	72,644.00	7.25%
Telecom	3	80,601.61	8.04%
Wind	3	17,580.51	1.75%
Airport	1	50,000.00	4.99%
City Gas Distribution	2	10,349.82	1.31%
Power Distribution	2	66,034.85	9.30%
Logistics	1	10,863.60	1.45%
<b>TOTAL</b>		<b>1,001,973.93</b>	<b>100.00%</b>

Sector	No. of Borrowers	Exposure as at September 30, 2021	Percentage of AUM
Solar	31	177,176.62	67.67%
Roads	2	59,423.88	22.70%
Transmission	2	25,219.81	9.63%
<b>Total</b>		<b>261,820.32</b>	<b>100%</b>

- NPA exposures of the Issuer for the last 3 financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer: Nil
- Quantum and percentage of secured vis-à-vis unsecured borrowings made: All the borrowings are fully secured
- Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI: Nil
- Classification of loans/ advances given according to:
- Type of loans:

Sl. No.	Type of loans	Exposure as at September 30 <sup>th</sup> , 2022
1	Secured	1,001,973.93
2	Unsecured	Nil
Total assets under management (AUM)*^		1,001,973.93

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Sl. No.	Type of loans	Exposure as at September 30, 2021
1	Secured	261,820.32
2	Unsecured	Nil
Total assets under management (AUM)*^		261,820.32

\*Information required at borrower level (and not by loan account as customer may have multiple loan accounts);

^Issuer is also required to disclose off balance sheet items

- Denomination of loans outstanding by loan-to-value:

Sl. No.	LTV (at the time of origination)	Percentage of AUM
1	Upto 40%	Nil
2	40-50%	Nil
3	50-60%	Nil
4	60-70%	Nil
5	70-80%	Nil
6	80-90%	Nil
7	>90%	100%
<b>Total</b>		<b>100%</b>

- Sectoral exposure:

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM
<b>1</b>	<b>Retail</b>	
A	Mortgages (home loans and loans against property)	Nil
B	Gold loans	Nil
C	Vehicle finance	Nil
D	MFI	Nil
E	MSME	Nil
F	Capital market funding (loans against shares, margin funding)	Nil
G	Others	Nil
<b>2</b>	<b>Wholesale</b>	
A	Infrastructure	100%
B	Real estate (including builder loans)	Nil
C	Promoter funding	Nil
D	Any other sector (as applicable)	Nil
E	Others	Nil
<b>Total</b>		<b>100%</b>

- Denomination of loans outstanding by ticket size\*:

Sl. No.	Ticket size (at the time of origination)	Percentage of AUM
1	Upto Rs. 2 lakh	Nil
2	Rs. 2-5 lakh	Nil
3	Rs. 5 - 10 lakh	NIL
4	Rs. 10 - 25 lakh	Nil
5	Rs. 25 - 50 lakh	Nil
6	Rs. 50 lakh - 1 crore	Nil
7	Rs. 1 - 5 crore	0.07%
8	Rs. 5 - 25 crore	2.18%



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9	Rs. 25 - 100 crore	20.54%
10	>Rs. 100 crore	77.21%
<b>Total</b>		<b>100%</b>

*\* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);*

- Geographical classification of borrowers:

Sl. No.	Top 5 states	Percentage of AUM
1.	Maharashtra	19.11%
2.	Gujarat	15.46%
3.	Andhra Pradesh	11.24%
4.	Rajasthan	9.86%
5.	India	9.03%
<b>Total</b>		<b>64.70%</b>

- Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:

Movement of gross NPA*	Rs. crore	Movement of provisions for NPA	Rs. crore
Opening gross NPA	Nil	Opening balance	Nil
- Additions during the year	Nil	- Provisions made during the year	Nil
- Reductions during the year	Nil	- Write-off/ write-back of excess provisions	Nil
Closing balance of gross NPA	Nil	Closing balance	Nil

*\*Please indicate the gross NPA recognition policy (Day's Past Due) – As per RBI regulations*

- Segment-wise gross NPA:

Sl. No.	Segment-wise gross NPA	Gross NPA (%)
<b>1</b>	<b>Retail</b>	
A	Mortgages (home loans and loans against property)	Nil
B	Gold loans	Nil
C	Vehicle finance	Nil
D	MFI	Nil
E	MSME	Nil
F	Capital market funding (loans against shares, margin funding)	Nil
G	Others	Nil
<b>2</b>	<b>Wholesale</b>	Nil
A	Infrastructure	Nil
B	Real estate (including builder loans)	Nil
C	Promoter funding	Nil
D	Any other sector (as applicable)	Nil
E	Others	Nil
	<b>Total</b>	

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- Residual maturity profile of assets and liabilities (in line with the RBI format):

	1-7 D	8-14 D	15-30/31 D	1-3M	2-3M	3-6M	6 M - 1 Y	1Y - 3 Y	3 Y- 5 Y	Above 5 Y	Total
<b>Assets</b>											
Loan receivables	-	9.55	2.43	3.99	74.65	87.07	224.56	1,086.02	2,614.46	5,464.02	9,866.74
Investments	-	-	-	-	-	-	-	-	-	864.12	864.12
Cash & Cash Equivalents	115.19	-	-	178.07	-	-	-	-	-	-	293.25
Other Assets	-	-	0.70	-	-	-	4.85	1.73	-	27.71	34.98
<b>Liabilities</b>											
Equity, Reserves and Surplus	-	-	-	-	-	-	-	-	-	2,717.29	2,717.29
Bank Borrowings	9.47	-	25.03	48.61	2.78	132.22	367.92	1,682.08	1,112.63	319.82	3,700.57
Market Borrowings (NCDs)	-	-	-	-	10.63	10.53	16.98	964.12	994.34	-	1,996.60
Market Borrowings (PSU)	-	-	-	-	-	-	-	500.00	1,500.00	250.00	2,250.00
Deposits	-	-	-	-	-	-	-	-	-	-	-
Others	0.39	-	5.22	-	-	13.36	1.58	2.11	1.63	70.14	94.43
Mismatch as % of outflows	1068.01%	0.00%	-96.82%	274.51%	448.65%	-18.72%	-35.02%	-62.66%	-27.55%	89.32%	0.00%

\*FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities;

- A detailed scenario analysis/ valuation matrix showing value of the security under different market conditions such as rising, stable and falling market conditions shall be disclosed in a table along with a suitable graphic representation.

Refer Annexure 13

- Where indicative returns/ interest rates in percentage terms, such figures shall be shown only on annualized basis. - Mentioned on annualized basis in the termsheet
- The latest and historical valuation for the Debentures are available on the website of the Issuer and the valuer appointed for the purpose, at the following locations:

Issuer: <https://aseeminfra.in/>

Valuer: <https://icraanalytics.com/home/MldValuation>

- All commissions by whatever name called, if any, paid by issuer to distributor for selling/ distribution of such securities to end investors are as given below:

Not Applicable

- Conditions for premature redemption of such securities, if any.

Not Applicable

- Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:

Statutory dues: Nil

Debentures and interest thereon: Nil

Deposits and interest thereon: Nil

Loan from any bank or financial institution and interest thereon: Nil

- Any Default in Annual filings of the Company under the Companies Act, 2013 or rules made thereunder: None
- Details of Promoters of the Company: The Company does not have any promoters
- Any material event/ development or change having implications on the financials/credit quality (e.g., any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities:

Save as stated elsewhere in this Disclosure Document, since the date of the last published audited financial accounts of the Company, to the best of the Company's knowledge and belief, no material developments have taken place that may affect the issue of the Debentures.

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Income Tax matters: Nil

Criminal Proceedings: NIL

Civil proceedings: NIL

Litigation by our Company: NIL

Litigation involving our Directors: There is no material litigation or inquiries involving our Directors.

- The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given his consent to the Issuer for his appointment along with the copy of the consent letter from the debenture trustee:

Catalyst Trusteeship Limited have given their consent for their appointment as the Debenture Trustees to the present issue under regulation of The Companies (Share Capital and Debentures) Rules 2014, Regulation 8, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

- The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed:

Refer Annexure 2.

- If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the Disclosure Document:

Not Applicable. There is no guarantee/letter of comfort stipulated as security.

- Cash flow with date of interest/ redemption payment as per day count convention:

Name of the issuer	Aseem Infrastructure Finance Limited	
Face Value (per security)	INR 1,00,000	
Date of allotment	23 January 2023	
Date of redemption	23 July 2025	
Tenure	30 months from the Deemed Date of Allotment	
Coupon Rate/Interest Rate	Scenario	Coupon/Interest (XIRR)
	If Final Fixing Level >75% Initial Fixing Level	8% XIRR
	If Final Fixing Level ≤ 75% of Initial Fixing Level and Final Fixing Level > 25% of Initial Fixing Level	7.95% XIRR
	If Final Fixing Level ≤ 25% of Initial Fixing Level	0.00% XIRR
Frequency of the interest/ dividend payment (with specified dates)	Bullet on Maturity	
Day Count Convention	ACT/ACT	

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**Illustrative Cash Flows per debenture of PP 3 FY 2022-23 (Final Fixing Level > 75% Initial Fixing Level)**

Cashflows	Day and date for coupon/ redemption becoming due	Number of days for coupon	Amount
Coupon	Wednesday, 23 July, 2025	912	21,203.00
Principal	Wednesday, 23 July, 2025		1,00,000.00
Total			1,21,203.00

**If Final Fixing Level ≤ 75% of Initial Fixing Level and Final Fixing Level > 25% of Initial Fixing Level**

Cashflows	Day and date for coupon/ redemption becoming due	Number of days for coupon	Amount
Coupon	Wednesday, 23 July, 2025	912	21,063.00
Principal	Wednesday, 23 July, 2025		1,00,000.00
Total			1,21,063.00

**If Final Fixing Level ≤ 25% of Initial Fixing Level**

Cashflows	Day and date for coupon/ redemption becoming due	Number of days for coupon	Amount
Coupon	Wednesday, 23 July, 2025	912	0.00
Principal	Wednesday, 23 July, 2025		1,00,000.00
Total			1,00,000.00

- Copy of consent letter from the Debenture Trustee shall be disclosed:

Refer Annexure 6.

- Names of all the recognized stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange:

The Debentures are proposed to be listed on the Negotiated Trade Reporting Platform of National Stock Exchange of India Limited. All applicable listings timelines, as prescribed by SEBI from time to time, shall be adhered to. Company may choose to list its securities on additional exchanges also.

- DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

- Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons:

Nil

- Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action:

Nil

- Remuneration of directors (during the last three financial years):

The details of remuneration of Directors pertaining to three preceding financial years is mentioned below:

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F.Y. 2021-22	INR 21,00,000/-
F.Y. 2020 -21	INR 13,20,000/-
F.Y. 2019 -20	Nil

- d. Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided:

The details of related party transaction pertaining to three preceding financial years are mentioned below:

F.Y. 2021 -22	For details, please refer to the financial statements of the Annual Report of the Company FY 21-22 attached (Annexure 5)
F.Y. 2020 -21	For details, please refer to the financial statements of the Annual Report of the Company FY 20-21 attached (Annexure 11)
F.Y. 2019 -20	For details, please refer to the financial statements of the Annual Report of the Company FY 19-20 attached (Annexure 4)

- e. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark:

Nil

- f. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries:

Nil

- g. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company:

Nil

- h. Other details:

DRR creation - relevant regulations and applicability:

In terms of Rule 18(7)(b)(iii)(B) of The Companies (Share Capital and Debentures) Rules 2014, NBFC registered with RBI is not required to maintain DRR in case of privately placed debentures.

Default in Payment: In case of default in payment of Coupon and/or Redemption Amount on the Due Dates, additional interest at the rate of 2% p.a. over the coupon rate will be payable by the Issuer for the period of default in respect of the Debentures.

Delay in listing: In case of delay in listing of the Debentures beyond 3 (three) trading days from the Issue Closure Date, the Company shall pay penal interest at the rate of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing).

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**Delay in Allotment:** The allotment of Debentures shall be made within the timelines stipulated under SEBI Operational Circular. In case there is any delay of allotment of Debentures, the Issuer shall pay the prescribed penalty, if applicable, as prescribed under Applicable Law.

The securities proposed to be issued does not form a part of non-equity regulatory capital of the Issuer as mentioned under Chapter V of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Operational Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

Issue/instrument specific regulations - relevant details (Companies Act, RBI guidelines, etc.):

The Shareholders, at the Extra Ordinary General Meeting held on June 08, 2022 approved borrowing of funds up to INR 20,000 crore under Section 180(1)(c) and at the Extra Ordinary General Meeting held on June 08 2022 also approved issue of Non-Convertible Debentures on Private Placement (PP) basis, pursuant to Section 42 of the Companies Act, 2013. The Board of Directors, at its meeting held on May 11, 2022, approved borrowing by issue of Non Convertible Debentures on PP basis upto INR 20,000 crore. The Board, at the said meeting also authorized the Finance Committee to issue and allot the non-convertible securities on Private Placement basis in one or more tranches under the Shelf Placement Memorandum filed from time to time. The Finance Committee at its meeting held on January 12, 2023, approved the issuance of NCDs and also filing of Shelf Placement Memorandum/offer documents for the same.

The issue to be made under this Disclosure Document shall be well within the limit stipulated therein.

The Issuer hereby declares that this Disclosure Document contains full disclosures in accordance with the SEBI Debt Listing Regulations.

The Issuer shall also comply with the following acts/regulations, to the extent applicable as amended from time to time, in relation to the issuance of the Debentures:

- The Companies Act, 2013.
- Securities Contracts (Regulations) Act, 1956.
- Securities and Exchange Board of India Act, 1992.
- The Depositories Act, 1996.
- The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
- SEBI Debt Listing Regulations.
- The rules, regulations, circulars, notifications issued under any of the above.

The following officials are authorized severally to sign/modify the Disclosure Document and addendum(s) for private placement from time to time:

Chief Executive Officer or Chief Financial Officer or any other person authorized by the Finance Committee of Aseem Infrastructure Finance Limited

Pursuant thereto, the Company proposes to issue Debentures, including green shoe option not exceeding the Issue size specified in this Disclosure Document. The Debentures being offered are being issued on private placement basis and shall be subject, inter alia, to the terms of this Disclosure Document, the Application Form, the Memorandum and Articles of Association of the Company and the provisions of the Companies Act as applicable to issuance on private placement basis. The Debentures are issued pursuant to the RBI guidelines on private



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placement basis and of non-convertible nature. The Debentures are proposed to be listed on the Negotiated Trade Reporting Platform of NSE and issuance shall comply with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as applicable and as may be amended by SEBI from time to time in respect of listing of debt securities issued on private placement basis on recognized stock exchanges and listing agreement applicable thereto. In addition, the Debentures shall be subject to such other terms and conditions to be incorporated in the Debenture Trust Deed and to the extent applicable, the provisions of the Depositories Act, the relevant statutory guidelines and regulations for allotment and listing of securities issued from time to time by the Government of India, SEBI, NSE and the listing agreement (for debt securities) with NSE. Also, the Company may, without being obliged to, purchase Debentures, which may or may not be cancelled and reissued or resold.

This Disclosure Document is neither a prospectus nor a statement in lieu of a prospectus. This is only an information brochure intended for private use and should not be construed to be a prospectus and/or an invitation, to the public or any person other than the addressee, for subscription to the Debentures under any law for the time being in force. The Company can, at its sole and absolute discretion change the terms of the Issue.

- Application process and Information relating to the terms of offer or purchase:

#### **Nature of Instrument**

The instruments are to be issued in form of Secured, Rated, Redeemable, Listed, Principal Protected, Market Linked Non-Convertible Debentures, with a green shoe option, which may be retained within a range of Rs. 75,00,00,000 (Rupees Seventy Five Crore). The Debentures will constitute direct obligation of the Company and rank pari passu inter se amongst the present and future Debenture Holders and Lenders. AIFL may issue debentures on such terms and conditions, as may be described in this Disclosure Document.

The Debentures shall be issued in terms of a registered Debenture Trust Deed executed by the Company in favour of the Trustee for the benefit of the Debenture Holder(s).

#### **Deemed Date of Allotment**

All the benefits under the Debentures, including the payment of interest, will accrue to the Investor(s) from the Deemed Date of Allotment.

#### **Issue of Allotment Letter and Debenture Certificate in Demat Form**

The Company shall issue Debentures in demat form and has made necessary arrangements with National Securities Depository Limited (NSDL) for the same. The Debenture Holders shall hold the Debentures in demat form and deal with the same as per the provisions of Depositories Act /rules as notified by NSDL from time to time. Debenture Holders should, therefore mention their Depository Participants name, DP-ID and Beneficiary Account Number in the appropriate place in the Application Form. The Company shall take necessary steps to credit the Depository account of the Investor with the amount of Debentures issued.

#### **Mode of Transfer/Transmission of Debentures**

The Debenture(s) shall be transferred and / or transmitted in accordance with the applicable provisions of the Companies Act 2013 ("Act"). The provisions relating to transfer and transmission and other related matters in respect of shares of the Company contained in the Articles and the Act shall apply, mutatis mutandis (to the extent applicable to Debentures) to the Debentures as well and company undertake to use common transfer form as may be applicable in accordance with the extant provisions of the Companies Act, 2013 and SEBI Regulations etc. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/Depository Participant of the transferor/transferee and any other applicable laws and rules notified in respect thereof.

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Transfer of Debentures to and from NRIs / OCBs in case they seek to hold the Debentures and are eligible to do so, will be governed by then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders / Record of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

### **Interest on Application Money**

Interest on Application Money at the rate of the Coupon (subject to deduction of income tax under the provisions of the Income Tax Act, 1961 (Refer section "Deduction of Tax at Source" below), or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the Applicants on the application money for the Debentures. Such interest shall be paid from the date of realization of Cheque(s) / Demand Draft(s) upto one day prior to the Deemed Date of Allotment. Such interest would be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the Interest on Application money will be paid along with the Refund Orders (if applicable). Where an Applicant is allotted lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant along with the interest on refunded money.

The Interest Cheque(s)/ Demand Draft(s) for Interest on Application Money shall be dispatched by the Company within 15 (fifteen) business days from the Deemed Date of Allotment by registered post to the sole/ first Applicant, at the sole risk of the Applicant. The Company may also choose to pay the Interest on Application Money electronically by using the RTGS or NEFT mode of transfers as per the details received from the Investor on the Application Form.

### **Interest Rate**

The Debenture Holders will receive interest at the rate of the Coupon.

The Interest Rate on the principal amount of Debentures outstanding shall be payable in arrears, (subject to deduction of tax at source - (Refer section "Deduction of Tax at Source" below)) from the Deemed Date of Allotment.

Payment will be made by way of Cheque(s)/Demand Draft(s)/Interest Warrant(s), which will be dispatched to the Debenture Holder(s) by registered post/ speed post/ courier or hand delivery on or before the Interest Payment Dates. The Company may also choose to pay the Interest electronically by using the RTGS or NEFT mode of transfers as per the details received from the Investor on the Application Form.

### **Computation of Interest**

Interest for each interest periods, including Interest on Application Money shall be computed on a 365 days-a-year basis on the principal outstanding on the Debentures. However, where the Interest Period (start date to end date) includes 29th February interest shall be computed on 366 days-a-year basis, on the principal outstanding on the Debentures.

### **Payment of Interest**

Payment of interest on the Debenture(s) will be made to those holder(s) of the Debenture(s) ("Debenture Holders"), whose name(s) appear in the Register of Debenture Holder(s) (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and /or as per the list provided by NSDL/CDSL to the Company of the beneficiaries who hold Debentures in demat form on such Record Date, and are eligible to receive interest. Payment will be made by way of cheque(s), which will be dispatched to the Debenture Holder(s) by registered post/ speed post/ courier or hand delivery on or before the Interest Payment Dates. The Company may also choose to pay the Interest electronically by using the RTGS or NEFT mode of transfers as per the details received from the Investor on the Application Form.

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Transfer of Debentures to and from NRIs / OCBs in case they seek to hold the Debentures and are eligible to do so, will be governed by then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders / Record of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

### **Record Date**

The Record Date will be 15 (fifteen) days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.

### **Valuation Disclosure**

The Issuer shall provide the value to the investors, whenever the investors ask for the same, at the cost of the Issuer.

### **Deduction of Tax at Source**

Tax applicable on Interest payment and/or Interest on Application money payments under the Income-Tax Act, 1961, or under any other statutory modification or re-enactment thereof will be deducted at source.

Tax exemption certificate/ document, under Income Tax Act, 1961, if any, must be lodged in duplicate at the office of the Issuer, at least 15 (fifteen) days prior to the Interest Payment Date. Tax exemption certificate in respect of non-deduction of tax on Interest on Application Money, must be submitted along with the Application Form to the satisfaction of the Issuer.

Regarding deduction of Tax at Source and the requisite declaration forms to be submitted, prospective investor is advised to consult his tax advisor before investing in the Debentures to be issued by AIFL.

### **Fictitious applications**

In terms of the Section 38 of the Companies Act, 2013, any person who –

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.

### **Market Lot**

The market lot and trading of Debentures will be one Debenture ("Market Lot").

### **Right to Accept or Reject Applications**

The Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected Applicants will be intimated along with the refund warrant, if applicable, to be sent.

### **PAN/GIR Number**

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All Applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

### **Signatures**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by a Magistrate/ Notary Public under his/her official seal.

### **Tax Benefits**

Debenture Holders are advised to consider the tax implications of their respective investment in the Debentures.

### **Security**

The outstanding principal amount of the Debentures to be issued upon the terms contained herein together with all the Debenture Secured Obligations shall be secured in favour of the Debenture Trustee in the following manner:

a first ranking floating charge by way of hypothecation on all book debts, operating cash flows, receivables and other revenues of whatsoever nature and wherever arising along with all right, title, interest, benefits, claims and demands, present and future, whatsoever, of the Company, both present and future as appearing in the Company's balance sheet from time to time to the extent of Asset Cover of the Debenture Secured Obligations as agreed in the Disclosure Documents (the "**Hypothecated Property**"):

Provided however that the Hypothecated Property shall not include the following:

- a. Any receivables of the Company arising from:
  - i. Any loan or debt granted by the Company to its subsidiaries and affiliates present or in the future; or
  - ii. Any investments in equity and/or preference share capital or investment through any other instrument made by the Company in, its subsidiaries and affiliates whether presently or in the future); and

- b. Permitted Liens

"**Permitted Liens**" for the purpose of the above means security on government securities or corporate bonds of the Company to secure short-term debt of less than 365-day duration incurred by the Company under the Tri-Party Repo of Clearing Corporation of India Limited or under any repo or repurchase facility.

The charge to be created on the Hypothecated Property shall rank pari passu with all the present and future lenders and Debenture Holders of the Company.

The Issuer undertakes that, as on September 30, 2022, the Hypothecated Property are free from any encumbrances save and except encumbrances created in favour of:-

- a) State Bank of India, to secure term loan and CC/WCDL aggregating up to INR 2,800,00,00,000 availed by the Company
- b) Axis Bank Limited, to secure term loan aggregating up to INR 250,00,00,00,000 availed by the Company
- c) HSBC Bank Limited, to secure term loan aggregating up to INR 250,00,00,00,000 availed by the Company

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- d) IIFCL Limited, to secure term loan aggregating up to INR 2500,00,00,000 availed by the Company
- e) Federal Bank Limited, to secure term loan aggregating up to INR 250,00,00,000 availed by the Company
- f) ICICI Bank Limited, to secure term loan aggregating up to INR 150,00,00,000 availed by the Company
- g) IDBI Bank Limited, to secure term loan aggregating up to INR 250,00,00,000 availed by the Company
- h) Karnataka Bank Limited, to secure term loan aggregating up to INR 200,00,00,000 availed by the Company
- i) Punjab National Bank Limited, to secure term loan aggregating up to INR 250,00,00,000 availed by the Company
- j) Indian Bank to secure term loan aggregating up to INR 200,00,00,000 availed by the Company
- k) Bank of Baroda to secure term loan aggregating up to INR 750,00,00,000 availed by the Company
- l) Catalyst Trusteeship Limited, to secured non-convertible debentures aggregating up to INR 1950,00,00,000 issued by the Company

**Monitoring of Security**

While the Debentures are secured to the tune of 100% of the principal and interest amount or as per the terms of the Disclosure Document, in favour of Debenture Trustee (acting directly or through its agent/representative), it is the duty of the Debenture Trustee (acting directly or through its agent/representative) to monitor that the security is maintained.

**Redemption**

The Debentures shall be redeemed at such price, at the expiry of the respective tenor or at the exercise of put/call option and at yield on redemption, if any as mentioned below:

INR 1,00,000 (Indian Rupees One Lakh Only) per debenture

**Procedure for Redemption**

No action is required on the part of the Debenture Holder(s) at the time of Redemption of the Debentures and on the Redemption date, the redemption proceeds would be paid to those Debenture Holder(s) whose name(s) appear on the list of beneficial owners given by the Depositories to the Company. The name(s) would be as per the Depositories' records on the Record Date fixed for the purpose of Redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The cheque for redemption proceeds will be dispatched by courier or hand delivery or registered post at the address provided in the Application / at the address as notified by Debenture Holder(s) or at the address with Depositories' record. The Company may also use credit through RTGS/NEFT as a mode of transfer of redemption proceeds. Once the cheque for redemption proceeds is dispatched to the Debenture Holder(s) at the addresses provided or available from the Depositories record or the credit through RTGS/NEFT mode of transfer is done, the Company's liability to redeem the Debentures on the date of Redemption shall stand extinguished and the Company will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Debenture(s).

**Put/Call Option, if applicable**

In case the put/call option is exercised by the Investor/Company under the terms hereof, the Debentures shall cease to exist from the put/call option date in all events.

The put/call option, if applicable, shall be available to the Investor/Company as per the terms hereof.

**Procedure for exercise Put/ Call Option**

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In case of exercise of 'put/call option' by the Investor/Company, it shall notify its intention to do so through notice sent by registered post/ courier/ fax to the Issuer or the sole/ first allottee or sole/ first beneficial owner of the Debentures at least 30 (thirty) business days prior to the put/call option due date at their registered addresses. Additionally, the Issuer submit a copy of such notice to the NSE and shall make an advertisement in an English national daily and regional daily having wide circulation in Mumbai (or such other place where the registered office of the Issuer is situated), indicating the details of such rights and eligibility of the holders who are entitled to avail such right.

In case of exercise of Call/Put option, any redemption falling on a holiday, such redemption proceeds (as applicable as per the structure of the Debenture) shall be paid on the previous working day along with the interest amount calculated on the outstanding value of Debentures computed on Actual/Actual day count basis.

Payment on exercise of 'put/call option' will be made by credit through RTGS/NEFT/Account Transfer or any other Electronic mode or by way of DD/Cheque/Warrant in the name of the Debenture Holders whose name appears on the list of beneficial owners given by a Depository to the Company as on the Record Date. On the Company dispatching the redemption warrants to such beneficiary(ies) by registered post/ courier, the liability of the Company shall stand extinguished.

The Debentures shall be taken as discharged on payment of the redemption amount by the Company on exercise of 'Put / Call Option' to the list of beneficial owners as provided by a Depository to the Company as on the Record Date.

The Company's liability to the Debenture Holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the date of exercise of 'put/call option' and due payment by the Company in all events. Further, the Company will not be liable to pay any interest or compensation from the date of exercise of 'put/call option'.

### **Depository Arrangement**

AIFL has entered into depository arrangements with National Securities Depository Limited (NSDL). The Company reserves the right to appoint any other Depository for a certain Issue.

### **Effect of Holidays**

- In case if the interest payment date as mentioned falls on a holiday, the payment will be made on the following working day. However, the dates of the future coupon payments would be as per the schedule originally stipulated. The interest amount on the outstanding value of Debentures is calculated on Actual/Actual day count basis. In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 (Three Hundred Sixty Six) days.
- If any due date for payment of part redemption proceeds/final redemption proceeds of the Debentures, falls on a Sunday or a holiday, the previous Business Day shall be considered as the effective payment date and on such date, the part or full redemption proceeds (as applicable as per the structure of the Debenture) shall be paid along with the interest amount on the outstanding value of Debentures computed on Actual/Actual day count basis.

The Company will not be liable to pay any amount from the date of Redemption of the Debenture(s).

In case of any delay in surrendering the Debenture Certificate(s) for Redemption, the Company will not be liable to pay any interest, income or compensation of any kind for the late redemption due to such delay.

### **Succession**

Where Debentures are held in joint names and one of the joint holders dies, the survivor(s) will be recognised as the holder(s) of the said Debentures. It would be sufficient for the Company to delete



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the name of the deceased Debenture Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on the Company to register his name as successor of the deceased holder after obtaining evidence such as probate of a will for the purpose of proving his title to the Debentures.

In the event of demise of the sole/first holder of the Debenture(s), the Company will recognise the Executors or Administrator of the deceased Debenture holder, or the holder of the Succession Certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of Administration or is the holder of the Succession Certificate or other legal representation, as the case may be, from an appropriate Court in India. The Finance Committee of the Company in their absolute discretion may, in any case, dispense with production of Probate or Letter of Administration or Succession Certificate or other legal representation.

Where a Non-Resident Indian becomes entitled to the Debenture by way of succession, the following steps have to be complied with:

- i. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Debenture was acquired by the NRI as part of the legacy left by the deceased holder.
- ii. Proof that the NRI is an Indian national or is of Indian origin.

Such holding by the NRI will be on a non-repatriation basis.

### **Register of Debenture Holders**

The register maintained containing the name of the Debenture holders entitled to receive coupon/redemption amount in respect of the Debentures on the Record Date and whose name appears in the list of Debenture Holders appearing in the record of beneficial owners maintained by the Depository as the Debentures are issued in demat form only and if the debentures were subsequently rematerialized, the register maintained by the Issuer of the names of the Debenture Holders entitled to receive coupon/redemption amounts on the Record Date, maintained at the registered office of the Issuer under the Companies Act, 2013.

### **Failure to execute the Debenture Trust Deed**

If the Issuer fails to execute the Debenture Trust Deed within the timeline permitted by SEBI, it shall pay default interest of at least 2% (Two percent) per annum (or such other rate, as specified by SEBI) to the Debenture Holders, and such default interest shall be over and above the Coupon, till the execution of the Debenture Trust Deed.

### **Amendment of the Terms of the Debentures**

The Debenture Trustee shall concur with the Company in making any modifications in the terms of the Debentures which in the opinion of the Debenture Trustee shall be expedient to make, by executing necessary deed(s) supplemental to these presents. Any amendment to the terms of the Debentures shall be made in accordance with the terms of the Debenture Trust Deed.

### **Future Borrowings and Encumbrance**

The Company shall be free to borrow / raise loans/issue debentures/convertible instruments or avail financial assistance or create any further encumbrances over the assets of the Company in relation to such financial indebtedness, in whatever form, as also issue Promissory Notes / Debentures / other securities / instruments in any manner having such ranking, pari-passu or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may deem appropriate, without the consent of, or intimation to the Debenture Holder(s)/ Trustee in this connection.

### **Purchase**

The Company may, at any time and from time to time purchase Debenture(s) at a discount, at par, or at a premium, in the open market or otherwise. Such Debenture(s) may, at the option of the Company, be cancelled, held or resold at such a price and such terms and conditions as the Company may deem fit and as permitted by law.

**Re-issue of Debentures**

Where the Company has redeemed any such Debentures, subject to the provisions of the Companies Act, 2013, SEBI regulations and other laws & rules and regulations as may be applicable in this regard, the Company shall have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of re-issue and in exercising such right, the Company shall have and shall be deemed always to have had the power to re-issue such Debentures either by re-issuing the same Debentures or by issuing other Debentures in their place.

**Trustee to the Debenture Holder(s)**

The Company has appointed Catalyst Trusteeship Limited to act as Trustee for the Debenture Holder(s) (hereinafter referred to as the "Trustees"). The Company and the Trustees have entered into a Debenture Trust Deed on January 20<sup>th</sup>, 2023 specifying inter alia, the powers, authorities and obligations of the Trustee and the Company.

By applying for the Debentures, the Debenture Holder(s) shall without further action or deed, be deemed to have irrevocably given their consent to and authorised the Trustee or any of their agents or authorised officials to do inter alia all acts, deeds, matters and things in respect of or relating to the debentures. All the rights and remedies of the Debenture Holder(s) shall vest in and shall be exercised by the Trustee without reference to the Debenture Holder(s). No Debenture Holder shall be entitled to proceed directly against AIFL unless the Trustee, having become so bound to proceed, failed to do so. The Trustee will endeavour to protect the interest of the Debenture Holder(s) in the event of default in regard to timely payment of principal by the Company. Main Events of defaults under the Debenture Trust Deed would be as follows:

**Events of Default**

If default has occurred in the following manner:

- (i) default is committed in payment of the Principal Amount and / or Interest on the Debentures on the Redemption Date(s) / Due Dates unless: (a) such failure to pay is caused by a technical default (i.e., arising solely on account of a banking system failure outside the control of the Company); and (b) such payments have been made within 3 (three) Business Days of the relevant Due Date;
- (ii) The Company does not perform or comply with one or more of its other material obligations, terms, conditions and covenants in relation to the Debentures under the Shelf Placement Memorandum or the Debenture Trust Deed which default is incapable of remedy or, if in the opinion of the Debenture Trustee capable of remedy, is not remedied within 30 (thirty) Business Days after written notice of such default shall have been given to the Company by the Debenture Trustee and which has a Material Adverse Effect;
- (iii) The Company is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts and for which a Event of Default has been called by the relevant lender and the same has not been waived or cured by the Company and which causes a Material Adverse Effect;
- (iv) Any encumbrancer takes possession or a receiver or an administrator is appointed of the whole or any substantial part of the property, assets or revenues of the Company (as the case may be) and

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is not discharged within 90 (ninety) Business Days;

- (v) An attachment or distraint has been levied on the Hypothecated Property and such attachment or distraint has not been released within 180 (One Hundred and Eighty) Business Days of knowledge thereof by the Company;
- (vi) The application filed voluntarily by the Company to initiate proceedings under any bankruptcy or insolvency law, whether or not a liquidator or receiver is appointed, is admitted;
- (vii) Receipt of approval from the Reserve Bank of India for the initiation of corporate insolvency resolution process or winding up being filed/against the Company;
- (viii) The Company ceases or threatens in writing to cease to carry on its business or gives notice of its intentions to do so, save and except any reorganization/demerger of the Company undertaken with prior permission of 51% (Fifty One Percent) by outstanding value, of Debenture Holders;
- (ix) The Company has taken or suffered any action for its merger/demerger (without the consent of the Debenture Trustee), liquidation or dissolution, or any order has been passed by any competent authority, or any resolution has been passed by the members of the Company, for the winding up of the Company; and
- (x) If, in the opinion of the Debenture Trustee, the Asset Cover falls below the stipulated cover and the same is not cured within 30 (thirty) Business Days.

It is hereby clarified that the percentage of Debenture Holders required to call an Event of Default, shall be calculated in accordance with SEBI Regulations, as may be amended from time to time, notwithstanding that the Debentures are issued under different Disclosure Documents.

Powers of the Trustee under the Debenture Trust Deed to be executed shall include:

#### **Inspection**

The Trustee or its authorized representatives shall be entitled to carry out inspections of the Company's offices records, registers and accounts upon giving a reasonable notice in writing to the Company at its registered office, to the extent such inspection is necessary for exercising any of the powers or discharging any of its duties of the Trustee hereunder. Any representative of the Trustee shall have free access at all reasonable times, with prior written notice, to the Company's premises, records, registers and accounts and shall receive full co-operation and assistance from the Company. The reasonable cost of inspection, including traveling and other related expenses shall be borne and paid by the Company.

#### **Authority to Delegate**

The Trustee may, in the execution or exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Debenture Trust Deed act by any officer or officers for the time being of the Trustee and the Trustee may also, whenever it thinks it expedient, delegate to any such officer (with power to sub delegate) all or any of the Trustees, powers, authorities and discretions vested in it by the Debenture Trust Deed and any such delegation may be made upon such terms and conditions as the Trustee may think fit. Such delegation notwithstanding, the Trustee shall not in the absence of fraud or other gross misconduct or willful neglect be in any way responsible for any loss incurred by reason of any misconduct or default or any mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of any such delegate or sub-delegate.

### **Authority to Employ Agents**

The Trustee may, in carrying out the trust hereof, employ and pay any person to transact or concur in transacting any business and do or concur in doing all acts required to be done by the Trustee, including the receipt and payment of monies and shall be entitled to charge and be paid by the Company all professional and other charges incurred in connection therewith.

### **Trustee may contract with the Company**

Nothing contained in the Debenture Trust Deed shall preclude the Trustee or any agent of the Trustee from making any contract or entering into any arrangement or transaction with the Company in the ordinary course of business of the Trustee or from availing or providing any banking, financial or other services from or to the Company or from underwriting or guaranteeing the subscription of or placing or subscribing to or otherwise acquiring, holding or dealing with any of the stocks, shares, debentures, debenture stocks or any other securities whatsoever of the Company/or other entities / persons in which the Company may be interested.

To permit the Company to deal with the Hypothecated Property in accordance with the Transaction Documents.

At any time before the Security constituted hereunder becomes enforceable, and so long as the Asset Cover is maintained, the Company shall have the right to deal with the Hypothecated Property as required, in the ordinary course of business and particularly but not by way of limitation, undertake the following:

- i. sell, call in, collect, convert, lease, exchange, surrender, develop, retransfer, release, abandon deal with or exercise any right in respect of all or any of the Hypothecated Property upon such terms and for such consideration as it deems fit;
- ii. assent to any modification of any contracts or arrangements which may be subsisting in relation to the Hypothecated Property;
- iii. institute, defend, enforce any suit or proceeding and settle, adjust, refer to arbitration, compromise and arrange all accounts, disputes, reckonings, questions, claims or demands whatsoever in relation to any or all of the Hypothecated Property;
- iv. apply the net proceeds from any sale, calling in, conversion or other dealing with the Hypothecated Property in developing, improving, protecting or preserving the Hypothecated Property or any part thereof;
- v. enter into, make, execute and do all acts, deeds, matters, things and assurances, from time to time, in relation to Hypothecated Property in such manner and on such terms as it deems fit:

Provided that all property of any description and all net monies arising from or receivable upon any such dealing as aforesaid and remaining after payment therefrom of the costs and expenses of and incidental to such dealing shall be and become part of the Hypothecated Property and shall be charged in favour of the Debenture Trustee/Security Trustee until the payment of the Debenture Secured Obligations in terms of the Security Documents.

### **Limitation on Liability of Trustee**

- (i) The Trustee shall not be bound to give notice to any person of the execution of the Debenture Trust Deed or to seek the performance or the observance of any of the obligations hereby imposed on the Company or in any way to interfere with the conduct of the Company's business, unless and until an event of default has occurred;
- (ii) The Trustee shall not be bound to take any steps to ascertain occurrence of any Event of Default.

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- (iii) Notwithstanding anything contained in the Debenture Trust Deed, the Trustee shall not be bound to risk its own funds in carrying out or performing any of its duties and obligations hereunder and further the Trustee shall not be bound to act at the request or direction of the Debenture Holder(s) under any of the provisions hereof, unless where necessary, the Trustee is put in funds or provision thereof to the satisfaction of the Trustee is made and the Trustee is indemnified to its satisfaction against all costs, charges, expenses and liability which may be incurred in complying with such request or direction.
- (iv) With a view to facilitating any dealing under any provision of the Debenture Trust Deed, the Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions generally or conditionally.
- (v) The Trustee shall not be responsible for the monies paid by the Debenture Holder(s) towards subscription to the debentures or be bound to see the application thereof.
- (vi) The Company shall indemnify and keep indemnified the Trustee and every receiver, attorney, manager, agent or other person appointed by them hereunder in respect of all direct liabilities, damages, costs, actions, charges and expenses incurred, suffered or sustained by them in execution or purported execution of any powers, authorities or discretion vested in them pursuant to the Debenture Trust Deed.
- (vii) The Trustee shall not be liable for anything done pursuant to the Debenture Trust Deed except a breach of trust, fraud, negligence and willful misconduct. The Trustee may but shall not be obliged to, incur where appropriate or necessary cost of preservation/ protection of the Hypothecated Property and all costs so incurred shall be reimbursed by the Company forthwith or on demand.

### **Removal of Trustee**

In accordance with the terms of the Debenture Trust Deed.

### **Who can apply**

Only those persons, who are specifically addressed through direct communication by or on behalf of the Company, are eligible to apply for the Debentures. No other person may apply.

AIFL will follow applicable SEBI, RBI and other applicable guidelines issued from time to time for its issuance.

The Applications must be accompanied by certified true copies of the following documents (as may be applicable)

(1) Memorandum and Articles of Association/Constitution/Bye-laws along with the Certificate of Incorporation; (2) resolution authorising investment and containing operating instructions (3) specimen signatures of authorised signatories along with their identity proof (4) PAN copy of the Applicant (5) necessary forms for claiming exemption from deduction of tax at source on the interest income / interest on application money and (6) any other document as may be required by the Company to comply with the terms of the issue and the applicable internal and external regulations including FATCA and KYC requirements.

### **Applications, under Power of Attorney/Relevant Authority**

In case of an application made under a Power of Attorney or resolution or authority, a certified true copy thereof along with Memorandum and Articles of Association and/or Bye-laws must be attached to the Application Form at the time of making the application, failing which, the Company reserves full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names, identity proofs and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application.

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## How to apply

AIFL will follow all process as applicable under SEBI guidelines.

This issuance would be as per guidelines of SEBI and under the electronic book mechanism for issuance of debt securities on private placement basis as per the Operational Guidelines.

All applications for the Debenture(s) must be in the prescribed Application Form and is to be completed in block letters in English. Forms must be accompanied by either a Transfer cheque / RTGS Instruction /any other electronic transfer mode or any other mode specifically permitted by the Company. No cash or stock invest will be accepted.

## Notices

All notices to the Debenture Holder(s) required to be given by the Company or the Trustee and may, at the sole discretion of the Company or the Trustee, but without any obligation, be sent by ordinary post to the original sole/first allottees of the Debenture(s) or if notification and mandate has been received by the Company, pursuant to the provisions contained herein above, to the sole/first transferees.

All notices to be given by the Debenture Holder(s), including notices referred to under "Payment of Interest" and "Payment on Redemption" shall be sent by Registered Post/Courier or by hand delivery to the Registrars to the Issue or to such persons at such address as may be notified by the Company from time to time.

In addition to the provisions contained in this document, the extant regulations of SEBI, RBI, Companies Act & any other regulations as may be applicable shall be applicable to the proposed issue.

In case of any discrepancy between contents of this document and extant applicable regulations, the extant applicable regulations shall prevail over this document.

## 1. Issue Details

- (a) Summary term sheet containing brief information pertaining to the Secured Non Convertible debt securities (or a series thereof) as follows (where relevant):

The following is a summary term sheet containing information that shall be applicable to the Issue.

Terms	Description
Issuer	Aseem Infrastructure Finance Limited. (" <b>AIFL</b> " or the " <b>Issuer</b> " or " <b>Company</b> ")
Issuance Size (at Face Value)	INR 1,25,00,00,000 (Indian Rupees One Hundred and Twenty-Five Crores)
Green Shoe Issuance Size	INR 75,00,00,000 (Indian Rupees Seventy-Five Crores)
Type of Instrument	Secured, Listed, Rated, Redeemable, Principle Protected, Market Linked, Non-Convertible Debentures (" <b>Debenture(s)</b> ") (PP 3 FY 2022-23)
Seniority	First pari-passu
Mode of Issue	Private Placement
Eligible Investors	shall mean: <ol style="list-style-type: none"> <li>provident funds, superannuation funds and gratuity funds;</li> <li>mutual funds;</li> <li>companies, bodies corporate and societies;</li> <li>insurance companies;</li> </ol>



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	e. commercial banks and financial institutions; f. regional rural banks; g. co-operative banks; h. non-banking financial companies and residuary non-banking financial companies; and i. any other investor authorized to invest in these Debentures, in terms of Applicable Law.	
Listing (name of stock exchanges where it will be listed and timeline for listing)	National Stock Exchange	
Rating	PP MLD AA+ (Stable) from ICRA	
Settlement method	Electronic Transfer of funds into issuer's Designated Account (i.e. Fund Transfer/NEFT/RTGS into bank account)	
Settlement Cycle	T+0	
Utilisation of Issue Proceeds	The proceeds of the Issue will be utilized for refinancing/lending/investing in infrastructure sector and general corporate purposes including augmenting long-term financing requirements of the Company for its business and also for other purposes as may be decided by Finance Committee and as permissible under applicable laws and government policies. The amount used for General Corporate Purposes shall not exceed 25% of the amount raised in the issue.	
Tenor	30 months from the Deemed Date of Allotment	
Redemption Date	23 <sup>rd</sup> July 2025	
Interest Rate/Coupon Rate	<b>Scenario</b>	<b>Coupon (XIRR)</b>
	If Final Fixing Level >75% Initial Fixing Level	8% XIRR
	If Final Fixing Level ≤ 75% of Initial Fixing Level and Final Fixing Level > 25% of Initial Fixing Level	7.95% XIRR
	If Final Fixing Level ≤ 25% of Initial Fixing Level	0.00% XIRR
Coupon Amount	$Face\ Value * [(1 + Coupon\ Rate)^{\frac{(Tenor\ in\ Days)}{365}} - 1]$	
Initial Fixing Date	5 days prior to Issue Open Date	
Initial Fixing Level	Official Closing Level (Price) of GOVERNMENT SECURITY: 7.26% GS 2032 HAVING ISIN: IN0020220060 MATURING ON "22 <sup>nd</sup> August 2032" as on Initial Fixing Date, as published by FBIL on www.fbil.org.in	
Final Fixing Date	30 days prior to Final Maturity Date	
Final Fixing Level	Official Closing Level (Price) of GOVERNMENT SECURITY: 7.26% GS 2032 HAVING ISIN: IN0020220060 MATURING ON "22 <sup>nd</sup> August 2032" as on Final Fixing Date, as published by FBIL on www.fbil.org.in	
Underlying / Reference Index	GOVERNMENT SECURITY: 7.26% GS 2032 HAVING ISIN: IN0020220060 MATURING ON "22 <sup>nd</sup> August 2032"	
Minimum Subscription	1 Debentures bearing face value of Rs. 100,000/- each and in multiples of 1 Debenture(s) thereafter.	
Coupon Frequency/ Payment Date	Payment Interest	Bullet on Maturity

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Coupon payment dates/ Interest Payment Date (subject to Business Day convention)	Payable on Maturity
Day Count Basis	Actual / Actual
Interest on Application Money	Coupon Rate
Default Interest Rate	In case of default in payment of Interest and/or principal redemption on the due dates, an additional interest of 2% over the coupon rate will be paid for the defaulting period by the Company.  In case of delay in listing of Debentures beyond 30 (Thirty) trading days from the Deemed Date of Allotment, the Company will pay default interest of 1% per annum over the Interest rate from the Deemed Date of Allotment till the listing of the Debentures to the investor.
Delay in execution of DTD/Creation of security	In the case of a delay in the execution of Debenture Trust Deed and/ or the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
Asset Cover	1.05x
Redemption Amount	Rs 100,000 per NCD (Rs One Lakh per NCD)
Redemption Premium /Discount	Not Applicable
Effective yield as a result of such Premium	Not Applicable
Issue Price	Rs 100,000 per NCD (Rs One Lakh per NCD)
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Minimum Application and in multiples of Debt securities thereafter.	Rs. 100,00,000 (Rs One Crore ) per investor and in multiples of 1 Debenture thereafter
Issue Timing 1. Issue Opening Date 2. Issue Closing Date 3. Pay in Date 4. Deemed Date of Allotment	23rd January 2023 23rd January 2023 23rd January 2023 23rd January 2023
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest warrants/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism as may be decided by the Company
Depository	NSDL & CDSL
Disclosure of interest/ dividend/ redemption dates	23 <sup>rd</sup> July 2025
Record Date	shall mean 15 calendar days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount

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	in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	<p>The financial covenants shall be as under:</p> <p>1. Capital Adequacy Ratio of 15% (fifteen percent) or such other higher threshold as may be prescribed by the RBI from time to time.</p> <p>All the above covenants shall be tested on quarterly basis on June 30, September 30, December 31, March 31</p>
Security	<p>a first ranking floating charge by way of hypothecation on all book debts, operating cash flows, receivables and other revenues of whatsoever nature and wherever arising along with all right, title, interest, benefits, claims and demands, present and future, whatsoever, of the Company, both present and future as appearing in the Company's balance sheet from time to time to the extent of Asset Cover of the Debenture Secured Obligations as agreed in the Placement Memorandums (the "Hypothecated Property"):</p> <p>For Further details on Security refer to the Debenture Trust Deed Agreement</p> <p>The charge to be created on the Hypothecated Property shall rank pari passu with all the present and future lenders and Debenture Holders of the Company.</p>
Transaction Documents	<p>Means:</p> <p>(a) Debenture Trust Deed</p> <p>(b) Debenture Trustee Agreement</p> <p>(c) Security Trustee Agreement</p> <p>(d) Security Documents</p> <p>(e) This Placement Memorandum. And</p> <p>(f) Any other Transaction Documents (as defined in the Debenture Trust Deed)</p>
Conditions Precedent to Disbursement	As mentioned in the Debenture Trust Deed
Condition Subsequent to Disbursement	As mentioned in the Debenture Trust Deed
Events of Default	<p>The occurrence of any one of the following events shall constitute an "<b>Event of Default</b>" by the Company:</p> <p>i. default is committed in payment of the Principal Amount and / or Interest on the Debentures on the Redemption Date(s) / Due Dates unless: (a) such failure to pay is caused by a technical default (i.e., arising solely on account of a banking system failure outside the control of the Company); and (b) such payments have been made within 3 (three) Business Days of the relevant Due Date;</p> <p>ii. The Company does not perform or comply with one or more of its other material obligations, terms, conditions and covenants in relation to the Debentures under the Shelf Placement Memorandum or the Debenture Trust Deed which default is incapable of remedy or, if in the opinion of the Debenture Trustee capable of remedy, is not remedied within 30 (thirty) Business Days after written notice of such default shall have been</p>

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	<p>given to the Company by the Debenture Trustee and which has a Material Adverse Effect;</p> <p>iii. The Company is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts and for which a Event of Default has been called by the relevant lender and the same has not been waived or cured by the Company and which causes a Material Adverse Effect;</p> <p>iv. Any encumbrancer takes possession or a receiver or an administrator is appointed of the whole or any substantial part of the property, assets or revenues of the Company (as the case may be) and is not discharged within 90 (ninety) Business Days;</p> <p>v. An attachment or distraint has been levied on the Hypothecated Property and such attachment or distraint has not been released within 180 (One Hundred and Eighty) Business Days of knowledge thereof by the Company;</p> <p>vi. The application filed voluntarily by the Company to initiate proceedings under any bankruptcy or insolvency law, whether or not a liquidator or receiver is appointed, is admitted;</p> <p>vii. Receipt of approval from the Reserve Bank of India for the initiation of corporate insolvency resolution process or winding up being filed/against the Company;</p> <p>viii. The Company ceases or threatens in writing to cease to carry on its business or gives notice of its intentions to do so, save and except any reorganization/demerger of the Company undertaken with prior permission of 51% (Fifty One Percent) by outstanding value, of Debenture Holders;</p> <p>ix. The Company has taken or suffered any action for its merger/demerger (without the consent of the Debenture Trustee), liquidation or dissolution, or any order has been passed by any competent authority, or any resolution has been passed by the members of the Company, for the winding up of the Company; and</p> <p>x. If, in the opinion of the Debenture Trustee, the Asset Cover falls below the stipulated cover and the same is not cured within 30 (thirty) Business Days.</p>
Creation of Recovery Expense Fund	As per SEBI Regulations
Provisions related to Cross Default Clause	Not Applicable
Conditions for breach of covenants	As mentioned in the Debenture Trust Deed

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Role and Responsibilities of Debenture Trustee	Refer section "Application process and Information relating to the terms of offer or purchase" in the Disclosure Document.
Risk factors pertaining to the Issue	As mentioned in this Disclosure Document
Due diligence certificate from the Debenture Trustee	(a) Due diligence certificate from the Debenture Trustee in the format as specified in Schedule IV of the Debt Listing Regulations. (b) Due diligence certificate from the Debenture Trustee as per the format specified in Annexure B of the SEBI Due Diligence Circular.
Governing Law and Jurisdiction	Laws of India subject to jurisdiction of Mumbai and New Delhi courts.

**Illustrative Cash Flows per debenture of PP 3 FY 2022-23 (Final Fixing Level > 75% Initial Fixing Level)**

Cashflows	Day and date for coupon/ redemption becoming due	Number of days for coupon	Amount
Coupon	Wednesday, 23 July, 2025	912	21,203.00
Principal	Wednesday, 23 July, 2025		1,00,000.00
Total			1,21,203.00

**If Final Fixing Level ≤ 75% of Initial Fixing Level and Final Fixing Level > 25% of Initial Fixing Level**

Cashflows	Day and date for coupon/ redemption becoming due	Number of days for coupon	Amount
Coupon	Wednesday, 23 July, 2025	912	21,063.00
Principal	Wednesday, 23 July, 2025		1,00,000.00
Total			1,21,063.00

**If Final Fixing Level ≤ 25% of Initial Fixing Level**

Cashflows	Day and date for coupon/ redemption becoming due	Number of days for coupon	Amount
Coupon	Wednesday, 23 July, 2025	912	0.00
Principal	Wednesday, 23 July, 2025		1,00,000.00
Total			1,00,000.00

### **Scenario Analysis**

**Tabular Representation:**

Date of Allotment: 23<sup>rd</sup> January 2023

Date of Maturity: 23<sup>rd</sup> July 2025

Tenure: 30 months from the Deemed Date of Allotment (i.e., 912 days from the Deemed Date of Allotment).

The following table shows the value of the Debenture at maturity under different market conditions basis Initial Investment of Rs. 1,00,000.

Scenario Details	Initial Fixing Level	Yield of Index at Initial Fixing Date	Underlying Performance	Assumed Final Fixing Level	Yield of Index at Final Fixing Date	Annualized Return to Investor (IRR)	Value of MLD on Maturity Date	Premium
If Final Fixing Level > 75% of	99.55	7.32%	30.00%	129.42	2.67%	8.00%	1,21,203	21,203

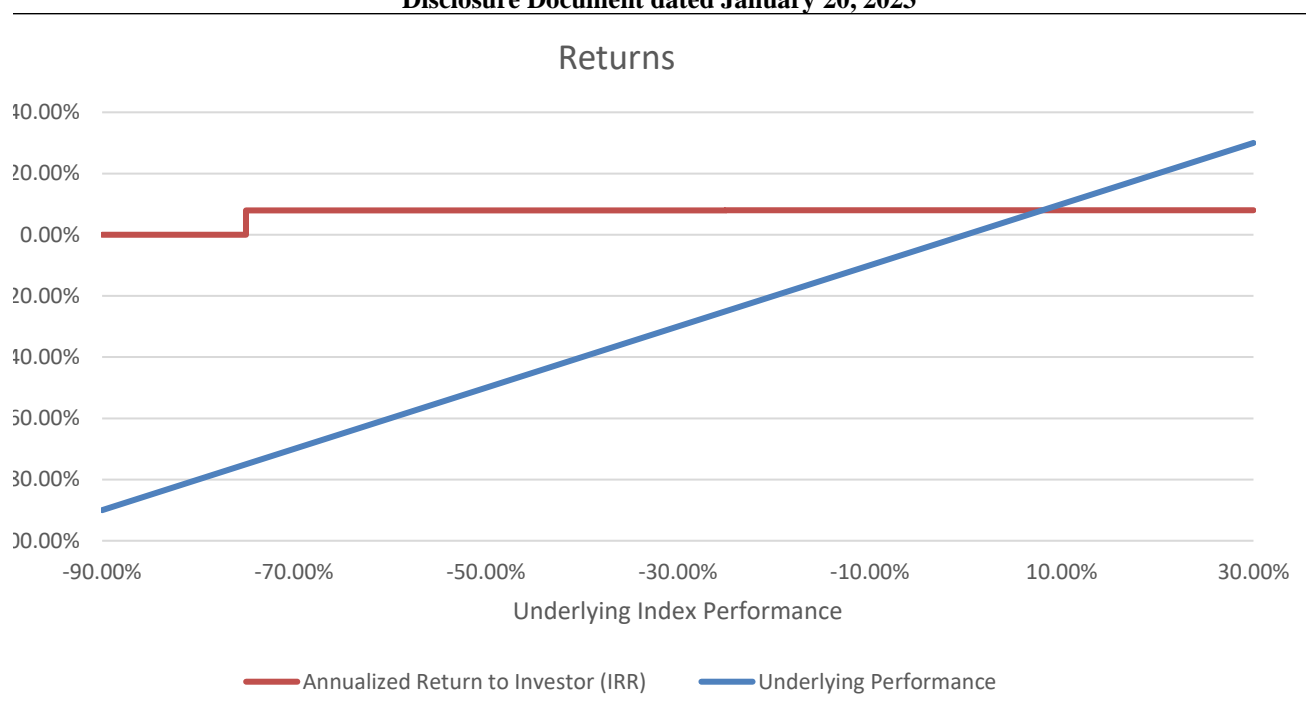
(For Private Circulation Only)  
**Aseem Infrastructure Finance Limited**  
**Disclosure Document dated January 20, 2023**

Initial Fixing Level								
If Final Fixing Level > 75% of Initial Fixing Level	99.55	7.32%	0.00%	99.55	7.34%	8.00%	1,21,203	21,203
If Final Fixing Level > 75% of Initial Fixing Level	99.55	7.32%	-24.99%	74.67	12.80%	8.00%	1,21,203	21,203
If Final Fixing Level ≤ 75% of Initial Fixing Level and Final Fixing Level > 25% of Initial Fixing Level	99.55	7.32%	-25.00%	74.66	12.81%	7.95%	1,21,063	21,063
If Final Fixing Level ≤ 75% of Initial Fixing Level and Final Fixing Level > 25% of Initial Fixing Level	99.55	7.32%	-50.00%	49.78	21.30%	7.95%	1,21,063	21,063
If Final Fixing Level ≤ 75% of Initial Fixing Level and Final Fixing Level > 25% of Initial Fixing Level	99.55	7.32%	-74.99%	24.90	39.25%	7.95%	1,21,063	21,063
If Final Fixing Level ≤ 25% of Initial Fixing Level	99.55	7.32%	-75.00%	24.89	39.26%	0.00%	1,00,000	-
If Final Fixing Level ≤ 25% of Initial Fixing Level	99.55	7.32%	-90.00%	9.96	78.78%	0.00%	1,00,000	-

**Graphical Representation**



*(For Private Circulation Only)*  
**Aseem Infrastructure Finance Limited**  
**Disclosure Document dated January 20, 2023**



### Confidentiality

The information and data contained herein is submitted to each recipient of this Disclosure Document on strictly private and confidential basis. By accepting a copy of the same, each recipient agrees that neither it nor any of its employees, agents or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This Disclosure Document must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Company. If at any time any such reproduction or disclosure is made and the Company suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or disclosure, the recipient of this Disclosure Document breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify the Company from and against any such loss, damage or liability.

### Disclosures pertaining to willful default.

- (A) In case of listing of debt securities made on private placement, the following disclosures shall be made:
- Name of the bank declaring the entity as a willful defaulter; - N. A.
  - The year in which the entity is declared as a willful defaulter; - N. A.
  - Outstanding amount when the entity is declared as a willful defaulter; - N.A.
  - Name of the entity declared as a willful defaulter; - N. A
  - Steps taken, if any, for the removal from the list of willful defaulters; - N.A.
  - Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions; - N.A.
  - Any other disclosure as specified by the Board: - N.A.

While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of the Disclosure Document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the Security.

### UNDERTAKING BY THE ISSUER

"Investors are advised to read the risk factors carefully before taking an investment decision in this issue.

(For Private Circulation Only)

Aseem Infrastructure Finance Limited

Disclosure Document dated January 20, 2023

For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 10 of this document."

"The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

"The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Shelf Placement Memorandum and/or in the Tranche Documents. Any covenants later added and not covered in Shelf Placement Memorandum or Tranche Documents shall be disclosed on the stock exchange website where the Debentures are listed.

**A DECLARATION BY THE DIRECTORS THAT-**

- a) the company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules made thereunder and applicable RBI Regulations;
- b) the compliance with the said Act and the rules made thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the private placement offer cum application letter;
- d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

Pursuant to the powers delegated to the Finance Committee by Board of Directors of the Company at their Meeting held on May 11, 2022, and the approval granted by the Finance Committee at their Meeting held on January 12, 2023, I am authorised by the Board of Directors of the company to sign this form and declare the aforesaid points.

For Aseem Infrastructure Finance Limited



Utsav Mehrotra  
Head - Treasury

Place: Mumbai

Date: January 20<sup>th</sup>, 2023

**Enclosures:**

- Annexure 1: Copy of In-Principle Listing Approval from NSE
- Annexure 2: Copy of rating rationale from Credit Rating Agency along with the press release
- Annexure 3: Changes in its capital structure
- Annexure 4: Audited Financials report for FY 19-20
- Annexure 5: Audited Financials report for FY 21-22
- Annexure 6: Copy of Trustee Consent Letter from Catalyst Trusteeship Limited
- Annexure 7: Copy of Consent Letter from Registrar & Transfer Agent
- Annexure 8: Draft format of Application Form

*(For Private Circulation Only)*

**Aseem Infrastructure Finance Limited**

**Disclosure Document dated January 20, 2023**

- Annexure 9: Shareholders resolution under section 180(1)(c) of the Companies Act, 2013
- Annexure 10: Board resolution
- Annexure 11: Audited Financials report for FY 20-21
- Annexure 12: Finance Committee Resolution
- Annexure 13: Scenario Analysis/Valuation Matrix
- Annexure 14: Audited Financials report for H1 22-23



**National Stock Exchange Of India Limited**

Ref. No.: NSE/LIST/5824

January 13, 2023

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

**Kind Attn.: Ms. Karishma Jhaveri**

Dear Madam,

**Sub.: In-principle approval for listing of Non-Convertible Debentures on private placement basis.**

This is with reference to your application dated January 13, 2023 requesting for in-principle approval for the proposed listing of secured, rated, redeemable, cumulative, taxable, principle protected, market linked, non-convertible debentures of face value of Rs. 100000/- each, for base issue size of Rs. 12500 lakhs with a green shoe option of Rs. 7500 lakhs, aggregating to total issue size of Rs. 20000 lakhs, to be issued by Aseem Infrastructure Finance Limited on private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue, subject to adequate disclosures to be made in the Offer Document in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard and provided the Company prints the Disclaimer Clause as given below in the Offer Document after the SEBI disclaimer clause:

**“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter Ref.: NSE/LIST/5824 dated January 13, 2023 or hosting the same on the website of NSE in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

**Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”**

Ref. No.: NSE/LIST/5824

January 13, 2023

Please note that the approval given by the exchange should not in any way be deemed or construed that the draft Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this draft offer document; nor does it warrant that the securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project.

Kindly also note that these debt instruments may be listed on the Exchange after the allotment process has been completed, provided the securities of the issuer are eligible for listing on the Exchange as per our listing criteria and the issuer fulfills the listing requirements of the Exchange. The issuer is responsible to ensure compliance with all the applicable guidelines issued by appropriate authorities from time to time including Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard.

Specific attention is drawn towards Para 1 of Chapter XV of SEBI Operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Accordingly, Issuers of privately placed debt securities in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of allotment of securities. The details can be uploaded using the following links:

<https://www.nse-ebp.com>

<https://www.nseebp.com/ebp/rest/reportingentity?new=true>

Kindly ensure compliance with SEBI Circular No. SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/167 dated November 30, 2022 with respect to the timelines for listing of securities issued on a private placement basis.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/Rule/Bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

Yours faithfully,  
For National Stock Exchange of India Limited

Priya Iyer  
Senior Manager



**Mr. Nilesh Sampat**  
**Chief Financial Officer**  
**Aseem Infrastructure Finance Limited**  
4th floor, UTI tower,  
GN Block, South Block, BKC,  
Bandra (East), Mumbai - 400051

Dear Sir,

**Re: Revalidation of Credit Rating for Rs. 500 crore market linked debenture programme of Aseem Infrastructure Finance Limited**

This is with reference to your request for re-validating the rating for the captioned programme.

We hereby confirm that the "PP-MLD[ICRA]AA+" rating with Stable outlook assigned to the captioned programme and last communicated to you vide our letter dated December 12, 2022, stands. Instruments with [ICRA]AA rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Within this category rating modifier {"+" (plus)} can be used with the rating symbols. The modifier reflects the comparative standing within the category.

The other terms and conditions for the credit rating of the instrument shall remain the same vide our letter dated December 12, 2022.

The rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated [Instrument] Issued/availed by your company.

With kind regards,

Yours faithfully,  
For ICRA Limited

**KARTHIK**  
**SRINIVASAN**

Digitally signed by  
KARTHIK SRINIVASAN  
Date: 2023.01.09  
15:06:46 +05'30'

**KARTHIK SRINIVASAN**  
Senior Vice President  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)





ICRA

ICRA Limited

**Annexure**

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE0AD507051	Market linked debenture	Dec-17-21	5.60%	Dec-15-23	25	PP-MLD[ICRA]AA+(Stable)
INE0AD507069	Market linked debenture	Dec-17-21	6.00%	Oct-17-24	275	PP-MLD[ICRA]AA+(Stable)
Proposed	Market linked debenture	NA	NA	NA	200	PP-MLD[ICRA]AA+(Stable)

Electric Mansion, 3rd Floor  
Appasaheb Marathe Marg  
Prabhadevi, Mumbai-400025

Tel.: +91.22.61693300  
CIN :  
L749999DL1991PLC042749

Website: [www.icra.in](http://www.icra.in)  
Email: [info@icraindia.com](mailto:info@icraindia.com)  
Helpdesk: +91 9354738909

Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001.Tel. :+91.11.23357940-45

**RATING**

**RESEARCH**

**INFORMATION**

December 16, 2022

## Aseem Infrastructure Finance Limited: Ratings reaffirmed; rated amount enhanced

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/ short-term Fund based/non-fund-based bank lines	7,000	8,000	[ICRA]AA+(Stable)/[ICRA]A1+; assigned and reaffirmed
Market linked debenture	500	500	PP-MLD[ICRA]AA+(Stable); reaffirmed
Non-convertible debenture	1,500	1,500	[ICRA]AA+(Stable); reaffirmed
<b>Total</b>	<b>9,000</b>	<b>10,000</b>	

\*Instrument details are provided in Annexure-I.

### Rationale

The ratings reflect the strength of Aseem Infrastructure Finance Limited's (AIFL) parentage in the form of National Investment and Infrastructure Fund II (NIIF II; Strategic Opportunities Fund) which holds 59% stake in AIFL as on September 30, 2022 and the demonstrated support from the Government of India (GOI), which holds 31% stake through its direct investment in AIFL and 10% held by Sumitomo Mitsui Banking Corporation (SMBC) as on September 30, 2022.

ICRA believes that AIFL is of strategic importance for the GoI, being a part of the debt platform under NIIF for development of long-term infrastructure in India. The same is also reflected in the committed equity infusion to the tune of Rs. 6,000 crore by the GoI in the NIIF debt platform comprising AIFL and NIIF Infrastructure Finance Limited (NIIF IFL) and to support in attracting more investments into the infrastructure sector, as envisaged in the National Infrastructure Pipeline. The rating also factors in the healthy capitalisation profile, comfortable liquidity, and AIFL's ability to raise funds at competitive rates, despite limited vintage, supported by its parentage.

ICRA notes that AIFL is in its early stages of operation (as the company received certificate of registration as an NBFC - Infrastructure Finance Company (NBFC-IFC) in January 2020 and commenced its lending operations in August 2020) and AIFL has a limited track record in relation to the relatively higher tenure of its loan book. In this regard, ICRA takes comfort that in its initial years of operations, the company intends to fund more of relatively low risk operational projects and gradually add greenfield projects to its portfolio, which is likely to keep the construction risk low in the initial years.

Also, AIFL intends to leverage on the experience of the management team and NIIF in the infrastructure space to build a good credit quality book. Given the early stages of operations, the profitability indicators are not truly reflective of the business metrics. Going forward, the company's ability to profitably grow its loan book while maintaining prudent capitalisation levels and underwriting standards and hence asset quality indicators would be the key monitorable. ICRA expects the company to raise funds in line with the maturity profile of their assets, thereby supporting the ALM profile.

### Key rating drivers and their description

#### Credit strengths

**Strong parentage** - AIFL's ratings reflect strong parentage in the form of National Investment and Infrastructure Fund II (NIIF II; Strategic Opportunities Fund) which holds 59% stake in AIFL and the demonstrated support from the GoI, which holds 31% stake through its direct investment in AIFL and 10% held by SMBC as on September 30, 2022. NIIF is an investor-owned fund manager, anchored by the GoI in collaboration with leading global and domestic institutional investors. It is a collaborative

investment platform for International and Indian investors who are looking for investment opportunities in infrastructure and other high-growth sectors of the country. NIIF has received around ~Rs.20,000 crore of capital commitments from the Gol across three funds encompassing the Master Fund, Fund of Funds and Strategic Opportunities Fund (SOF), and a similar amount is expected to be raised from external long term strategic investors. Given the strong financial flexibility and quasi sovereign ownership of NIIF, ICRA expects timely growth capital support for AIFL.

**Strategic importance to Gol** - ICRA believes that AIFL is of strategic importance to the Gol, being part of the debt platform under NIIF for development of long-term infrastructure in India. The same is also reflected in the committed equity infusion to the tune of Rs. 6,000 crore by the Gol in the NIIF debt platform, comprising AIFL and NIIF IFL, and the effort to attract more investments into the infrastructure sector as enumerated in the National Infrastructure Pipeline. Of this Rs. 6,000 crore, ~Rs. 4,300 crore is still available for drawdown for the two entities. This is over and above the Gol's capital commitment of Rs. 20,000 crore to the NIIF platform across three funds namely, Master Fund, Fund of Funds and SOF. ICRA expects AIFL to continue to play a strategic role in furthering the Gol's objective of infrastructure development in the near term.

**Operational synergies with NIIF and experienced management team** - NIIF is a fund manager anchored by the Gol that invests in infrastructure and high growth sectors in India. NIIF has invested into the Infrastructure Debt Financing platform through its Strategic Opportunities Fund, which focuses on investing in sectors with significant growth potential. ICRA expects AIFL to leverage its synergies with NIIF IFL (part of NIIF platform) through joint underwriting of refinancing deals. AIFL is expected to follow an approach of project lifecycle financing through sharing risk and rewards with partner banks/institutions while maintaining a conservative liabilities profile and low credit costs. In its initial few years of operations, ICRA expects the company to lend more to low risk operational projects and gradually add greenfield projects to its portfolio. The target sectors identified by AIFL include roads, power transmission, green energy along with healthcare, ports, airports and education. AIFL's board reflects substantial control of NIIF on AIFL's operations and strategy. Also, the governing council of the parent company, NIIF, is chaired by the Finance Minister of India and includes Secretary - Department of Economic Affairs, Secretary - Department of Financial Services amongst representatives from its other investors. AIFL also has an experienced senior management team with considerable experience in the infrastructure financing space.

**Healthy capitalisation profile and ability to raise funds at competitive rates supported by parentage** - AIFL had raised total Rs. 1,287 crore in two rounds of capital infusion by NIIF in January 2020 and May 2020 and further raised ~Rs. 947 crore from NIIF (Rs. 132 crore) and the Gol (Rs. 815 crore) in March 2021 and Rs. 317 crore from SMBC in March 2022, leading to a reported net worth of Rs. 2,717 crore as on September 30, 2022. Committed capital support from the Gol and expectations of support from NIIF is likely to keep AIFL comfortably capitalised. Further, the company would also keep looking at raising fresh capital from other strategic investors, in addition to the Gol/NIIF as need for capital would remain high, given the growth plans. The same has been demonstrated through raising fresh capital of Rs. 317 crore from SMBC in March 2022. In terms of leverage, ICRA expects AIFL to operate at a gearing level under 5 times on a steady state, basis in the medium term. AIFL also enjoys good financial flexibility with ability to raise funds at competitive rates of interest from a diverse set of lenders, given the strong parentage and linkages with the Gol. As on September 30, 2022, AIFL had secured sanctions of ~Rs. 9,425 crore from banks and raised funding of ~Rs. 2,280 crore in H1 FY2023. AIFL's ability to build and diversify its funding profile over the medium to long term would remain a key monitorable.

## Credit challenges

**Early stage of operations; evolving profitability metrics** - The company commenced its lending operations in August 2020 and has built a book of Rs. ~9,580 crore as on September 30, 2022 (Rs. 7,002 crore as on March 31, 2022). ICRA notes the company's early stage of operations in the infrastructure finance business, in relation to the tenure of assets. In its initial few years of operations, low risk operational projects and projects in advanced stages of construction are expected to dominate the portfolio mix and gradually greenfield projects are likely to be added to its portfolio. As on September 30, 2022, 86% of the projects funded by AIFL were operational. However, the inherent nature of the business of infrastructure financing means that company is exposed to project risks and the exposures are concentrated and hence the portfolio would remain vulnerable to asset quality shocks in case of slippages in a few key exposures, which in turn may adversely affect its profitability. Given

the early stage of operations the RoE remained relatively moderate of 4.7% in H1 FY2023 (3.5% in FY2022). Overall, over the long-term, the company's ability to profitably grow its portfolio while maintaining control over credit underwriting and achieve profitability, would remain the key rating factors.

### Liquidity position: Strong

The liquidity profile is comfortable as the company has raised only long-term funds in line with the long-term maturity profile of assets funded by AIFL. The company's ALM profile as on September 30, 2022 reflects positive cumulative mismatches across all buckets up to one year. As of September 30, 2022, the company had available liquidity in the form of cash and bank balances of ~Rs. 293 crore and unutilised bank lines of Rs. 1,385 crore, providing comfortable liquidity cover over the debt repayments of Rs. 624 crore, which are due over the next one year. Further, liquidity is supported by an expected cash inflow of ~Rs. 402 crore from the advances in the above-mentioned period. The company's strong financial flexibility, given its strong parentage and strategic importance to the GoI provides additional comfort.

### Rating sensitivities

**Positive factors** - Significant scale of operations across diversified sectors while maintaining strong asset quality and improving profitability would be a credit positive.

**Negative factors** - Any significant change in the likelihood of support from the sponsors or key shareholders could warrant a rating downgrade for AIFL. Pressure on AIFL's ratings could emerge on account of a significant deterioration in capitalisation profile and/or weakening of the asset quality leading to a deterioration in solvency on a sustained basis.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">Rating approach - Implicit support from parent or group</a>
Parent/Group Support	The ratings derive significant strength from AIFL's parentage with 59% of the shares held by NIIF, 31.0% held by Government of India and 10% held by SMBC as on September 30, 2022. With the sovereign ownership of NIIF, which is an investor-owned fund manager anchored by the GoI in collaboration with global and domestic institutional investors, ICRA expects timely growth capital and liquidity support to AIFL.
Consolidation/Standalone	Standalone

### About the company

AIFL, subsidiary of NIIF Fund II (SOF) managed by NIIF (a GoI-anchored fund) is registered as NBFC-IFC (Infrastructure Finance Company). AIFL received an IFC licence from the RBI in January 2020 and commenced business in August 2020. It plans to fund infrastructure projects across various phases with a mix of operating, brownfield and greenfield assets within the regulatory guidelines. As on September 30, 2022 the company has a book size of Rs. 9,580 crore and a net worth of Rs. 2,717 crore against a book size of Rs. 7,002 crore and a net worth of Rs. 2,654 crore as on March 31, 2022.

#### National Investment Infrastructure Fund

The NIIF is sponsored by the GoI to catalyse funding into the country's infrastructure sector. NIIF has three funds, each of which are registered with SEBI as Category II AIFs. NIIF's investment objective is to generate attractive long-term risk-adjusted returns for its investors on a sustainable basis. The GoI's aggregate contribution to NIIF is Rs. 20,000 crore and it is proposed that a similar amount will be raised from third party investors such that the GoI's contribution will be 49% of NIIF, which has also received a commitment from certain domestic and international institutions, including the Abu Dhabi Investment Authority (ADIA) and Temasek. More details about NIIF are available at <https://niifindia.in/>

### Key financial indicators

Aseem Infrastructure Finance Limited (in Rs. crore)	FY2020	FY2021	FY2022	H1FY2023
	Audited	Audited	Audited	Audited
Net interest income	5	45	168	107
Profit after tax	0	21	85	63
Net worth	577	2,253	2,654	2,717
Asset under management (AUM)*	-	1,708	7,264	10,000
Total assets	582	2,705	8,472	10,692
Return on assets	NA	1.3%	1.5%	1.3%
Return on net worth	NA	1.5%	3.5%	4.7%
Gearing <sup>1</sup> (times)	0.00	0.20	2.19	2.92
Gross stage 3	0%	0%	0%	0%
Net stage 3	0%	0%	0%	0%
Solvency (Net stage 3/Net worth)	NA	NA	NA	NA
CRAR	638.9%	150.9%	35.2%	25.5%

Source: Company, ICRA Research; All ratios as per ICRA calculations; \*including NFB exposure

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

<sup>1</sup> Debt equity ratio

## Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	FY2023 Amount outstanding as on December 12, 2022 (Rs. crore)	Rating History for the Past 3 Years						
				Date and rating		Date and rating in FY2022			Date and rating in FY2021	Date and rating in FY2020
				Dec-16-22	Apr-14-22	Dec-30-21 Dec-14-21	Sep-21-21	Aug-26-21	NA	NA
1 Long-term/ short-term Fund based/non-fund based bank lines	Long Term/ Short Term	8,000.00	6,342	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	NA	NA
2 Non-convertible debenture	Long Term	1,500	1,150	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	NA	NA	NA
3 Market linked debenture	Long Term	500	300	PP- MLD[ICRA]AA+ (Stable)	PP- MLD[ICRA]AA+ (Stable)	PP- MLD[ICRA]AA+ (Stable)	NA	NA	NA	NA

Source: ICRA

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Bank lines programme	Very Simple
Non-convertible debenture	Very Simple
Market linked debenture	Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: [Click Here](#)



#### Annexure - I: Instrument details as on December 12, 2022

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE0AD507010	Non-convertible debenture	May-10-21	7.00%	May-10-24	100	[ICRA]AA+(Stable)
INE0AD507028	Non-convertible debenture	May-10-21	7.35%	May-9-25	100	[ICRA]AA+(Stable)
INE0AD507036	Non-convertible debenture	May-10-21	7.70%	May-8-26	100	[ICRA]AA+(Stable)
INE0AD507044	Non-convertible debenture	Dec-01-21	6.50%	Nov-29-24	200	[ICRA]AA+(Stable)
INE0AD507093	Non-convertible debenture	Sep-05-22	8.25%	Sep-03-27	650	[ICRA]AA+(Stable)
NA*	Non-convertible debenture	NA	NA	NA	350	[ICRA]AA+(Stable)
INE0AD507051	Market linked debenture	Dec-17-21	5.60%	Dec-15-23	25	PP-MLD[ICRA]AA+(Stable)
INE0AD507069	Market linked debenture	Dec-17-21	6.00%	Oct-17-24	275	PP-MLD[ICRA]AA+(Stable)
NA*	Market linked debenture	NA	NA	NA	200	PP-MLD[ICRA]AA+(Stable)
NA	Long-term/ short-term Fund based/non-fund based bank lines	NA	NA	NA	8,000	[ICRA]AA+(Stable)/[ICRA]A1+

\*Proposed

[Please click here to view details of lender-wise facilities rated by ICRA](#)

#### Annexure-II: List of entities considered for consolidated analysis: Not Applicable

## ANALYST CONTACTS

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## RELATIONSHIP CONTACT

**L. Shivakumar**  
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## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited



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### Branches



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### Capital History

#### A] Changes in the Authorised Share Capital, since Incorporation: -

Sr. No.	Date of AGM / EGM	No. of Equity Shares	Amount (INR)	Particulars
1.	23.05.2019 (date of incorporation)	62,00,00,000	6,200,000,000	The Company was incorporated with the Authorised Share Capital of INR 620 crores
2.	22.04.2020 (EGM)	130,00,00,000	1300,00,00,000	The Shareholders of the Company at the Extra-Ordinary General Meeting held on 22.04.2020 approved increase in the Authorised Share Capital of the Company from INR 620 crore to INR 1300 crores and suitably amended the capital clause in the Memorandum of Association
3.	01.03.2021 (EGM)	220,00,00,000	3100,00,00,009	The Shareholders of the Company at the Extra-Ordinary General Meeting held on 01.03.2021 approved increase in the Authorised Share Capital of the Company from INR 1300 crore to INR 3100 crores and suitably amended the capital clause in the Memorandum of Association
4.	02.12.2021 (EGM)	450,00,00,000	54,00,00,00,009/-	The Shareholders of the Company at the Extra-Ordinary General Meeting held on 02.12.2021 approved increase in the Authorised Share Capital of the Company from INR 3100 crore to INR 5400 crores and suitably amended the capital clause in the Memorandum of Association

#### B] Equity Share Capital History of the Company:-

Date of Allotment	No. of Equity Shares	Face Value	Issue Price	Nature of consideration	Nature of Allotment
10.01.2020	2000000	20,000,000	10/-	Cash	Initial Subscribers
15.01.2020	575000000	5,750,000,000	10/-	Cash	Allotted shares to NIIF Fund II on rights basis at par
21.05.2020	709374999	7,093,749,990	10/-	Cash	Allotted shares to NIIF Fund II

					on rights basis at par
26.03.2021	11,92,62,940	11,92,62,940	10/- at a premium of 1.06/- per share	Cash	Allotted shares to NIIF Fund II through Private Placement at a premium
08.03.2022	23,80,58,625	317,09,40,885	10/- at a premium of 3.32/- per share	Cash	Allotted shares to SMBC through preferential allotment cum private placement basis at a premium
28.03.2022	73,68,89,692	810,57,86,612	10/- at a premium of 1/- per share	Conversion of 0.001% Compulsorily Convertible Preference Shares to Equity shares. Hence no consideration involved.	Allotted Equity Shares to President of India, represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India ("GoI") upon conversion of 0.001% Compulsory Convertible Preference Share into Equity shares of the Company at a premium

**C] 0.001% Compulsory Convertible Preference Shares ("CCPS"):-**

Date of Allotment	No. of CCPS	Face Value	Issue Price	Nature of consideration	Nature of Allotment
26.03.2021	73,68,89,692	8,105,786,612	11/- at a premium of 0.06 per CCPS	Cash	Allotted CCPS to GoI through Private Placement at a premium
28.03.2022	(73,68,89,692)	-	-	-	Allotted Equity Shares to, GoI upon conversion of 0.001% Compulsory Convertible Preference Share into Equity shares of the Company at a premium

**As on March 31, 2022:**

Authorised Share Capital – INR 54,00,00,00,009/-

Issued, Paid-up & Subscribed Capital – INR 23,80,58,62,560/-



**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 (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, and the Cash Flow Statement for the period May 23, 2019 to March 31, 2020, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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, 2020, its profit and its cash flows for the period May 23, 2019 to March 31, 2020.

**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 standalone 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.

**Emphasis of Matter**

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

Our opinion is not modified in respect of this matter.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's 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, 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 cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act read with the Companies (Accounts) Rules, 2014. 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 standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

**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 1" 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
  - (e) The matter described in Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;
  - (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the period May 23, 2019 to March 31, 2020; and
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - 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;
    - 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 Number: 123596

UDIN: 20123596AAAAJC7695

Place of Signature: Mumbai

Date: June 30, 2020

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Aseem Infrastructure Finance Limited

- (i) The Company does not have any fixed assets and hence, the provisions of clause 3(i) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to 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, as amended ("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 explanations given to us, there are no loans, investments, guarantees, and securities given 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) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to sales tax, customs duty, excise duty, value added taxes, employees' state insurance and provident fund are not applicable to the Company.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax and other statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.  
(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 did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the period.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer/debt instruments and term loans hence, reporting under clause 3(ix) of the order is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the period.
- (xi) According to the information and explanations given by the management, no managerial remuneration has been paid and provided hence, reporting under clause 3(xi) of the order is not applicable to the Company 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, 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 standalone financial statements, as required by the applicable accounting standards.

## **S.R. BATLIBOI & Co. LLP**


Chartered Accountants

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has complied with provisions of section 42 of the Act in respect of the private placement of equity shares during the year. 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.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to 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: 324982E/E300003

  
per Rutushtra Patell  
Partner

Membership No. 123596

UDIN: 20123596AAAAJC7695

Place: Mumbai

Date: June 30, 2020

Annexure 2 referred to in paragraph 2 (g) under the heading "Report on other legal and regulatory requirements" of our report of even date

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 over financial reporting of Aseem Infrastructure Finance Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the period May 23, 2019 to March 31, 2020.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting with Reference to these Financial Statements

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



## **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, 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.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Rutushtra Patell

Partner

Membership Number: 123596

UDIN: 20123596AAAAJC7695

Place of Signature: Mumbai

Date: June 30, 2020

**Aseem Infrastructure Finance Limited**

**Standalone Financial Statements**


**For the period ended March 31, 2020**

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

	Note	As at March 31, 2020
<b>Equity and liabilities</b>		
<b>Shareholders' funds</b>		
Share capital	3	5,77,00,00,000
Reserves and surplus	4	25,94,200
		<u>5,77,25,94,200</u>
<b>Current liabilities</b>		
Short-term provisions	5	43,16,181
Other current liabilities	6	4,00,90,319
		<u>4,44,06,500</u>
<b>Total</b>		<u><u>5,81,70,00,700</u></u>
<b>Assets</b>		
<b>Non-current assets</b>		
Non-current investments	7	2,65,91,01,054
Deferred tax asset	8	60,40,628
		<u>2,66,51,41,682</u>
<b>Current assets</b>		
Cash and bank balances	9	3,15,13,15,217
Other current assets	10	5,43,801
		<u>3,15,18,59,018</u>
<b>Total</b>		<u><u>5,81,70,00,700</u></u>
Summary of significant accounting policies and other explanatory information	2	
The accompanying notes form an integral part of these financial statements.		


As per our report of even date.

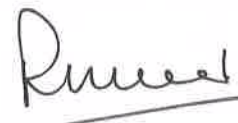
**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

  
**Rutushtra Patell**  
Partner  
Membership No : 123596

Place: Mumbai  
Date: June 30, 2020

**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

Place: Mumbai  
Date: June 30, 2020

  
**Virender Pankaj**  
Chief Executive Officer



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

(Amount in Rs. unless otherwise stated)

	Note	For the period May 23, 2019 to March 31, 2020
<b>Income</b>		
Other income	11	4,55,17,898
<b>Total</b>		<u>4,55,17,898</u>
<b>Expenses</b>		
Finance cost	12	5,232
Other expenses	13	4,00,91,094
<b>Total</b>		<u>4,00,96,326</u>
<b>Profit before tax</b>		54,21,572
<b>Tax expenses</b>		
Current tax: pertaining to profit for the current period		88,68,000
Deferred tax		(60,40,628)
<b>Total tax expense</b>		<u>28,27,372</u>
<b>Profit after tax for the period</b>		<u>25,94,200</u>
<b>Earnings per equity share [Nominal value per share ₹ 10]</b>	14	
Basic Earnings per equity share (₹)		0.02
Diluted Earnings per equity share (₹)		0.02

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

As per our report of even date.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

*[Signature]*

Rutushtra Patell

Partner

Membership No : 123596

Place: Mumbai

Date: June 30, 2020



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

*[Signature]*

Surya Prakash Rao Pendyala

Director

DIN: 02888802

*[Signature]*

Rajiv Dhar

Director

DIN: 00073997

*[Signature]*

Virender Pankaj

Chief Executive Officer

Place: Mumbai

Date: June 30, 2020

**Aseem Infrastructure Finance****Standalone Cash Flow Statement for the period May 23, 2019 to March 31, 2020**

(Amount in Rs. unless otherwise stated)

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

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005


  
**Rutushtra Patell**

Partner

Membership No : 123596

Place: Mumbai

Date: June 30, 2020

**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

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

**Note 1: Corporate Information**

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

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

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

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

**Note 2: Significant accounting policies**

**i) Basis of accounting and preparation of the standalone financial statements**

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

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

**ii) Use of estimates**

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

**iii) Investments**

**a. Non current investments:**

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

**b. Current investments**

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

**iv) Provisions, contingent liabilities and contingent assets**

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





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

**Note 2: Significant accounting policies (contd.)**

**v) Impairment of assets**

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

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

**vi) Taxation**

**Income taxes**

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

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

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

**vii) Operating cycle**

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

**viii) Earnings per share**

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

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



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

**Note 3: Share capital**

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

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

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

**b) Rights and preference of equity shareholders**

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

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

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



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

**Note 4: Reserves and surplus**

	<b>As at March 31, 2020</b>
<b>Statutory reserve u/s. 45-IC of RBI Act, 1934</b>	
Balance at the beginning of the period	-
Add: Transferred from surplus in Statement of Profit and Loss	5,18,840
<b>Balance at the end of the period</b>	<b>5,18,840</b>
<b>Surplus in the statement of profit and loss</b>	
Balance at the beginning of the period	-
Add: Profit for the period	25,94,200
Less: Transfer to Special Reserve u/s. 45-IC of RBI Act, 1934	(5,18,840)
<b>Balance at the end of the period</b>	<b>20,75,360</b>
	<b>25,94,200</b>

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

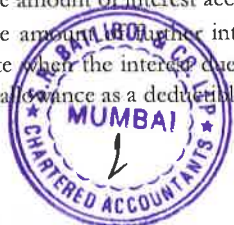
**Note 5: Provisions**

	<b>Long-term As at March 31, 2020</b>	<b>Short-term As at March 31, 2020</b>
<b>Provision for taxation</b>		
Provision for income tax (net of taxes paid Rs 45,51,819)	-	43,16,181
	<b>-</b>	<b>43,16,181</b>
<b>Note 6: Other current liabilities</b>		
Tax deducted at source payable	-	9,97,222
Amount due to related parties (refer note 15c)	-	3,82,54,696
Expenses payable	-	8,38,401
	<b>-</b>	<b>4,00,90,319</b>

**Note:**

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

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



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

**Note 7: Non-current investments**

**As at**  
**March 31, 2020**

**Unquoted**

**Investment in equity instruments**

NIIF Infrastructure Finance Limited (Formerly, IDFC Infrastructure Finance Limited)	2,65,91,01,054
(16,20,00,000 equity shares having face value of Rs.10 @ Rs 16.41)	
(Holding 30% as of reporting date)	

**2,65,91,01,054**

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

**Note 8: Deferred tax asset**

**As at**  
**March 31, 2020**

**Deferred tax asset arising on:**

Preliminary expenses written off	60,40,628
	<b>60,40,628</b>

**Note 9: Cash and bank balances**

**As at**  
**March 31, 2020**

**Cash and cash equivalents**

Cash on hand	-
Balance with bank in current accounts	7,15,128
Balance in bank deposits account (maturity less than 3 months)	3,15,06,00,089
	<b>3,15,13,15,217</b>

**Note 10: Other current assets**

**As at**  
**March 31, 2020**

(Unsecured, considered good)	
Interest accrued on Bank deposits	5,43,801
	<b>5,43,801</b>



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

**Note 11: Other income**

**For the period**  
**May 23, 2019**  
**to**  
**March 31, 2020**

Interest income on Bank deposits

4,55,17,898

**4,55,17,898**

**Note 12: Finance cost**

**For the period**  
**May 23, 2019**  
**to**  
**March 31, 2020**

Bank charges

5,232

**5,232**

**Note 13: Other expenses**

**For the period**  
**May 23, 2019**  
**to**  
**March 31, 2020**

Pre-incorporation expenses written off

3,00,01,531

Pre-operataive expenses written off

58,09,083

Legal and professional fees

36,57,280

Payment to auditor (refer note a below)

5,75,000

Other expenses

48,200

**4,00,91,094**

**a. Payment to auditor**

Statutory audit fees

3,50,000

Certification fees

2,25,000

**5,75,000**

**Note 14: Earnings per Share (EPS)\***

**Net profit attributable to equity shareholders**

25,94,200

**Weighted average number of shares outstanding during the period for computing basic and diluted EPS (nos)**

14,66,65,605

**Earnings per equity share (nominal value of share- Rs. 10 each)**

10

Basic Earnings per equity share (₹)

0.02

Diluted Earnings per equity share (₹)

0.02

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



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

**Note 15: Related party disclosure**

**a. Name of related parties and related party relationship**

**i) Parties where control exists**

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

**ii) Key management personnel**

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

**iii) Associate company** NIIF Infrastructure Finance Limited

**b. Transactions with related parties during the period**

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

**c. Closing balance of the transactions with related parties**

Nature of transaction	Relationship	As at March 31, 2020
<b>Investment in equity shares</b>		
NIIF Infrastructure Finance Limited	Associate company	2,65,91,01,054
<b>Expenses on Company's behalf payable</b>		
National Investment and Infrastructure Fund-II	Holding entity	3,00,01,531
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	75,07,767
NIIF Infrastructure Finance Limited	Associate company	7,45,398

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





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

**Note 16: Earning and expenditure in foreign currency**

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

**Note 17: Segment information**

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

**Note 18: Subsequent events after balance sheet date**

**a. Increase in authorised share capital**

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

**b. Issue of share capital**

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

**Note 19: Impact of COVID-19**

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

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

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





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

**Note 20:** 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 :

**a). Capital to Risk Asset Ratio ('CRAR'):**

	As at March 31, 2020
CRAR (%)	638.88%
CRAR - Tier I Capital (%)	638.88%
CRAR - Tier II Capital (%)	0.00%
Amount of Subordinated Debt considered as Tier-II Capital	-
Amount raised by issue of Perpetual Debt Instruments	-

**b). Details of Investments are set out below:**

**1 Value of Investments**

(i) Gross Value of Investments		
(a) In India		2,65,91,01,054
(b) Outside India		-
	(A)	2,65,91,01,054
(ii) Provision for depreciation		
(a) In India		-
(b) Outside India		-
	(B)	-
(iii) Net Value of Investments		
(a) In India		2,65,91,01,054
(b) Outside India		-
	(A-B)	2,65,91,01,054

**2. Movement of provisions held towards depreciation on investments.**

(i) Opening balance	-
(ii) Add: Provisions made during the period	-
(iii) Less: Write-offs/ write-back of excess provisions during the period	-
(iv) Closing balance	-

**c) Investor group wise classification of all investments (Current and Long Term) in shares and securities (both Quoted and Unquoted):**

	As at March 31, 2020	
	Market Value/ Breakup Value / Fair Value / NAV	Book Value Net of Provision
1. Related parties		
a) Subsidiaries	-	-
b) Companies in the same group	2,65,91,01,054	2,65,91,01,054
c) Other related parties	-	-
2. Other than related parties	-	-
<b>Total</b>	-	-

**d) Disclosure on Risk exposure on derivatives**

The company has not undertaken any transaction of derivatives in the current period hence the related disclosures are not applicable to the Company.

**e) Securitisation / Assignment**

The Company has not under taken any transactions of Securitisation/Assignment in the current period and hence the related disclosures are not applicable to the Company.

**f) Details of non-performing financial assets purchased/sold and accounts subjected to restructuring:**

The Company has not undertaken any transactions for purchase/sale of NPA's in the current period and hence the related disclosure are not applicable to the Company.



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

Note 20: Additional disclosures required by the RBI (Cont'd)  
g) Asset Liability Management Maturity pattern of certain items of assets and liabilities  
Current period as on March 31, 2020

	1 to 7 days	8 to 14 days	15 days to 30 /31 days	Over 1 month upto 2 Months	Over 2 months upto 3 months	Over 3 month & up to 6 months	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
<b>Liabilities</b>											
Borrowings from banks	-	-	-	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-	-	-	-
<b>Assets</b>											
Advances	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-
Joint Liability Group (JLG) Loans	-	-	-	-	-	-	-	-	-	-	-
Micro Enterprises Loans (MEL)	-	-	-	-	-	-	-	-	-	-	-
Rural Micro Enterprises Loans	-	-	-	-	-	-	-	-	-	-	-
Gold Loans (GL)	-	-	-	-	-	-	-	-	-	-	-
										2,65,91,01,054	2,65,91,01,054

h) Loan portfolio and provision for standard and non-performing assets:

	Portfolio Loans Outstanding (Gross)	Provision for Standard and Non-Performing Assets			Portfolio Loans Outstanding (Net)	
	For the period May 23, 2019 to March 31, 2020	Provision transferred from RR	Provision made during the period	Provision written back during the period	For the period May 23, 2019 to March 31, 2020	For the period May 23, 2019 to March 31, 2020
Standard assets	-	-	-	-	-	-
Non-performing assets	-	-	-	-	-	-



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

**Note 20: Additional disclosures required by the RBI (Cont'd)**

**i) Exposures to real estate sector (Based on amounts sanctioned):**

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

**j) Exposures to Capital Market**

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

**k) Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company**

During the period ended March 31, 2020, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

**l) Borrower group-wise classification of assets financed:**

	<b>As at March 31, 2020 net of provision (*)</b>
1. Related parties	
a) Subsidiaries	-
b) Companies in the same group	-
c) Other related parties	-
2. Other than related parties	-
<b>Total</b>	<b>-</b>
(*) Net of provision for standard assets	

**m) Unsecured advances**

The Company has not given any unsecured advances in the current period.

**n) Registration obtained from other financial regulators**

The Company has not obtained registrations from other financial sector regulators.

**o) Penalties / fines imposed by the RBI**

During the period ended March 31, 2020 there was no penalty imposed by the RBI and other regulators.

**p) Drawdowns from Reserves**

The Company has not undertaken any drawdown from reserves during the current period and hence the related disclosures are not applicable to the Company.

**q) Concentration of Advances**

	<b>As at March 31, 2020</b>
Total Advances to twenty largest borrowers/ customers	-
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	-

**r) Concentration of Exposures**

	<b>As at March 31, 2020</b>
Total Exposure to twenty largest borrowers / customers	-
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	-



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

**Note 20: Additional disclosures required by the RBI (Cont'd)**

**s) Concentration of Non Performing Assets (NPAs) /Sector-wise NPAs/ Movement in NPAs**

The Company did not have any NPAs in the current period and hence the related disclosures are not applicable to the Company.

**t) The information on Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) is given below:**

Name of the Joint Venture/ Subsidiary	As at March 31, 2020		
	Other Partner in the JV	Country	Total Assets
	Nil	Nil	Nil

**u) The information on off balance sheet SPV sponsored (which are required to be consolidated as per accounting norms):**

		For the period May 23, 2019 to March 31, 2020
		Nil

**v) Debenture holders' complaints:**

No. of complaints pending at the beginning of the period	Nil
No. of complaints received during the period	Nil
No. of complaints redressed during the period	Nil
No. of complaints pending at the end of the period	Nil
The above information is certified by management and relied upon by the auditors.	

**Note 21: 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	% of Total deposits	% of Total Liabilities
	Nil	Nil	Nil	Nil

**ii) Top 20 large deposits: Nil**

**iii) Top 10 borrowings: Nil**

**iv) Funding concentration based on significant instrument/product**

Sr no	Name of instrument	Amount	% of Total Liabilities
	Nil	Nil	Nil

**v) Stock ratios:**

Sr no	Name of 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	Nil	Nil	Nil

**vi) Institutional set-up for liquidity risk management**

The Company has not made any borrowings and given any loans as of March 31, 2020. Liquidity risk management is under supervision of the Board of Directors.



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

**Note 22:** Frauds reported during the period - Nil

**Note 23:** There are no contingent liabilities and no capital commitments as at March 31, 2020.

**Note 24:** This being the first Balance Sheet laid before the Company, there are no corresponding amounts for the immediately proceeding previous period.

As per our report of even date.

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



**Rutushtra Patell**  
Partner  
Membership No : 123596

Place: Mumbai  
Date: June 30, 2020



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



**Surya Prakash Rao Pendyala**  
Director  
DIN: 02888802

Place: Mumbai  
Date: June 30, 2020



**Rajiv Dhar**  
Director  
DIN: 00073997



**Virender Pankaj**  
Chief Executive Officer

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Aseem Infrastructure Finance Limited

Report on the Audit of the Consolidated Financial Statements

**Opinion**

We have audited the accompanying consolidated financial statements of Aseem Infrastructure Finance Limited (hereinafter referred to as "the Holding Company"), and its associate comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the period May 23, 2019 to March 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate as at March 31, 2020, their consolidated profit and their consolidated cash flows for the period May 23, 2019 to March 31, 2020.

**Basis for Opinion**

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

**Emphasis of Matter**

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

Our opinion is not modified in respect of this matter.

**Other Information**

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

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

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

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#### Responsibilities of Management for the Consolidated Financial Statements

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

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

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

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

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

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

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



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

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

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

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

**Other Matter**

The consolidated financial statements also include the Holding Company's share of net profit of Rs. 42,34,722 for the period March 30, 2020 to March 31, 2020. We did not audit the financial statements and other financial information, in respect of an associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

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

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

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Report on Other Legal and Regulatory Requirements (continued)

- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its associate company incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company, incorporated in India for the period May 23, 2019 to March 31, 2020; and
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the associate as noted in the 'Other matter' paragraph:
  - i. The Holding Company and its associate do not have any pending litigations which would impact its consolidated financial position;
  - ii. The Holding Company and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the period May 23, 2019 to March 31, 2020; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate incorporated in India during the period May 23, 2019 to March 31, 2020.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Rutushtra Patell

Partner

Membership Number: 123596

UDIN: 20123596AAAAJD3976

Place of Signature: Mumbai

Date: June 30, 2020

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

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

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

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

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

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

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

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

**Opinion**

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

**Other Matters**

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

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Rutushtra Patell

Partner

Membership Number: 123596

UDIN: 20123596AAAAJD3976

Place of Signature: Mumbai

Date: June 30, 2020

**Aseem Infrastructure Finance Limited**

**Consolidated Financial Statements**

**For the period ended March 31, 2020**

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


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

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

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As per our report of even date.

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

  
**Rutushtra Patell**  
Partner  
Membership No : 123596


Place: Mumbai  
Date: June 30, 2020



**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

Place: Mumbai  
Date: June 30, 2020

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

(Amount in Rs. unless otherwise stated)

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

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**Rutushtra Patell**

Partner

Membership No : 123596

Place: Mumbai

Date: June 30, 2020

**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



**Aseem Infrastructure Finance****Consolidated Cash Flow Statement for the period May 23, 2019 to March 31, 2020**

(Amount in Rs. unless otherwise stated)

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

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**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

Place: Mumbai

Date: June 30, 2020

Place: Mumbai

Date: June 30, 2020



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

**Note 1: Corporate Information**

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

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

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

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

**Note 2: Significant accounting policies**

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

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

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

**ii) Principles of consolidation**

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

a) The financial statements of associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2020 or upto the date on which it ceased to be an associate of the Company whichever is earlier.

b) The consolidated financial statements include the share of profit/ (loss) of associate company, which have been accounted for using the equity method as per AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements). The profit from March 30, 2020 till March 31, 2020 has been taken.

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

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

**iii) Use of estimates**

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

**iv) Investments**

**a. Non current investments:**

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

**b. Current investments**

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



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

**Note 2: Significant accounting policies (contd.)**

**v) Provisions, contingent liabilities and contingent assets**

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

**vi) Impairment of assets**

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

**vi) Taxation**

**Income taxes**

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

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

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

**vii) Operating cycle**

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

**viii) Earnings per share**

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

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



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

**Note 3: Share capital**

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

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

**Equity shares**

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

**b) Rights and preference of equity shareholders**

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

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

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



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

**Note 4: Reserves and surplus**

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

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

**Note 5: Provisions**

	<b>Long-term As at March 31, 2020</b>	<b>Short-term As at March 31, 2020</b>
<b>Provision for taxation</b>		
Provision for income tax (net of taxes paid Rs 45,51,819)	-	43,16,181
	<b>-</b>	<b>43,16,181</b>
<b>Note 6: Other current liabilities</b>		
Tax deducted at source payable	-	9,97,222
Amount due to related parties (refer note 15c)	-	3,82,54,696
Expenses payable	-	8,38,401
	<b>-</b>	<b>4,00,90,319</b>

**Note:**

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

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





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

**Note 7: Non-current investments**

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

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

**Note 8: Deferred tax asset**

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

**Note 9: Cash and bank balances**

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

**Note 10: Other current assets**

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



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

**Note 11: Other income**

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

**Note 12: Finance cost**

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

**Note 13: Other expenses**

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

**a. Payment to auditor**

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

**Note 14: Earnings per Share (EPS)\***

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

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





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

**Note 15: Related party disclosure**

**a. Name of related parties and related party relationship**

**i) Parties where control exists**

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

**ii) Key management personnel**

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

**iii) Associate company**

NIIF Infrastructure Finance Limited

**b. Transactions with related parties during the period**

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

**c. Closing balance of the transactions with related parties**

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

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



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

**Note 16: Earning and expenditure in foreign currency**

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

**Note 17: Segment information**

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

**Note 18: Subsequent events after balance sheet date**

**a. Increase in authorised share capital**

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

**b. Issue of share capital**

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

**Note 19: Impact of COVID-19**

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

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

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

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

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

As per our report of even date.

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**Rutushtra Patell**

Partner

Membership No : 123596

Place: Mumbai

Date: June 30, 2020



**For and on behalf of the Board of Directors of**

**Aseem Infrastructure Finance Limited**

**Surya Prakash Rao Pendyala**

Director

DIN: 02888802

Place: Mumbai

Date: June 30, 2020

**Rajiv Dhar**

Director

DIN: 00073997

**Virender Pankaj**

Chief Executive Officer

**Aseem Infrastructure Finance Limited**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2022**

## INDEPENDENT AUDITORS' REPORT

To the members of Aseem Infrastructure Finance Limited

Report on the audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of Aseem Infrastructure Finance Limited (hereinafter referred to as "the company"), which includes the company's share of profit from its Associate which comprise the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate Financial Statements of the Associate, referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the company and its Associate as at March 31, 2022, its consolidated profit, consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the audit of the Consolidated Financial Statements' section of our report. We are independent of the company and its Associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.



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## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key Audit Matters	How our audit addressed the Key Audit Matter
<p><b>Impairment of financial instruments (expected credit losses) (as described in Note 3(h) of the Financial Statements)</b></p> <p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit losses (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p> <p>In the process, a significant degree of judgement has been applied by the management for defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'.</p>	<ul style="list-style-type: none"> <li>• Our audit procedures included considering the Company's accounting policies for impairment of loan receivables and assessing compliance with the policies in terms of Ind AS 109.</li> <li>• Tested the assumptions used by the Company for staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates.</li> <li>• Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.</li> <li>• Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> </ul> <p>Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.</p>

## Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information at the date of this Auditors' Report comprises the information included in the Board of Directors' Report, but does not include the Consolidated Financial Statements and our Auditors' Report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the Financial Statements of the Associate audited by the other auditors, to the extent it relates to those entities and, in doing so, place reliance on the work of the other auditors and consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the Associate is traced from their Financial Statements audited by the other auditors.





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

### **Responsibilities of Management for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the company including its Associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the company and its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and of its Associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the company, as aforesaid.

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

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

### **Auditors' Responsibilities for the audit of the Consolidated Financial Statements**

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

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

We also:

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company and its Associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company and its Associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of the company of which we are the independent auditors. For the Financial Statements of Associate included in the Consolidated Financial Statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial





year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the Financial Statements and other financial information of NIIF Infrastructure Finance Limited – Associate which reflect Company's share of net profit of Rs. 71.90 crores for the year ended March 31, 2022. These Financial Statements and other financial information have been audited by other auditors, which Financial Statements, other financial information and Auditors' Reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this Associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associate, is based solely on the reports of such other auditor.

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

#### **Report on other Legal and Regulatory requirements**

1. As required by Clause 3(xxi) of the Companies (Auditor's Report) Order, 2020, we have considered the Auditors' Reports of the company included in the consolidated financial statements. We have observed that there are no qualifications or adverse remarks by the auditor in its report under the Companies (Auditor's Report) Order, 2020.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on the separate financial information of the Associate referred to in the Other Matters section above we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.



- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of its Associate Company incorporated in India, none of the directors of the Company and its Associate Company incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate report in Annexure A which is based on the auditors' reports of the company and Associate and to the extent applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial statements of those companies.
- (g) The company has not paid or provided for managerial remuneration for the year ended March 31, 2022 under section 197 of the Act. Hence, provision of section 197 does not apply to the company.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate Financial Statements as also the other financial information of the Associate, as noted in the 'Other Matter' paragraph:
- (i) The company and its Associate does not have any pending litigations which would impact its financial position;
  - (ii) The company and its Associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its Associate during the year ended March 31, 2022.
  - (iv) (a) The managements of the company and its associate which is a company incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such associate respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management of the company has represented to us that, other than as disclosed in the notes to the account and the management of the associate which is a company incorporated in India whose financial statements have been audited under the Act, has represented to the other auditors of such associate that, to the best of their knowledge and belief, no funds have been received by the Company or any of such associate from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or



otherwise, that the company or its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the associate which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- (v) The Company and its associate have not declared and paid any dividend on equity shares during the year.

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



**Padmini Khare Kaicker**  
Partner  
Membership No. 044784  
UDIN: 22044784AIVFBA4777  
Place: Mumbai  
Date: May 11, 2022

**Annexure A to the Independent Auditors' Report**

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

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

In conjunction with our audit of the consolidated financial statements of Aseem Infrastructure Finance Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Aseem Infrastructure Finance Limited (hereinafter referred to as the "Company") and its associate company which is a company incorporated in India as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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



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

#### **Meaning of Internal Financial Controls with reference to financial statements**

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

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

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

#### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Company and its associate company, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

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



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

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



**Padmini Khare Kaicker**

Partner

Membership No. 044784

UDIN: 22044784AIVFBA4777

Place: Mumbai

Date: May 11, 2022





**Aseem Infrastructure Finance Limited**  
**Consolidated Balance Sheet as at March 31, 2022**  
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>I. ASSETS</b>			
<b>1 Financial assets</b>			
(a) Cash and cash equivalents	4	64,173.52	56,308.56
(b) Loans	5	694,283.39	158,039.17
(c) Investments	6	97,660.19	59,281.74
(d) Other financial assets	7	136.31	293.69
<b>Total financial assets (A)</b>		<b>856,253.41</b>	<b>273,923.16</b>
<b>2 Non-financial assets</b>			
(a) Current tax assets (net)	8	162.46	-
(b) Property, plant and equipment	9A	28.25	13.75
(c) Intangible assets	9B	139.84	-
(d) Intangible assets under development	9C	-	73.17
(e) Other non-financial assets	10	147.84	37.71
<b>Total non-financial assets (B)</b>		<b>478.39</b>	<b>124.63</b>
<b>Total Assets (A+B)</b>		<b>856,731.80</b>	<b>274,047.79</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1 Financial liabilities</b>			
(a) Payables			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		5.40	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	11	36.35	31.91
(b) Debt Securities	12	107,529.69	-
(c) Borrowings (other than debt securities)	13	472,748.40	44,182.49
(d) Other financial liabilities	14	1,098.28	686.72
<b>Total financial liabilities (A)</b>		<b>581,418.12</b>	<b>44,901.12</b>
<b>2 Non-financial liabilities</b>			
(a) Current tax liabilities (net)	15	-	49.01
(b) Provisions	16	284.02	93.74
(c) Deferred tax liabilities (net)	17	1,094.87	547.22
(d) Other non-financial liabilities	18	114.70	140.98
<b>Total non-financial liabilities (B)</b>		<b>1,493.59</b>	<b>830.95</b>
<b>3 Equity</b>			
(a) Equity share capital	19A	238,058.63	140,563.79
(b) Instruments entirely equity in nature	19B	-	81,057.87
(c) Other equity	19C	35,761.46	6,694.06
<b>Total equity (C)</b>		<b>273,820.09</b>	<b>228,315.72</b>
<b>Total Liabilities and Equity (A+B+C)</b>		<b>856,731.80</b>	<b>274,047.79</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

per Padmini Khare Kaicker  
Partner  
Membership No : 044784

Place: Mumbai  
Date: May 11, 2022

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

Surya Prakash Rao Pendyala  
Director  
DIN: 02888802

Virender Pankaj  
Chief Executive Officer

Rajiv Dhar  
Director  
DIN: 00073997

Nilesh Sampat  
Chief Financial Officer

Karishma Pranav Jhaveri  
Company Secretary



**Aseem Infrastructure Finance Limited**
**Consolidated Statement of Profit and Loss for the year ending March 31, 2022**

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

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Revenue from operations</b>			
Interest income	20	31,124.30	4,701.11
Fees and commission income	21	217.45	37.72
Net gains/(losses) on derecognition of financial assets measured at amortised cost		52.65	-
<b>Total Income (A)</b>		<b>31,394.40</b>	<b>4,738.83</b>
<b>Expenses</b>			
Finance costs	22	14,275.62	185.73
Impairment on financial instruments	23	4,239.51	854.97
Employee benefits expenses	24	1,090.24	599.25
Depreciation and Amortisation Expense	25	20.15	2.76
Other expenses	26	959.10	447.43
<b>Total expenses (B)</b>		<b>20,584.62</b>	<b>2,090.14</b>
<b>Profit before tax (C = A - B)</b>		<b>10,809.78</b>	<b>2,648.69</b>
<b>Share of net profit of associates accounted using equity method</b>		7,190.27	4,049.51
<b>Tax expense</b>			
Current tax		3,547.49	983.10
Deferred tax credit		548.57	604.74
<b>Total tax expenses (D)</b>		<b>4,096.06</b>	<b>1,587.84</b>
<b>Net profit after tax (E = C - D)</b>		<b>13,903.99</b>	<b>5,110.36</b>
<b>Other Comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
- Share of OCI of associate accounted using Equity method		(4.68)	10.73
- Actuarial loss on remeasurements of the net defined benefit plans		1.07	(1.71)
Income tax relating to items that will not be reclassified to profit or loss		0.91	(2.27)
<b>Total Other comprehensive income/(loss) (F)</b>		<b>(2.70)</b>	<b>6.75</b>
<b>Total comprehensive income (G = E + F)</b>		<b>13,901.29</b>	<b>5,117.11</b>
<b>Earnings per equity share:</b>	27		
Basic earnings per share (in ₹)		0.64	0.41
Diluted earnings per share (in ₹)		0.64	0.41

**The accompanying notes form an integral part of the financial statements**

As per our report of even date.

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

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

Place: Mumbai  
Date: May 11, 2022

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

  
**Surya Prakash Rao Pendyala**  
Director  
DIN: 02888802

  
**Virender Pankaj**  
Chief Executive Officer

  
**Rajiv Dhar**  
Director  
DIN: 00073997

  
**Nilesh Sampat**  
Chief Financial Officer

  
**Karishma Pranav Jhaveri**  
Company Secretary

**Aseem Infrastructure Finance Limited**  
**Consolidated Statement of Changes in Equity for the year ending March 31, 2022**  
 (All amounts are in INR Lakhs, unless otherwise stated)

A) Equity Share Capital		Number of shares	Amount
Particulars			
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
Changes during the year		238,058,625	23,805.87
As at March 31, 2022		1,643,696,564	164,369.66


B) Compulsorily Convertible Preference Share Capital ("CCPS")		Number of shares	Amount
Particulars			
As at March 31, 2020		736,889,692	81,057.87
Changes during the year		736,889,692	81,057.87
As at March 31, 2021		(736,889,692)	(81,057.87)
Changes during the year		-	-
As at March 31, 2022		-	-

C) Other equity		Reserves and Surplus			Total
Particulars	Statutory reserve u/s 45-IC of RBI Act, 1934	Securities premium	Impairment reserve	Retained earnings	
As at April 1, 2020	5.19	-	-	29.96	35.15
Net profit after tax for the year	-	-	-	5,110.36	5,110.36
Other comprehensive income for the year	-	-	-	6.75	6.75
Addition during the year	-	1,706.32	-	-	1,706.32
Less: Share issue expenses	-	(0.70)	-	-	(0.70)
Less: Share of share issue expenses of associate	-	-	-	(156.50)	(156.50)
Less: Deferred tax on share of share issue expenses of associate	-	-	-	(9.79)	(9.79)
Add/(Less): Transferred to Statutory reserve	416.01	-	-	2.47	2.47
(Less)/Add: Transferred to Impairment reserve	-	-	54.42	(416.01)	-
Closing balance as at March 31, 2021	421.20	1,705.62	54.42	4,512.82	6,694.06
As at April 1, 2021	421.20	1,705.62	54.42	4,512.82	6,694.06
Net profit after tax for the year	-	-	-	13,903.99	13,903.99
Other comprehensive income for the year	-	-	-	(2.70)	(2.70)
Addition during the year	-	15,272.44	-	-	15,272.44
Less: Share issue expenses	-	(105.51)	-	-	(105.51)
Less: Dividend on CCPS	-	-	-	(0.82)	(0.82)
Add/(Less): Transferred to Statutory reserve	1,704.63	-	-	(1,704.63)	-
(Less)/Add: Transferred to Impairment reserve	-	-	54.42	-	-
Closing balance as at March 31, 2022	2,125.83	16,872.55	54.42	16,708.66	35,761.46

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For B.K.Khare & Co  
 Chartered Accountants  
 AI Firm Registration No. 105102W  
  
 per Padmini Khare Kalcker  
 Partner  
 Membership No. : D44784

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

  
 Karishma Pranav Jhaveri  
 Company Secretary

  
 Nitesh Sampat  
 Chief Executive Officer  
 Chief Financial Officer

Place: Mumbai  
 Date: May 11, 2022

## Aseem Infrastructure Finance Limited

### Consolidated Statement of Cash Flows for the year ending March 31, 2022

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	10,809.78	2,648.69
Adjustment for:		
Depreciation and amortisation expense	20.15	2.76
Interest income on financial assets - EIR adjustment	(423.34)	(75.91)
Interest expense on financial liabilities - EIR adjustment	144.54	0.40
Gain on derecognition of financial assets	(52.65)	-
Financial guarantee obligation	(81.74)	(14.35)
Impairment on financial instruments	4,239.52	854.97
<b>Operating profit before working capital changes</b>	<b>14,656.26</b>	<b>3,416.56</b>
<b>Changes in working capital:</b>		
Increase in provisions	68.26	115.59
Increase in trade payables	9.84	31.91
Decrease / (Increase) in other financial assets	158.73	(295.04)
Increase in other financial liabilities	483.90	200.31
(Decrease) / Increase in other non financial liabilities	(26.28)	131.01
(Increase) in non-financial assets	(110.13)	(37.71)
(Increase) in loans	(539,886.01)	(158,756.37)
(Decrease) / Increase in interest accrual on borrowings	(133.45)	136.13
Increase in interest accrual on debt securities	3,171.90	-
<b>Cash (used in) in operations</b>	<b>(521,606.98)</b>	<b>(155,057.61)</b>
(Payment) of tax (net)	(3,758.96)	(1,000.81)
<b>Net Cash (used in) in operations (A)</b>	<b>(525,365.94)</b>	<b>(156,058.42)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(22.26)	(16.51)
Proceeds from sale of property, plant and equipment	0.28	-
Purchase of intangible assets	(69.94)	-
Purchase of intangible assets under development	-	(46.17)
Purchase of investments	(31,192.87)	(28,627.98)
<b>Net cash used in investing activities (B)</b>	<b>(31,284.79)</b>	<b>(28,690.66)</b>
<b>C. Cash flows from financing activities</b>		
Share issue expenses	(67.51)	(134.89)
Proceeds from issuance of Equity Share Capital, net of Share issue expenses	31,671.41	84,127.98
Proceeds from issuance of Compulsorily Convertible Preference Share Capital	-	81,500.00
Payment of dividend on CCPS	(0.82)	-
Proceeds from borrowings, net of cost	431,054.82	44,045.96
Repayment of borrowings	(2,500.00)	-
Proceeds from issue of Debt Securities	104,357.79	-
<b>Net cash generated in financing activities (C)</b>	<b>564,515.69</b>	<b>209,539.05</b>
<b>Net Increase in cash and cash equivalents (D) = (A + B + C)</b>	<b>7,864.96</b>	<b>24,789.97</b>
Cash and cash equivalents at the beginning of the year (E)	56,308.56	31,518.59
<b>Cash and cash equivalents at the end of the year (F) = (D) + (E)</b>	<b>64,173.52</b>	<b>56,308.56</b>
<b>Cash and cash equivalents include the following</b>		
Balances with banks in current account	8,565.22	703.40
Fixed deposits with maturity less than 3 months	55,608.30	55,605.16
<b>Total cash and cash equivalents</b>	<b>64,173.52</b>	<b>56,308.56</b>

**Aseem Infrastructure Finance Limited****Consolidated Statement of Cash Flows for the year ending March 31, 2022**

Change in liabilities arising from financing activities	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Borrowings (other than debt securities)</b>		
Opening balance	44,182.49	-
Borrowings taken during the year	431,898.66	44,100.00
Finance cost	11,057.31	162.14
Repayments of borrowings during the year	(2,500.00)	-
Payment of interest during the year	(11,054.64)	(26.01)
EIR adjustments	(835.42)	(53.64)
<b>Closing balance</b>	<b>472,748.40</b>	<b>44,182.49</b>
<b>Debt Securities (Secured, Non-convertible)</b>		
Opening balance	-	-
Issued during the year	105,000.00	-
Finance cost	3,207.35	-
Repayments of borrowings during the year	-	-
Payment of interest during the year	-	-
EIR adjustments	(677.66)	-
<b>Closing balance</b>	<b>107,529.69</b>	-

**Notes:**

(i) Figures in brackets represent cash outflow.

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

**The accompanying notes form an integral part of the financial statements**

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

As per our report of even date.

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

Chartered Accountants

ICAI Firm Registration No. 105102W



per Padmini Khare Kaicker

Partner

Membership No : 044784

**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: May 11, 2022

# Aseem Infrastructure Finance Limited

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

### 1. Corporate Information

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

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

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

The financial statements for the year ended March 31, 2022 were authorised for issue in accordance with a resolution of the directors on May 11, 2022.

### 2. Basis of Preparation

#### (i) Compliance with Ind AS

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

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

The Company was incorporated on May 23, 2019 and prepared and presented its consolidated financial statements for the period ended March 31, 2020 in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 ('erstwhile Indian GAAP'). With effect from April 01, 2020, (i.e. for the previous financial year 2020-21) the Company had adopted accounting standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'). Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

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

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

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

#### (ii) Historical cost convention

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

# **Aseem Infrastructure Finance Limited**

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

### **2. Basis of Preparation (continued)**

#### **(iii) Order of Liquidity**

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

### **3. Significant accounting policies**

#### **a. Functional and Presentation Currency**

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

#### **b. Investments in Associates**

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

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

#### **c. Revenue recognition**

##### **Effective Interest Rate ("EIR")**

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

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

# **Aseem Infrastructure Finance Limited**

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

### **3. Significant accounting policies (continued)**

#### **c. Revenue recognition (continued)**

##### **Effective Interest Rate ("EIR") (continued)**

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

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

#### **d. Income tax**

##### **(i) Current tax**

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

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

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

##### **(ii) Deferred tax**

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising 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.



# **Aseem Infrastructure Finance Limited**

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

## **3. Significant accounting policies (continued)**

### **d. Income tax (continued)**

#### **(ii) Deferred tax (continued)**

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

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

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

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

### **e. Leases**

#### **Company as a lessee**

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

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

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

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

# **Aseem Infrastructure Finance Limited**

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

## **3. Significant accounting policies (continued)**

### **f. Cash and cash equivalents**

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

### **g. Cash Flow Statement**

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

### **h. Financial instruments**

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

#### **Financial Assets**

##### **(i) Initial recognition and measurement**

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

##### **(ii) Classification**

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

# Aseem Infrastructure Finance Limited

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

### 3. Significant accounting policies (continued)

#### h. Financial instruments (continued)

##### (ii) Classification (continued)

##### 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.

# Aseem Infrastructure Finance Limited

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

## 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.

# Aseem Infrastructure Finance Limited

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

### 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.

# Aseem Infrastructure Finance Limited

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

## 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.

# Aseem Infrastructure Finance Limited

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

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

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

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

##### j. Property plant and equipment (PPE)

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

##### Depreciation:

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

Assets	Useful life
Computer equipment	3 years
Office equipment	3 years
Server/networking equipment	6 years
Intangible assets including software	6 years



# Aseem Infrastructure Finance Limited

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

## 3. Significant accounting policies (continued)

### j. Property plant and equipment (PPE) (continued)

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

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

#### Derecognition:

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

### k. Intangible assets under development

Expenditure incurred which is eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use. Intangible assets under development primarily comprise of software under development.

### l. Impairment of non-financial assets

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

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

# Aseem Infrastructure Finance Limited

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

### 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 consolidated financial statements. They are disclosed in the notes if an inflow of economic benefits is probable.

#### o. Finance costs

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

#### p. Employee Benefits

##### Compensated absences

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

##### Post-employment obligations:

The Company operates the following post-employment schemes:

##### (i) Defined contribution plans:

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

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.

# **Aseem Infrastructure Finance Limited**

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

### **3. Significant accounting policies (continued)**

#### **(ii) Defined benefit plans:**

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

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

#### **q. Earnings per share**

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

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

#### **r. Events after the reporting period**

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

#### **s. Segmental Reporting**

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

#### **t. Foreign Currency transactions**

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

# **Aseem Infrastructure Finance Limited**

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

### **3. Significant accounting policies (continued)**

#### **u. Significant accounting estimates, judgements and assumptions**

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

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

##### **(i) Property, plant and equipment:**

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

##### **(ii) Income tax:**

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

##### **(iii) Provision and contingencies:**

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

##### **(iv) Defined benefit obligations:**

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

# Aseem Infrastructure Finance Limited

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

### 3. Significant accounting policies (continued)

#### (v) Allowance for impairment of financial asset:

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

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

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

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

#### (vi) Business model assessment:

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

#### (vii) Effective Interest Rate (EIR) method:

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

# Aseem Infrastructure Finance Limited

## Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

### Note 4 : Cash and cash equivalents

#### Balances with banks:

- in current accounts
- Fixed deposits with original maturity less than 3 months

#### Total

As at March 31, 2022	As at March 31, 2021
8,565.22	703.40
55,608.30	55,605.16
<b>64,173.52</b>	<b>56,308.56</b>

### Note 5 : Loans

#### Measured at amortised cost

- Term Loans
- Non Convertible Debentures
- Total Gross**
- Less: Impairment loss allowance
- Total Net**

As at March 31, 2022	As at March 31, 2021
427,039.78	130,225.97
272,154.50	28,606.31
<b>699,194.28</b>	<b>158,832.28</b>
(4,910.89)	(793.11)
<b>694,283.39</b>	<b>158,039.17</b>

- Secured
- Unsecured
- Total Gross**
- Less: Impairment loss allowance
- Total Net**

699,194.28	158,832.28
-	-
<b>699,194.28</b>	<b>158,832.28</b>
(4,910.89)	(793.11)
<b>694,283.39</b>	<b>158,039.17</b>

#### Loans in India

- Public sector
- Others
- Total Gross**
- Less: Impairment loss allowance
- Total Net**

-	-
699,194.28	158,832.28
<b>699,194.28</b>	<b>158,832.28</b>
(4,910.89)	(793.11)
<b>694,283.39</b>	<b>158,039.17</b>

#### Total

<b>694,283.39</b>	<b>158,039.17</b>
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### Note 6 : Investments

#### Investment in equity shares of associate company (Unquoted)

- NIIF Infrastructure Finance Limited
- Share of profit of associate
- Share of Other comprehensive Income of associate
- Share of share issue expenses of associate
- Total (A)**

As at		As at	
Number	Amount	Number	Amount
423,932,487	90,474.60	309,379,182	55,231.29
	7,190.27		4,049.51
	(4.68)		10.73
	-		(9.79)
<b>423,932,487</b>	<b>97,660.19</b>	<b>309,379,182</b>	<b>59,281.74</b>

- Investments in India (i)
- Investments outside India (ii)
- Total (B) (i+ii)**

423,932,487	97,660.19	309,379,182	59,281.74
-	-	-	-
<b>423,932,487</b>	<b>97,660.19</b>	<b>309,379,182</b>	<b>59,281.74</b>

#### Total

<b>423,932,487</b>	<b>97,660.19</b>	<b>309,379,182</b>	<b>59,281.74</b>
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### Note 7 : Other financial assets

#### Measured at amortised cost

- Guarantee commission receivable
- Processing fees receivable
- Less: Impairment loss allowance
- Security Deposits
- Receivable from employees
- Total**

As at March 31, 2022	As at March 31, 2021
126.96	133.48
-	161.56
-	(1.35)
9.00	-
0.35	-
<b>136.31</b>	<b>293.69</b>

### Note 8 : Current tax assets (net)

- Advance income tax (net of provision for income tax of ₹ 4,607.16 lakhs for March 31, 2022)
- Total**

As at March 31, 2022	As at March 31, 2021
162.46	-
<b>162.46</b>	<b>-</b>

# Aseem Infrastructure Finance Limited

## Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

### Note 9A : Property, plant and equipment

Particulars	Computer equipment	Office equipment	Server/networking equipment	Total
<b>Gross block</b>				
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
Additions/Adjustments	16.30	5.96	-	22.26
Disposals/Adjustments	-	0.40	-	-
Balance as at March 31, 2022	25.54	7.56	5.27	38.37

### 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
Depreciation charge	5.31	1.29	0.88	7.48
Disposals/Adjustments	-	0.12	-	0.12
Balance as at March 31, 2022	7.32	1.36	1.44	10.12

### Net block

Balance as at March 31, 2021	7.23	1.81	4.71	13.75
Balance as at March 31, 2022	18.22	6.20	3.83	28.25

### Note 9B : Intangible assets

Particulars	Software	Total
<b>Gross block</b>		
Balance as at March 31, 2021	-	-
Additions/Adjustments	152.51	152.51
Disposals/Adjustments	-	-
Balance as at March 31, 2022	152.51	152.51

### Accumulated depreciation

Balance as at March 31, 2021	-	-
Depreciation charge	12.67	12.67
Disposals/Adjustments	-	-
Balance as at March 31, 2022	12.67	12.67

### Net block

Balance as at March 31, 2021	-	-
Balance as at March 31, 2022	139.84	139.84



**Aseem Infrastructure Finance Limited****Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022**

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

**Note 9C : Intangible assets under development**

Particulars	Intangible assets under development
<b>Balance as at March 31, 2020</b>	-
Additions/Adjustments	73.17
Disposals/Adjustments	-
<b>Balance as at March 31, 2021</b>	<b>73.17</b>
Additions/Adjustments	(73.17)
Disposals/Adjustments	-
<b>Balance as at March 31, 2022</b>	<b>-</b>
<b>Accumulated depreciation</b>	
<b>Balance as at March 31, 2020</b>	-
Depreciation charge	-
Disposals/Adjustments	-
<b>Balance as at March 31, 2021</b>	-
Depreciation charge	-
Disposals/Adjustments	-
<b>Balance as at March 31, 2022</b>	<b>-</b>
<b>Net block</b>	
<b>Balance as at March 31, 2021</b>	<b>73.17</b>
<b>Balance as at March 31, 2022</b>	<b>-</b>

**Intangible assets under development ageing****As at 31 March 2022**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**As at 31 March 2021**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	73.17	-	-	-	73.17
Projects temporarily suspended	-	-	-	-	-

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### Note 10 : Other non-financial assets

	As at March 31, 2022	As at March 31, 2021
Advance to vendors	15.29	2.35
Prepaid expenses	132.55	35.36
<b>Total</b>	<b>147.84</b>	<b>37.71</b>

#### Note 11 : Trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	5.40	-
Total outstanding dues of creditors other than micro, small and medium enterprises	36.35	31.91
<b>Total</b>	<b>41.75</b>	<b>31.91</b>

#### Trade payable ageing schedule

As at 31 March 2022

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

As at 31 March 2021

Particulars	Not Due	Less than a year	1-2 years	2-3 years	More than 3 years	Total
i. Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	-	31.91	-	-	-	31.91
iii. Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
iv. Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### Note 12 : Debt Securities

	As at March 31, 2022	As at March 31, 2021
<b>At Amortised cost</b>		
Debentures (Secured, non convertible)	104,357.79	-
Interest accrued but not due on debentures	3,171.90	-
	<b>107,529.69</b>	<b>-</b>
Debt securities in India	107,529.69	-
Debt securities outside India	-	-
	<b>107,529.69</b>	<b>-</b>
Face value per debenture (₹ in INR)	1,000,000	-

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

ii) Terms of repayment and rate of interest:

As At March 31, 2022	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured, Non convertible debentures	5.6%-7.7%	88,171.90	19,485.83	-	107,657.73
<b>Total</b>					<b>107,657.73</b>
As At March 31, 2021	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured, Non convertible debentures	-	-	-	-	-
<b>Total</b>					<b>-</b>

#### Note 13 : Borrowings (other than debt securities)

	As at March 31, 2022	As at March 31, 2021
<b>At Amortised Cost</b>		
<b>Borrowings - In India</b>		
<b>Secured</b>		
Term loan from bank	242,752.31	44,182.49
Term loan from financial institutions	224,997.11	-
Cash credit facility	4,998.98	-
<b>Total</b>	<b>472,748.40</b>	<b>44,182.49</b>

#### Details of borrowings:

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

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

iii) Terms of repayment and rate of interest:

As At March 31, 2022	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Term loan from Banks	Floating*	146,683.23	74,944.44	21,124.63	242,752.31
Term loan from financial institutions	Floating*	50,000.00	150,000.00	24,997.11	224,997.11
Cash credit facility	Floating*	4,998.98	-	-	4,998.98
<b>Total</b>					<b>472,748.40</b>
As At March 31, 2021	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Term loan from Banks	Floating*	17,640.00	17,640.00	8,766.36	44,046.36
<b>Total</b>					<b>44,046.36</b>

\* Linked with MCLR/Base Rate of Respective Banks

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### Note 14 : Other financial liabilities

##### Measured at amortised cost

	As at March 31, 2022	As at March 31, 2021
Payable to related parties	20.61	121.19
Staff incentives payable	229.62	132.02
Financial guarantee obligation	297.86	191.56
Processing fees received pending disbursement	421.95	133.48
Capital expenses payable	9.40	27.00
Share issue expenses payable	38.00	22.31
Other expenses payable	80.84	59.16
<b>Total</b>	<b>1,098.28</b>	<b>686.72</b>

#### Note 15 : Current tax liabilities (net)

	As at March 31, 2022	As at March 31, 2021
Provision for income taxes (Net of taxes paid of ₹ 1,046.33 lakhs for March 31, 2021)	-	49.01
<b>Total</b>	<b>-</b>	<b>49.01</b>

#### Note 16 : Provisions

##### Provisions for employee benefits

	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	27.02	11.84
Provision for leave benefits	73.41	21.40
Provision for Impairment loss on non-fund based facility	183.59	60.50
<b>Total</b>	<b>284.02</b>	<b>93.74</b>

#### Note 17 : Deferred tax liabilities (net)

##### Temporary difference attributable to:

##### Deferred tax assets

	As at March 31, 2022	As at March 31, 2021
Preliminary expenses	30.20	45.30
Provision for gratuity payable	6.80	2.98
Provision for leave encashment payable	18.48	5.39
Financial assets measured at amortised cost	400.80	206.71
Impairment allowance on financial assets	1,282.18	215.18
Expenses disallowed for Income tax	-	0.38
	<b>1,738.46</b>	<b>475.94</b>

##### Deferred tax liabilities

	As at March 31, 2022	As at March 31, 2021
Depreciation on property, plant and equipment	(2.36)	(0.65)
Undistributed profit of associate	(2,830.97)	(1,022.51)
	<b>(2,833.33)</b>	<b>(1,023.16)</b>

#### Total Deferred tax liabilities (net)

	<b>(1,094.87)</b>	<b>(547.22)</b>
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#### Note 18 : Other non-financial liabilities

	As at March 31, 2022	As at March 31, 2021
Statutory dues	114.70	140.98
<b>Total</b>	<b>114.70</b>	<b>140.98</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### Note 19A : Equity share capital

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised capital</b>				
Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	4,500,000,000	450,000.00	2,200,000,000	220,000.00
	<b>4,500,000,000</b>	<b>450,000.00</b>	<b>2,200,000,000</b>	<b>220,000.00</b>
<b>Issued, subscribed and paid up*</b>				
<b>(I) Equity Shares</b>				
Equity Shares of ₹ 10 each fully paid (Previous year ₹ 10 each)	2,380,586,256	238,058.63	1,405,637,939	140,563.79
	<b>2,380,586,256</b>	<b>238,058.63</b>	<b>1,405,637,939</b>	<b>140,563.79</b>

#### 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 19B : Compulsorily Convertible Preference Share Capital ('CCPS')

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised capital</b>				
0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each	818,181,819	90,000.00	818,181,819	90,000.00
	<b>818,181,819</b>	<b>90,000.00</b>	<b>818,181,819</b>	<b>90,000.00</b>
<b>Issued, subscribed and paid up*</b>				
0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each	-	-	736,889,692	81,057.87
	<b>-</b>	<b>-</b>	<b>736,889,692</b>	<b>81,057.87</b>

#### Rights, preferences and restrictions attached to Preference Shares

During the year, upon induction of a new investor, the CCPS have been converted into equity shares in the ratio of 1 equity share for each CCPS. The CCPS carried a pre-determined cumulative dividend rate of 0.001% per annum, which is provided for during the year on conversion. Each CCPS was issued at a face value of ₹ 11 per CCPS and a premium of ₹ 0.06 per CCPS, and was to be converted into 1 equity share of FV ₹ 10 each and premium ₹ 1.06 upon induction of a new investor or expiry of 3 years from the date of issuance of the CCPS, whichever is earlier. The CCPS did not carry any voting rights and had liquidation preference over the Equity Shares, in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016. This CCPS infusion from Government of India was the first tranche subscribed against its commitment to make direct investment in the Company as announced in the Union Budget for FY 2020-21 and Atmanirbhar Bharat Scheme 3.0.

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	1,405,637,939	140,563.79	577,000,000	57,700.00
Add: Issued during the year	238,058,625	23,805.87	828,637,939	82,863.79
Add: CCPS converted into Equity shares during the year	736,889,692	73,688.97	-	-
<b>Outstanding at the end of the year</b>	<b>2,380,586,256</b>	<b>238,058.63</b>	<b>1,405,637,939</b>	<b>140,563.79</b>
<b>Total issued, subscribed and fully paid up Equity Shares</b>	<b>2,380,586,256</b>	<b>238,058.63</b>	<b>1,405,637,939</b>	<b>140,563.79</b>
<b>0.001 % Compulsorily Convertible Preference Shares</b>				
At the beginning of the year	736,889,692	81,057.87	-	-
Add: Issued during the year	-	-	736,889,692	81,057.87
Less: Conversion into Equity share during the year	(736,889,692)	(81,057.87)	-	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>736,889,692</b>	<b>81,057.87</b>
<b>Total issued, subscribed and fully paid up 0.001 % Compulsorily Convertible Preference Shares</b>	<b>-</b>	<b>-</b>	<b>736,889,692</b>	<b>81,057.87</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

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

##### Name of shareholder

##### Equity shares of ₹ 10 each

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	% of shares	Number of Shares	% of shares
National Investment and Infrastructure Fund-II	1,405,637,939	59%	1,405,637,939	100%
Government of India	736,889,692	31%	-	0%
Sumitomo Mitsui Banking Corporation	238,058,625	10%	-	0%
<b>Total</b>	<b>2,380,586,256</b>	<b>100%</b>	<b>1,405,637,939</b>	<b>100%</b>

##### 0.001 % Compulsorily Convertible Preference Shares of ₹ 11 each

President of India (Represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India)

-	0%	736,889,692	100%
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#### Shareholding of Promoters in the company

##### As at 31 March 2022

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

##### As at 31 March 2021

Name of promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
National Investment and Infrastructure Fund-II	577,000,000	828,637,939	1,405,637,939	100%	0%
<b>Total</b>	<b>577,000,000</b>	<b>828,637,939</b>	<b>1,405,637,939</b>	<b>100%</b>	<b>0%</b>

#### Note 19C : Other equity

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

(b) Securities premium

(c) Impairment reserve

(d) Retained earnings

**Total**

	As at March 31, 2022	As at March 31, 2021
(a) Statutory reserve u/s. 45-IC of RBI Act, 1934	2,125.83	421.20
(b) Securities premium	16,872.55	1,705.62
(c) Impairment reserve	54.42	54.42
(d) Retained earnings	16,708.66	4,512.82
<b>Total</b>	<b>35,761.46</b>	<b>6,694.06</b>

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

Opening balance

Addition during the year

**Closing balance**

	As at March 31, 2022	As at March 31, 2021
Opening balance	421.20	5.19
Addition during the year	1,704.63	416.01
<b>Closing balance</b>	<b>2,125.83</b>	<b>421.20</b>

(b) Securities premium

Opening balance

Addition during the year

Less: Share issue expenses

**Closing balance**

	As at March 31, 2022	As at March 31, 2021
Opening balance	1,705.62	-
Addition during the year	15,272.44	1,706.32
Less: Share issue expenses	(105.51)	(0.70)
<b>Closing balance</b>	<b>16,872.55</b>	<b>1,705.62</b>

(c) Impairment reserve

Opening balance

Addition during the year

**Closing balance**

	As at March 31, 2022	As at March 31, 2021
Opening balance	54.42	-
Addition during the year	-	54.42
<b>Closing balance</b>	<b>54.42</b>	<b>54.42</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### Note 19C : Other equity (continued)

##### (d) Retained earnings

	As at March 31, 2022	As at March 31, 2021
Opening balance	4,512.82	29.96
Transaction during the year :		
Net profit for the year	13,903.99	5,110.36
Other comprehensive income for the year	(2.70)	6.75
Less: Share issue expenses	-	(156.50)
Less: Transfer to Statutory reserve u/s. 45-IC of RBI Act, 1934	(1,704.63)	(416.01)
Less: Transfer to Impairment reserve	-	(54.42)
Less: Share of share issue expenses of associate	-	(9.79)
Less: Deferred tax on share of share issue expenses of associate	-	2.47
Less: Dividend on CCPS	(0.82)	
<b>Closing balance</b>	<b>16,708.66</b>	<b>4,512.82</b>

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

#### 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, 2022 and March 31, 2021 is higher than the provision required under IRACP norms and accordingly, no additional transfer to the Impairment Reserve has been made.

##### **Retained earnings**

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



## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### Note 20 : Interest income

	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial assets measured at amortised cost:		
Interest on loans	23,777.82	1,774.92
Interest on Non Convertible Debentures	6,460.91	1,280.43
Interest on bank deposits	794.50	1,643.66
Prepayment Fees Income	82.31	-
Other interest income*	8.76	2.10
<b>Total</b>	<b>31,124.30</b>	<b>4,701.11</b>

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

#### Note 21 : Fees and commission income

	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial assets measured at amortised cost:		
Commission fees	217.45	37.72
<b>Total</b>	<b>217.45</b>	<b>37.72</b>

#### Note 22 : Finance costs

	For the year ended March 31, 2022	For the year ended March 31, 2021
On Financial liabilities measured at amortised cost		
Bank charges	8.46	0.03
Interest on borrowings	11,057.31	162.14
Interest on Debt securities	3,207.35	-
Interest on corporate taxes	2.50	23.56
<b>Total</b>	<b>14,275.62</b>	<b>185.73</b>

#### Note 23 : Impairment on financial instruments

	For the year ended March 31, 2022	For the year ended March 31, 2021
On Financial instruments measured at amortised cost		
Term Loans	2,349.82	651.46
Non Convertible Debentures	1,766.60	143.01
Non Fund Based Facility	123.09	60.50
<b>Total</b>	<b>4,239.51</b>	<b>854.97</b>

#### Note 24 : Employee benefits expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	968.86	546.40
Gratuity and leave encashment	69.60	31.53
Contribution to provident and other funds	39.40	20.65
Staff welfare expenses	12.38	0.67
<b>Total</b>	<b>1,090.24</b>	<b>599.25</b>

#### Note 25 : Depreciation and Amortisation Expense

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	7.48	2.76
Depreciation on Intangible Assets	12.67	-
<b>Total</b>	<b>20.15</b>	<b>2.76</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### Note 26 : Other expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Branding expenses	-	5.45
Shared services cost expense	73.17	98.98
Legal and professional fees	287.73	115.14
Rating fees	144.48	38.78
Internal audit fees	13.53	5.00
Auditor's remuneration (Refer note 26 (a))	23.78	19.26
Facility support services fees	170.25	75.00
Corporate social responsibility expenditure	27.35	1.10
Director sitting fees	22.89	14.39
Recruitment expenses	35.63	46.96
Information technology expenses	122.95	13.36
Insurance expenses	12.03	8.41
Other expenses	25.31	5.60
<b>Total</b>	<b>959.10</b>	<b>447.43</b>

#### Note 26(a) : Break up of Auditors' remuneration

	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory audit	14.35	16.00
Tax audit	1.09	1.00
<b>In other capacity</b>		
Other services	8.34	2.00
Out-of-pocket expenses	-	0.26
<b>Total</b>	<b>23.78</b>	<b>19.26</b>

#### Note 27 : Earning per share (EPS)

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit after tax	13,901.29	5,117.11
Less: Share issue expenses	-	(156.50)
Less: Impairment reserve	-	(54.42)
<b>Net Profit after tax available for equity shareholders</b>	<b>13,901.29</b>	<b>4,906.19</b>
Weighted average number of shares including adjustment of Compulsorily Convertible Preference Shares (CCPS) dilution	21,582	12,052
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>21,582</b>	<b>12,052</b>

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share	0.64	0.41
Diluted earnings per share	0.64	0.41

The Basic earnings per share considers the effect of dilution on account of the Compulsorily Convertible Preference Shares as the conversion ratio is fixed. Refer note 19(C).

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### Note 28: Related party disclosures

Names of related parties identified in accordance with Ind AS -24 "Related Party Disclosures" (with whom there were transactions during the

#### 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. Chandrashekar

#### b. Key management personnel compensation:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short term employee benefits	401.27	254.22
Post-employment defined benefit #	15.38	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.

Particulars of Director sitting fees	For the year ended March 31, 2022	For the year ended March 31, 2021
Ms. Rosemary Sebastian - Independent Director	10.20	6.60
Mr. V. Chandrasekaran - Independent Director	10.80	6.60
<b>Total</b>	<b>21.00</b>	<b>13.20</b>

#### c. Transactions with related parties during the year

Nature of transaction	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Issue of equity shares</b>			
National Investment and Infrastructure Fund-II	Holding company	-	84,127.98
<b>Purchase of equity shares</b>			
NIIF Infrastructure Finance Limited	Associate company	35,243.31	28,640.28
<b>Expenses on Company's behalf by</b>			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	159.00	75.07
NIIF Infrastructure Finance Limited	Associate company	106.91	110.88
<b>Expenses charged by Company</b>			
NIIF Infrastructure Finance Limited	Associate company	2.50	-
<b>Downsell / Assignment of Loans</b>			
NIIF Infrastructure Finance Limited	Associate company	18,472.88	-

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

**Aseem Infrastructure Finance Limited****Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022**

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

**Note 28: Related party disclosures (continued)****d. Closing balance of the transactions with related parties**

Nature of transaction	Relationship	As at March 31, 2022	As at March 31, 2021
<b>Equity shares</b>			
National Investment and Infrastructure Fund-II	Holding company	140,563.79	140,563.79
<b>Investment in equity shares</b>			
NIIIF Infrastructure Finance Limited	Associate company	90,474.60	55,231.29
<b>Expenses on Company's behalf payable</b>			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	21.06	69.38
NIIIF Infrastructure Finance Limited	Associate company	-	51.81

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 29 Corporate social responsibility (CSR)

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

(a) Gross amount required to be spent by the Company during the year – ₹ 27.03 lakhs (previous year - ₹ 1.08 lakhs)

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

For the year ended March 31, 2022	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	27.35	-	-
For the year ended March 31, 2021	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1.10	-	-

The Company's CSR spend shall enable interactive mode of teaching subjects like Science, Technology, engineering and Mathematics, delivered by means of a purpose-built low cost technological platform to enhance learning and to achieve better educational outcomes in identified schools.

#### 30 Contingent liabilities and capital commitments

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

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets	-	69.25

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

Particulars	As at March 31, 2022	As at March 31, 2021
Letter of comfort issued	26,227.00	12,100.00

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

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

Particulars	March 31, 2022	March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	5.40	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Further interest remaining due and payable for earlier years	-	-

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 32 Tax expense recognised in P&L

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	3,547.49	983.10
Deferred tax	548.57	604.74
	<b>4,096.06</b>	<b>1,587.84</b>
<b>Tax expense/(benefits) recognised in other comprehensive income</b>		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	-	-
Deferred tax - remeasurement of defined benefit obligation	(0.91)	2.27
Deferred tax - share of share issue expenses of associate	-	(2.46)
	<b>(0.91)</b>	<b>(0.19)</b>

#### 32.1 Tax reconciliation (for profit and loss)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(loss) before income tax expense	18,000.05	6,698.20
Tax at the rate of	25.168%	25.168%
Income tax expense calculated	4,530.25	1,685.80
Tax impact of not deductible/allowable expenses/income for tax purpose	(4.95)	6.21
Tax impact of deduction allowed separately under Income Tax Act, 1961	(429.02)	(104.60)
Others	(1.14)	0.24
<b>Income tax expense</b>	<b>4,095.14</b>	<b>1,587.65</b>

#### 32.2 Deferred tax assets (net)

	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax on account of :</b>		
Preliminary Expenses	30.20	45.30
Provision for Gratuity Payable	6.80	2.98
Provision for Leave Encashment Payable	18.48	5.39
Financial assets measured at amortised cost	400.80	206.71
Impairment allowance on financial assets	1,282.18	215.18
Expenses disallowed for Income tax	-	0.38
Depreciation of property, plant and equipment	(2.36)	(0.65)
Undistributed profit of associate	(2,830.97)	(1,022.51)
<b>Net deferred tax Assets</b>	<b>(1,094.87)</b>	<b>(547.22)</b>

#### Deferred tax related to the following:

Particulars	As at March 31, 2022	Recognised through OCI	Recognised through profit & loss	As at March 31, 2021	Recognised through OCI	Recognised through profit & loss
Preliminary Expenses	30.20	15.10	-	45.30	15.11	-
Provision for Gratuity Payable	6.80	(4.09)	(0.27)	2.98	(2.55)	0.43
Provision for Leave Encashment Payable	18.48	(13.09)	-	5.39	(5.39)	-
Financial assets measured at amortised cost	400.80	(194.09)	-	206.71	(206.71)	-
Impairment allowance on financial assets	1,282.18	(1,067.00)	-	215.18	(215.18)	-
Expenses disallowed for Income tax	-	0.38	-	0.38	(0.38)	-
Depreciation of property, plant and equipment	(2.36)	1.71	-	(0.65)	0.65	-
Undistributed profit of associate	(2,830.97)	1,809.64	1.18	(1,022.51)	1,019.18	(2.70)
<b>Total deferred tax Assets (net)</b>	<b>(1,094.87)</b>	<b>548.56</b>	<b>0.91</b>	<b>(547.22)</b>	<b>604.74</b>	<b>(2.27)</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 33 Fair value measurements

##### Financial instruments by category

Particulars	As at March 31, 2022			
	FVTPL	FVOCI	Amortised cost	Total carrying value
<b>Financial assets</b>				
Cash and cash equivalents	-	-	64,173.52	64,173.52
Loans	-	-	694,283.39	694,283.39
Other financial assets	-	-	136.31	136.31
<b>Total financial assets</b>	-	-	<b>758,593.22</b>	<b>758,593.22</b>
<b>Financial liabilities</b>				
Trade payables	-	-	41.75	41.75
Debt Securities	-	-	107,529.69	107,529.69
Borrowings (other than debt securities)	-	-	472,748.40	472,748.40
Other financial liabilities	-	-	1,098.28	1,098.28
<b>Total financial liabilities</b>	-	-	<b>581,418.12</b>	<b>581,418.12</b>

Particulars	As at March 31, 2021			
	FVTPL	FVOCI	Amortised cost	Total carrying value
<b>Financial assets</b>				
Cash and cash equivalents	-	-	56,308.56	56,308.56
Loans	-	-	158,039.17	158,039.17
Other financial assets	-	-	293.69	293.69
<b>Total financial assets</b>	-	-	<b>214,641.42</b>	<b>214,641.42</b>
<b>Financial liabilities</b>				
Trade payables	-	-	31.91	31.91
Borrowings (other than debt securities)	-	-	44,182.49	44,182.49
Other financial liabilities	-	-	686.72	686.72
<b>Total financial liabilities</b>	-	-	<b>44,901.12</b>	<b>44,901.12</b>

#### 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 years.

#### IV. Fair value of financial instrument measured at amortised cost

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Loans	694,283.39	694,283.39	158,039.17	158,039.17
Other financial assets (Guarantee Commission receivable)	126.96	126.96	133.48	133.48
<b>Financial liabilities</b>				
Debt Securities	107,529.69	107,529.69	-	-
Borrowings (other than debt securities)	472,748.40	472,748.40	44,182.49	44,182.49

#### Note:

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



## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management

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

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

#### Regulatory capital

Particulars	As at March 31, 2022	As at March 31, 2021
Tier - I capital	203,328.22	191,282.88
Tier - II capital	5,094.48	854.96
<b>Total Capital</b>	<b>208,422.70</b>	<b>192,137.84</b>
Risk weighted assets	593,417.27	128,134.33
Tier - I capital ratio	34.26%	149.28%
Tier - II capital ratio	0.86%	0.67%
<b>Total Capital ratio</b>	<b>35.12%</b>	<b>149.95%</b>

#### Financial risk management

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

#### A Credit risk

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

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

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits. Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/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, 2022	As at March 31, 2021
Financial Assets at amortised cost - Loans (Gross)	701,550.40	159,499.90
Other financial assets at amortised cost	126.96	295.04
Non Fund Based Facility	26,227.00	12,100.00
<b>Total Gross exposure</b>	<b>727,904.36</b>	<b>171,894.94</b>
Less: Non Fund Based Facility	(26,227.00)	(12,100.00)
Less : Impairment loss allowances	(5,094.48)	(854.97)
Less: EIR adjustments	(2,356.12)	(667.66)
<b>Total carrying value</b>	<b>694,226.76</b>	<b>158,272.31</b>

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

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 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, 2022		As at March 31, 2021	
	Carrying amount	ECL	Carrying amount	ECL
Stage 1	694,226.76	5,094.48	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, 2022	As at March 31, 2021
Opening balance	(793.11)	-
Impairment provision recognised	(4,117.78)	(793.11)
Derecognition	-	-
Closing balance	(4,910.89)	(793.11)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	(60.50)	-
Impairment provision recognised	(123.09)	(60.50)
Derecognition	-	-
Closing balance	(183.59)	(60.50)

##### Credit Concentration

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

Particulars	As at March 31, 2022	As at March 31, 2021
Infrastructure	694,226.76	158,272.31
Total	694,226.76	158,272.31

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 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 is managed at the sector/sub-sector level. Sectoral limits have been laid down and reviewed every 6 months at the Risk Management Committee (RMC).

Sector/sub-sector	Exposure as % of total exposure	
	As at March 31, 2022	As at March 31, 2021
Solar	41%	63%
Roads	18%	21%
Transmission	10%	16%
Telecom	11%	-
Natural Gas	1%	-
Power Distribution	7%	-
Airport	7%	-
Solar & Wind (Hybrid)	3%	-
Wind	0%	-
<b>Total</b>	<b>100%</b>	<b>100%</b>

##### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

##### A Credit risk (continued)

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

##### a) Credit risk grading (continued)

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	

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

An annual review of the loans / debentures (credit substitutes) is conducted to determine the credit migration and rating of the portfolio. The analysis below summarises the credit quality of the Company's debt portfolio.

Internal rating grades	% of total customers		% of total outstanding	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
IAAA	0%	0%	0%	0%
IAA+, IAA, IAA-	41%	46%	43%	18%
IA+, IA, IA-	40%	50%	46%	77%
IBBB+	14%	4%	9%	6%
IBBB	5%	0%	2%	0%
IBBB-	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

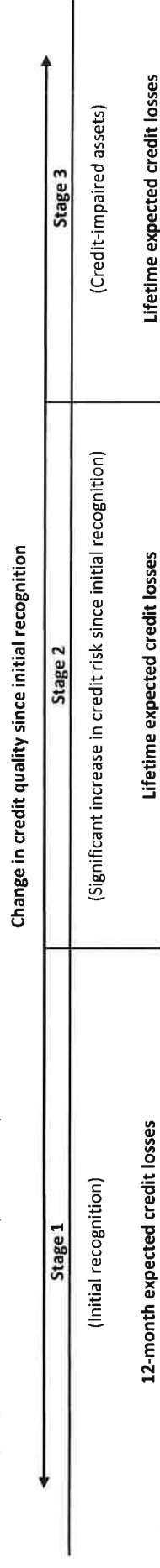
##### A Credit risk (continued)

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

##### 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 note 32 (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.  
The following diagram summarises the impairment requirements under Ind AS 109:



##### 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, 2022 and March 31, 2021.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 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

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 unlikelyness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

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

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

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%.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 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	0.03%	0.03%	0.03%
	IAA+	0.03%	0.03%	0.04%
	IAA	0.03%	0.03%	0.04%
	IAA-	0.03%	0.03%	0.04%
Adequate Safety	IA+	0.03%	0.03%	0.08%
	IA	0.03%	0.03%	0.08%
	IA-	0.03%	0.03%	0.08%
	IBBB+	0.21%	0.06%	0.65%
Moderate Safety	IBBB	0.21%	0.06%	0.65%
	IBBB-	0.21%	0.06%	0.65%
	IBB+	2.00%	0.92%	4.01%
	IBB	2.00%	0.92%	4.01%
Moderate Risk	IBB-	2.00%	0.92%	4.01%
	IB	5.95%	3.30%	10.04%
	IC	16.69%	10.68%	24.52%
	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.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

##### A Credit risk (continued)

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

##### b) Expected credit loss measurement (continued)

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

##### ECL computation:

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

##### iv) Forward-looking information incorporated in the ECL model

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

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

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

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

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

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

##### Year ended March 31, 2022

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

##### 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%



## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 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)

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.

	Year ended March 31, 2022			Year ended March 31, 2021		
	Base case	Best case	Worst case	Base case	Best case	Worst case
Assigned probabilities %	50%	20%	30%	50%	20%	30%
ECL (₹ in lakhs)	217.25	141.41	543.71	424.21	129.32	1,248.30

Scenario weighted ECL as on March 31, 2022 is ₹ 300.02 lakhs (March 31, 2021 ₹ 612.46 lakhs).

##### v) Financial assets measured on a collective basis

ECL is calculated on individual basis for all loan assets.

##### vi) Proposal appraisal

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

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

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 1 year	68%	77%
More than 1 year	32%	23%

##### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 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, 2022			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
Highest Safety	-	-	-	-
High Safety	326,305.81	-	-	326,305.81
Adequate Safety	306,162.07	-	-	306,162.07
Moderate Safety	95,436.48	-	-	95,436.48
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>727,904.36</b>	<b>-</b>	<b>-</b>	<b>727,904.36</b>

Term loans and debentures	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
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
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>171,894.94</b>	<b>-</b>	<b>-</b>	<b>171,894.94</b>

#### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 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
<b>As at March 31, 2022</b>						
<b>Loans to corporate entities/individuals:</b>						
- Term loans	428,749.38	3,001.28	-	1,709.60	424,038.50	834,755.43
- Debentures and bonds	271,449.70	1,902.85	-	646.52	268,900.33	418,937.42
- Accrued interest on loans, debentures and bonds	1,351.32	6.76	-	-	1,344.56	1,351.32
- Other financial Asset	126.96	-	-	-	126.96	126.96
- Non-Fund Based facility	26,227.00	183.59	26,227.00	-	(183.59)	18,734.02
<b>Total</b>	<b>727,904.36</b>	<b>5,094.48</b>	<b>26,227.00</b>	<b>2,356.12</b>	<b>694,226.76</b>	<b>1,273,905.16</b>
<b>As at March 31, 2021</b>						
<b>Loans to corporate entities/individuals:</b>						
- 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
<b>Total</b>	<b>171,894.94</b>	<b>854.97</b>	<b>12,100.00</b>	<b>667.66</b>	<b>158,272.31</b>	<b>292,333.96</b>

##### iv) Loss allowance

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

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

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

##### A Credit risk (continued)

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

##### c) Credit risk exposure (continued)

##### iv) Loss allowance (continued)

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

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

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

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

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 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 year due to various factors:

Term loans and debentures	Year ended March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	793.11	-	-	793
New assets originated or purchased	4,765.67	-	-	4,765.67
Assets derecognised or repaid	(647.89)	-	-	(647.89)
Net remeasurement of loss allowance	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>4,910.89</b>	-	-	<b>4,910.89</b>

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	-	-	-	-
<b>Closing balance</b>	<b>793.11</b>	-	-	<b>793.11</b>

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

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

##### B Liquidity risk

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

##### Liquidity risk framework

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

Category	Limits
Limits on cumulative negative gaps, as a % of cumulative 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)	0.5

##### Financing arrangements

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Floating rate</b>		
<b>Borrowings</b>		
Expiring within one year	214,000.00	55,900.00
Expiring beyond one year	-	-
<b>Total</b>	<b>214,000.00</b>	<b>55,900.00</b>

##### 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, 2022 and 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, 2022	As at March 31, 2021
<b>Financial liabilities</b>		
<b>Provisions</b>		
USD Exposure (in INR lakhs)	4.60	0.46
<b>Financial Assets</b>		
<b>Trade receivables</b>		
USD Exposure (in INR lakhs)	-	-
<b>Net exposure to foreign currency risk</b>	<b>4.60</b>	<b>0.46</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

##### 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, 2022		As at March 31, 2021	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.23)	0.23	(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, 2022	As at March 31, 2021
<b>Variable rate liabilities</b>		
Borrowings	473,498.66	44,100.00
<b>Variable rate assets</b>		
Loans	404,498.73	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, 2022	As at March 31, 2021
Interest rates – increase by 0.50%	(345.00)	367.20
Interest rates – decrease by 0.50%	345.00	(367.20)

\* Holding all other variables constant

##### (iii) Price risk

The Company is not exposed to price risk as at March 31, 2022 and March 31, 2021.

#### D Operational Risk

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

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 35 Segment reporting

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

##### (a) Segment revenue

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Segment revenue		
- India	31,394.40	4,738.83
- Outside India	-	-
<b>Total</b>	<b>31,394.40</b>	<b>4,738.83</b>

##### Revenue from major customers

For the year ended March 31, 2022, Revenues from one customer (March 31, 2021 four customers) of the Company represents approximately ₹ 3,359 lakhs (March 31, 2021 ₹ 2,463 lakhs) of the Company's total revenues. This customer is contributing more than 10% of Company's total revenue.

##### (b) Segment assets and segment liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Segment assets		
- India	856,731.80	274,047.79
- Outside India	-	-
Segment liabilities		
- India	582,911.71	45,732.07
- Outside India	-	-
<b>Total</b>	<b>856,731.80</b>	<b>274,047.79</b>

#### 36 Collateral / security pledged

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Pledged as security against borrowings</b>		
Receivables and Loan Assets	700,204.43	158,755.54
Other financial assets	126.96	295.04
<b>Total</b>	<b>700,331.39</b>	<b>159,050.58</b>



## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 37 Employee benefits

##### (A) Labour Law

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident fund and other fund	39.40	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, 2022	Year ended March 31, 2021
<b>(i) Actuarial assumptions</b>		
Discount rate (per annum)	7.30%	6.95%
Salary escalation rate	9.00%	9.00%
Retirement age	60	60
<b>(ii) Asset information</b>		
The Company is responsible for the overall governance of the plan.		
<b>(iii) Changes in the present value of defined benefit obligation</b>		
Defined benefit obligation at beginning of year	11.83	3.53
Current Service Cost	16.06	6.47
Benefit payments from plan	(0.63)	-
Interest cost	0.82	0.12
Actuarial losses on obligations	(1.07)	1.71
<b>Defined benefit obligation at end of year</b>	<b>27.01</b>	<b>11.83</b>
<b>(iv) Changes in the Fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	-	-
Return on plan assets (excluding interest income)	-	-
Employer contributions	0.63	-
Benefit payments from plan assets	(0.63)	-
Actuarial gains	-	-
<b>Fair value of Plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 37 Employee benefits

##### (C) Defined Benefit Plan (continued)

##### (v) Assets and liabilities recognised in the balance sheet

Defined benefit obligation	27.01	11.83
Fair value of plan assets	-	-
<b>Net defined benefit liability</b>	<b>27.01</b>	<b>11.83</b>

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Service cost	16.06	6.47
Interest cost on net defined benefit obligation	0.82	0.12
Past Service cost	-	-
<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>16.88</b>	<b>6.59</b>

Included in note 'Employee benefits expense'

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening amount recognized in OCI outside P&L account	1.71	-
Remeasurements (recognized in OCI)	-	-
Effect of changes in actuarial assumptions	(1.33)	(0.27)
Experience adjustments	0.27	1.98
(Return) on plan assets (excluding interest income)	-	-
<b>Total remeasurements included in OCI</b>	<b>0.65</b>	<b>1.71</b>

##### (viii) Sensitivity Analysis:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Present value obligation</b>		
Discount rate +50 basis points	25.26	10.99
Discount rate -50 basis points	28.95	12.77
Salary Increase Rate +50 basis points	28.91	12.75
Salary Increase Rate -50 basis points	25.28	11.00

##### (ix) Projected plan cash flow

Maturity Profile	As at March 31, 2022	As at March 31, 2021
Expected total benefit payments		
Year 1	0.08	0.03
Year 2	0.10	0.04
Year 3	0.28	0.04
Year 4	0.77	0.13
Year 5	0.85	0.35
Next 5 years	86.55	39.51

##### (x) Provision for leave encashment

Maturity Profile	As at March 31, 2022	As at March 31, 2021
Liability for compensated absences	73.41	21.40

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 38 Maturity analysis of assets and liabilities

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

Assets	As at March 31, 2022		As at March 31, 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
months				
Total				
Total				
<b>Financial assets</b>				
Cash and cash equivalents	64,173.52	-	64,173.52	56,308.56
Loans	53,345.05	640,938.34	694,283.39	151,862.40
Investments	-	97,660.19	-	59,281.74
Other financial assets	123.39	12.92	136.31	61.17
				293.69
<b>Non-Financial assets</b>				
Current tax assets (net)	162.46	-	162.46	-
Deferred tax assets (net)	-	-	-	-
Property, plant and equipment	-	28.25	28.25	13.75
Intangible assets	-	139.84	139.84	-
Intangible assets under development	-	-	-	73.17
Other non-financial assets	147.84	-	147.84	37.71
<b>Total Assets</b>	<b>117,952.26</b>	<b>738,779.54</b>	<b>856,731.80</b>	<b>62,755.56</b>
				<b>211,292.23</b>
				<b>274,047.79</b>
<b>Liabilities</b>				
<b>Financial Liabilities</b>				
Trade payables	41.75	-	41.75	31.91
Debt Securities	2,656.97	104,872.72	107,529.69	-
Borrowings (other than debt securities)	34,446.10	438,302.30	472,748.40	136.13
Other financial liabilities	1,093.59	4.69	1,098.28	616.20
				70.52
				686.72
<b>Non Financial Liabilities</b>				
Current tax liabilities	-	-	-	49.01
Provisions	153.75	130.27	284.02	38.06
Deferred tax liabilities (net)	-	1094.87	1,094.87	55.68
Other non-financial liabilities	114.70	-	114.70	547.22
				140.98
<b>Total Liabilities</b>	<b>38,506.86</b>	<b>544,404.85</b>	<b>582,911.71</b>	<b>1,012.29</b>
				<b>44,719.78</b>
				<b>45,732.07</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 39 Interest in associate

Assets	Carrying amount as at		% of ownership interest	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
NIIF Infrastructure Finance Limited	97,660.19	59,281.74	30.83%*	30.83%*

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

The Company has acquired interest in NIIF Infrastructure Finance Limited on March 29, 2020 and with two additional infusions on May 20, 2020 and on March 29, 2021. On 28th March 2022 The company invested in the associate company for Rs. 31,192.86 Lakhs without impacting its percentage of ownership interest. The Company's interest in associate is accounted for using the equity method in the consolidated financial statements. This is an unlisted investment and hence quoted prices are not available. The following table illustrates the summarised financial information of the associate:

#### Significant financial information of associate

Summarised Balance sheet as at:	March 31, 2022	March 31, 2021
Financial Assets	1,533,480.20	916,424.74
Non-financial Assets	11,829.61	8,912.58
Financial liabilities	1,233,422.62	738,106.11
Non-financial liabilities	392.79	233.70
<b>Net assets</b>	<b>311,494.40</b>	<b>186,997.51</b>

Summarised statement of profit and loss for the period ended:	March 31, 2022	March 31, 2021
Total Income	98,432.60	71,568.00
Profit for the year	23,325.96	13,175.00
Other comprehensive income/ (expense)	(15.16)	35.00
<b>Total comprehensive income</b>	<b>23,310.80</b>	<b>13,210.00</b>

#### The Particulars of investments in associates as on March 31, 2022 are as follows :

Particulars	Amount
Original Cost of investment on 29th March 2020	26,591.01
Additional Investment on 21st May 2020	8,437.50
Additional Investment on 30th March 2021	20,190.48
Additional Investment on 28th March 2022	31,192.86
Share of Post Acquisition Profit/Loss	11,252.08
Share of Post Acquisition OCI	6.05
Share of share issue expenses	(9.79)
Goodwill/(Capital Reserve)	-
Impairment	-
<b>Carrying amount of investment</b>	<b>97,660.19</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 39.1 Interest in associate

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

As at March 31, 2022

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
<b>Parent</b>								
Aseem Infrastructure Finance Limited	100.00%	273,820.09	48.29%	6,713.72	-29.68%	0.80	48.30%	6,714.53
<b>Associate (Investment as per the equity method)</b>								
<b>Indian</b>								
NIIF Infrastructure Finance Limited	0.00%	-	51.71%	7,190.27	129.68%	(3.50)	51.70%	7,186.77
<b>Total</b>	<b>100.00%</b>	<b>273,820.09</b>	<b>100.00%</b>	<b>13,903.99</b>	<b>100.00%</b>	<b>(2.70)</b>	<b>100.00%</b>	<b>13,901.29</b>

As at March 31, 2021

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

## **Aseem Infrastructure Finance Limited**

### **Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022**

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

#### **40 Note on COVID-19**

While the COVID-19 situation is improving in the country, the Company continues to closely monitor the situation and in response to the evolving scenario has reviewed and implemented appropriate protocols and processes to safeguard and execute its business operations. The Company continues to meet its operating and financial obligations, has maintained a healthy capital adequacy ratio and has also raised additional equity during the year from an international investor. The Company has not experienced any significant disruptions on account of the pandemic. The company has considered the impact 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 the evolving COVID-19 pandemic will continue to impact the Company's business, operations, financial position and cash flows will depend on future developments which while seemingly improving, could still be uncertain, including, among other things, any information concerning the severity of any new COVID variant. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the financial assets. The Company is also closely monitoring any material changes in the economic conditions and resultant impacts, if any, on the expected credit loss provisions.

#### **41 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 had granted a further extension of 6 months up to September 30, 2021 to ensure the pending compliance. The Company has thereafter complied with this COR condition on September 15, 2021 and has informed about the due compliance to the RBI vide a written communication.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 42 Capital Management

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

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous year. However, they are under constant review by the Board.

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

Items	As at March 31, 2022	As at March 31, 2021
i. CRAR (%)	35.12%	149.95%
ii. CRAR - Tier I capital (%)	34.26%	149.28%
ii. CRAR - Tier II capital (%)	0.86%	0.67%

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

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

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

#### 43 Ratio and its elements

Ratios	Numerator	Denominator	31 March 2022	31 March 2021	% change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	NA	NA	NA	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	2.12	0.19	995.11%	Higher leverage during the year.
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	NA	NA	NA	
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	5.54%	3.57%	54.98%	Higher profitability and leverage.
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
Trade Receivables Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	NA	NA	NA	
Trade Payables Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	NA	NA	NA	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	NA	NA	NA	
Net Profit Ratio	Net Profit	Net sales = Total sales - sales return	NA	NA	NA	
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	3.36%	1.04%	223.43%	Higher leverage during the year.
Capital to risk-weighted assets ratio (CRAR)	Total Risk weighted Assets/Exposures	Total capital funds	35.12%	149.95%	-76.58%	Higher credit book during the year.
Tier I CRAR	Total Risk weighted Assets/Exposures	Tier I capital	34.26%	149.28%	-77.05%	Higher credit book during the year.
Tier II CRAR	Total Risk weighted Assets/Exposures	Tier II capital	0.86%	0.67%	28.66%	Higher credit book provision during the year.
Return on Investment	Interest (Finance Income)	Investment	0.00%	0.00%	0.00%	Investment is strategic equity investment.



## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 44 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)
<b>Performing assets</b>						
Standard	Stage 1 Stage 2	699,194.28	4,910.89	694,283.39	2,806.20	2,104.69
<b>Subtotal</b>		<b>699,194.28</b>	<b>4,910.89</b>	<b>694,283.39</b>	<b>2,806.20</b>	<b>2,104.69</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>						
Loss		-	-	-	-	-
<b>Subtotal for NPA</b>						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1 Stage 2 Stage 3	26,227.00	183.59	26,043.41	-	183.59
<b>Subtotal</b>		<b>26,227.00</b>	<b>183.59</b>	<b>26,043.41</b>	<b>-</b>	<b>183.59</b>
<b>Total</b>	<b>Stage 1 Stage 2 Stage 3</b>	<b>725,421.28</b>	<b>5,094.48</b>	<b>720,326.80</b>	<b>2,806.20</b>	<b>2,288.28</b>
<b>Total</b>		<b>725,421.28</b>	<b>5,094.48</b>	<b>720,326.80</b>	<b>2,806.20</b>	<b>2,288.28</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

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

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

S.No	Item	For the year ended March 31, 2022	For the year ended March 31, 2021
1	CRAR (%)	35.12%	149.95%
2	CRAR - Tier I capital (%)	34.26%	149.28%
3	CRAR - Tier II Capital (%)	0.86%	0.67%
4	Amount of subordinated debt raised as Tier-II capital	-	-
5	Amount raised by issued of Perpetual Debt Instruments	-	-

**b. Investments**

S.No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	<b>Value of investments</b>		
	(i) Gross value of investments		
	(a) in India	97,660.19	59,281.74
	(a) outside India	-	-
	(ii) Provision for depreciation		
	(a) in India	-	-
	(a) outside India	-	-
	(iii) Net value of investments		
	(a) in India	97,660.19	59,281.74
	(a) outside India	-	-
2	<b>Movement of provisions held towards depreciation on investments</b>		
	(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, 2022 and March 31, 2021. 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, 2022 and March 31, 2021. 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, 2022 and March 31, 2021. Hence the related disclosures are not applicable to the Company.

**f. Details of Assignment transactions undertaken**

S.No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	No. of accounts	7	-
(ii)	Aggregate value (net of provisions) of accounts sold	25,829.70	-
(iii)	Aggregate consideration	25,882.35	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	52.65	-

\*Aggregate gain / loss over net book value refer to net gains/(losses) accounted on derecognition of financial assets measured at amortised cost as per Accounting Standards.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 45 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, 2022 and March 31, 2021. 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, 2022 and March 31, 2021.

###### 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, 2022 and March 31, 2021.

##### 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, 2022 and March 31, 2021.

##### k. Unsecured Advances

The Company has not given any unsecured advances in the year ended March 31, 2022 and March 31, 2021.

##### 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, 2022 and March 31, 2021.

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

S.No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Provision made towards income tax	3,547.49	983.10
(ii)	Provision for employee benefits	229.62	132.02
(iii)	Provision for employee stock compensation cost	-	-
(iv)	Provision for gratuity	27.02	11.84
(v)	Provision for compensated absence cost	73.41	21.40
(vi)	Provision for impairment of financial assets	4,239.51	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 year ended March 31, 2022 and March 31, 2021. 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, 2022	For the year ended March 31, 2021
Total Advances to twenty largest borrowers	518,446.08	164,057.84
Percentage of Advances to twenty largest borrowers to Total Advances	73.90%	95.46%

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 45 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, 2022	For the year ended March 31, 2021
Total Exposures to twenty largest borrowers / customers*	518,446.08	164,057.84
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	73.90%	95.46%

\*Exposure does not include investment in Associate company.

###### iii) Concentration of NPAs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total of Exposures to top four NPA accounts*	-	-

\* there are no account classified as NPA as on March 31, 2022 and March 31, 2021.

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
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, 2022	For the year ended March 31, 2021
(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 year ending March 31, 2022 and March 31, 2021.

##### r. Off-balance Sheet SPVs sponsored by the Company

The Company has not sponsored off-balance sheet SPV in the year ending March 31, 2022 and March 31, 2021.

##### s. Disclosure of Complaints

There were no customer complaints received during the year.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

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

t. Ratings assigned by credit rating agencies and migration of ratings during the year

S.No.	Instruments	Credit Rating Agency	As on 31st March 2022				As on 31st March 2021			
1	Long Term Instrument - Non convertible debentures	CARE	AA+ Stable	AA+ Stable	AA+ Stable	AA Stable	AA Stable	AA Stable	AA Stable	AA Stable
2	Long Term Instrument - Bank Lines	CARE	AA+ Stable	AA+ Stable	AA+ Stable	AA Stable	AA Stable	AA Stable	AA Stable	AA Stable
3	Long Term Instrument - Non convertible debentures	CRISIL	AA+ Stable	AA+ Stable	AA+ Stable	AA Stable	AA Stable	AA Stable	AA Stable	AA Stable
4	Short Term Instrument - Bank Lines	ICRA Ltd	A1+	A1+	A1+	A1+	A1+	A1+	A1+	A1+
5	Long Term Instrument - Bank Lines	ICRA Ltd	AA+ Stable	AA+ Stable	AA+ Stable	AA Stable	AA Stable	AA Stable	AA Stable	AA Stable
6	Long Term Instrument - Non convertible debentures	ICRA Ltd	AA+ Stable	AA+ Stable	AA+ Stable	AA Stable	AA Stable	AA Stable	AA Stable	AA Stable
7	Long Term Instrument - Principal Protected Market Linked Debenture	ICRA Ltd	AA+ Stable	AA+ Stable	AA+ Stable	AA Stable	AA Stable	AA Stable	AA Stable	AA Stable
8	Long Term Instrument - Non convertible debentures	India Ratings & Research Private Limited	AA+ Stable	AA+ Stable	AA+ Stable	AA Stable	AA Stable	AA Stable	AA Stable	AA Stable
9	Short Term Instrument - Other instruments	India Ratings & Research Private Limited	A1+	A1+	A1+	A1+	A1+	A1+	A1+	A1+

#### u. Statement on Asset Liability Management

##### Maturity pattern of certain items of assets and liabilities as at 31st March 2022

Item	0 day to 7 days	8 days to 14 days	15 days to 30 days	Over one month	Over two months	Over three months	Over six months	Over one year	Over three years	Over five years	Total
<b>Liabilities</b>											
Debt Securities	-	-	-	1,959.40	-	-	687.57	85,514.93	19,357.79	-	107,529.69
Borrowings (other than debt securities)	4,998.98	-	2,502.67	3,750.00	277.78	5,138.89	17,777.78	167,236.11	224,944.44	46,121.75	467,749.42
<b>Assets</b>											
Investments	934.03	-	167.71	314.00	5,665.78	31,166.37	15,097.16	105,019.21	125,923.39	97,660.19	97,660.19
Loans	-	-	-	-	-	-	-	-	-	409,995.73	693,349.36

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

Item	0 day to 7 days	8 days to 14 days	15 days to 30 days	Over one month	Over two months	Over three months	Over six months	Over one year	Over three years	Over five years	Total
<b>Liabilities</b>											
Borrowings (other than debt securities)	136.13	-	-	-	-	-	-	17,640.00	17,640.00	8,766.36	44,046.36
<b>Assets</b>											
Investments	3.48	0.00	0.00	1132.68	641.68	1522.07	2876.85	18183.99	13452.35	59,281.74	59,281.74
Loans	-	-	-	-	-	-	-	-	-	120,226.06	158,035.69

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

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

##### v. Restructured advances

There are no restructured advance as on 31st March 2022, hence disclosure of information as required in terms of Para 24 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (RBI guidelines) is not required.

##### w. Fraud Reporting

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

##### Particulars

	Year ended 31st March 2022	Year ended 31st March 2021
Amount Involved	-	-
Amount Recovered	-	-
Amount written off/provided	-	-
Balance	-	-

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

#### 46 (a) Public disclosure on liquidity risk as of March 31, 2022

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	10	525,064.26	-	90.08%

##### (ii) Top 20 large deposits - Nil

##### (iii) Top 10 borrowings: ₹ 525,064.26 lakhs (represent 90.27% 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	235,002.67	40.32%
2	Term loans from Financial Institution	225,000.00	38.60%
3	Non-Convertible Debentures	65,061.59	11.16%

##### (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	0.71%	0.71%	0.49%

##### (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 and 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 consolidated financial statements as at and for the year ended March 31, 2022

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

Disclosure on Liquidity Coverage Ratio (LCR) under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

46 (b)

Particulars	31-Mar-22		31-Dec-21		30-Sep-21		30-Jun-21	
	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
<b>High Quality Liquid Assets</b>								
1 Total High Quality Liquid Assets (HQLA)1	1,55,059	1,55,059	49,574	49,574	52,157	52,157	32,358	32,358
<b>Cash Outflows</b>								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	-	-	-	-	-	-	-	-
4 Secured wholesale funding	-	-	815	938	-	-	-	-
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	96,655	1,11,154	72,279	83,121	19,986	22,984	35,948	41,341
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 <b>Total Cash Outflows</b>	<b>96,655</b>	<b>1,11,154</b>	<b>73,094</b>	<b>84,058</b>	<b>19,986</b>	<b>22,984</b>	<b>35,948</b>	<b>41,341</b>
<b>Cash Inflows</b>								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	32,648	24,486	19,362	14,522	7,623	5,717	5,240	3,930
11 Other cash inflows	91,810	68,858	67,457	50,593	102	77	-	-
12 <b>Total Cash Inflows</b>	<b>1,24,458</b>	<b>93,344</b>	<b>86,819</b>	<b>65,114</b>	<b>7,726</b>	<b>5,794</b>	<b>5,240</b>	<b>3,930</b>
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13 Total HQLA		1,55,059		49,574		52,157		32,358
14 Total Net Cash Outflows (Higher of inflow less outflows or 25% of outflows)		27,788		21,015		17,189		37,411
15 <b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>558%</b>		<b>236%</b>		<b>303%</b>		<b>86%</b>

\*Unweighted values calculated as daily average outstanding balances maturing or callable within 30 days (for inflows and outflows).

# Weighted values calculated after the application of respective stress factors on inflow (75%) and outflow (115%).

Notes :

1. HQLA includes unencumbered portion of current account balance, short term fixed deposits with scheduled commercial banks and only considers AAA rated corporate bonds in the credit book
2. Undrawn borrowing lines have not been considered as potential inflows above.



# Aseem Infrastructure Finance Limited

## Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

47 [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		As at March 31, 2022		As at March 31, 2021	
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	a. Debentures (other than falling within the meaning of public deposits)				
	- Secured	107,529.69	-	-	-
	- Unsecured	-	-	-	-
	b. Deferred Credits	-	-	-	-
	c. Term Loans	472,748.40	-	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 as at March 31, 2022		Amount Outstanding as at March 31, 2021	
	a. Secured	694,283.39		158,039.17	
	b. Unsecured	-		-	
3	Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities	Amount Outstanding as at March 31, 2022		Amount Outstanding as at March 31, 2021	
	i. Lease Assets including lease rentals under sundry debtors:				
	a. Finance Lease	-		-	
	b. Operating Lease	-		-	
	ii. Stocks on hire including hire charges under sundry debtors:				
	a. Assets on hire	-		-	
	b. Repossessed Assets	-		-	
	iii. Other Loans counting towards AFC activities:				
	a. Loans where assets have been	-		-	
	b. Loans other than (a) above	-		-	
4	Break up of Investments:				
	Current Investments				
	1. Quoted				
	i. Shares - Equity	-		-	
	- Preference	-		-	
	ii. Debentures and Bonds	-		-	
	iii. Units of mutual funds	-		-	
	iv. Government Securities	-		-	
	v. Others	-		-	
	2. Unquoted				
	i. Shares - Equity	-		-	
	- Preference	-		-	
	ii. Debentures and Bonds	-		-	
	iii. Units of mutual funds	-		-	
	iv. Government Securities	-		-	
	v. Others	-		-	

**Aseem Infrastructure Finance Limited**
**Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022**

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

**47 [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)**

<b>4 Break up of Investments (continued):</b>		
<b>Long Term Investments</b>		
<b>1. Quoted</b>		
i. Shares - Equity	-	-
- Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of mutual funds	-	-
iv. Government Securities	-	-
v. Others	-	-
<b>2. Unquoted</b>		
i. Shares - Equity	97,660.19	59,281.74
- Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of mutual funds	-	-
iv. Government Securities	-	-
v. Others	-	-

<b>5 Borrower group-wise classification of asset financed (Refer note 2 below):</b>						
Category	Amount net of provision as at March 31, 2022			Amount net of provision as at March 31, 2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties**						
a. Subsidiaries	-	-	-	-	-	-
b. Companies in the same group	-	-	-	-	-	-
c. Other related parties	-	-	-	-	-	-
2 Other than related parties	694,283.39	-	694,283.39	158,039.17	-	158,039.17
<b>Total</b>	<b>694,283.39</b>	<b>-</b>	<b>694,283.39</b>	<b>158,039.17</b>	<b>-</b>	<b>158,039.17</b>

<b>6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)</b>				
Category	As at March 31, 2022		As at March 31, 2021	
	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**				
a. Subsidiaries	-	-	-	-
b. Companies in the same group	115,436.82	97,660.19	65,093.38	55,218.99
c. Other related parties	-	-	-	-
2 Other than related parties	-	-	-	-
<b>Total</b>	<b>115,436.82</b>	<b>97,660.19</b>	<b>65,093.38</b>	<b>55,218.99</b>

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

<b>7 Other information</b>		
	Amount as at March 31, 2022	Amount as at March 31, 2021
i. Gross Non-Performing Assets		
a. Related Parties	-	-
b. Other than related parties	-	-
ii. Net Non-Performing Assets		
a. Related Parties	-	-
b. Other than related parties	-	-
iii. Assets acquired in satisfaction of debt	-	-

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2022

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

**47 [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.
- 48** 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.
- 49** Previous year figures have been regrouped/reclassified wherever necessary to correspond with those of the current year's classification/disclosure.

As per our report of even date.

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

per Padmini Khare Kaicker  
Partner  
Membership No : 044784

Place: Mumbai  
Date: May 11, 2022

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

Surya Prakash Rao Pendyala  
Director  
DIN: 02888802

Virender Pankaj  
Chief Executive Officer

Rajiv Dhar  
Director  
DIN: 00073997

Nilesh Sampat  
Chief Financial Officer

Karishma Pranav Jhaveri  
Company Secretary

**Aseem Infrastructure Finance Limited**

**Standalone Financial Statements**

**For the year ended March 31, 2022**

## INDEPENDENT AUDITORS' REPORT

To the members of Aseem Infrastructure Finance Limited

Report on the audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of Aseem Infrastructure Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

#### Pune

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#### New Delhi

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India

#### Chennai

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E bkkchennai@bkkhareco.com  
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Cathedral Road,  
Chennai - 600086,  
India



Key Audit Matters	How our audit addressed the Key Audit Matter
<p><b>Impairment of financial instruments (expected credit losses) (as described in Note 3(h) of the Financial Statements)</b></p> <p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit losses (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p> <p>In the process, a significant degree of judgement has been applied by the management for defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'.</p>	<ul style="list-style-type: none"> <li>• Our audit procedures included considering the Company's accounting policies for impairment of loan receivables and assessing compliance with the policies in terms of Ind AS 109.</li> <li>• Tested the assumptions used by the Company for staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates.</li> <li>• Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.</li> <li>• Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> <li>• Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.</li> </ul>

#### Information Other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

#### Responsibilities of management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and



maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibilities for the audit of the Standalone Financial Statements**

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

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

We also:

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





- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

#### **Other Matters**

Attention is drawn to the fact that the Financial Statement includes amounts as at and for the year ended March 31, 2021 and notes thereto which are approved by the Board of Directors and have been audited by S. R. Batliboi & Co. LLP, Chartered Accountants ('the erstwhile auditors') vide their unmodified report dated June 8, 2021.

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

#### **Report on other Legal and Regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.





- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the standalone Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
- (g) The Company has not paid / provided for the managerial remuneration for the year ended March 31, 2022 as stipulated under section 197 of the Companies Act, 2013.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received



by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared / paid on equity shares any dividend during the year.

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



**Padmini Khare Kaicker**  
Partner  
Membership No. 044784  
UDIN: 22044784AIVETY5136  
Place: Mumbai  
Date: May 11, 2022

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

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

We have audited the internal financial controls with reference to financial statements of Aseem Infrastructure Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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



### Meaning of Internal Financial Controls with reference to financial statements

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

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

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**Padmini Khare Kaicker**  
Partner

Membership No. 044784  
UDIN: 22044784AIVETY5136  
Mumbai, May 11, 2022



**Annexure B to the Independent Auditors' Report**

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i.

- a) A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

- b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a programme designed to verify all the items once in a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company had physically verified property, plant and equipment during the last year and no material discrepancies were noticed on such verification.

- c) According to the information and explanations given to us, the Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee)..

- d) According to the information and explanations given to us by the management, the Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year.

- e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

- a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it. .

- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees from bank on the basis of security of first pari-passu charge on all receivables / loan assets. The receivable and loan statements filed by the Company with Bank on a monthly basis are in agreement with the unaudited books of account as certified by the management.



iii.

- a) The principal business of the Company is to give loans. Accordingly, the provisions of Clause 3(iii) (a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us by the management, the company has made investments, granted loans and provided guarantees during the year. In our opinion and according to information and explanation given to us, the terms and conditions of all loans granted, investments made and guarantees given by the Company during the year are not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us, the repayment schedules are stipulated for each of the loan granted by the Company. The repayments were regular as per the repayment schedule stipulated by the Company.
- d) According to the information and explanation given to us, there were no overdue amounts as per the repayment schedule of the loans granted. Accordingly, reporting under Clause 3(iii)(d) of the Order is not applicable to the Company.
- e) The principal business of the Company is to give loans. Accordingly, the provisions of Clause 3(iii) (e) of the Order is not applicable to the Company.
- f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to investment made. The Company has not granted any loans or provided guarantee or security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii.

- a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State





Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. There are no undisputed statutory dues payable in respect to the above statutes, outstanding as at March 31, 2022, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company did not have dues which have not been deposited as on March 31, 2022, on account of any disputes.
- viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.
- ix.
- a) According to the information and explanation given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender during the year.
  - b) As represented, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
  - c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
  - d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company and further considering the Asset Liability management mechanism of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.
  - e) According to the information and explanation given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - f) According to the information and explanation given to us and based on the audit procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.



- x.
- a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer/ further public offer (including debt instruments) during the year.
  - b) According to the information and explanations given to us, the Company has made private placement of shares during the year in compliance with the requirements of Section 42 and Section 62 of the Act. In our opinion, the Company has utilised the total funds raised till 31 March 2022 for the purposes for which the funds were raised.
- xi.
- a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
  - b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
  - c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- xii.
- According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
- xiii.
- In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.
- xiv.
- a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
  - b) We have considered the Internal Audit reports of the Company issued till date for the period under audit





- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding entity or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
- xvi.
- a) According to the information and explanations given to us, the Company has registered as required under Section 45-IA of the Reserve Bank of India Act, 1934.
- b) In our opinion and according to the information and explanations given to us, the Company has conducted Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.
- d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has no CIC.
- xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.
- xviii. During the year, M/s. S R Batliboi & Co LLP, the statutory auditors of the Company have resigned with effect from 28<sup>th</sup> September 2021 consequent to amended rules / regulations applicable to the Company (i.e. RBI circular dated April 27, 2021). As informed, there have been no issues, objections or concerns raised by the said outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.



xx.

- a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.
- b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

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



**Padmini Khare Kaicker**  
Partner  
Membership No. 044784  
UDIN: 22044784AIVETY5136  
Place: Mumbai  
Date: May 11, 2022

**Aseem Infrastructure Finance Limited**  
**Standalone Balance Sheet as at March 31, 2022**  
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>I. ASSETS</b>			
<b>1 Financial assets</b>			
(a) Cash and cash equivalents	4	64,173.52	56,308.56
(b) Loans	5	694,283.39	158,039.17
(c) Investments	6	86,411.86	55,218.99
(d) Other financial assets	7	136.31	293.69
<b>Total financial assets (A)</b>		<b>845,005.08</b>	<b>269,860.41</b>
<b>2 Non-financial assets</b>			
(a) Current tax assets (net)	8	162.46	-
(b) Deferred tax assets (net)	9	1,736.10	475.29
(c) Property, plant and equipment	10A	28.25	13.75
(d) Intangible assets	10B	139.84	-
(e) Intangible assets under development	10C	-	73.17
(f) Other non-financial assets	11	147.84	37.71
<b>Total non-financial assets (B)</b>		<b>2,214.49</b>	<b>599.92</b>
<b>Total Assets (A+B)</b>		<b>847,219.57</b>	<b>270,460.33</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1 Financial liabilities</b>			
(a) Payables			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		5.40	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	12	36.35	31.91
(b) Debt Securities	13	107,529.69	-
(c) Borrowings (other than debt securities)	14	472,748.40	44,182.49
(d) Other financial liabilities	15	1,098.28	686.72
<b>Total financial liabilities (A)</b>		<b>581,418.12</b>	<b>44,901.12</b>
<b>2 Non-financial liabilities</b>			
(a) Current tax liabilities (net)	16	-	49.01
(b) Provisions	17	284.02	93.74
(c) Other non-financial liabilities	18	114.70	140.98
<b>Total non-financial liabilities (B)</b>		<b>398.72</b>	<b>283.73</b>
<b>3 Equity</b>			
(a) Equity share capital	19A	238,058.63	140,563.79
(b) Instruments entirely equity in nature	19B	-	81,057.87
(c) Other equity	19C	27,344.10	3,653.82
<b>Total equity (C)</b>		<b>265,402.73</b>	<b>225,275.48</b>
<b>Total Liabilities and Equity (A+B+C)</b>		<b>847,219.57</b>	<b>270,460.33</b>


The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

  
per Padmini Khare Kaicker  
Partner  
Membership No : 044784

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

  
Surya Prakash Rao Pendyala  
Director  
DIN: 02888802

  
Virender Pankaj  
Chief Executive Officer

  
Rajiv Dhar  
Director  
DIN: 00073997

  
Nilesh Sampat  
Chief Financial Officer

  
Karishma Pranav Jhaveri  
Company Secretary

Place: Mumbai  
Date: May 11, 2022

**Aseem Infrastructure Finance Limited****Statement of Profit and Loss for the year ending March 31, 2022**

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

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Revenue from operations</b>			
Interest income	20	31,124.30	4,701.11
Fees and commission income	21	217.45	37.72
Net gains/(losses) on derecognition of financial assets measured at amortised cost		52.65	-
<b>Total Income (A)</b>		<b>31,394.40</b>	<b>4,738.83</b>
<b>Expenses</b>			
Finance costs	22	14,275.62	185.73
Impairment on financial instruments	23	4,239.51	854.97
Employee benefits expenses	24	1,090.24	599.25
Depreciation and Amortisation Expense	25	20.15	2.76
Other expenses	26	959.10	447.43
<b>Total expenses (B)</b>		<b>20,584.62</b>	<b>2,090.14</b>
<b>Profit before tax (C = A - B)</b>		<b>10,809.78</b>	<b>2,648.69</b>
<b>Tax expense</b>			
Current tax		3,547.49	983.10
Deferred tax credit		(1,261.08)	(414.44)
<b>Total tax expenses (D)</b>		<b>2,286.41</b>	<b>568.66</b>
<b>Net profit after tax (E = C - D)</b>		<b>8,523.37</b>	<b>2,080.03</b>
<b>Other Comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
- Actuarial loss on remeasurements of the net defined benefit plans		1.07	(1.71)
Income tax relating to items that will not be reclassified to profit or loss		(0.27)	0.43
<b>Total Other comprehensive income/(loss) (F)</b>		<b>0.80</b>	<b>(1.28)</b>
<b>Total comprehensive income (G = E + F)</b>		<b>8,524.17</b>	<b>2,078.75</b>
Earnings per equity share:	27		
Basic earnings per share (in ₹)		0.39	0.15
Diluted earnings per share (in ₹)		0.39	0.15

**The accompanying notes form an integral part of the financial statements**

As per our report of even date.

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

Chartered Accountants

ICAI Firm Registration No. 105102W



per Padmini Khare Kaicker

Partner

Membership No : 044784

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

Surya Prakash Rao Pendyala

Director

DIN: 02888802



Virender Pankaj

Chief Executive Officer

  
Rajiv Dhar

Director

DIN: 00073997

  
Nilesh Sampat

Chief Financial Officer

Karishma Pranav Jhaveri  
Company Secretary

Place: Mumbai

Date: May 11, 2022

Karishma Pandey Jha  
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	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	10,809.78	2,648.69
Adjustment for:		
Depreciation and amortisation expense	20.15	2.76
Interest income on financial assets - EIR adjustment	(423.34)	(75.91)
Interest expense on financial liabilities - EIR adjustment	144.54	0.40
Gain on derecognition of financial assets	(52.65)	-
Financial guarantee obligation	(81.74)	(14.35)
Impairment on financial instruments	4,239.52	854.97
<b>Operating profit before working capital changes</b>	<b>14,656.26</b>	<b>3,416.56</b>
<b>Changes in working capital:</b>		
Increase in provisions	68.26	115.59
Increase in trade payables	9.84	31.91
Decrease / (Increase) in other financial assets	158.73	(295.04)
Increase in other financial liabilities	483.90	200.31
(Decrease) / Increase in other non financial liabilities	(26.28)	131.01
(Increase) in non-financial assets	(110.13)	(37.71)
(Increase) in loans	(539,886.01)	(158,756.37)
(Decrease) / Increase in interest accrual on borrowings	(133.45)	136.13
Increase in interest accrual on debt securities	3,171.90	-
<b>Cash (used in) in operations</b>	<b>(521,606.98)</b>	<b>(155,057.61)</b>
(Payment) of tax (net)	(3,758.96)	(1,000.81)
<b>Net Cash (used in) in operations (A)</b>	<b>(525,365.94)</b>	<b>(156,058.42)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(22.26)	(16.51)
Proceeds from sale of property, plant and equipment	0.28	-
Purchase of intangible assets	(69.94)	-
Purchase of intangible assets under development	-	(46.17)
Purchase of investments	(31,192.87)	(28,627.98)
<b>Net cash used in investing activities (B)</b>	<b>(31,284.79)</b>	<b>(28,690.66)</b>
<b>C. Cash flows from financing activities</b>		
Share issue expenses	(67.51)	(134.89)
Proceeds from issuance of Equity Share Capital, net of Share issue expenses	31,671.41	84,127.98
Proceeds from issuance of Compulsorily Convertible Preference Share Capital	-	81,500.00
Payment of dividend on CCPS	(0.82)	-
Proceeds from borrowings, net of cost	431,054.82	44,045.96
Repayment of borrowings	(2,500.00)	-
Proceeds from issue of Debt Securities	104,357.79	-
<b>Net cash generated in financing activities (C)</b>	<b>564,515.69</b>	<b>209,539.05</b>
<b>Net Increase in cash and cash equivalents (D) = (A + B + C)</b>	<b>7,864.96</b>	<b>24,789.97</b>
Cash and cash equivalents at the beginning of the year (E)	56,308.56	31,518.59
<b>Cash and cash equivalents at the end of the year (F) = (D) + (E)</b>	<b>64,173.52</b>	<b>56,308.56</b>
<b>Cash and cash equivalents include the following</b>		
Balances with banks in current account	8,565.22	703.40
Fixed deposits with maturity less than 3 months	55,608.30	55,605.16
<b>Total cash and cash equivalents</b>	<b>64,173.52</b>	<b>56,308.56</b>

**Aseem Infrastructure Finance Limited****Statement of Cash Flows for the year ending March 31, 2021**

Change in liabilities arising from financing activities	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Borrowings (other than debt securities)</b>		
Opening balance	44,182.49	-
Borrowings taken during the year	431,898.66	44,100.00
Finance cost	11,057.31	162.14
Repayments of borrowings during the year	(2,500.00)	-
Payment of interest during the year	(11,054.64)	(26.01)
EIR adjustments	(835.42)	(53.64)
<b>Closing balance</b>	<b>472,748.40</b>	<b>44,182.49</b>
<b>Debt Securities (Secured, Non-convertible)</b>		
Opening balance	-	-
Issued during the year	105,000.00	-
Finance cost	3,207.35	-
Repayments of borrowings during the year	-	-
Payment of interest during the year	-	-
EIR adjustments	(677.66)	-
<b>Closing balance</b>	<b>107,529.69</b>	<b>-</b>

**Notes:**

(i) Figures in brackets represent cash outflow.

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

**The accompanying notes form an integral part of the financial statements**

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

As per our report of even date.

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

Chartered Accountants

ICAI Firm Registration No. 105102W



per Padmini Khare Kaicker

Partner

Membership No : 044784

**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: May 11, 2022

# **Aseem Infrastructure Finance Limited**

## **Notes forming part of financial statements as at and for the year ended March 31, 2022**

### **1. Corporate Information**

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

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

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

The financial statements for the year ended March 31, 2022 were authorised for issue in accordance with a resolution of the directors on May 11, 2022.

### **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.

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 (i.e. for the previous financial year 2020-21), the Company had adopted accounting standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'). Any directions issued by the RBI or other regulators are implemented as and when they become applicable.



# **Aseem Infrastructure Finance Limited**

## **Notes forming part of financial statements as at and for the year ended March 31, 2022**

### **2. Basis of Preparation (continued)**

#### **(i) Compliance with Ind AS (continued)**

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

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

#### **(ii) Historical cost convention**

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

#### **(iii) Order of Liquidity**

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

### **3. Significant accounting policies**

#### **a. Functional and Presentation Currency**

The financial statements are presented in India Rupees (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.

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2022

### 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 items that are recognised in other comprehensive income or directly in equity, in which case, it is recognised in other comprehensive income or directly in equity respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2022

### 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

# **Aseem Infrastructure Finance Limited**

## **Notes forming part of financial statements as at and for the year ended March 31, 2022**

### **3. Significant accounting policies (continued)**

#### **f. Cash and cash equivalents**

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

#### **g. Cash Flow Statement**

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

#### **h. Financial instruments**

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

#### **Financial Assets**

##### **(i) Initial recognition and measurement**

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

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2022

### 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.

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2022

### 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.

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2022

### 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.

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2022

### 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.



# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2022

### 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 an EIR basis over the life of the guarantee. Unwinding of discount on guarantee commission income receivable is recognised in other interest income.

##### j. Property plant and equipment (PPE)

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

##### Depreciation:

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

Assets	Useful life
Computer equipment	3 years
Office equipment	3 years
Server/networking equipment	6 years
Intangible assets including software	6 years

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2022

### 3. Significant accounting policies (continued)

#### j. Property plant and equipment (PPE) (continued)

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

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

#### Derecognition:

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

#### k. Intangible assets under development

Expenditure incurred which is eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use. Intangible assets under development primarily comprise of software under development.

#### l. Impairment of non-financial assets

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

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

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2022

### 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. Finance costs

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

#### p. Employee Benefits

##### Compensated absences

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

##### Post-employment obligations:

The Company operates the following post-employment schemes:

##### (i) Defined contribution plans:

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

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

##### (ii) Defined benefit plans:

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

# **Aseem Infrastructure Finance Limited**

## **Notes forming part of financial statements as at and for the year ended March 31, 2022**

### **3. Significant accounting policies (continued)**

#### **p. Employee Benefits (continued)**

##### **(ii) Defined benefit plans (continued):**

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

#### **q. Earnings per share**

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

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

#### **r. Events after the reporting period**

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

#### **s. Segmental Reporting**

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

#### **t. Foreign Currency transactions**

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

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2022

### 3. Significant accounting policies (continued)

#### u. Significant accounting estimates, judgements and assumptions

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

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

##### (i) Property, plant and equipment:

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

##### (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.

# Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2022

## 3. Significant accounting policies (continued)

### u. Significant accounting estimates, judgements and assumptions (continued)

#### (v) Allowance for impairment of financial asset (continued)

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

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

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

#### (vi) Business model assessment:

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

#### (vii) Effective Interest Rate (EIR) method:

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

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### Note 4 : Cash and cash equivalents

##### Balances with banks:

- in current accounts
- Fixed deposits with original maturity less than 3 months

##### Total

As at March 31, 2022	As at March 31, 2021
8,565.22	703.40
55,608.30	55,605.16
<b>64,173.52</b>	<b>56,308.56</b>

#### Note 5 : Loans

##### Measured at amortised cost

- Term Loans
- Non Convertible Debentures

##### Total Gross

Less: Impairment loss allowance

##### Total Net

As at March 31, 2022	As at March 31, 2021
427,039.78	130,225.97
272,154.50	28,606.31
<b>699,194.28</b>	<b>158,832.28</b>
(4,910.89)	(793.11)
<b>694,283.39</b>	<b>158,039.17</b>

Secured

Unsecured

##### Total Gross

Less: Impairment loss allowance

##### Total Net

699,194.28	158,832.28
-	-
<b>699,194.28</b>	<b>158,832.28</b>
(4,910.89)	(793.11)
<b>694,283.39</b>	<b>158,039.17</b>

##### Loans in India

Public sector

Others

##### Total Gross

Less: Impairment loss allowance

##### Total Net

699,194.28	158,832.28
<b>699,194.28</b>	<b>158,832.28</b>
(4,910.89)	(793.11)
<b>694,283.39</b>	<b>158,039.17</b>

##### Total

<b>694,283.39</b>	<b>158,039.17</b>
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#### Note 6 : Investments

##### Investment in equity shares of associate company (Unquoted)

NIIF Infrastructure Finance Limited

##### Total (A)

Investments in India (i)

Investments outside India (ii)

##### Total (B) (i+ii)

##### Total

As at		As at	
Number	Amount	Number	Amount
423,932,487	86,411.86	309,379,182	55,218.99
<b>423,932,487</b>	<b>86,411.86</b>	<b>309,379,182</b>	<b>55,218.99</b>
423,932,487	86,411.86	309,379,182	55,218.99
-	-	-	-
<b>423,932,487</b>	<b>86,411.86</b>	<b>309,379,182</b>	<b>55,218.99</b>
<b>423,932,487</b>	<b>86,411.86</b>	<b>309,379,182</b>	<b>55,218.99</b>

#### Note 7 : Other financial assets

##### Measured at amortised cost

Guarantee commission receivable

Processing fees receivable

Less: Impairment loss allowance

Security Deposits

Receivable from employees

##### Total

As at March 31, 2022	As at March 31, 2021
126.96	133.48
-	161.56
-	(1.35)
9.00	-
0.35	-
<b>136.31</b>	<b>293.69</b>

#### Note 8 : Current tax assets (net)

Advance income tax (net of provision for income tax of ₹ 4,607.16 lakhs for March 31, 2022)

##### Total

As at March 31, 2022	As at March 31, 2021
162.46	-
<b>162.46</b>	<b>-</b>

**Aseem Infrastructure Finance Limited****Notes forming part of financial statements as at and for the year ended March 31, 2022**

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

**Note 9 : Deferred tax assets (net)****Temporary difference attributable to:****Deferred tax assets**

Preliminary expenses

30.20

45.30

Provision for gratuity payable

6.80

2.98

Provision for leave encashment payable

18.48

5.39

Financial assets measured at amortised cost

400.80

206.71

Impairment allowance on financial assets

1,282.18

215.18

Expenses disallowed for Income tax

-

0.38

**1,738.46****475.94****Deferred tax liabilities**

Depreciation on property, plant and equipment

(2.36)

(0.65)

**(2.36)****(0.65)****Total Deferred tax assets (net)****1,736.10****475.29**



**Aseem Infrastructure Finance Limited****Notes forming part of financial statements as at and for the year ended March 31, 2022**

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

**Note 10A : Property, plant and equipment**

Particulars	Computer equipment	Office equipment	Server/networking equipment	Total
<b>Gross block</b>				
<b>Balance as at March 31, 2020</b>	-	-	-	-
Additions/Adjustments	9.24	2.00	5.27	16.51
Disposals/Adjustments	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>9.24</b>	<b>2.00</b>	<b>5.27</b>	16.51
Additions/Adjustments	16.30	5.96	-	22.26
Disposals/Adjustments	-	0.40	-	-
<b>Balance as at March 31, 2022</b>	<b>25.54</b>	<b>7.56</b>	<b>5.27</b>	<b>38.37</b>

**Accumulated depreciation**

<b>Balance as at March 31, 2020</b>	-	-	-	-
Depreciation charge	2.01	0.19	0.56	2.76
Disposals/Adjustments	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>2.01</b>	<b>0.19</b>	<b>0.56</b>	2.76
Depreciation charge	5.31	1.29	0.88	7.48
Disposals/Adjustments	-	0.12	-	0.12
<b>Balance as at March 31, 2022</b>	<b>7.32</b>	<b>1.36</b>	<b>1.44</b>	<b>10.12</b>

**Net block**

<b>Balance as at March 31, 2021</b>	<b>7.23</b>	<b>1.81</b>	<b>4.71</b>	<b>13.75</b>
<b>Balance as at March 31, 2022</b>	<b>18.22</b>	<b>6.20</b>	<b>3.83</b>	<b>28.25</b>

**Note 10B : Intangible assets**

Particulars	Software	Total
<b>Gross block</b>		
<b>Balance as at March 31, 2021</b>	-	-
Additions/Adjustments	152.51	152.51
Disposals/Adjustments	-	-
<b>Balance as at March 31, 2022</b>	<b>152.51</b>	<b>152.51</b>

**Accumulated depreciation**

<b>Balance as at March 31, 2021</b>	-	-
Depreciation charge	12.67	12.67
Disposals/Adjustments	-	-
<b>Balance as at March 31, 2022</b>	<b>12.67</b>	<b>12.67</b>

**Net block**

<b>Balance as at March 31, 2021</b>	-	-
<b>Balance as at March 31, 2022</b>	<b>139.84</b>	<b>139.84</b>

**Aseem Infrastructure Finance Limited****Notes forming part of financial statements as at and for the year ended March 31, 2022**

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

**Note 10C : Intangible assets under development**

Particulars	Intangible assets under development
<b>Balance as at March 31, 2020</b>	-
Additions/Adjustments	73.17
Disposals/Adjustments	-
<b>Balance as at March 31, 2021</b>	<b>73.17</b>
Additions/Adjustments	(73.17)
Disposals/Adjustments	-
<b>Balance as at March 31, 2022</b>	<b>-</b>
<b>Accumulated depreciation</b>	
<b>Balance as at March 31, 2020</b>	-
Depreciation charge	-
Disposals/Adjustments	-
<b>Balance as at March 31, 2021</b>	-
Depreciation charge	-
Disposals/Adjustments	-
<b>Balance as at March 31, 2022</b>	<b>-</b>
<b>Net block</b>	
<b>Balance as at March 31, 2021</b>	<b>73.17</b>
<b>Balance as at March 31, 2022</b>	<b>-</b>

**Intangible assets under development ageing****As at 31 March 2022**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**As at 31 March 2021**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	73.17	-	-	-	73.17
Projects temporarily suspended	-	-	-	-	-

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### Note 11 : Other non-financial assets

	As at March 31, 2022	As at March 31, 2021
Advance to vendors	15.29	2.35
Prepaid expenses	132.55	35.36
<b>Total</b>	<b>147.84</b>	<b>37.71</b>

#### Note 12 : Trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	5.40	-
Total outstanding dues of creditors other than micro, small and medium enterprises	36.35	31.91
<b>Total</b>	<b>41.75</b>	<b>31.91</b>

#### Trade payable ageing schedule

As at 31 March 2022

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

As at 31 March 2021

Particulars	Not Due	Less than a year	1-2 years	2-3 years	More than 3 years	Total
i. Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	-	31.91	-	-	-	31.91
iii. Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
iv. Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### Note 13 : Debt Securities

	As at March 31, 2022	As at March 31, 2021
<b>At Amortised cost</b>		
Debentures (Secured, non convertible)	104,357.79	-
Interest accrued but not due on debentures	3,171.90	-
	<u>107,529.69</u>	<u>-</u>
Debt securities in India	107,529.69	-
Debt securities outside India	-	-
	<u>107,529.69</u>	<u>-</u>
Face value per debenture (₹ in INR)	1,000,000.00	-

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

ii) Terms of repayment and rate of interest:

As At March 31, 2022	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured, Non convertible debentures	5.6%-7.7%	88,171.90	19,485.83	-	107,657.73
<b>Total</b>					<b>107,657.73</b>

As At March 31, 2021	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured, Non convertible debentures	-	-	-	-	-
<b>Total</b>					

#### Note 14 : Borrowings (other than debt securities)

	As at March 31, 2022	As at March 31, 2021
<b>At Amortised Cost</b>		
<b>Borrowings - In India</b>		
<b>Secured</b>		
Term loan from bank	242,752.31	44,182.49
Term loan from financial institutions	224,997.11	-
Cash credit facility	4,998.98	-
<b>Total</b>	<b>472,748.40</b>	<b>44,182.49</b>

#### Details of borrowings:

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

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

iii) Terms of repayment and rate of interest:

As At March 31, 2022	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Term loan from Banks	Floating*	146,683.23	74,944.44	21,124.63	242,752.31
Term loan from financial institutions	Floating*	50,000.00	150,000.00	24,997.11	224,997.11
Cash credit facility	Floating*	4,998.98	-	-	4,998.98
<b>Total</b>					<b>472,748.40</b>

As At March 31, 2021	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Term loan from Banks	Floating*	17,640.00	17,640.00	8,766.36	44,046.36
<b>Total</b>					<b>44,046.36</b>

\* Linked with MCLR/Base Rate of Respective Banks

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### Note 15 : Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
<b>Measured at amortised cost</b>		
Payable to related parties	20.61	121.19
Staff incentives payable	229.62	132.02
Financial guarantee obligation	297.86	191.56
Processing fees received pending disbursement	421.95	133.48
Capital expenses payable	9.40	27.00
Share issue expenses payable	38.00	22.31
Other expenses payable	80.84	59.16
<b>Total</b>	<b>1,098.28</b>	<b>686.72</b>

#### Note 16 : Current tax liabilities (net)

	As at March 31, 2022	As at March 31, 2021
Provision for income taxes (Net of taxes paid of ₹ 1,046.33 lakhs for March 31, 2021)	-	49.01
<b>Total</b>	<b>-</b>	<b>49.01</b>

#### Note 17 : Provisions

	As at March 31, 2022	As at March 31, 2021
<b>Provisions for employee benefits</b>		
Provision for gratuity	27.02	11.84
Provision for leave benefits	73.41	21.40
Provision for Impairment loss on non-fund based facility	183.59	60.50
<b>Total</b>	<b>284.02</b>	<b>93.74</b>

#### Note 18 : Other non-financial liabilities

	As at March 31, 2022	As at March 31, 2021
Statutory dues	114.70	140.98
<b>Total</b>	<b>114.70</b>	<b>140.98</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### Note 19A : Equity share capital

##### Authorised capital

Equity Shares of ₹ 10 each (Previous year ₹ 10 each)

As at March 31, 2022		As at March 31, 2021	
Number of Shares	Amount	Number of Shares	Amount
4,500,000,000	450,000.00	2,200,000,000	220,000.00
<b>4,500,000,000</b>	<b>450,000.00</b>	<b>2,200,000,000</b>	<b>220,000.00</b>

##### Issued, subscribed and paid up\*

##### (I) Equity Shares

Equity Shares of ₹ 10 each fully paid (Previous year ₹ 10 each)

2,380,586,256	238,058.63	1,405,637,939	140,563.79
<b>2,380,586,256</b>	<b>238,058.63</b>	<b>1,405,637,939</b>	<b>140,563.79</b>

#### 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 19B : Compulsorily Convertible Preference Share Capital ('CCPS')

##### Authorised capital

0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each

As at March 31, 2022		As at March 31, 2021	
Number of Shares	Amount	Number of Shares	Amount
818,181,819	90,000.00	818,181,819	90,000.00
<b>818,181,819</b>	<b>90,000.00</b>	<b>818,181,819</b>	<b>90,000.00</b>

##### Issued, subscribed and paid up\*

0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each

-	-	736,889,692	81,057.87
<b>-</b>	<b>-</b>	<b>736,889,692</b>	<b>81,057.87</b>

#### Rights, preferences and restrictions attached to Preference Shares

During the year, upon induction of a new investor, the CCPS have been converted into equity shares in the ratio of 1 equity share for each CCPS. The CCPS carried a pre-determined cumulative dividend rate of 0.001% per annum, which is provided for during the year on conversion. Each CCPS was issued at a face value of ₹ 11 per CCPS and a premium of ₹ 0.06 per CCPS, and was to be converted into 1 equity share of FV ₹ 10 each and premium ₹ 1.06 upon induction of a new investor or expiry of 3 years from the date of issuance of the CCPS, whichever is earlier. The CCPS did not carry any voting rights and had liquidation preference over the Equity Shares, in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016. This CCPS infusion from Government of India was the first tranche subscribed against its commitment to make direct investment in the Company as announced in the Union Budget for FY 2020-21 and Atmanirbhar Bharat Scheme 3.0.

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

##### Particulars

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	1,405,637,939	140,563.79	577,000,000	57,700.00
Add: Issued during the year	238,058,625	23,805.87	828,637,939	82,863.79
Add: CCPS converted into Equity shares during the year	736,889,692	73,688.97	-	-
<b>Outstanding at the end of the year</b>	<b>2,380,586,256</b>	<b>238,058.63</b>	<b>1,405,637,939</b>	<b>140,563.79</b>
<b>Total issued, subscribed and fully paid up Equity Shares</b>	<b>2,380,586,256</b>	<b>238,058.63</b>	<b>1,405,637,939</b>	<b>140,563.79</b>
<b>0.001 % Compulsorily Convertible Preference Shares</b>				
At the beginning of the year	736,889,692	81,057.87	-	-
Add: Issued during the year	-	-	736,889,692	81,057.87
Less: Conversion into Equity share during the year	(736,889,692)	(81,057.87)	-	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>736,889,692</b>	<b>81,057.87</b>
<b>Total issued, subscribed and fully paid up 0.001 % Compulsorily Convertible Preference Shares</b>	<b>-</b>	<b>-</b>	<b>736,889,692</b>	<b>81,057.87</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

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

##### Name of shareholder

##### Equity shares of ₹ 10 each

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	% of shares	Number of Shares	% of shares
National Investment and Infrastructure Fund-II	1,405,637,939	59%	1,405,637,939	100%
Government of India	736,889,692	31%	-	0%
Sumitomo Mitsui Banking Corporation	238,058,625	10%	-	0%
<b>Total</b>	<b>2,380,586,256</b>	<b>100%</b>	<b>1,405,637,939</b>	<b>100%</b>

##### 0.001 % Compulsorily Convertible Preference Shares of ₹ 11 each

President of India (Represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India)	-	0%	736,889,692	100%
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#### Shareholding of Promoters in the company

##### As at 31 March 2022

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

##### As at 31 March 2021

Name of promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
National Investment and Infrastructure Fund-II	577,000,000	828,637,939	1,405,637,939	100%	0%
<b>Total</b>	<b>577,000,000</b>	<b>828,637,939</b>	<b>1,405,637,939</b>	<b>100%</b>	<b>0%</b>

#### Note 19C : Other equity

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

(b) Securities premium

(c) Impairment reserve

(d) Retained earnings

**Total**

As at March 31, 2022	As at March 31, 2021
2,125.83	421.20
16,872.55	1,705.62
54.42	54.42
8,291.30	1,472.58
<b>27,344.10</b>	<b>3,653.82</b>

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

Opening balance

Addition during the year

**Closing balance**

As at March 31, 2022	As at March 31, 2021
421.20	5.19
1,704.63	416.01
<b>2,125.83</b>	<b>421.20</b>

(b) Securities premium

Opening balance

Addition during the year

Less: Share issue expenses

**Closing balance**

As at March 31, 2022	As at March 31, 2021
1,705.62	-
15,272.44	1,706.32
(105.51)	(0.70)
<b>16,872.55</b>	<b>1,705.62</b>

(c) Impairment reserve

Opening balance

Addition during the year

**Closing balance**

As at March 31, 2022	As at March 31, 2021
54.42	-
-	54.42
<b>54.42</b>	<b>54.42</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### Note 19C : Other equity (continued)

##### (d) Retained earnings

	As at March 31, 2022	As at March 31, 2021
Opening balance	1,472.58	20.76
Transaction during the year :		
Net profit for the year	8,523.37	2,080.03
Other comprehensive income for the year	0.80	(1.28)
Less: Share issue expenses	-	(156.50)
Less: Transfer to Statutory reserve u/s. 45-IC of RBI Act, 1934	(1,704.63)	(416.01)
Less: Transfer to impairment reserve	-	(54.42)
Less: Dividend on CCPS	(0.82)	-
<b>Closing balance</b>	<b>8,291.30</b>	<b>1,472.58</b>

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

#### 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, 2022 and 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, 2022

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

#### Note 20 : Interest income

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>On financial assets measured at amortised cost:</b>		
Interest on loans	23,777.82	1,774.92
Interest on Non Convertible Debentures	6,460.91	1,280.43
Interest on bank deposits	794.50	1,643.66
Prepayment Fees Income	82.31	-
Other interest income*	8.76	2.10
<b>Total</b>	<b>31,124.30</b>	<b>4,701.11</b>

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

#### Note 21 : Fees and commission income

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>On financial assets measured at amortised cost:</b>		
Commission fees	217.45	37.72
<b>Total</b>	<b>217.45</b>	<b>37.72</b>

#### Note 22 : Finance costs

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>On Financial liabilities measured at amortised cost</b>		
Bank charges	8.46	0.03
Interest on borrowings	11,057.31	162.14
Interest on Debt securities	3,207.35	-
Interest on corporate taxes	2.50	23.56
<b>Total</b>	<b>14,275.62</b>	<b>185.73</b>

#### Note 23 : Impairment on financial instruments

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>On Financial instruments measured at amortised cost</b>		
Term Loans	2,349.82	651.46
Non Convertible Debentures	1,766.60	143.01
Non Fund Based Facility	123.09	60.50
<b>Total</b>	<b>4,239.51</b>	<b>854.97</b>

#### Note 24 : Employee benefits expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	968.86	546.40
Gratuity and leave encashment	69.60	31.53
Contribution to provident and other funds	39.40	20.65
Staff welfare expenses	12.38	0.67
<b>Total</b>	<b>1,090.24</b>	<b>599.25</b>

#### Note 25 : Depreciation and Amortisation Expense

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	7.48	2.76
Depreciation on Intangible Assets	12.67	-
<b>Total</b>	<b>20.15</b>	<b>2.76</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### Note 26 : Other expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Branding expenses	-	5.45
Shared services cost expense	73.17	98.98
Legal and professional fees	287.73	115.14
Rating fees	144.48	38.78
Internal audit fees	13.53	5.00
Auditor's remuneration (Refer note 26 (a))	23.78	19.26
Facility support services fees	170.25	75.00
Corporate social responsibility expenditure	27.35	1.10
Director sitting fees	22.89	14.39
Recruitment expenses	35.63	46.96
Information technology expenses	122.95	13.36
Insurance expenses	12.03	8.41
Other expenses	25.31	5.60
<b>Total</b>	<b>959.10</b>	<b>447.43</b>

#### Note 26(a) : Break up of Auditors' remuneration

	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory audit	14.35	16.00
Tax audit	1.09	1.00
<b>In other capacity</b>		
Other services	8.34	2.00
Out-of-pocket expenses	-	0.26
<b>Total</b>	<b>23.78</b>	<b>19.26</b>

#### Note 27 : Earning per share (EPS)

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit after tax	8,524.17	2,078.75
Less: Share issue expenses	-	(156.50)
Less: Impairment reserve	-	(54.42)
<b>Net Profit after tax available for equity shareholders</b>	<b>8,524.17</b>	<b>1,867.83</b>
Weighted average number of shares including adjustment of Compulsorily Convertible Preference Shares (CCPS) dilution	21,582	12,052
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>21,582</b>	<b>12,052</b>

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share	0.39	0.15
Diluted earnings per share	0.39	0.15

The Basic earnings per share considers the effect of dilution on account of the Compulsorily Convertible Preference Shares as the conversion ratio is fixed. Refer note 19(C).

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### Note 28: Related party disclosures

Names of related parties identified in accordance with Ind AS -24 "Related Party Disclosures" (with whom there were transactions during the

#### 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. Chandrashekar

#### b. Key management personnel compensation:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short term employee benefits	401.27	254.22
Post-employment defined benefit #	15.38	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.

Particulars of Director sitting fees	For the year ended March 31, 2022	For the year ended March 31, 2021
Ms. Rosemary Sebastian - Independent Director	10.20	6.60
Mr. V. Chandrasekaran - Independent Director	10.80	6.60
<b>Total</b>	<b>21.00</b>	<b>13.20</b>

#### c. Transactions with related parties during the year

Nature of transaction	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Issue of equity shares</b>			
National Investment and Infrastructure Fund-II	Holding company	-	84,127.98
<b>Purchase of equity shares</b>			
NIIF Infrastructure Finance Limited	Associate company	31,192.87*	28,627.98
<b>Expenses on Company's behalf by</b>			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	159.00	75.07
NIIF Infrastructure Finance Limited	Associate company	106.91	110.88
<b>Expenses charged by Company</b>			
NIIF Infrastructure Finance Limited	Associate company	2.50	-
<b>Downsell / Assignment of Loans</b>			
NIIF Infrastructure Finance Limited	Associate company	18,472.88	-

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

**Aseem Infrastructure Finance Limited****Notes forming part of financial statements as at and for the year ended March 31, 2022**

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

**Note 28: Related party disclosures (continued)****d. Closing balance of the transactions with related parties**

Nature of transaction	Relationship	As at March 31, 2022	As at March 31, 2021
<b>Equity shares</b>			
National Investment and Infrastructure Fund-II	Holding company	140,563.79	140,563.79
<b>Investment in equity shares</b>			
NIIF Infrastructure Finance Limited	Associate company	86,411.86	55,218.99
<b>Expenses on Company's behalf payable</b>			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	21.06	69.38
NIIF Infrastructure Finance Limited	Associate company	-	51.81

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 29 Corporate social responsibility (CSR)

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

(a) Gross amount required to be spent by the Company during the year – ₹ 27.03 lakhs (previous year – ₹ 1.08 lakhs)

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

For the year ended March 31, 2022	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	27.35	-	-
For the year ended March 31, 2021	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1.10	-	-

The Company's CSR spend shall enable interactive mode of teaching subjects like Science, Technology, engineering and Mathematics, delivered by means of a purpose-built low cost technological platform to enhance learning and to achieve better educational outcomes in identified schools.

#### 30 Contingent liabilities and capital commitments

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

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets	-	69.25

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

Particulars	As at March 31, 2022	As at March 31, 2021
Letter of comfort issued	26,227.00	12,100.00

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

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

Particulars	March 31, 2022	March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	5.40	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Further interest remaining due and payable for earlier years	-	-

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 32 Tax expense recognised in P&L

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	3,547.49	983.10
Deferred tax	(1,261.08)	(414.44)
	<b>2,286.41</b>	<b>568.66</b>
<b>Tax expense/(benefits) recognised in other comprehensive income</b>		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	-	-
Deferred tax - remeasurement of defined benefit obligation	(0.27)	0.43
	<b>(0.27)</b>	<b>0.43</b>

#### 32.1 Tax reconciliation (for profit and loss)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(loss) before income tax expense	10,809.78	2,648.69
Tax at the rate of	25.168%	25.168%
Income tax expense calculated	2,720.61	666.62
Tax impact of not deductible/allowable expenses/Income for tax purpose	(4.91)	6.21
Tax impact of deduction allowed separately under Income Tax Act, 1961	(429.02)	(104.60)
Income tax expense	<b>2,286.68</b>	<b>568.23</b>

#### 32.2 Deferred tax assets (net)

	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax on account of :</b>		
Preliminary Expenses	30.20	45.30
Provision for Gratuity Payable	6.80	2.98
Provision for Leave Encashment Payable	18.48	5.39
Financial assets measured at amortised cost	400.80	206.71
Impairment allowance on financial assets	1,282.18	215.18
Expenses disallowed for Income tax	-	0.38
Depreciation of property, plant and equipment	(2.36)	(0.65)
<b>Net deferred tax Assets</b>	<b>1,736.10</b>	<b>475.29</b>

#### Deferred tax related to the following:

Particulars	As at March 31, 2022	Recognised through profit & loss	As at March 31, 2021	Recognised through OCI	Recognised through OCI
Preliminary Expenses	30.20	15.10	45.30	15.11	-
Provision for Gratuity Payable	6.80	(4.09)	2.98	(2.55)	0.43
Provision for Leave Encashment Payable	18.48	(13.09)	5.39	(5.39)	-
Financial assets measured at amortised cost	400.80	(194.09)	206.71	(206.71)	-
Impairment allowance on financial assets	1,282.18	(1,067.00)	215.18	(215.18)	-
Expenses disallowed for Income tax	-	0.38	0.38	(0.38)	-
Depreciation of property, plant and equipment	(2.36)	1.71	(0.65)	0.65	-
<b>Total deferred tax Assets (net)</b>	<b>1,736.10</b>	<b>(1,261.08)</b>	<b>475.29</b>	<b>(414.45)</b>	<b>0.43</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 33 Fair value measurements

##### Financial instruments by category

Particulars	As at March 31, 2022			
	FVTPL	FVOCI	Amortised cost	Total carrying value
<b>Financial assets</b>				
Cash and cash equivalents	-	-	64,173.52	64,173.52
Loans	-	-	694,283.39	694,283.39
Other financial assets	-	-	136.31	136.31
<b>Total financial assets</b>	-	-	<b>758,593.22</b>	<b>758,593.22</b>
<b>Financial liabilities</b>				
Trade payables	-	-	41.75	41.75
Debt Securities	-	-	107,529.69	107,529.69
Borrowings (other than debt securities)	-	-	472,748.40	472,748.40
Other financial liabilities	-	-	1,098.28	1,098.28
<b>Total financial liabilities</b>	-	-	<b>581,418.12</b>	<b>581,418.12</b>

Particulars	As at March 31, 2021			
	FVTPL	FVOCI	Amortised cost	Total carrying value
<b>Financial assets</b>				
Cash and cash equivalents	-	-	56,308.56	56,308.56
Loans	-	-	158,039.17	158,039.17
Other financial assets	-	-	293.69	293.69
<b>Total financial assets</b>	-	-	<b>214,641.42</b>	<b>214,641.42</b>
<b>Financial liabilities</b>				
Trade payables	-	-	31.91	31.91
Borrowings (other than debt securities)	-	-	44,182.49	44,182.49
Other financial liabilities	-	-	686.72	686.72
<b>Total financial liabilities</b>	-	-	<b>44,901.12</b>	<b>44,901.12</b>

##### 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 years.

##### IV. Fair value of financial instrument measured at amortised cost

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Loans	694,283.39	694,283.39	158,039.17	158,039.17
Other financial assets (Guarantee Commission receivable)	126.96	126.96	133.48	133.48
<b>Financial liabilities</b>				
Debt Securities	107,529.69	107,529.69	-	-
Borrowings (other than debt securities)	472,748.40	472,748.40	44,182.49	44,182.49

##### Note:

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

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management

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

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

#### Regulatory capital

Particulars	As at March 31, 2022	As at March 31, 2021
Tier - I capital	203,407.74	192,001.37
Tier - II capital	5,094.48	854.96
<b>Total Capital</b>	<b>208,502.22</b>	<b>192,856.33</b>
Risk weighted assets	592,401.92	127,830.30
Tier - I capital ratio	34.34%	150.20%
Tier - II capital ratio	0.86%	0.67%
<b>Total Capital ratio</b>	<b>35.20%</b>	<b>150.87%</b>

#### Financial risk management

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

#### A Credit risk

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

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

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits. Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/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, 2022	As at March 31, 2021
Financial Assets at amortised cost - Loans (Gross)	701,550.40	159,499.90
Other financial assets at amortised cost	126.96	295.04
Non Fund Based Facility	26,227.00	12,100.00
<b>Total Gross exposure</b>	<b>727,904.36</b>	<b>171,894.94</b>
Less: Non Fund Based Facility	(26,227.00)	(12,100.00)
Less : Impairment loss allowances	(5,094.48)	(854.97)
Less: EIR adjustments	(2,356.12)	(667.66)
<b>Total carrying value</b>	<b>694,226.76</b>	<b>158,272.31</b>

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



## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 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, 2022		As at March 31, 2021	
	Carrying	ECL	Carrying amount	ECL
Stage 1	694,226.76	5,094.48	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, 2022	As at March 31, 2021
Opening balance	(793.11)	-
Impairment provision recognised	(4,117.78)	(793.11)
Derecognition	-	-
Closing balance	(4,910.89)	(793.11)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	(60.50)	-
Impairment provision recognised	(123.09)	(60.50)
Derecognition	-	-
Closing balance	(183.59)	(60.50)

##### Credit Concentration

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

Particulars	As at March 31, 2022	As at March 31, 2021
Infrastructure	694,226.76	158,272.31
Total	694,226.76	158,272.31

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 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 is managed at the sector/sub-sector level. Sectoral limits have been laid down and reviewed every 6 months at the Risk Management Committee (RMC).

Sector/sub-sector	Exposure as % of total exposure	
	As at March 31, 2022	As at March 31, 2021
Solar		
Roads	41%	63%
Transmission	18%	21%
Telecom	10%	16%
Natural Gas	11%	-
Power Distribution	1%	-
Airport	7%	-
Solar & Wind (Hybrid)	7%	-
Wind	3%	-
Wind	0%	-
<b>Total</b>	<b>100%</b>	<b>100%</b>

##### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

##### A Credit risk (continued)

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

##### a) Credit risk grading (continued)

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+	
3.81 - 3.90	IAA	High Safety
3.71 - 3.80	IAA-	
3.61 - 3.70	IA+	
3.51 - 3.60	IA	Adequate Safety
3.41 - 3.50	IA-	
3.11 - 3.40	IBBB+	
2.81 - 3.10	IBBB	Moderate Safety
2.61 - 2.80	IBBB-	
2.25 - 2.60	IBB+, IBB & IBB-	
<2.25	IB, IC & iD	High Risk/ Very High Risk/ Default

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

An annual review of the loans / debentures (credit substitutes) is conducted to determine the credit migration and rating of the portfolio. The analysis below summarises the credit quality of the Company's debt portfolio.

Internal rating grades	% of total customers		% of total outstanding	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
IAAA	0%	0%	0%	0%
IAA+, IAA, IAA-	41%	46%	43%	18%
IA+, IA, IA-	40%	50%	46%	77%
IBBB+	14%	4%	9%	6%
IBBB	5%	0%	2%	0%
IBBB-	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

##### A Credit risk (continued)

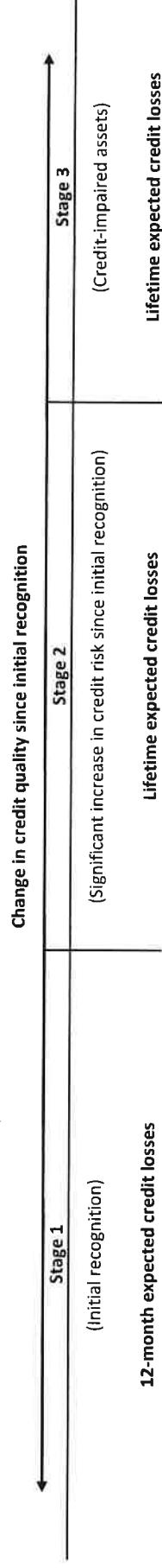
##### 1) Credit risk measurement - loans and advances (continued)

##### 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 note 32 (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.

The following diagram summarises the impairment requirements under Ind AS 109:



##### 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

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

##### A Credit risk (continued)

- 1) Credit risk measurement - loans and advances (continued)
- b) Expected credit loss measurement (continued)
- i) Significant increase in credit risk (SICR) (continued)

##### 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, 2022 and 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 unlikelyness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

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

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

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

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 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

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%.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 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	0.03%	0.03%	0.03%
	IAA+	0.03%	0.03%	0.04%
	IAA	0.03%	0.03%	0.04%
	IAA-	0.03%	0.03%	0.04%
Adequate Safety	IA+	0.03%	0.03%	0.08%
	IA	0.03%	0.03%	0.08%
	IA-	0.03%	0.03%	0.08%
	IBBB+	0.21%	0.06%	0.65%
Moderate Safety	IBBB	0.21%	0.06%	0.65%
	IBBB-	0.21%	0.06%	0.65%
	IBB+	2.00%	0.92%	4.01%
	IBB	2.00%	0.92%	4.01%
Moderate Risk	IBB-	2.00%	0.92%	4.01%
	IB	5.95%	3.30%	10.04%
	IC	16.69%	10.68%	24.52%
	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.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

##### A Credit risk (continued)

- 1) Credit risk measurement - loans and advances (continued)
- b) Expected credit loss measurement (continued)

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

###### ECL computation:

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

##### iv) Forward-looking information incorporated in the ECL model

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

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

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

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

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

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

###### Year ended March 31, 2022

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

###### 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%



## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 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)

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.

	Year ended March 31, 2022			Year ended March 31, 2021		
	Base case	Best case	Worst case	Base case	Best case	Worst case
Assigned probabilities %	50%	20%	30%	50%	20%	30%
ECL (₹ in lakhs)	217.25	141.41	543.71	424.21	129.32	1,248.30

Scenario weighted ECL as on March 31, 2022 is ₹ 300.02 lakhs (March 31, 2021 ₹ 612.46 lakhs).

#### v) Financial assets measured on a collective basis

ECL is calculated on individual basis for all loan assets.

#### vi) Proposal appraisal

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

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

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 1 year	68%	77%
More than 1 year	32%	23%

#### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 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, 2022			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
Highest Safety	-	-	-	-
High Safety	326,305.81	-	-	326,305.81
Adequate Safety	306,162.07	-	-	306,162.07
Moderate Safety	95,436.48	-	-	95,436.48
<b>Non-performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>727,904.36</b>	-	-	<b>727,904.36</b>

Term loans and debentures	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
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
<b>Non-performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>171,894.94</b>	-	-	<b>171,894.94</b>

##### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 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
<b>As at March 31, 2022</b>						
<b>Loans to corporate entities/individuals:</b>						
- Term loans	428,749.38	3,001.28	-	1,709.60	424,038.50	834,755.43
- Debentures and bonds	271,449.70	1,902.85	-	646.52	268,900.33	418,937.42
- Accrued interest on loans, debentures and bonds	1,351.32	6.76	-	-	1,344.56	1,351.32
- Other financial Asset	126.96	-	-	-	126.96	126.96
- Non-Fund Based facility	26,227.00	183.59	26,227.00	-	(183.59)	18,734.02
<b>Total</b>	<b>727,904.36</b>	<b>5,094.48</b>	<b>26,227.00</b>	<b>2,356.12</b>	<b>694,226.76</b>	<b>1,273,905.16</b>
<b>As at March 31, 2021</b>						
<b>Loans to corporate entities/individuals:</b>						
- 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
<b>Total</b>	<b>171,894.94</b>	<b>854.97</b>	<b>12,100.00</b>	<b>667.66</b>	<b>158,272.31</b>	<b>292,333.96</b>

##### iv) Loss allowance

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

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

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued) A Credit risk (continued)

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

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

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

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

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

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 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 year due to various factors:

Term loans and debentures	Year ended March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	793.11	-	-	793
New assets originated or purchased	4,765.67	-	-	4,765.67
Assets derecognised or repaid	(647.89)	-	-	(647.89)
Net remeasurement of loss allowance	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>4,910.89</b>	<b>-</b>	<b>-</b>	<b>4,910.89</b>

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	-	-	-	-
<b>Closing balance</b>	<b>793.11</b>	<b>-</b>	<b>-</b>	<b>793.11</b>

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

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

##### B Liquidity risk

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

##### Liquidity risk framework

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

Category	Limits
Limits on cumulative negative gaps, as a % of cumulative 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)	0.5

##### Financing arrangements

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Floating rate Borrowings</b>		
Expiring within one year	214,000.00	55,900.00
Expiring beyond one year	-	-
<b>Total</b>	<b>214,000.00</b>	<b>55,900.00</b>

##### 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, 2022 and 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, 2022	As at March 31, 2021
<b>Financial liabilities</b>		
<b>Provisions</b>		
USD Exposure (in INR lakhs)	4.60	0.46
<b>Financial Assets</b>		
<b>Trade receivables</b>		
USD Exposure (in INR lakhs)	-	-
<b>Net exposure to foreign currency risk</b>	<b>4.60</b>	<b>0.46</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 34 Capital Management (continued)

##### (i) Foreign currency risk (continued)

##### 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

Currencies	As at March 31, 2022		As at March 31, 2021	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.23)	0.23	(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, 2022	As at March 31, 2021
<b>Variable rate liabilities</b>		
Borrowings	473,498.66	44,100.00
<b>Variable rate assets</b>		
Loans	404,498.73	117,540.39
<b>Sensitivity</b>		

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, 2022	As at March 31, 2021
Interest rates – increase by 0.50%	(345.00)	367.20
Interest rates – decrease by 0.50%	345.00	(367.20)

\* Holding all other variables constant

##### (iii) Price risk

The Company is not exposed to price risk as at March 31, 2022 and March 31, 2021.

#### D Operational Risk

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

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 35 Segment reporting

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

##### (a) Segment revenue

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Segment revenue		
- India	31,394.40	4,738.83
- Outside India	-	-
<b>Total</b>	<b>31,394.40</b>	<b>4,738.83</b>

##### Revenue from major customers

For the year ended March 31, 2022, Revenues from one customer (March 21, 2021 four customers) of the Company represents approximately ₹ 3,359 lakhs (March 31, 2021 ₹ 2,463 lakhs) of the Company's total revenues. This customer is contributing more than 10% of Company's total revenue.

##### (b) Segment assets and segment liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Segment assets		
- India	847,219.57	270,460.33
- Outside India	-	-
Segment liabilities		
- India	581,816.84	45,184.85
- Outside India	-	-
<b>Total</b>	<b>847,219.57</b>	<b>270,460.33</b>

#### 36 Collateral / security pledged

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Pledged as security against borrowings</b>		
Receivables and Loan Assets	700,204.43	158,755.54
Other financial assets	126.96	295.04
<b>Total</b>	<b>700,331.39</b>	<b>159,050.58</b>



## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 37 Employee benefits

##### (A) Labour Law

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident fund and other fund	39.40	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, 2022	Year ended March 31, 2021
<b>(i) Actuarial assumptions</b>		
Discount rate (per annum)	7.30%	6.95%
Salary escalation rate	9.00%	9.00%
Retirement age	60	60
<b>(ii) Asset information</b>		
The Company is responsible for the overall governance of the plan.		
<b>(iii) Changes in the present value of defined benefit obligation</b>		
Defined benefit obligation at beginning of year	11.84	-
Current Service Cost	16.06	10.01
Benefit payments from plan	(0.63)	-
Interest cost	0.82	0.12
Actuarial losses on obligations	(1.07)	1.71
<b>Defined benefit obligation at end of year</b>	<b>27.02</b>	<b>11.84</b>
<b>(iv) Changes in the Fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	-	-
Return on plan assets (excluding interest income)	-	-
Employer contributions	0.63	-
Benefit payments from plan assets	(0.63)	-
Actuarial gains	-	-
<b>Fair value of Plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 37 Employee benefits

##### (C) Defined Benefit Plan (continued)

##### (v) Assets and liabilities recognised in the balance sheet

Defined benefit obligation	27.02	11.84
Fair value of plan assets	-	-
<b>Net defined benefit liability</b>	<b>27.02</b>	<b>11.84</b>

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Service cost	16.06	10.01
Interest cost on net defined benefit obligation	0.82	0.12
Past Service cost	-	-
<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>16.88</b>	<b>10.13</b>
Included in note 'Employee benefits expense'		

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening amount recognized in OCI outside P&L account	1.71	-
Remeasurements (recognized in OCI)	-	-
Effect of changes in actuarial assumptions	(1.33)	(0.27)
Experience adjustments	0.27	1.98
(Return) on plan assets (excluding interest income)	-	-
<b>Total remeasurements included in OCI</b>	<b>0.65</b>	<b>1.71</b>

##### (viii) Sensitivity Analysis:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Present value obligation</b>		
Discount rate +50 basis points	25.26	10.99
Discount rate -50 basis points	28.95	12.77
Salary Increase Rate +50 basis points	28.91	12.75
Salary Increase Rate -50 basis points	25.28	11.00

##### (ix) Projected plan cash flow

Maturity Profile	As at March 31, 2022	As at March 31, 2021
Expected total benefit payments		
Year 1	0.08	0.03
Year 2	0.10	0.04
Year 3	0.28	0.04
Year 4	0.77	0.13
Year 5	0.85	0.35
Next 5 years	86.55	39.51

##### (x) Provision for leave encashment

Maturity Profile	As at March 31, 2022	As at March 31, 2021
Liability for compensated absences	73.41	21.40

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 38 Maturity analysis of assets and liabilities

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

Assets	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	64,173.52	-	64,173.52	56,308.56	-	56,308.56
Loans	53,345.05	6,40,938.34	6,94,283.39	6,176.76	1,51,862.41	1,58,039.17
Investments	-	86,411.86	86,411.86	-	55,218.99	55,218.99
Other financial assets	123.39	12.92	136.31	232.52	61.17	293.69
<b>Non-Financial assets</b>						
Current tax assets (net)	162.46	-	162.46	-	-	-
Deferred tax assets (net)	-	1,736.10	1,736.10	-	475.29	475.29
Property, plant and equipment	-	28.25	28.25	-	13.75	13.75
Intangible assets	-	139.84	139.84	-	-	-
Intangible assets under development	-	-	-	-	73.17	73.17
Other non-financial assets	147.84	-	147.84	37.71	-	37.71
<b>Total Assets</b>	<b>1,17,952.26</b>	<b>7,29,267.31</b>	<b>8,47,219.57</b>	<b>62,755.55</b>	<b>2,07,704.78</b>	<b>2,70,460.33</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	41.75	-	41.75	31.91	-	31.91
Debt Securities	2,656.97	1,04,872.72	1,07,529.69	-	-	-
Borrowings (other than debt securities)	34,446.10	4,38,302.30	4,72,748.40	136.13	44,046.36	44,182.49
Other financial liabilities	1,093.59	4.69	1,098.28	616.20	70.52	686.72
<b>Non Financial Liabilities</b>						
Current tax liabilities	-	-	-	49.01	-	49.01
Provisions	153.75	130.27	284.02	38.06	55.68	93.74
Other non-financial liabilities	114.70	-	114.70	140.98	-	140.98
<b>Total Liabilities</b>	<b>38,506.86</b>	<b>5,43,309.98</b>	<b>5,81,816.84</b>	<b>1,012.29</b>	<b>44,172.56</b>	<b>45,184.85</b>

## **Aseem Infrastructure Finance Limited**

### **Notes forming part of financial statements as at and for the year ended March 31, 2022**

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

#### **39 Note on COVID-19**

While the COVID-19 situation is improving in the country, the Company continues to closely monitor the situation and in response to the evolving scenario has reviewed and implemented appropriate protocols and processes to safeguard and execute its business operations. The Company continues to meet its operating and financial obligations, has maintained a healthy capital adequacy ratio and has also raised additional equity during the year from an international investor. The Company has not experienced any significant disruptions on account of the pandemic. The company has considered the impact 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 the evolving COVID-19 pandemic will continue to impact the Company's business, operations, financial position and cash flows will depend on future developments which while seemingly improving, could still be uncertain, including, among other things, any information concerning the severity of any new COVID variant. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the financial assets. The Company is also closely monitoring any material changes in the economic conditions and resultant impacts, if any, on the expected credit loss provisions.

#### **40 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 had granted a further extension of 6 months up to September 30, 2021 to ensure the pending compliance. The Company has thereafter complied with this COR condition on September 15, 2021 and has informed about the due compliance to the RBI vide a written communication.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 41. Capital Management

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

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous year. However, they are under constant review by the Board.

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

Items	As at March 31, 2022	As at March 31, 2021
i. CRAR (%)	35.20%	150.87%
ii. CRAR - Tier I capital (%)	34.34%	150.20%
ii. CRAR - Tier II capital (%)	0.86%	0.67%

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

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

**Aseem Infrastructure Finance Limited**  
**Notes forming part of financial statements as at and for the year ended March 31, 2022**

**42 Ratio and its elements**

Ratios	Numerator	Denominator	31 March 2022	31 March 2021	% change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	NA	NA	NA	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	2.19	0.20	1,014.79%	Higher leverage during the year.
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	NA	NA	NA	
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	3.47%	1.47%	136.32%	Higher profitability and leverage.
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
Trade Receivables Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	NA	NA	NA	
Trade Payables Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	NA	NA	NA	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	NA	NA	NA	
Net Profit Ratio	Net Profit	Net sales = Total sales - sales return	NA	NA	NA	
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	3.39%	1.05%	223.48%	Higher leverage during the year.
Capital to risk-weighted assets ratio (CRAR)	Total Risk weighted Assets/Exposures	Total capital funds	35.20%	150.87%	-76.67%	Higher credit book during the year.
Tier I CRAR	Total Risk weighted Assets/Exposures	Tier I capital	34.34%	150.20%	-77.14%	Higher credit book during the year.
Tier II CRAR	Total Risk weighted Assets/Exposures	Tier II capital	0.86%	0.67%	28.58%	Higher credit book provision during the year.
Return on Investment	Interest (Finance Income)	Investment	0.00%	0.00%	0.00%	Investment is strategic equity investment.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 43 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)
<b>Performing assets</b>						
Standard	Stage 1 Stage 2	699,194.28	4,910.89	694,283.39	2,806.20	2,104.69
<b>Subtotal</b>		<b>699,194.28</b>	<b>4,910.89</b>	<b>694,283.39</b>	<b>2,806.20</b>	<b>2,104.69</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>						
Loss		-	-	-	-	-
<b>Subtotal for NPA</b>						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1 Stage 2 Stage 3	26,227.00	183.59	26,043.41	-	183.59
<b>Subtotal</b>		<b>26,227.00</b>	<b>183.59</b>	<b>26,043.41</b>		<b>183.59</b>
<b>Total</b>	<b>Stage 1 Stage 2 Stage 3</b>	<b>725,421.28</b>	<b>5,094.48</b>	<b>720,326.80</b>	<b>2,806.20</b>	<b>2,288.28</b>
<b>Total</b>		<b>725,421.28</b>	<b>5,094.48</b>	<b>720,326.80</b>	<b>2,806.20</b>	<b>2,288.28</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

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

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

S.No	Item	For the year ended March 31, 2022	For the year ended March 31, 2021
1	CRAR (%)	35.20%	150.87%
2	CRAR - Tier I capital (%)	34.34%	150.20%
3	CRAR - Tier II Capital (%)	0.86%	0.67%
4	Amount of subordinated debt raised as Tier-II capital	-	-
5	Amount raised by issued of Perpetual Debt Instruments	-	-

**b. Investments**

S.No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	<b>Value of investments</b>		
	(i) Gross value of investments		
	(a) in India	86,411.86	55,218.99
	(a) outside India	-	-
	(ii) Provision for depreciation		
	(a) in India	-	-
	(a) outside India	-	-
	(iii) Net value of investments		
	(a) in India	86,411.86	55,218.99
	(a) outside India	-	-
2	<b>Movement of provisions held towards depreciation on investments</b>		
	(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, 2022 and March 31, 2021. 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, 2022 and March 31, 2021. 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, 2022 and March 31, 2021. Hence the related disclosures are not applicable to the Company.

**f. Details of Assignment transactions undertaken**

S.No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	No. of accounts	7	-
(ii)	Aggregate value (net of provisions) of accounts sold	25,829.70	-
(iii)	Aggregate consideration	25,882.35	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value*	52.65	-

\*Aggregate gain / loss over net book value refer to net gains/(losses) accounted on derecognition of financial assets measured at amortised cost as per Accounting Standards.



## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 44 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, 2022 and March 31, 2021. 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, 2022 and March 31, 2021.

###### 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, 2022 and March 31, 2021.

##### 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, 2022 and March 31, 2021.

##### k. Unsecured Advances

The Company has not given any unsecured advances in the year ended March 31, 2022 and March 31, 2021.

##### 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, 2022 and March 31, 2021.

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

S.No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Provision made towards income tax	3,547.49	983.10
(ii)	Provision for employee benefits	229.62	132.02
(iii)	Provision for employee stock compensation cost	-	-
(iv)	Provision for gratuity	27.02	11.84
(v)	Provision for compensated absence cost	73.41	21.40
(vi)	Provision for impairment of financial assets	4,239.51	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 year ended March 31, 2022 and March 31, 2021. 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, 2022	For the year ended March 31, 2021
Total Advances to twenty largest borrowers	518,446.08	164,057.84
Percentage of Advances to twenty largest borrowers to Total Advances	73.90%	95.46%

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

#### 44 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, 2022	For the year ended March 31, 2021
Total Exposures to twenty largest borrowers / customers*	518,446.08	164,057.84
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	73.90%	95.46%

\*Exposure does not include investment in Associate company.

###### iii) Concentration of NPAs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total of Exposures to top four NPA accounts*	-	-

\* there are no account classified as NPA as on March 31, 2022 and March 31, 2021.

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
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, 2022	For the year ended March 31, 2021
(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 year ending March 31, 2022 and March 31, 2021.

##### r. Off-balance Sheet SPVs sponsored by the Company

The Company has not sponsored off-balance sheet SPV in the year ending March 31, 2022 and March 31, 2021.

##### s. Disclosure of Complaints

There were no customer complaints received during the year.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

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

##### t. Ratings assigned by credit rating agencies and migration of ratings during the year

S.No.	Instruments	Credit Rating Agency	As on 31st March 2022			As on 31st March 2021		
			AA+	Stable		AA	Stable	
1	Long Term Instrument - Non convertible debentures	CARE						
2	Long Term Instrument - Bank Lines	CARE						
3	Long Term Instrument - Non convertible debentures	CRISIL						
4	Short Term Instrument - Bank Lines	ICRA Ltd						
5	Long Term Instrument - Bank Lines	ICRA Ltd						
6	Long Term Instrument - Non convertible debentures	ICRA Ltd						
7	Long Term Instrument - Principal Protected Market Linked Debenture	ICRA Ltd						
8	Long Term Instrument - Non convertible debentures	India Ratings & Research Private Limited						
9	Short Term Instrument - Other Instruments	India Ratings & Research Private Limited						

##### u. Statement on Asset Liability Management

###### Maturity pattern of certain items of assets and liabilities as at 31st March 2022

Item	0 day to 7 days		8 days to 14 days		15 days to 30 / 31 days		Over one month to two months		Over two months upto three months		Over three months to six months		Over six months to one year		Over one year to three years		Over three years to five years		Over five years		Total	
	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days

###### Liabilities

Debt Securities	-	-	-	-	-	-	1,959.40	-	-	-	687.57	85,514.93	19,357.79	-	-	-	-	-	-	-	-	107,529.69
Borrowings (other than debt securities)	4,998.98	-	-	-	2,502.67	-	3,750.00	277.78	5,138.89	17,777.78	167,236.11	224,944.44	46,121.75	-	-	-	-	-	-	-	-	467,749.42

###### Assets

Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	86,411.86
Loans	934.03	-	-	-	167.71	-	314.00	-	-	-	15,097.16	105,019.21	125,923.39	409,995.73	86,411.86	-	-	-	-	-	-	693,349.36

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

Item	0 day to 7 days		8 days to 14 days		15 days to 30 / 31 days		Over one month to two months		Over two months upto three months		Over three months to six months		Over six months to one year		Over one year to three years		Over three years to five years		Over five years		Total	
	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days	days

###### Liabilities

Borrowings (other than debt securities)	136.13	-	-	-	-	-	-	-	-	-	-	17,640.00	17,640.00	8,766.36	-	-	-	-	-	-	-	44,046.36
---	--------	---	---	---	---	---	---	---	---	---	---	-----------	-----------	----------	---	---	---	---	---	---	---	-----------

###### Assets

Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,218.99
Loans	3.48	0.00	0.00	0.00	0.00	1132.68	641.68	1522.07	2876.85	18183.99	13452.35	120,226.06	158,035.69	-	-	-	-	-	-	-	-	158,035.69

###### Restructured advances

There are no restructured advance as on 31st March 2022, 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.

###### 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

Particulars	Year ended		Year ended	
	31st March 2022		31st March 2021	
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, 2022

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

#### 45 (a) Public disclosure on liquidity risk as of March 31, 2022

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	10	525,064.26	-	90.25%

##### (ii) Top 20 large deposits - Nil

##### (iii) Top 10 borrowings: ₹ 525,064.26 lakhs (represent 90.27% 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	235,002.67	40.39%
2	Term loans from Financial Institution	225,000.00	38.67%
3	Non-Convertible Debentures	65,061.59	11.18%

##### (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	0.71%	0.71%	0.49%

##### (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 and 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, 2022

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

45 (b) Disclosure on Liquidity Coverage Ratio (LCR) under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

	Particulars	31-Mar-22		31-Dec-21		30-Sep-21		30-Jun-21	
		Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)1	155,059	155,059	49,574	49,574	52,157	52,157	32,358	32,358
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	815	938	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	96,655	111,154	72,279	83,121	19,986	22,984	35,948	41,341
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	Total Cash Outflows	96,655	111,154	73,094	84,058	19,986	22,984	35,948	41,341
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	32,648	24,486	19,362	14,522	7,623	5,717	5,240	3,930
11	Other cash inflows	91,810	68,858	67,457	50,593	102	77	-	-
12	Total Cash Inflows	124,458	93,344	86,819	65,114	7,726	5,794	5,240	3,930
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		155,059		49,574		52,157		32,358
14	Total Net Cash Outflows (Higher of inflow less outflows or 25% of outflows)		27,788		21,015		17,189		37,411
15	LIQUIDITY COVERAGE RATIO (%)		558%		236%		303%		86%

\* Unweighted values calculated as daily average outstanding balances maturing or callable within 30 days (for inflows and outflows).

# Weighted values calculated after the application of respective stress factors on inflow (75%) and outflow (115%).

Notes :

- HQLA includes unencumbered portion of current account balance, short term fixed deposits with scheduled commercial banks and only considers AAA rated corporate bonds in the credit book
- Undrawn borrowing lines have not been considered as potential inflows above.

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2022

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

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

LIABILITIES SIDE		As at March 31, 2022		As at March 31, 2021	
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	a. Debentures (other than falling within the meaning of public deposits)				
	- Secured	107,529.69	-	-	-
	- Unsecured	-	-	-	-
	b. Deferred Credits	-	-	-	-
	c. Term Loans	472,748.40	-	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 as at March 31, 2022	Amount Outstanding as at March 31, 2021
	a. Secured			694,283.39	158,039.17
	b. Unsecured			-	-
3	Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities			Amount Outstanding as at March 31, 2022	Amount Outstanding as at March 31, 2021
	i. Lease Assets including lease rentals under sundry debtors:				
	a. Finance Lease			-	-
	b. Operating Lease			-	-
	ii. Stocks on hire including hire charges under sundry debtors:				
	a. Assets on hire			-	-
	b. Repossessed Assets			-	-
	iii. Other Loans counting towards AFC activities:				
	a. Loans where assets have been			-	-
	b. Loans other than (a) above			-	-
4	Break up of Investments:				
	Current Investments				
	1. Quoted				
	i. Shares - Equity			-	-
	- Preference			-	-
	ii. Debentures and Bonds			-	-
	iii. Units of mutual funds			-	-
	iv. Government Securities			-	-
	v. Others			-	-
	2. Unquoted				
	i. Shares - Equity			-	-
	- Preference			-	-
	ii. Debentures and Bonds			-	-
	iii. Units of mutual funds			-	-
	iv. Government Securities			-	-
	v. Others			-	-

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

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

<b>4 Break up of Investments (continued):</b>		
<b>Long Term Investments</b>		
1. Quoted		
i. Shares - Equity	-	-
- Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of mutual funds	-	-
iv. Government Securities	-	-
v. Others	-	-
2. Unquoted		
i. Shares - Equity	86,411.86	55,218.99
- Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of mutual funds	-	-
iv. Government Securities	-	-
v. Others	-	-

<b>5 Borrower group-wise classification of asset financed (Refer note 2 below):</b>						
Category	Amount net of provision as at March 31, 2022			Amount net of provision as at March 31, 2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties**						
a. Subsidiaries	-	-	-	-	-	-
b. Companies in the same group	-	-	-	-	-	-
c. Other related parties	-	-	-	-	-	-
2 Other than related parties	694,283.39	-	694,283.39	158,039.17	-	158,039.17
<b>Total</b>	<b>694,283.39</b>	<b>-</b>	<b>694,283.39</b>	<b>158,039.17</b>	<b>-</b>	<b>158,039.17</b>

<b>6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)</b>				
	As at March 31, 2022		As at March 31, 2021	
Category	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**				
a. Subsidiaries	-	-	-	-
b. Companies in the same group	115,436.82	86,411.86	65,093.38	55,218.99
c. Other related parties	-	-	-	-
2 Other than related parties	-	-	-	-
<b>Total</b>	<b>115,436.82</b>	<b>86,411.86</b>	<b>65,093.38</b>	<b>55,218.99</b>

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

<b>7 Other information</b>	Amount as at March 31, 2022	Amount as at March 31, 2021
i. Gross Non-Performing Assets		
a. Related Parties	-	-
b. Other than related parties	-	-
ii. Net Non-Performing Assets		
a. Related Parties	-	-
b. Other than related parties	-	-
iii. Assets acquired in satisfaction of debt	-	-

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2022

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

**46 [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016] (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.
- 47** 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.
- 48** Previous year figures have been regrouped/reclassified wherever necessary to correspond with those of the current year's classification/disclosure.

As per our report of even date.

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

per Padmini Khare Kaicker  
Partner  
Membership No : 044784

Place: Mumbai  
Date: May 11, 2022

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

Surya Prakash Rao Pendyala  
Director  
DIN: 02888802

Virender Pankaj  
Chief Executive Officer

Rajiv Dhar  
Director  
DIN: 00073997

Nilesh Sampat  
Chief Financial Officer

Karishma Pranav Jhaveri  
Company Secretary



CL/DEB/22-23/1373

January 09, 2023

**Aseem Infrastructure Finance Limited**  
3rd Floor, UTI Tower, GN Block, South Block,  
BKC, Bandra (East),  
Mumbai – 400 051

Kind Attn:- **Mr. Utsav Mehrotra**

Dear Sir,

**Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Market Linked Debentures aggregating upto INR 200 Crores to be issued by your Company.**

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited (CTL) (Formerly GDA Trusteeship Limited) to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable Market Linked Debentures aggregating upto INR 200 Crores to be issued.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to create the security within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt securities) Regulations 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

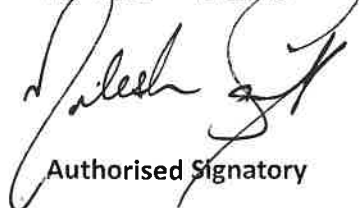
For Catalyst Trusteeship Limited



Authorised Signatory



For Aseem Infrastructure Finance Limited



Authorised Signatory

**NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.**

KFT/AIFL /Consent/2023  
Monday, January 9, 2023

**ASEEM INFRASTRUCTURE FINANCE LIMITED (AIFL)**

4th Floor, UTI Tower, GN Block, South Block,  
BKC, Bandra (East), Mumbai – 400 051

Sub: Consent to act as RTA for issue of market linked debentures.

**Details of issuance:**

Name of the company	ASEEM INFRASTRUCTURE FINANCE LIMITED
Issue Size	200,00,00,000( <b>200 Crores</b> )
Security Description	MARKET LINKED DEBENTURES

\*\*\*\*

Dear Sir/Madam,

This has reference to your email dated, Monday, January 9, 2023 with regard to the captioned subject. We hereby accord our consent to act as Registrar to the aforesaid issue and have our name included as Registrar and Transfer Agents in the information Memorandum, which your company proposes to issue.

We also authorize you to forward this consent letter to SEBI and the Stock Exchange where the Company proposes to list its NCDs along with the Information Memorandum.

Thanking you,

Yours faithfully,  
For **KFin Technologies Limited**



**S P Venugopal**  
General Manager  
Corporate Registry



PRIVATE & CONFIDENTIAL  
NOT FOR CIRCULATION

Appl. No. Series PP3 FY 2022-23

Date 13.01.2023

**Aseem Infrastructure Finance Limited**

Regd. Office: 4th Floor, UTI Tower, GN Block, Bandra Kurla Complex,  
Mumbai - 400 051.

Dear Sirs,  
Having read and understood the contents of the Letter of Offer dated 13-January-2023, I/we apply for allotment to me/us of the **Secured, listed, Rated, Redeemable, Principal Protected, Market Linked, Non-Convertible Debentures (NCDs)**. The amount payable on application as shown below is remitted herewith. On allotment, please place my/our name(s) on the Register of Debenture holders. I/We bind ourselves by the terms and conditions as contained in the Memorandum. We note that the Board of Directors is entitled in its absolute discretion to accept or reject this application whole or in part without assigning any reasons whatsoever. I/We irrevocably give my/our authority and consent to the Trustees for doing such acts and signing such documents to carry their duties in such capacity.

The application shall be for a minimum of 100 (Hundred) NCD and in Multiples of 1 (One) NCD thereafter  
(PLEASE READ CAREFULLY THE INSTRUCTIONS ON THE REVERSE BEFORE FILLING UP THIS FORM)

**NCD of Rs 1 Lakh Each**

	Option 1
No of NCDs applied for (words)	
No of NCDs applied for (fig)	

Amount (Rs.) (in words)

Amount (Rs.) (In figures)

Date                      Cheque/Demand Draft Drawn on                      Cheque/Demand Draft No.

DMAT A/c details	
DP name	
DP ID	
Client ID	
Client Name	
Depository	

We are applying as (Tick (√), whichever is applicable)

1	Body Corporate	2	Commercial Bank	3	Financial Institution
4	Insurance Company	5	Mutual fund	6	Individuals
7	Others (specify)				

**Applicants Details**

NAME & ADDRESS of the Applicant (in bold letters, Post Box No. alone is not sufficient)			
TAX DETAILS	PAN or GIR No.	IT Circle/Ward/District	Not Allotted

**DETAILS OF BANK ACCOUNT**

Bank Name & Branch:			
Account No.:		Nature of Account:	

Tax Deduction Status : (Please Specify)

Fully Exempt (Please furnish exemption certificate) :			
Rate of Tax to be deducted at source:			

**Specimen Signature**

	Name of the Authorised Signatories	Designation	Signature
1			
2			
3			
4			

-----Tear Here -----

Application No: Series PP3 of FY 2022-23



**Aseem Infrastructure Finance Limited**

Regd. Office: 4th Floor, UTI Tower, GN Block, Bandra Kurla Complex, Mumbai - 400 051.

**ACKNOWLEDGEMENT SLIP**

Received from			
Address			
An application for		NCDs alongwith Cheque/Demand Draft No.	
		dated	
		Drawn on	
		for Rs.	
		(Rupees	
		only)	

INSTRUCTIONS

1.

The application would be accepted as per the terms of the issue of Secured, listed, Rated, Redeemable, Principal Protected, Market Linked, Non-Convertible Debentures (NCDs) on private placement basis
2.

Application forms must be completed in full in BLOCK LETTERS IN ENGLISH. A blank space must be left between two or more parts of the name.
3.

The sole/first applicant should mention his/her/its PAN or the GIR number allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. Income Tax as applicable will be deducted at Source at the time of payment of interest.
4.

Signatures should be made in English or in any of the Indian languages. Thumb impressions must be attested by an authorised official of a Bank or by a Magistrate/Notary Public under his/her official seal.  
Application forms duly completed in all respects must be lodged at the Company’s Administrative Office located at Aseem Infrastructure Finance Limited, 4th Floor, UTI Tower, GN Block, Bandra Kurla Complex, Mumbai - 400 051, or at any other place specified by the Company, before the closing of the subscription.
5.

Application Money can be paid through RTGS (i) RTGS/Fund Transfer to the below current account designated by the Company for this purpose  
Bank : Axis Bank  
Branch : Bandra Kurla Complex, Mumbai  
Account No. : 921020027936917  
IFSC Code : UTIB0000230  
or (ii) by way of Cheque/Demand Draft drawn in favour of “ASEEM INFRASTRUCTURE FINANCE LIMITED” payable at Mumbai and crossed “Account Payee Only”. Cheque/Demand Draft may be drawn on any bank including a co-operative bank, which is situated at and member or sub-member of the Banker’s clearing house located at Mumbai, Kolkata, Chennai or New Delhi and are subject to realisation. Cash, outstation cheques, money orders, postal orders and stock invest WILL NOT be accepted.
6.

Receipt of applications will be acknowledged in the “Acknowledgement Slip”, appearing below the Application Form. No separate receipt will be issued.
7.

Applications not accompanied by the required documents are liable to be rejected.

Address for submission of Application Forms along with the relevant Documents

Aseem Infrastructure Finance Limited

**Regd. Office:** 4th Floor, UTI Tower, GN Block, Bandra Kurla Complex, Mumbai - 400 051  
**Administrative Office:** 4th Floor, UTI Tower, GN Block, Bandra Kurla Complex, Mumbai - 400 051

**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF ASEEM INFRASTRUCTURE FINANCE LIMITED ("COMPANY") AT THEIR EXTRA ORDINARY GENERAL MEETING HELD ON WEDNESDAY, JUNE 8, 2022, AT 3:00 P.M. AT SHORTER NOTICE THROUGH VIDEO CONFERENCING**

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**Increase in Borrowing Limits from the existing Rs. 10,000 Crores to Rs. 20,000 Crores under Section 180(1)(c) of the Companies Act, 2013:**

**"RESOLVED THAT** pursuant to the (i) provisions of Sections 180 (1)(c) of the Companies Act 2013 read with the rules framed thereunder (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force) (the "Act"); (ii) such other rules, regulations, guidelines and acts, as may be applicable, from time to time; and (iii) provisions of the Memorandum of Association and the Articles of Association of the Company; consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board of Directors thereof for the time being exercising the powers conferred on the Board of Directors by this Resolution) to borrow any sum or sums of monies, from time to time, whether in Indian Rupees or in foreign currency, in any form or manner including but not limited to cash credit, working capital loans, term loans (rupee/foreign currency), debentures/bonds, commercial papers, subordinated debt/perpetual debt, external commercial borrowings etc., whether secured or unsecured with tenor and rate(fixed or floating) to be decided on a case to case basis etc., from banks, term lenders, financial institutions, non-banking finance companies, mutual funds, corporates, foreign body corporates, multilateral financial institutions, foreign financial institutions etc., as the Board may think fit, for the purpose of the Company's business, such that the money or monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and free reserves of the Company, provided however, the total amount so borrowed and outstanding (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed, at any point in time (excluding any interest/additional interest/default interest on such borrowings), a sum equivalent to INR 20,000 crores (Rupees Twenty Thousand crore only), over and above the aggregate, for the time being, of the paid-up share capital and free reserves of the Company."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (including any Committee of the Board of Directors thereof for the time being exercising the powers conferred on the Board by this Resolution), be and are hereby severally authorised to approve, finalise, modify, settle and execute such documents/ deeds/writings/papers/agreements, as may be required or considered necessary and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the borrowing(s) to be undertaken by the Company."




**ASEEM INFRASTRUCTURE FINANCE LIMITED**

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**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

**“RESOLVED FURTHER THAT** a copy of this resolution duly certified as a True Copy by the Company Secretary, be submitted to the concerned authority and they are requested to rely upon the authority of the same.”

For Aseem Infrastructure Finance Limited

  
**Karishma Jhaveri**  
Company Secretary



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**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF ASEEM INFRASTRUCTURE FINANCE LIMITED ("COMPANY") AT THEIR EXTRA ORDINARY GENERAL MEETING HELD ON WEDNESDAY, JUNE 8, 2022, AT 3:00 P.M. AT SHORTER NOTICE THROUGH VIDEO CONFERENCING**

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**Creation of charge/security on the Assets of the Company under Section 180(1)(a) of the Companies Act, 2013:**

**"RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging, hypothecating and/or charging of all the immovable and/or movable properties of the Company, wherever situated, both present and future and/or whole or substantially the whole of the undertaking(s) of the Company in favour of any public or private financial institutions, investment institutions and their subsidiaries, Public Sector Banks, Private Sector Banks, Mutual Funds, any other companies or bodies corporate, investors and any other lenders (hereinafter referred to as 'lending agencies') to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings not exceeding Rs. 20,000 Crores (Rupees Twenty Thousand Crores only) or the aggregate of paid-up share capital, free reserves and securities premium whichever is higher."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters, things and take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**For Aseem Infrastructure Finance Limited**

  
**Karishma Jhaveri**  
Company Secretary



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**Issuance of Non-Convertible Debentures on private placement basis**

**"RESOLVED THAT** pursuant to the provisions of Section 42, Section 71, Section 179, Section 180 and other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof, for the time being in force) (the "Act") and such other rules, regulations, guidelines and acts, as may be applicable to the Company from time to time, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to create/ offer/issue/allot such number of redeemable non-convertible debentures ("NCDs") through private placement, in one or more modes or combinations thereof and in one or more series or tranches, with or without security and on such terms and conditions as may be determined by the Board including but not limited to the subscriber(s) to the issue(s), face value of NCDs to be issued, the price at which NCDs to be issued, coupon rate, redemption period, utilization of issue proceeds and all other matters connected therewith and incidental thereto, so that the aggregate amount of such NCDs does not exceed INR 20,000 crores (Rupees Twenty Thousand crore only), during the period of one year from the date of passing this Resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby severally authorized to do all such acts, deeds, matters and things, execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto and to settle all questions, difficulties or doubts that may arise in connection with the issue of NCDs under private placement, including determining the terms and conditions of NCDs."

**For Aseem Infrastructure Finance Limited**

  
**Karishma Jhaveri**  
Company Secretary



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**CERTIFIED TRUE COPY OF EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

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**Issuance of Non-Convertible Debentures on private placement basis**

**Item No. 1 & 2**

The Members are requested to note that in view of the budgeted business growth and current leverage programme, it is proposed to increase the overall borrowing limits of the Company from Rs. 10,000 Crore to INR 20,000 crore. In this regard, the Board of Directors at their Meeting held on May 11, 2022, has approved the above proposed increase in overall borrowing limits, subject to the approval by the members of the Company at a general meeting.

Section 180 (1) (c) of the Companies Act, 2013 permits the Company to borrow money along with the money already borrowed by the Company (except the temporary loans obtained from the Companies banker in ordinary course of business), beyond the paid up capital and free reserve of the Company, only if the same is approved by the members of the Company by way of Special Resolution at a general meeting. In view of the above, it is proposed to seek approval of the members of the Company by way of Special Resolution.

Further, pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013, the Board of Directors shall not create charge/security on the assets of the Company for securing its loans/borrowings, which could amount to sale/lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, except with the consent of the Company accorded in the General Meeting.

Therefore, it is necessary to obtain approval of the shareholders by means of a Special Resolution, to enable the Board of Directors to create charge/security on the assets of the Company to secure its loans/borrowings upto an amount not exceeding Rs. 20,000 Crores (Rupees Twenty Thousand Crores only).

The resolutions at Item Nos. 1 & 2 of the Notice are accordingly recommended for the approval by the Members by way of as a Special Resolutions.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities comprising the interest of Promoters, Directors or Key Managerial Persons, are concerned or interested financially or otherwise in the resolution set out at item nos.1 & 2 of the Notice of EGM.

**Item No. 3:**

In view of the overall leverage programme of the Company, it is proposed to enhance the limits for the issuance of secured/unsecured non-convertible debentures ("NCD") of the Company on a private placement basis upto an amount not exceeding INR 20,000 crore, in one or more tranches.

In terms of the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, the company offering or making an invitation

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to subscribe to NCD on a private placement basis, is required to obtain the prior approval of the members by way of a Special Resolution, which can be obtained once a year for all the offers and invitations during the year.

Further, the disclosures with respect to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, are mentioned below:

<b>Particulars of the offer including the date of passing the resolution</b>	May 11, 2022
<b>Kinds of securities offered</b>	Non-Convertible Debentures
<b>Basis or justification for the price (including the premium, if any) at which the offer or invitations is being made</b>	Price for each offer/issuance of non-convertible debentures will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board) based on the market conditions
<b>Name and address of valuer who performed Valuation</b>	Not applicable
<b>Amount which the company intends to raise by way of such securities</b>	Not exceeding INR 20,000 crore on private placement basis, in one or more tranches
<b>Material terms of raising such securities</b>	Material terms of each offer/issuance of non-convertible debenture will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board)
<b>Proposed time schedule</b>	Time schedule of each offer/issue of non-convertible debenture will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board)
<b>Purpose or objects of offer</b>	Purpose or objects of each offer/issue of non-convertible debenture will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board)
<b>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects</b>	None

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Principle terms of assets charged as securities	Principle of terms of assets being charged as securities for each offer/issuance of non-convertible debentures will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board)
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It may be noted that the previous Special Resolution was passed by the members at Extraordinary General Meeting held on December 02, 2021, and the period of one year expires on December 01, 2022.

In this regard, it is proposed to seek approval of the members of the Company by way of Special Resolution for offering or making an invitation to subscribe to NCD on a private placement basis upto an amount not exceeding INR 20,000 crore in one or more tranches for a period of one year from the date of passing of this resolution.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities comprising the interest of Promoters, Directors or Key Managerial Persons, are concerned or interested financially or otherwise in the resolution set out at item no. 3 of the Notice of EGM.

For Aseem Infrastructure Finance Limited

  
**Karishma Jhaveri**  
**Company Secretary**



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**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF ASEEM INFRASTRUCTURE FINANCE LIMITED (“COMPANY”) AT THEIR MEETING HELD ON MAY 11, 2022, AT UTI TOWER, GN BLOCK, 3<sup>RD</sup> FLOOR, BKC, MUMBAI-400051, MAHARASHTRA WITH VIDEO CONFERENCING/OTHER AUDIO-VISUAL MEANS**

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**Borrowing of Funds**

- (i) To increase the overall borrowing limits of the Company to INR 20,000 crore from INR 10,000 crore and (ii) for creation of charge/mortgage/hypothecation on the receivables/assets of the Company to secure borrowings upto INR 20,000 crore**

**“RESOLVED THAT** in supersession of the earlier resolution passed by the Board of Directors on January 12, 2021 and pursuant to the provisions of Sections 179 of the Companies Act 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014 and subject to the approval of the shareholders of the Company, the consent of the Board be and is hereby accorded to borrow funds not exceeding an aggregate principal amount of INR 20,000 crore inter alia, by way of cash credit, working capital loans, term loans (rupee/foreign currency), debentures/bonds, commercial papers, subordinated debt/perpetual debt, external commercial borrowings etc., whether secured or unsecured with tenor and rate(fixed or floating) to be decided on a case to case basis etc., from banks, term lenders, financial institutions, non-banking finance companies, mutual funds, corporates, foreign body corporate, multilateral financial institutions, foreign financial institutions, alternative investment funds, etc.

**RESOLVED FURTHER THAT** the consent of the Board be and is hereby granted to the Finance Committee of the Board to borrow funds within the overall borrowing limits of INR 20,000 crore, outstanding at any point of time, inter alia, by way of cash credit, working capital loans, term loans (rupee/foreign currency), debentures/bonds, commercial papers, subordinated debt/perpetual debt, external commercial borrowings etc., whether secured or unsecured with tenor and rate(fixed or floating) to be decided on a case to case basis etc., from banks, term lenders, financial institutions, non-banking finance companies, mutual funds, corporates, foreign body corporate, multilateral financial institutions, foreign financial institutions, alternative investment funds, etc., as may be deemed fit and approved by the Finance Committee.

**RESOLVED FURTHER THAT** subject to the approval of the shareholders of the Company, the consent of the Board be and is hereby granted to the Finance Committee to create mortgage, charge and/or hypothecation, as may be necessary on the assets of the Company, both present and in future, in such manner, in favour of the financial institutions, investment institutions, banks and other bodies corporate and trustees for the holders of debentures/bonds and/or to secure term loans/loans such that aggregate principal amount of debt at any point of time does not exceed INR 20,000 crore, payable by the Company to the trustees under the trust deed / trustee agreement and/or to the lending agencies under their respective agreements/loan agreements/debenture trust deeds to be entered into by the Company in respect of such borrowings.

**RESOLVED FURTHER THAT** subject to the approval of the shareholders of the Company, the consent of the Board be and is hereby granted to the Finance Committee to negotiate, execute, file, register, and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the availing of the credit facilities and deal with regulatory authorities in connection with the availing of the credit facilities including but not limited to the Registrar of Companies, Ministry of Corporate Affairs, National Company Law Tribunal,

relevant jurisdictional registrar/sub-registrar of assurances, and such other authorities as may be required from time to time.

**RESOLVED FURTHER THAT** the Common Seal of the Company, if required, be affixed to the documents, in accordance with the Articles of Association of the Company.

**RESOLVED FURTHER THAT** Directors of the Company or Mr. Virender Pankaj, Chief Executive Officer or Mr. Nilesh Sampat, Chief Financial Officer, the authorized officials of the Company, be and are hereby severally authorized to do all acts, things and deeds necessary to give effect to the aforesaid resolution.”

- (ii) **To increase the limits for issuance of secured, unsecured rated, listed/unlisted, non-convertible debentures to INR 20,000 crore from INR 10,000 crore, in one or more tranches on private placement basis, within the overall borrowing limits of INR 20,000 crore**

**“RESOLVED THAT** in supersession of earlier resolution passed in this regard on January 12, 2021, and pursuant to the provisions of Sections 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 and the Directions issued by the Reserve Bank of India (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the approval of the shareholders of the Company in the general meeting, the approval of the Board of Directors of the Company (“Board”), be and is hereby accorded to the Company to make offer(s) or invitation(s) to subscribe, issue and allot secured, unsecured, listed/unlisted, redeemable, non-convertible debentures (“NCD”) aggregating upto INR 20,000 crore (Indian Rupees Twenty Thousand Crore only) in one or more series/ tranches on private placement basis, from time to time, to such entities (including but not limited to banks, qualified institutional buyers, financial institutions, foreign portfolio investors, companies, body corporates, companies, provident funds, superannuation funds, gratuity funds, insurance companies and such other persons as may be permissible under the applicable law) whose names are recorded by the Company prior to the invitation to subscribe and to create security, including but not limited to by way of a first ranking pari-passu charge over specified loan receivables, immovable property (if any), bank account or any other assets of the Company, upon such terms and conditions as the Board (including the Finance Committee of the Board) may in its absolute discretion deem fit and proper.

**“RESOLVED FURTHER THAT** the consent of the Board be and is hereby granted to the Finance Committee to offer, issue and allot each series/tranches of NCD on such terms and conditions as may be approved by the Finance Committee for each issue of series/tranches of NCD including but not limited to tenor, coupon rate, security to be offered, to identify the entities (including but not limited to banks, qualified institutional buyers, financial institutions, foreign portfolio investors, companies, body corporates, companies, provident funds, superannuation funds, gratuity funds, insurance companies and such other persons as may be permissible under the applicable law) to whom to offer NCD on private placement basis and to create mortgage, charge and/or hypothecation, as may be necessary on the assets of the Company, both present and in future, in such manner, in favour of the financial institutions, investment institutions and/or their subsidiaries, banks and other bodies corporate and trustees for the holders of NCD, such that the outstanding amount of NCD at any point of time does not exceed INR 20,000 crore, payable by the Company to the trustees under the trust deed and/or to the lending agencies under their respective offer document/information memorandum/disclosure document/debenture trust deeds to be entered into by the Company in respect of such issuance of NCD.

**“RESOLVED FURTHER THAT** any Director of the Company, Mr. Virender Pankaj, Chief Executive Officer or Mr. Nilesh Sampat, Chief Financial Officer or Ms. Karishma Jhaveri, Company Secretary of the Company (herein after referred to as the Authorized Officials of the Company), be and are hereby severally authorized to certify any document as true for the purpose of submission of necessary documents to the concerned person.

**“RESOLVED FURTHER THAT** the Authorised Officials of the Company, be and are hereby severally authorized to do all acts, things and deeds necessary to give effect to the aforesaid resolution, including filing of forms with the Registrar of Companies, Maharashtra, Mumbai and undertaking such other acts, deeds and things necessary to create and perfect the security in favour of the NCD holders.”

**For Aseem Infrastructure Finance Limited**

Karishma  
Pranav  
Jhaveri

Digitally signed  
by Karishma  
Pranav Jhaveri

**Karishma Jhaveri**  
**Company Secretary**



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Aseem Infrastructure Finance Limited

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

#### **Opinion**

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

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

#### **Basis for Opinion**

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

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

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

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

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

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

### **Responsibilities of Management for the Consolidated Financial Statements**

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

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

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

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

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

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

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and



obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associate to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information or business activities of its associate of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the associate included in the consolidated financial statements.

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

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

#### **Other Matter**

The comparative financial information of the Holding Company and its associate for the period May 23, 2019 to March 31, 2020 included in this consolidated financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and we expressed an unmodified opinion on those consolidated financial statements dated June 30, 2020, as adjusted for the differences in the accounting principles adopted by the Holding Company on transition to the Ind AS, which have been audited by us. The Holding

Company has adopted Ind AS from April 1, 2020, with the effective transition date of May 23, 2019 but since, the Holding Company had no assets and liabilities on the effective transition date, as it was the date of incorporation of the Holding Company, no opening Ind AS Balance Sheet has been presented as described in detail in Note 2(i) of the accompanying consolidated financial statements.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and its associate company, none of the directors of the Holding Company and its associate incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its associate company incorporated in India, refer to our separate Report in "Annexure I" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company and its associate for the year ended March 31, 2021;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Holding Company and its associates does not have any pending litigations which would impact its consolidated financial position;
  - ii. The Holding Company and its associates did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate incorporated in India during the year ended March 31, 2021.

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

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per Rutushtra Patell  
Partner  
Membership No.: 123596

UDIN: 21123596AAAACT9409  
Place: Mumbai  
Date: June 8, 2021

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

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

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

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

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

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

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

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

#### **Opinion**

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

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

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per Rutushtra Patell  
Partner  
Membership No.: 123596

UDIN: 21123596AAACT9409  
Place: Mumbai  
Date: June 8, 2021

**Aseem Infrastructure Finance Limited**

**Consolidated Financial Statements**

**For the year ended March 31, 2021**

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

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

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

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

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

**The accompanying notes form an integral part of the financial statements**

As per our report of even date.

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

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

Partner

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

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

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

#### A) Equity Share Capital

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

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

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

#### C) Other equity

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

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

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

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

Particulars	Note	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
<b>A. Cash flow from operating activities</b>			
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	-
<b>Operating profit before working capital changes</b>		<b>3,416.56</b>	<b>54.22</b>
<b>Changes in working capital:</b>			
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	
<b>Cash (used in)/generated in operations</b>		<b>(155,057.61)</b>	<b>455.12</b>
(Payment) of tax (net)	14	(1,000.81)	(45.52)
<b>Net Cash (used in)/generated in operations (A)</b>		<b>(156,058.42)</b>	<b>409.60</b>
<b>B. Cash flows from investing activities</b>			
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)
<b>Net cash used in investing activities (B)</b>		<b>(28,690.66)</b>	<b>(26,591.01)</b>
<b>C. Cash flows from financing activities</b>			
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	-
<b>Net cash generated in financing activities (C)</b>		<b>209,539.05</b>	<b>57,700.00</b>
<b>Net Increase in cash and cash equivalents (D) = (A + B + C)</b>		<b>24,789.97</b>	<b>31,518.59</b>
Cash and cash equivalents at the beginning of the period (E)		31,518.59	-
<b>Cash and cash equivalents at the end of the period (F) = (D) + (E)</b>		<b>56,308.56</b>	<b>31,518.59</b>
<b>Cash and cash equivalents include the following</b>			
Balances with banks in current account		703.40	7.15
Fixed deposits with maturity less than 3 months		55,605.16	31,511.44
<b>Total cash and cash equivalents</b>		<b>56,308.56</b>	<b>31,518.59</b>

### 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 consolidated financial statements as at and for the year ended March 31, 2021

### 1. Corporate Information

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

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

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

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

### 2. Basis of Preparation

#### (i) Compliance with Ind AS

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

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

#### Transition to Ind AS:

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

The Company's date of transition to Ind AS (as defined under 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.

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

# Aseem Infrastructure Finance Limited

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

### 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 consolidated financial statements.

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

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

#### (ii) Historical cost convention

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

#### (ii) Order of Liquidity

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

### 3. Significant accounting policies

#### a. Functional and Presentation Currency

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

#### b. Investments in Associates

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

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

# Aseem Infrastructure Finance Limited

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

## 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.

# Aseem Infrastructure Finance Limited

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

### 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.

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

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

#### e. Leases

##### Company as a lessee

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

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

# Aseem Infrastructure Finance Limited

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

### 4. Significant accounting policies (continued)

#### e. Leases (continued)

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

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

#### Company as a lessor

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

#### f. Cash and cash equivalents

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

#### g. Cash Flow Statement

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

#### h. Financial instruments

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

#### Financial Assets

##### (i) Initial recognition and measurement

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

# Aseem Infrastructure Finance Limited

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

### 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.



# Aseem Infrastructure Finance Limited

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

### 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.

# Aseem Infrastructure Finance Limited

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

## 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.

# Aseem Infrastructure Finance Limited

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

## 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.

# Aseem Infrastructure Finance Limited

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

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

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

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

#### j. Property plant and equipment (PPE)

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

##### Depreciation:

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

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

# Aseem Infrastructure Finance Limited

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

### 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.

# Aseem Infrastructure Finance Limited

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

### 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 consolidated financial statements. They are disclosed in the notes if an inflow of economic benefits is probable.

#### o. Employee Benefits

##### Compensated absences

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

##### Post-employment obligations:

The Company operates the following post-employment schemes:

##### (i) Defined contribution plans:

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

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

##### (ii) Defined benefit plans:

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

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

# Aseem Infrastructure Finance Limited

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

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

#### r. Segmental Reporting

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

#### s. Significant accounting estimates, judgements and assumptions

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

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

##### (i) Property, plant and equipment:

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

# Aseem Infrastructure Finance Limited

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

## 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 consolidated financial statements.

#### (iii) Provision and contingencies:

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

#### (iv) Defined benefit obligations:

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

#### (v) Allowance for impairment of financial asset:

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

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

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

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



# Aseem Infrastructure Finance Limited

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

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

# Aseem Infrastructure Finance Limited

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

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

### Note 4: Cash and cash equivalents

#### Balances with banks:

- in current accounts
- Fixed deposits with original maturity less than 3 months

#### Total

As at March 31, 2021	As at March 31, 2020
703.40	7.15
55,605.16	31,511.44
<b>56,308.56</b>	<b>31,518.59</b>

### Note 5: Loans

#### Measured at amortised cost

- Term Loans
- Non Convertible Debentures

#### Total Gross

Less: Impairment loss allowance

#### Total Net

As at March 31, 2021	As at March 31, 2020
130,225.97	-
28,606.31	-
<b>158,832.28</b>	<b>-</b>
(793.11)	-
<b>158,039.17</b>	<b>-</b>
158,832.28	-
-	-
<b>158,832.28</b>	<b>-</b>
(793.11)	-
<b>158,039.17</b>	<b>-</b>

#### Loans in India

- Public sector
- Others

#### Total Gross

Less: Impairment loss allowance

#### Total Net

#### Total

-	-
158,832.28	-
<b>158,832.28</b>	<b>-</b>
(793.11)	-
<b>158,039.17</b>	<b>-</b>
<b>158,039.17</b>	<b>-</b>

### Note 6: Investments accounted for using Equity method

#### Investment in equity shares of associate company (Unquoted)

NIIF Infrastructure Finance Limited (Formerly, IDFC Infrastructure Finance Limited) - Face value ₹ 10  
(holding 30.83% as at March 31, 2021 and 30% as at March 31, 2020)

Share of profit of associate

Share of Other Comprehensive Income of associate

Share of share issue expenses of associate

#### Total (A)

Investments in India (i)

Investments outside India (ii)

#### Total (B) (i+ii)

#### Total

As at March 31, 2021		As at March 31, 2020	
Number	Amount	Number	Amount
309,379,182	55,218.99	162,000,000	26,591.01
-	4,061.81	-	12.30
-	10.73	-	-
-	(9.79)	-	-
<b>309,379,182</b>	<b>59,281.74</b>	<b>162,000,000</b>	<b>26,603.31</b>
309,379,182	59,281.74	162,000,000	26,603.31
-	-	-	-
<b>309,379,182</b>	<b>59,281.74</b>	<b>162,000,000</b>	<b>26,603.31</b>
<b>309,379,182</b>	<b>59,281.74</b>	<b>162,000,000</b>	<b>26,603.31</b>

## Aseem Infrastructure Finance Limited

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

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

#### Note 7: Other financial assets

##### Measured at amortised cost

Guarantee commission receivable  
Processing fees receivable  
Less: Impairment loss allowance  
**Total**

As at March 31, 2021	As at March 31, 2020
133.48	-
161.56	
(1.35)	
<b>293.69</b>	<b>-</b>

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

##### Temporary difference attributable to:

##### Deferred tax assets

Preliminary expenses  
Provision for gratuity payable  
Provision for leave encashment payable  
Financial assets measured at amortised cost  
Impairment allowance on financial assets  
Expenses disallowed for Income tax

As at March 31, 2021	As at March 31, 2020
45.30	60.41
2.98	-
5.39	-
206.71	-
215.18	-
0.38	
<b>475.94</b>	<b>60.41</b>

##### Deferred tax liabilities

Depreciation on property, plant and equipment  
Undistributed profit of associate

(0.65)	-
(1,022.51)	(3.10)
<b>(1,023.16)</b>	<b>(3.10)</b>

#### Total Deferred tax assets/(liabilities) (net)

<b>(547.22)</b>	<b>57.31</b>
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**Aseem Infrastructure Finance Limited****Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021**

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

**Note 9A: Property, plant and equipment**

Particulars	Computer equipment	Office equipment	Server/networking equipment	Total
<b>Gross block</b>				
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
<b>Accumulated depreciation</b>				
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
<b>Net block</b>				
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
<b>Gross block</b>	
Balance as at March 31, 2020	
Additions/Adjustments	73.17
Disposals/Adjustments	-
Balance as at March 31, 2021	73.17
<b>Accumulated depreciation</b>	
Balance as at March 31, 2020	
Depreciation charge	-
Disposals/Adjustments	-
Balance as at March 31, 2021	-
<b>Net block</b>	
Balance as at March 31, 2020	-
Balance as at March 31, 2021	73.17

# Aseem Infrastructure Finance Limited

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

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

### Note 10: Other non-financial assets

Advance to vendors  
Prepaid expenses

#### Total

As at March 31, 2021	As at March 31, 2020
2.35	-
35.36	-
<b>37.71</b>	<b>-</b>

### Note 11: Trade payables

Total outstanding dues of micro enterprises and small enterprises  
Total outstanding dues of creditors other than micro, small and medium enterprises

#### Total

As at March 31, 2021	As at March 31, 2020
-	-
31.91	-
<b>31.91</b>	<b>-</b>

### Note 12: Borrowings

#### At Amortised Cost

#### Borrowings - In India

#### Secured

Term loan from bank

#### Total

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.

As at March 31, 2021	As at March 31, 2020
44,182.49	-
<b>44,182.49</b>	<b>-</b>

### Note 13: Other financial liabilities

#### Measured at amortised cost

Payable to related parties  
Staff incentives payable  
Financial guarantee obligation  
Processing fees received pending disbursement  
Capital expenses payable  
Share issue expenses payable  
Other expenses payable

#### Total

As at March 31, 2021	As at March 31, 2020
121.19	382.55
132.02	-
191.56	-
133.48	-
27.00	-
22.31	-
59.16	8.38
<b>686.72</b>	<b>390.93</b>

### Note 14: Current tax liabilities (net)

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)

#### Total

As at March 31, 2021	As at March 31, 2020
49.01	43.16
<b>49.01</b>	<b>43.16</b>

### Note 15: Provisions

#### Provisions for employee benefits

Provision for gratuity  
Provision for leave benefits  
Provision for Impairment loss on non-fund based facility

#### Total

As at March 31, 2021	As at March 31, 2020
11.84	-
21.40	-
60.50	-
<b>93.74</b>	<b>-</b>

### Note 16: Other non-financial liabilities

Statutory dues

#### Total

As at March 31, 2021	As at March 31, 2020
140.98	9.97
<b>140.98</b>	<b>9.97</b>

# Aseem Infrastructure Finance Limited

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

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

### Note 17A: Equity Share Capital

#### Authorised capital

Equity Shares of ₹ 10 each (Previous period ₹ 10 each)

#### Issued, subscribed and paid up\*

##### (i) Equity Shares

Equity shares of ₹ 10 each fully paid (Previous period ₹ 10 each)

As at March 31, 2021		As at March 31, 2020	
Number of Shares	Amount	Number of Shares	Amount
2,200,000,000	220,000.00	620,000,000	62,000.00
<b>2,200,000,000</b>	<b>220,000.00</b>	<b>620,000,000</b>	<b>62,000.00</b>
1,405,637,939	140,563.79	577,000,000	57,700.00
<b>1,405,637,939</b>	<b>140,563.79</b>	<b>577,000,000</b>	<b>57,700.00</b>

#### 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')

#### Authorised capital

0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each

#### Issued, subscribed and paid up\*

0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each

As at March 31, 2021		As at March 31, 2020	
Number of Shares	Amount	Number of Shares	Amount
818,181,819	90,000.00	-	-
<b>818,181,819</b>	<b>90,000.00</b>	<b>-</b>	<b>-</b>
736,889,692	81,057.87	-	-
<b>736,889,692</b>	<b>81,057.87</b>	<b>-</b>	<b>-</b>

#### 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

#### Equity shares

At the beginning of the year

Add: Issued during the year

At the end of the year

Total issued, subscribed and fully paid up Equity Shares

As at March 31, 2021		As at March 31, 2020	
Number of Shares	Amount	Number of Shares	Amount
577,000,000	57,700.00	-	-
828,637,939	82,863.79	577,000,000	57,700.00
<b>1,405,637,939</b>	<b>140,563.79</b>	<b>577,000,000</b>	<b>57,700.00</b>
<b>1,405,637,939</b>	<b>140,563.79</b>	<b>577,000,000</b>	<b>57,700.00</b>

#### 0.001 % Compulsorily Convertible Preference Shares

At the beginning of the year

Add: Issued during the year

At the end of the year

Total issued, subscribed and fully paid up 0.001 % Compulsorily Convertible Preference Shares

-	-	-	-
736,889,692	81,057.87	-	-
<b>736,889,692</b>	<b>81,057.87</b>	<b>-</b>	<b>-</b>
<b>736,889,692</b>	<b>81,057.87</b>	<b>-</b>	<b>-</b>

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

#### Name of shareholder

#### Equity shares of Rs 10 each

National Investment and Infrastructure Fund-II

#### 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)

As at March 31, 2021		As at March 31, 2020	
Number of Shares	% of shares	Number of Shares	% of shares
1,405,637,939	100%	577,000,000	100%
736,889,692	100%	-	0%

# Aseem Infrastructure Finance Limited

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

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

### Note 17C: Other equity

- (a) Statutory reserve u/s. 45-IC of RBI Act, 1934
- (b) Securities premium
- (c) Impairment reserve
- (d) Retained earnings

#### Total

As at March 31, 2021	As at March 31, 2020
421.20	5.19
1,705.62	-
54.42	-
4,512.82	29.96
<b>6,694.06</b>	<b>35.15</b>

### (a) Statutory reserve u/s. 45-IC of RBI Act, 1934

- Opening balance
- Addition during the year
- Closing balance**

As at March 31, 2021	As at March 31, 2020
5.19	-
416.01	5.19
<b>421.20</b>	<b>5.19</b>

### (b) Securities premium

- Opening balance
- Addition during the year
- Less: Share issue expenses
- Closing balance**

As at March 31, 2021	As at March 31, 2020
-	-
1,706.32	-
(0.70)	-
<b>1,705.62</b>	<b>-</b>

### (c) Impairment reserve

- Opening balance
- Addition during the year
- Closing balance**

As at March 31, 2021	As at March 31, 2020
-	-
54.42	-
<b>54.42</b>	<b>-</b>

### (d) Retained earnings

- Opening Balance
- Transaction during the year :
- Net profit for the year
- Other comprehensive income for the year
- Less: Share issue expenses
- Less: Share of share issue expenses of associate
- Less: Deferred tax on share of share issue expenses of associate
- Less: Transfer to Statutory reserve u/s. 45-IC of RBI Act, 1934
- Less: Transfer to Impairment reserve
- Closing balance**

As at March 31, 2021	As at March 31, 2020
29.96	-
5,110.36	35.15
6.75	-
(156.50)	-
(9.79)	-
2.47	-
(416.01)	(5.19)
(54.42)	-
<b>4,512.82</b>	<b>29.96</b>

\*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 consolidated financial statements as at and for the year ended March 31, 2021

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

### Note 18 : Interest income

#### On financial assets measured at amortised cost:

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
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	-
<b>Total</b>	<b>4,701.11</b>	<b>455.18</b>

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

### Note 19 : Fees and commission income

#### On financial assets measured at amortised cost:

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Commission fees	37.72	-
<b>Total</b>	<b>37.72</b>	<b>-</b>

### Note 20: Finance costs

#### On Financial liabilities measured at amortised cost

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Bank charges	0.03	0.05
Interest on borrowings	162.14	-
Interest on corporate taxes	23.56	-
<b>Total</b>	<b>185.73</b>	<b>0.05</b>

### Note 21: Impairment on financial instruments

#### On Financial instruments measured at amortised cost

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Term Loans	651.46	-
Non Convertible Debentures	143.01	-
Non Fund Based Facility	60.50	-
<b>Total</b>	<b>854.97</b>	<b>-</b>

### 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	-
<b>Total</b>	<b>598.68</b>	<b>-</b>

### 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	-
<b>Total</b>	<b>2.76</b>	<b>-</b>



## Aseem Infrastructure Finance Limited

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

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

#### Note 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
<b>Total</b>	<b>448.00</b>	<b>400.91</b>

#### 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	-
<b>In other capacity</b>		
Other services	2.00	2.25
Out-of-pocket expenses	0.26	-
<b>Total</b>	<b>19.26</b>	<b>5.75</b>

#### Note 25: Earning per share (EPS)

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

	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Net Profit after tax	5,117.11	35.15
Less: Share issue expenses	(156.50)	-
Less: Impairment reserve	(54.42)	-
<b>Net Profit after tax available for equity shareholders</b>	<b>4,906.19</b>	<b>35.15</b>
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	-
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>12,052</b>	<b>1,467</b>

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

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

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

## Aseem Infrastructure Finance Limited

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

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

#### Note 26: Related party disclosure

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

#### a. Name of related parties and related party relationship

##### i) Parties where control exists

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

##### ii) Associate company

NIIF Infrastructure Finance Limited

##### iii) Key management personnel

Chief executive officer	Mr. Virender Pankaj
Chief financial officer	Mr. Nilesh Sampat
Company Secretary	Ms. Karishma 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 01, 2020. Hence, there are no transaction during the period ending March 31, 2020 which are required to be reported under the managerial remuneration paid or payable to the company's chief executive officer under Key management personnel.

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

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

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

**Note 26: Related party disclosure (continued)****c. Transactions with related parties during the period**

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

**d. Closing balance of the transactions with related parties**

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

## Aseem Infrastructure Finance Limited

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

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

#### 27 Corporate social responsibility (CSR)

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

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

(b) Amount spent during the year

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

#### 28 Contingent liabilities & capital commitments

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

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

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

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

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

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

## Aseem Infrastructure Finance Limited

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

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

#### 30 Tax expense recognised in P&L

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

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

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

#### 30.1 Tax reconciliation (for profit and loss)

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

#### 30.2 Deferred tax assets (net)

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

#### Deferred tax related to the following:

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

## Aseem Infrastructure Finance Limited

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

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

#### 31 Fair value measurements

##### Financial instruments by category

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

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

#### 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
<b>Financial assets</b>				
Loans	158,039.17	158,039.17	-	-
Other financial assets (Guarantee Commission receivable)	133.48	133.48	-	-
<b>Financial liabilities</b>				
Borrowings	44,182.49	44,182.49	-	-

#### Note:

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

## Aseem Infrastructure Finance Limited

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

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

#### 32 Capital Management

The Company's 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	191,282.88	36,841.08
Tier - II capital	854.96	-
<b>Total Capital</b>	<b>192,137.84</b>	<b>36,841.08</b>
Risk weighted assets	128,134.33	
Tier - I capital ratio	149.28%	638.88%
Tier - II capital ratio	0.67%	0.00%
<b>Total Capital ratio</b>	<b>149.95%</b>	<b>638.88%</b>

#### Financial risk management

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

#### A Credit risk

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

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

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

Following provides exposure to credit risk for loans :

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

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

## 32 Capital Management (continued)

### A Credit risk (continued)

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

#### Loans

Loans comprise of NCDs and loans given to infrastructure companies for which a staged approach is followed for 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	158,272.36	854.97	-	-
Stage 2	-	-	-	-
Stage 3	-	-	-	-

The movement in the allowance for impairment in respect of loans

Particulars	As at	As at
	March 31, 2021	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	As at
	March 31, 2021	March 31, 2020
Opening balance	-	-
Impairment loss recognised	(60.50)	-
Derecognition	-	-
Closing balance	(60.50)	-



## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances

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%
<b>Total</b>	<b>100.00%</b>	<b>0.00%</b>

##### 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+	
3.51 - 3.60	iA	Adequate Safety
3.41 - 3.50	iA-	
3.11 - 3.40	iBBB+	
2.81 - 3.10	iBBB	Moderate Safety
2.61 - 2.80	iBBB-	
2.25 - 2.60	iBB+, iBB & iBB-	
<2.25	iB, iC & iD	Moderate Risk
		High Risk/ Very High Risk/ Default

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### a) Credit risk grading (continued)

As per risk rating policy, the Company does not finance the projects having internal rating grade below *investment grade (BBB-)*, arrived as per the above mentioned risk rating framework.

An annual review of the loans / debentures (credit substitutes) would be conducted to determine the credit migration and rating of the portfolio. The analysis below summarises the credit quality of the Company's debt portfolio at March 31, 2021.

Internal rating grades	% of total customer		% of total outstanding	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
iAAA	0%	0%	0%	0%
iAA+, iAA, iAA-	46%	0%	18%	0%
iA+, iA, iA-	50%	0%	77%	0%
iBBB+	4%	0%	6%	0%
iBBB	0%	0%	0%	0%
iBBB-	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>

##### 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 note 32 (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.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

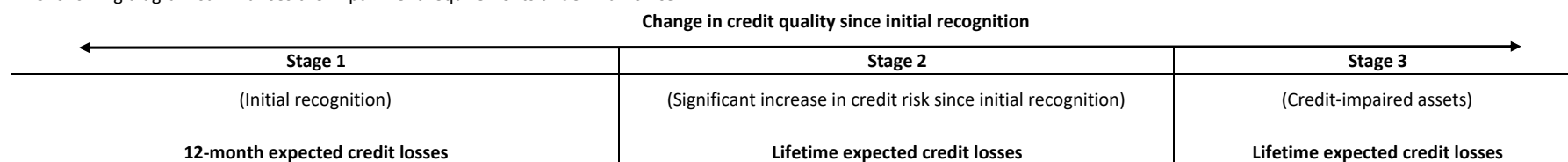
#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### b) Expected credit loss measurement (continued)

The following diagram summarises the impairment requirements under Ind AS 109:



##### 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

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### 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%.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

###### 1) Credit risk measurement - loans and advances (continued)

###### b) Expected credit loss measurement (continued)

###### iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (continued)

###### ECL computation:

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

###### iv) Forward-looking information incorporated in the ECL model

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for portfolio.

Judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided on a regular basis and provide the best estimate view of the economy over the next five years.

The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Company measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The Company has identified the "GDP growth rate" as a key driver for the expected credit loss.

The following table sets out the assumptions used for base case, best case and worst case ECL scenarios, taking GDP growth rate as key driver for expected loss:

###### **Year ended March 31, 2021**

ECL Scenario	Assigned 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### c) Credit risk exposure

##### 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	
<b>Performing</b>				
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
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>171,894.94</b>	<b>-</b>	<b>-</b>	<b>171,894.94</b>

Term loans and debentures	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
Highest Safety	-	-	-	-
High Safety	-	-	-	-
Adequate Safety	-	-	-	-
Moderate Safety	-	-	-	-
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### 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.



## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### c) Credit risk exposure (continued)

##### iii) Collateral and other credit enhancement

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk 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
<b>As at March 31, 2021</b>						
<b>Loans to corporate entities/individuals:</b>						
- 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
<b>Total</b>	<b>171,894.94</b>	<b>854.97</b>	<b>12,100.00</b>	<b>667.66</b>	<b>158,272.31</b>	<b>292,333.96</b>
<b>As at March 31, 2020</b>						
<b>Loans to corporate entities/individuals:</b>						
- Term loans	-	-	-	-	-	-
- Debentures and bonds	-	-	-	-	-	-
- Accrued interest on loans, debentures and bonds	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### c) Credit risk exposure (continued)

##### iv) Loss allowance (continued)

An analysis of change in the gross carrying amount of the loan portfolio and corresponding loss allowance:

The following table further explains changes in the gross carrying amount of the loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed below:

Term loans and debentures	Year ended March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-
New assets originated or purchased	160,322.00	-	-	160,322.00
Assets derecognised or repaid	(1,489.72)	-	-	(1,489.72)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>158,832.28</b>	<b>-</b>	<b>-</b>	<b>158,832.28</b>

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	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### c) Credit risk exposure (continued)

##### 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	-	-	-	-
<b>Closing balance</b>	<b>793.11</b>	<b>-</b>	<b>-</b>	<b>793.11</b>

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	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The origination of new loan assets is the primary factor that contributed to the change in the loss allowance during the period.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables, Borrowings and other financial liabilities.

##### Liquidity risk framework

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Category	Limits
Limits on cumulative negative gaps, as a % of cumulative 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
<b>Floating rate</b>		
<b>Borrowings</b>		
Expiring within one year	55,900.00	-
Expiring beyond one year	-	-
<b>Total</b>	<b>55,900.00</b>	<b>-</b>

## 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
<b>Financial liabilities</b>		
<b>Provisions</b>		
Exposure in USD	0.46	-
<b>Financial Assets</b>		
<b>Trade receivables</b>		
Exposure in USD	-	-
<b>Net exposure to foreign currency risk</b>	<b>0.46</b>	<b>-</b>

#### 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
<b>Variable rate liabilities</b>		
Borrowings	44,100.00	-
<b>Variable rate assets</b>		
Loans	117,540.39	-

#### Sensitivity

The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on borrowings and loans given. Below is the impact on the Company's profit before tax due to interest rate sensitivity.

Particulars	As at March 31, 2021	As at March 31, 2020
Interest rates – increase by 0.50%	367.20	-
Interest rates – decrease by 0.50%	(367.20)	-

\* Holding all other variables constant

#### (iii) Price risk

The Company is not exposed to price risk as at March 31, 2021 and March 31, 2020.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 33 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Company operates in a single reportable segment i.e. lending loans to infrastructure companies, since the nature of the loans are exposed to similar risk and return profiles. The Company operates in a single geographical segment i.e. India.

##### (a) Segment revenue

The Company operates as a single segment. The segment revenue is measured in the same way as in the statement of income and expenditure.

Particulars	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Segment revenue		
- India	4,738.83	455.18
- Outside India	-	-
<b>Total</b>	<b>4,738.83</b>	<b>455.18</b>

##### Revenue from major customers

For the year ended March 31, 2021, Revenues from four customers of the company represents approximately ₹ 2,463 lakhs of the company's total revenues. Each of the customer is contributing more than 10% of company's total revenue.

Note: No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in period May 23, 2019 to March 31, 2020.

##### (b) Segment assets and segment liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Segment assets		
- India	274,047.79	58,179.21
- Outside India	-	-
Segment liabilities		
- India	45,732.07	444.06
- Outside India	-	-
<b>Total</b>	<b>274,047.79</b>	<b>58,179.21</b>

#### 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
<b>Pledged as security against borrowings</b>		
Receivables and Loan Assets	158,755.54	-
Other financial assets	295.04	-
<b>Total</b>	<b>159,050.58</b>	<b>-</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 35 Employee benefits

##### (A) Labour Law

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective.

##### (B) Defined Contribution Plan: Following amount is recognized as an expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident fund and other fund	20.65	-

##### (C) Defined Benefit Plan

The Company has a defined benefit gratuity plan in India. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is 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
<b>(i) Actuarial assumptions</b>		
Discount rate (per annum)	6.95%	0.00%
Salary escalation rate	9.00%	0.00%
Retirement age	60.00	60.00
<b>(ii) Asset information</b>		
The Company is responsible for the overall governance of the plan.		
<b>(iii) Changes in the present value of defined benefit obligation</b>		
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	-
<b>Defined benefit obligation at end of year</b>	<b>11.84</b>	-
<b>(iv) Changes in the Fair value of plan assets</b>		
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	-	-
<b>Fair value of Plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 35 Employee benefits (continued)

##### (C) Defined Benefit Plan (continued)

##### (v) Assets and liabilities recognised in the balance sheet

Defined benefit obligation	11.84	-
Fair value of plan assets	-	-
<b>Net defined benefit liability</b>	<b>11.84</b>	<b>-</b>

##### (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	-	-
<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>10.13</b>	<b>-</b>
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)	-	-
<b>Total remeasurements included in OCI</b>	<b>1.71</b>	<b>-</b>

##### (viii) Sensitivity Analysis:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Present value obligation</b>		
Discount rate +50 basis points	10.99	-
Discount rate -50 basis points	12.77	-
Salary Increase Rate +50 basis points	12.75	-
Salary Increase Rate -50 basis points	11.00	-

##### (ix) Projected plan cash flow

Maturity Profile	As at March 31, 2021	As at March 31, 2020
Expected total benefit payments		
Year 1	0.03	-
Year 2	0.04	-
Year 3	0.04	-
Year 4	0.13	-
Year 5	0.35	-
Next 5 years	395.06	-

##### (x) Provision for leave encashment

Maturity Profile	As at March 31, 2021	As at March 31, 2020
Liability for compensated absences	21.40	-



## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 36 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	56,308.56	-	56,308.56	31,518.59	-	31,518.59
Loans	6,176.76	151,862.41	158,039.17	-	-	-
Investments	-	59,281.74	59,281.74	-	26,591.01	26,591.01
Other financial assets	232.52	61.17	293.69	-	-	-
<b>Non-Financial assets</b>						
Deferred tax assets (net)	-	-	-	-	57.31	57.31
Property, plant and equipment	-	13.75	13.75	-	-	-
Intangible assets under development	-	73.17	73.17	-	-	-
Other non-financial assets	37.71	-	37.71	-	-	-
<b>Total Assets</b>	<b>62,755.55</b>	<b>211,292.24</b>	<b>274,047.79</b>	<b>31,518.59</b>	<b>26,648.32</b>	<b>58,166.91</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
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
<b>Non Financial Liabilities</b>						
Current tax liabilities	49.01	-	49.01	43.16	-	43.16
Provisions	38.06	55.68	93.74	-	-	-
Deferred tax liabilities (net)	-	547.22	547.22	-	-	-
Other non-financial liabilities	140.98	-	140.98	9.97	-	9.97
<b>Total Liabilities</b>	<b>1,012.29</b>	<b>44,719.78</b>	<b>45,732.07</b>	<b>444.06</b>	<b>-</b>	<b>444.06</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 37 Interest in associate

Assets	Carrying amount as at		% of ownership interest	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
NIIF Infrastructure Finance Limited (Formerly IDFC Infrastructure Finance Limited)	59,281.74	26,603.31	30.83%*	30.00%

\* The company has considered its ownership interest on a diluted basis due to equitable rights of holders of Compulsorily Convertible Preference Shares of the associate Company to the dividends, if any, declared for equity shareholders.

The Company has acquired interest in NIIF Infrastructure Finance Limited on March 29, 2020 and with two additional infusions on May 20, 2020 and on March 29, 2021. The Company's interest in associate is accounted for using the equity method in the consolidated financial statements. This is an unlisted investment and hence quoted prices are not available. The following table illustrates the summarised financial information of the associate:

#### Significant financial information of associate

Summarised Balance sheet as at:	March 31, 2021	March 31, 2020
Financial Assets	916,400.00	666,485.00
Non-financial Assets	8,938.00	4,966.00
Financial liabilities	737,735.00	587,580.00
Non-financial liabilities	605.00	526.00
<b>Net assets</b>	<b>186,998.00</b>	<b>83,345.00</b>

Summarised statement of profit and loss for the period ended:	March 31, 2021	March 31, 2020
Total Income	71,568.00	52,130.00
Profit for the year	13,175.00	453.00
Other comprehensive income/ (expense)	35.00	(1.00)
Total comprehensive income	<b>13,210.00</b>	<b>452.00</b>

#### The Particulars of investments in associates as on March 31, 2021 are as follows :

Particulars	Amount
Original Cost of investment on March 29, 2020	26,591.01
Additional Investment on May 21, 2020	8,437.50
Additional Investment on March 30, 2021	20,190.48
Share of Post Acquisition Profit/Loss	4,061.81
Share of Post Acquisition OCI	10.73
Share of share issue expenses	(9.79)
Goodwill/(Capital Reserve)	-
Impairment	-
<b>Carrying amount of investment</b>	<b>59,281.74</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 37.1 Interest in associate

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

##### As at March 31, 2021

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
<b>Parent</b>								
Aseem Infrastructure Finance Limited	100.00%	228,315.72	20.76%	1,060.85	-58.97%	(3.98)	20.65%	1,056.87
<b>Associate (Investment as per the equity method)</b>								
<b>Indian</b>								
NIIF Infrastructure Finance Limited (Formerly IDFC Infrastructure Finance Limited)	0.00%	-	79.24%	4,049.51	158.97%	10.73	79.35%	4,060.24
<b>Total</b>	<b>100.00%</b>	<b>228,315.72</b>	<b>100.00%</b>	<b>5,110.36</b>	<b>100.00%</b>	<b>6.75</b>	<b>100.00%</b>	<b>5,117.11</b>

##### As at March 31, 2020

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
<b>Parent</b>								
Aseem Infrastructure Finance Limited	100.00%	57,735.15	65.01%	22.85	NA	-	65.01%	22.85
<b>Associate (Investment as per the equity method)</b>								
<b>Indian</b>								
NIIF Infrastructure Finance Limited (Formerly IDFC Infrastructure Finance Limited)	0.00%	-	34.99%	12.30	NA	-	34.99%	12.30
<b>Total</b>	<b>100.00%</b>	<b>57,735.15</b>	<b>100.00%</b>	<b>35.15</b>	<b>0.00%</b>	<b>-</b>	<b>100.00%</b>	<b>35.15</b>

## **Aseem Infrastructure Finance Limited**

### **Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021**

(All amounts are in INR Lakhs, unless otherwise stated)

#### **38 Note on COVID-19**

The outbreak of COVID-19 virus which was declared a global pandemic by the World Health Organisation on March 11, 2020 continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities.

The pandemic has generally impacted businesses including lending business, fee income, collection efficiency etc. which in turn may impact customer defaults and consequently impairment allowance. The Company continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients. The Company has not seen any adverse impact on its collections till date.

The Company has also raised equity and compulsorily convertible preference capital during March 2021 to augment its capital base. The Company continues to meet its operating and financial obligations, has maintained a higher than required capital adequacy ratio and has adequate financial resources to run its business. The Company has not experienced any material disruptions due to this pandemic and has already considered impact if any, on carrying value of assets based on the external or internal information available up to the date of approval of financial statements. However, the extent to which COVID-19 pandemic will continue to impact the Company's business, results of operations, financial position and cash flows will depend on future developments which remain uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the financial assets and also conservatively carries additional impairment provision. The Company is closely monitoring any material changes to future economic conditions and resultant impacts, if any, on the expected credit loss provisions.

#### **39 Certificate of Registration (CoR) conditions note**

The Reserve Bank of India (RBI) had issued Certificate of Registration (COR) to the Company as a non-banking financial company, infrastructure finance company ("NBFC - IFC") on January 28, 2020. The Company had been allowed by the RBI an extended timeline up to March 31, 2021 to comply with the COR conditions relating (i) meeting 75% of asset criteria stipulated for the purpose of IFC - NBFC and the CRAR position; and (ii) commence business (Principal Business Activity as an NBFC-IFC) of having financial assets of more than 50% and income of more than 50% from these financial assets. As on February 24, 2021, the Company had achieved full compliance with all the COR Conditions and sent due intimation and confirmation to the RBI in this regard.

Thereafter, the Company received ₹ 81,500.00 lakhs as compulsorily convertible preference share capital from the President of India (represented by and acting through the Secretary, Department of Corporate Affairs, Ministry of Finance, Government of India) and ₹ 13,190.48 lakhs as equity infusion from its existing shareholder on March 26, 2021. As the deployment in infrastructure projects of these significant capital infusion funds would take time, the Company had requested the RBI on March 19, 2021 for a further extension of time to meet its 75% infrastructure asset criteria. The Company for the aforesaid reasons could not meet the 75% of asset criteria condition as at March 31, 2021. The RBI has granted a further extension of 6 months up to September 30, 2021 to ensure the pending compliance.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 40 Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, amongst other measures, the regulations issued by RBI. Company has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The following additional information is disclosed in terms of the RBI circular (Ref No. DNBR .PD. 008 / 03.10.119 / 2016-17 dated September 01, 2016) and RBI circular DNBR(PD) CC No. 053 / 03.10.119 / 2015-16 :

Items	As at March 31, 2021	As at March 31, 2020
i. CRAR (%)	149.95%	638.88%
ii. CRAR - Tier I capital (%)	149.28%	638.88%
ii. CRAR - Tier II capital (%)	0.67%	0.00%

As per RBI Prudential norms, the minimum CRAR requirement for NBFCs is 15% and the Company has maintained CRAR well above the regulatory norms throughout the year.

Regulatory capital-related information is presented as a part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the company comprises of share capital, share premium, reserves and Tier II capital comprises of provision on loans that are not credit-impaired. There were no changes in the capital management process during the periods presented.

# Aseem Infrastructure Finance Limited

## Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

### 41 Reconciliation of equity from previous GAAP to Ind AS

Particulars	Note	As at March 31, 2020
Equity as per previous GAAP		57,768.28
<b>GAAP adjustments</b>		
Share of profit of associate	B.1	(30.05)
Deferred tax on above adjustments		(3.08)
<b>Total - GAAP adjustments</b>		<b>(33.13)</b>
Equity as per Ind AS		<b>57,735.15</b>

### Reconciliation of total comprehensive income from previous GAAP to Ind AS

Particulars	Notes	For the period from May 23, 2019 to March 31, 2020
Net profit for the period as per previous GAAP		68.28
<b>GAAP adjustments</b>		
Share of profit of associate	B.1	(30.05)
Deferred tax on above adjustments		(3.08)
<b>Total - GAAP adjustments</b>		<b>(33.13)</b>
<b>Total comprehensive income after tax as per Ind AS</b>		<b>35.15</b>

All the adjustments on account of Ind AS are non-cash in nature, hence there is no material impact on the Statement of Cash flows.

### Explanations to reconciliations

#### B.1 Share of profit of associate

Under previous GAAP, share of profit of associate was calculated based on the IGAAP financials of associate, however, under Ind AS, it is calculated basis the Ind AS financial of associate.

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 42 Disclosure Pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
<b>Performing assets</b>						
Standard	Stage 1	158,832.28	793.11	158,039.17	632.35	160.76
	Stage 2					-
<b>Subtotal</b>		<b>158,832.28</b>	<b>793.11</b>	<b>158,039.17</b>	<b>632.35</b>	<b>160.76</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss				-		-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	12,100.00	60.50	12,039.50	-	60.50
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>12,100.00</b>	<b>60.50</b>	<b>12,039.50</b>	<b>-</b>	<b>60.50</b>
<b>Total</b>	<b>Stage 1</b>	<b>170,932.28</b>	<b>853.61</b>	<b>170,078.67</b>	<b>632.35</b>	<b>221.26</b>
	<b>Stage 2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Stage 3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>170,932.28</b>	<b>853.61</b>	<b>170,078.67</b>	<b>632.35</b>	<b>221.26</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

- 43** Additional Disclosures as per the circular issued by the Reserve Bank of India (Ref no. DNBR .PD. 008/ 03.10.119/ 2016-17 dated September 01,2016) & RBI circular DNBR(PD) CC no. 053/ 03.10.119 / 2015-16) in respect of Non Banking Financial (Non deposit accepting or holding) Systemically Important (NBFC-ND-SI) is as under:

The disclosure are based on the Ind AS Financials. Accordingly, the corresponding comparative for the previous period have been restated, in order to confirm to current period presentation.

#### Additional Disclosures required by the Reserve Bank of India ('RBI')

##### a. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)

S.No	Item	For the year ended March 31, 2021	For the year ended March 31, 2020
1	CRAR (%)	149.95%	638.88%
2	CRAR - Tier I capital (%)	149.28%	638.88%
3	CRAR - Tier II Capital (%)	0.67%	0.00%
4	Amount of subordinated debt raised as 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
<b>1</b>	<b>Value of investments</b>		
	(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	-	-
<b>2</b>	<b>Movement of provisions held towards depreciation on investments</b>		
	(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	-	-
<b>2</b>	<b>Movement of provisions held towards depreciation on investments</b>		
	(i) Opening balance	-	-
	(ii) Add: Provisions made during the year	-	-
	(iii) Less: Write-offs/ write-back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

##### c. Derivatives

The Company has no transactions / exposure in derivatives in the year ending March 31, 2021 and period ending March 31, 2020, hence the related disclosures are not applicable to the Company.

##### d. Disclosures relating to Securitisation

The Company has not entered in securitisation transaction in the year ending March 31, 2021 and period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

##### e. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Company has not sold any financial asset to securitisation / reconstruction company for asset reconstruction in the year ending March 31, 2021 and the period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.



## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 43 Additional Disclosures required by the Reserve Bank of India ('RBI') (continued)

**f. Details of Assignment transactions**

The Company has not undertaken any assignment transactions in the year ending March 31, 2021 and the period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

**g. Details of non-performing financial assets purchased / sold**

The Company has not purchased / sold any non-performing financial assets in the year ending March 31, 2021 and period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

**h. Exposure**

**i. Exposure to Real Estate Sector**

This disclosure is not applicable to the Company as there are no exposures, direct or indirect to real estate sector as at March 31, 2021 and March 31, 2020.

**ii. Exposure to Capital Market**

This disclosure is not applicable to the Company as there are no exposures to capital market as at March 31, 2021 and March 31, 2020.

**i. Details of financing of parent company products**

This disclosure is not applicable to the Company as there is no financing of Parent Company products.

**j. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**

The Company has not lent/ invested/ lent and invested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI during the year ended March 31, 2021 and period ended March 31, 2020.

**k. Unsecured Advances**

The Company has not given any unsecured advances in the year ended March 31, 2021 and period ended March 31, 2020.

**l. Registration obtained from other financial sector regulators**

The Company is not registered with any financial sector regulators except with the RBI.

**m. Disclosure of Penalties imposed by RBI and other regulators**

No penalties were imposed by the RBI and other regulators during the year ended March 31, 2021 and the period ended March 31, 2020.

**n. Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):**

S.No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Provision made towards income tax	983.10	88.68
(ii)	Provision for employee benefits	132.02	-
(iii)	Provision for employee stock compensation cost	-	-
(iv)	Provision for gratuity	11.84	-
(v)	Provision for compensated absence cost	21.40	-
(vi)	Provision for impairment of financial assets	854.97	-
(vii)	Provisions for depreciation on Investment	-	-
(viii)	Provision towards NPA	-	-

**o. Draw Down from Reserves**

There has been no draw down from reserves during the period ending March 31, 2021 and March 31, 2020. Hence the related disclosures are not applicable to the Company.

**p. Concentration of Advances, Exposures and NPAs**

**i) Concentration of Advances**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Advances to twenty largest borrowers	151,687.73	-
Percentage of Advances to twenty largest borrowers to Total Advances	95.10%	0.00%

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 43 Additional Disclosures required by the Reserve Bank of India ('RBI') (continued)

##### 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 consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 43 Additional Disclosures required by the Reserve Bank of India ('RBI') (Continued)

##### t. Statement on Asset Liability Management

##### Maturity pattern of certain items of assets and liabilities as at March 31, 2021

S.No	Item	Up to 30 / 31 days	Over one month to two months	Over two months upto three months	Over three months to six months	Over six months to one year	Over one year to three years	Over three years to five years	Over five years	Total
	<b>Liabilities</b>									
	Borrowings	136.13	-	-	-	-	17,640.00	17,640.00	8,766.36	<b>44,182.49</b>
										-
	<b>Assets</b>									
	Investments	-	-	-	-	-	-	-	59,281.74	<b>59,281.74</b>
	Loans	3.48	1,132.68	641.68	1,522.07	2,876.85	18,183.99	13,452.35	120,226.07	<b>158,039.17</b>

##### Maturity pattern of certain items of assets and liabilities as at March 31, 2020

S.No	Item	Up to 30 / 31 days	Over one month to two months	Over two months upto three months	Over three months to six months	Over six months to one year	Over one year to three years	Over three years to five years	Over five years	Total
	<b>Assets</b>									
	Investments	-	-	-	-	-	-	-	26,591.01	<b>26,591.01</b>
										-

##### u. Restructured advances

There are no restructured advance as on 31st March 2021, hence disclosure of information as required in terms of Para 24 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (RBI guidelines) is not required.

##### v. Fraud Reporting

As required by the Chapter II paragraph 5 for Monitoring of frauds in NBFCs (RBI guidelines), the details of frauds noticed / reported are as below:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Amount Involved	-	-
Amount Recovered	-	-
Amount written off/provided	-	-
Balance	-	-

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 44 Public disclosure on liquidity risk

The disclosure in terms of RBI circular ref. DOR.NBFC(PD)CC.NO.102/03.10.001/2019-20 dated November 04, 2019 on liquidity risk management framework for NBFCs is provided below :

##### (i) Funding concentration based on significant counterparty

Sr no	No of significant counterparties	Amount (₹ in lakhs)	% of Total deposits	% of Total Liabilities
1	1	44,182.49	-	0.98

##### (ii) Top 20 large deposits - Nil

##### (iii) Top 10 borrowings: ₹ 44,182.49 lakhs (represent 100.00% of total borrowings)

##### (iv) Funding concentration based on significant instrument/product

Sr no	Name of instrument	Amount (₹ in lakhs)	% of Total Liabilities
1	Term loans from Banks	44,182.49	0.98

##### (v) Stock ratios:

Sr no	Instrument	As a % of total public funds	As a % of total liabilities	As a % of total assets
(a)	Commercial papers	Nil	Nil	Nil
(b)	Non Convertible Debentures (original maturity <1 year)	Nil	Nil	Nil
(c)	Other short term liabilities	2.29%	2.25%	0.37%

##### (vi) Institutional set-up for liquidity risk management

The Company has instituted Asset Liability Management Policy under which the Asset Liability Management 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 consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

45. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016]

LIABILITIES SIDE		
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	Amount Outstanding
		Amount Overdue
	a. Debentures (other than falling within the meaning of public	
	- Secured	-
	- Unsecured	-
	b. Deferred Credits	-
	c. Term Loans	44,182.49
	d. Inter-corporate loans and borrowings	-
	e. Commercial Paper	-
	f. Public Deposits (Refer note 1 below)	-
	g. Other Loans	-
ASSET SIDE		
2	Break up of Loans and Advances including bills receivables [other than those included in(4) below]:	Amount Outstanding
	a. Secured	158,039.17
	b. Unsecured	-
3	Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities	Amount Outstanding
	i. Lease Assets including lease rentals under sundry debtors:	
	a. Finance Lease	-
	b. Operating Lease	-
	ii. Stocks on hire including hire charges under sundry debtors:	
	a. Assets on hire	-
	b. Repossessed Assets	-
	iii. Other Loans counting towards AFC 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 consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

45. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016] (continued)

<b>4 Break up of Investments (continued):</b>		
<b>Long Term Investments</b>		
<i>1. Quoted</i>		
i. Shares - Equity		-
- Preference		-
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-
<i>2. Unquoted</i>		
i. Shares - Equity		59,281.74
- Preference		-
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-

<b>5 Borrower group-wise classification of asset financed (Refer note 2 below):</b>			
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
<b>Total</b>	<b>158,039.17</b>	<b>-</b>	<b>158,039.17</b>

<b>6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)</b>		
Category	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**		
a. Subsidiaries	-	-
b. Companies in the same group	65,093.38	59,281.74
c. Other related parties	-	-
2 Other than related parties	-	-
<b>Total</b>	<b>65,093.38</b>	<b>59,281.74</b>

\*\* As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

<b>7 Other information</b>		<b>Amount</b>
i. Gross Non-Performing Assets		
a. Related Parties		-
b. Other than related parties		-
ii. Net Non-Performing Assets		
a. Related Parties		-
b. Other than related parties		-
iii. Assets acquired in satisfaction of debt		-

## Aseem Infrastructure Finance Limited

### Notes forming part of consolidated financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 45. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016] (continued)

##### Notes:

1

As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

3 All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category 4 above.

46 The additional information required to be disclosed in terms of RBI circular (Ref. No. RBI/2009-2010/356/IDMD/4135 /11.08.43/2009-10) dated

47 Previous period figures have been regrouped/reclassified wherever necessary to correspond with those of the current year's classification/disclosure.

As per our report of even date.

##### For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

##### For and on behalf of the Board of Directors of

Aseem Infrastructure Finance Limited

##### per Rutushtra Patell

Partner

Membership No : 123596

##### Surya Prakash Rao Pendyala

Director

DIN: 02888802

##### Rajiv Dhar

Director

DIN: 00073997

Place: Mumbai

Date: June 8, 2021

##### Virender Pankaj

Chief Executive Officer

##### Nilesh Sampat

Chief Financial Officer

##### Karishma Pranav Jhaveri

Company Secretary

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Aseem Infrastructure Finance Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of Aseem Infrastructure Finance Limited (the "Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is the Directors' report, Secretarial Audit report and CSR report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matter**

The comparative financial information of the Company for the period May 23, 2019 to March 31, 2020 included in this financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and we expressed an unmodified opinion on those financial statements dated June 30, 2020, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. The Company has adopted Ind AS from April 1, 2020, with the effective transition date of May 23, 2019 but since, the Company had no assets and liabilities on the effective transition date, as it was the date of incorporation of the Company, no opening Ind AS Balance Sheet has been presented as described in detail in Note 2 (i) of the accompanying financial statements.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;
- (g) The provision of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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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

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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 LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to 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

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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
<b>I. ASSETS</b>			
<b>1 Financial assets</b>			
(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	-
<b>Total financial assets (A)</b>		<b>269,860.41</b>	<b>58,109.60</b>
<b>2 Non-financial assets</b>			
(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	-
<b>Total non-financial assets (B)</b>		<b>599.92</b>	<b>60.41</b>
<b>Total Assets (A+B)</b>		<b>270,460.33</b>	<b>58,170.01</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1 Financial liabilities</b>			
(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
<b>Total financial liabilities (A)</b>		<b>44,901.12</b>	<b>390.93</b>
<b>2 Non-financial liabilities</b>			
(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
<b>Total non-financial liabilities (B)</b>		<b>283.73</b>	<b>53.13</b>
<b>3 Equity</b>			
(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
<b>Total equity (C)</b>		<b>225,275.48</b>	<b>57,725.95</b>
<b>Total Liabilities and Equity (A+B+C)</b>		<b>270,460.33</b>	<b>58,170.01</b>

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
<b>Revenue from operations</b>			
Interest income	18	4,701.11	455.18
Fees and commission income	19	37.72	-
<b>Total Income (A)</b>		<b>4,738.83</b>	<b>455.18</b>
<b>Expenses</b>			
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
<b>Total expenses (B)</b>		<b>2,090.14</b>	<b>400.96</b>
<b>Profit before tax (C = A - B)</b>		<b>2,648.69</b>	<b>54.22</b>
<b>Tax expense</b>			
Current tax		983.10	88.68
Deferred tax credit		(414.44)	(60.41)
<b>Total tax expenses (D)</b>		<b>568.66</b>	<b>28.27</b>
<b>Net profit after tax (E = C - D)</b>		<b>2,080.03</b>	<b>25.95</b>
<b>Other Comprehensive income/(loss)</b>			
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	-
<b>Total Other comprehensive income/(loss) (F)</b>		<b>(1.28)</b>	<b>-</b>
<b>Total comprehensive income (G = E + F)</b>		<b>2,078.75</b>	<b>25.95</b>
Earnings per equity share:	25		
Basic earnings per share (in ₹)		0.15	0.02
Diluted earnings per share (in ₹)		0.15	0.02

**The accompanying notes form an integral part of the financial statements**

As per our report of even date.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**For and on behalf of the Board of Directors of****Aseem Infrastructure Finance Limited****per Rutushtra Patell**

Partner

Membership No : 123596

**Surya Prakash Rao Pendyala**

Director

DIN: 02888802

**Rajiv Dhar**

Director

DIN: 00073997

Place: Mumbai

Date: June 8, 2021

**Virender Pankaj**  
Chief Executive Officer**Nilesh Sampat**  
Chief Financial Officer**Karishma Pranav Jhaveri**  
Company Secretary

## Aseem Infrastructure Finance Limited

### Statement of Changes in Equity for the year ending March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### A) Equity Share Capital

Particulars	Number of shares	Amount
As at May 23, 2019	-	-
Changes during the period	577,000,000	57,700.00
As at March 31, 2020	577,000,000	57,700.00
Changes during the year	828,637,939	82,863.79
As at March 31, 2021	1,405,637,939	140,563.79

#### B) Compulsorily Convertible Preference Share Capital ('CCPS')

Particulars	Number of shares	Amount
As at May 23, 2019	-	-
Changes during the period	-	-
As at March 31, 2020	-	-
Changes during the year	736,889,692.00	81,057.87
As at March 31, 2021	736,889,692.00	81,057.87

#### C) Other equity

Particulars	Reserves & Surplus				Total
	Statutory reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Impairment reserve	Retained earnings	
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

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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
<b>A. Cash flow from operating activities</b>			
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	-
<b>Operating profit before working capital changes</b>		<b>3,416.56</b>	<b>54.22</b>
<b>Changes in working capital:</b>			
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	-
<b>Cash (used in)/generated in operations</b>		<b>(155,057.61)</b>	<b>455.12</b>
(Payment) of tax (net)	14	(1,000.81)	(45.52)
<b>Net Cash (used in)/generated in operations (A)</b>		<b>(156,058.42)</b>	<b>409.60</b>
<b>B. Cash flows from investing activities</b>			
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)
<b>Net cash used in investing activities (B)</b>		<b>(28,690.66)</b>	<b>(26,591.01)</b>
<b>C. Cash flows from financing activities</b>			
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	-
<b>Net cash generated in financing activities (C)</b>		<b>209,539.05</b>	<b>57,700.00</b>
<b>Net Increase in cash and cash equivalents (D) = (A + B + C)</b>		<b>24,789.97</b>	<b>31,518.59</b>
Cash and cash equivalents at the beginning of the period (E)		31,518.59	-
<b>Cash and cash equivalents at the end of the period (F) = (D) + (E)</b>		<b>56,308.56</b>	<b>31,518.59</b>
<b>Cash and cash equivalents include the following</b>			
Balances with banks in current account		703.40	7.15
Fixed deposits with maturity less than 3 months		55,605.16	31,511.44
<b>Total cash and cash equivalents</b>		<b>56,308.56</b>	<b>31,518.59</b>

### 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.

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2021

### 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.

# Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

## 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.



# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2021

### 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

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2021

### 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.

# Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

## 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.

# Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

## 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.

# Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

## 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.

# Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

## 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.

# Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

## 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

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2021

### 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.



# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2021

### 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.

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2021

### 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.

# Aseem Infrastructure Finance Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

## 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.

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2021

### 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

#### Balances with banks:

- in current accounts
- Fixed deposits with original maturity less than 3 months

#### Total

As at March 31, 2021	As at March 31, 2020
703.40	7.15
55,605.16	31,511.44
<b>56,308.56</b>	<b>31,518.59</b>

### Note 5: Loans

#### Measured at amortised cost

Term Loans

Non Convertible Debentures

#### Total Gross

Less: Impairment loss allowance

#### Total Net

As at March 31, 2021	As at March 31, 2020
130,225.97	-
28,606.31	-
<b>158,832.28</b>	<b>-</b>
(793.11)	-
<b>158,039.17</b>	<b>-</b>

Secured

Unsecured

#### Total Gross

Less: Impairment loss allowance

#### Total Net

158,832.28	-
-	-
<b>158,832.28</b>	<b>-</b>
(793.11)	-
<b>158,039.17</b>	<b>-</b>

#### Loans in India

Public sector

Others

#### Total Gross

Less: Impairment loss allowance

#### Total Net

-	-
158,832.28	-
<b>158,832.28</b>	<b>-</b>
(793.11)	-
<b>158,039.17</b>	<b>-</b>

#### Total

<b>158,039.17</b>	<b>-</b>
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### Note 6: Investments

#### Investment in equity shares of associate company (Unquoted)

NIIF Infrastructure Finance Limited (Formerly, IDFC Infrastructure Finance Limited)

#### Total (A)

Investments in India (i)

Investments outside India (ii)

#### Total (B) (i+ii)

#### Total

As at March 31, 2021		As at March 31, 2020	
Number	Amount	Number	Amount
309,379,182	55,218.99	162,000,000	26,591.01
<b>309,379,182</b>	<b>55,218.99</b>	<b>162,000,000</b>	<b>26,591.01</b>
309,379,182	55,218.99	162,000,000	26,591.01
-	-	-	-
<b>309,379,182</b>	<b>55,218.99</b>	<b>162,000,000</b>	<b>26,591.01</b>
<b>309,379,182</b>	<b>55,218.99</b>	<b>162,000,000</b>	<b>26,591.01</b>

### Note 7: Other financial assets

#### Measured at amortised cost

Guarantee commission receivable

Processing fees receivable

Less: Impairment loss allowance

#### Total

As at March 31, 2021	As at March 31, 2020
133.48	-
161.56	-
(1.35)	-
<b>293.69</b>	<b>-</b>

## 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)

##### Temporary difference attributable to:

##### Deferred tax assets

	As at March 31, 2021	As at March 31, 2020
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	-
	<b>475.94</b>	<b>60.41</b>

##### Deferred tax liabilities

Depreciation on property, plant and equipment	(0.65)	-
	<b>(0.65)</b>	<b>-</b>

#### Total Deferred tax assets (net)

<b>475.29</b>	<b>60.41</b>
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**Aseem Infrastructure Finance Limited****Notes forming part of financial statements as at and for the year ended March 31, 2021**

(All amounts are in INR Lakhs, unless otherwise stated)

**Note 9A: Property, plant and equipment**

Particulars	Computer equipment	Office equipment	Server/networking equipment	Total
<b>Gross block</b>				
Balance as at March 31, 2020	-		-	-
Additions/Adjustments	9.24	2.00	5.27	16.51
Disposals/Adjustments	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>9.24</b>	<b>2.00</b>	<b>5.27</b>	<b>16.51</b>
<b>Accumulated depreciation</b>				
Balance as at March 31, 2020	-		-	-
Depreciation charge	2.01	0.19	0.56	2.76
Disposals/Adjustments	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>2.01</b>	<b>0.19</b>	<b>0.56</b>	<b>2.76</b>
<b>Net block</b>				
Balance as at March 31, 2020	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>7.23</b>	<b>1.81</b>	<b>4.71</b>	<b>13.75</b>

**Note 9B: Intangible assets under development**

Particulars	Intangible assets under development
<b>Gross block</b>	
Balance as at March 31, 2020	
Additions/Adjustments	73.17
Disposals/Adjustments	-
<b>Balance as at March 31, 2021</b>	<b>73.17</b>
<b>Accumulated depreciation</b>	
Balance as at March 31, 2020	
Depreciation charge	-
Disposals/Adjustments	-
<b>Balance as at March 31, 2021</b>	<b>-</b>
<b>Net block</b>	
Balance as at March 31, 2020	-
<b>Balance as at March 31, 2021</b>	<b>73.17</b>

# 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)

<b>Note 10: Other non-financial assets</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Advance to vendors	2.35	-
Prepaid expenses	35.36	-
<b>Total</b>	<b>37.71</b>	<b>-</b>

<b>Note 11: Trade payables</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	31.91	-
<b>Total</b>	<b>31.91</b>	<b>-</b>

<b>Note 12: Borrowings</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>At Amortised Cost</b>		
<b>Borrowings - In India</b>		
<b>Secured</b>		
Term loan from bank	44,182.49	-
<b>Total</b>	<b>44,182.49</b>	<b>-</b>

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.

<b>Note 13: Other financial liabilities</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Measured at amortised cost</b>		
Payable to related parties	121.19	382.55
Staff incentives payable	132.02	-
Financial guarantee obligation	191.56	-
Processing fees received pending disbursement	133.48	-
Capital expenses payable	27.00	-
Share issue expenses payable	22.31	-
Other expenses payable	59.16	8.38
<b>Total</b>	<b>686.72</b>	<b>390.93</b>

<b>Note 14: Current tax liabilities (net)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
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
<b>Total</b>	<b>49.01</b>	<b>43.16</b>

<b>Note 15: Provisions</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Provisions for employee benefits</b>		
Provision for gratuity	11.84	-
Provision for leave benefits	21.40	-
Provision for Impairment loss on non-fund based facility	60.50	-
<b>Total</b>	<b>93.74</b>	<b>-</b>

<b>Note 16: Other non-financial liabilities</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Statutory dues	140.98	9.97
<b>Total</b>	<b>140.98</b>	<b>9.97</b>



# 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
<b>Authorised capital</b>				
Equity Shares of ₹ 10 each (Previous period ₹ 10 each)	2,200,000,000	220,000.00	620,000,000	62,000.00
	<b>2,200,000,000</b>	<b>220,000.00</b>	<b>620,000,000</b>	<b>62,000.00</b>
<b>Issued, subscribed and paid up*</b>				
<b>(i) Equity Shares</b>				
Equity Shares of ₹ 10 each fully paid (Previous period ₹ 10 each)	1,405,637,939	140,563.79	577,000,000	57,700.00
	<b>1,405,637,939</b>	<b>140,563.79</b>	<b>577,000,000</b>	<b>57,700.00</b>

### 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
<b>Authorised capital</b>				
0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each	818,181,819	90,000.00	-	-
	<b>818,181,819</b>	<b>90,000.00</b>	<b>-</b>	<b>-</b>
<b>Issued, subscribed and paid up*</b>				
0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each	736,889,692	81,057.87	-	-
	<b>736,889,692</b>	<b>81,057.87</b>	<b>-</b>	<b>-</b>

### 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
<b>Equity Shares</b>				
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
<b>At the end of the year</b>	<b>1,405,637,939</b>	<b>140,563.79</b>	<b>577,000,000</b>	<b>57,700.00</b>
<b>Total issued, subscribed and fully paid up Equity Shares</b>	<b>1,405,637,939</b>	<b>140,563.79</b>	<b>577,000,000</b>	<b>57,700.00</b>
<b>0.001 % Compulsorily Convertible Preference Shares</b>				
At the beginning of the year	-	-	-	-
Add: Issued during the year	736,889,692	81,057.87	-	-
<b>At the end of the year</b>	<b>736,889,692</b>	<b>81,057.87</b>	<b>-</b>	<b>-</b>
<b>Total issued, subscribed and fully paid up 0.001 % Compulsorily Convertible Preference Shares</b>	<b>736,889,692</b>	<b>81,057.87</b>	<b>-</b>	<b>-</b>

### 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
<b>Equity shares of Rs 10 each</b>				
National Investment and Infrastructure Fund-II	1,405,637,939	100%	577,000,000	100%
<b>0.001 % Compulsorily Convertible Preference Shares of Rs each</b>				
President of India (Represented by and acting through the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India)	736,889,692	100%	-	0%

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### Note 17C: Other equity

- (a) Statutory reserve u/s. 45-IC of RBI Act, 1934
- (b) Securities premium
- (c) Impairment reserve
- (d) Retained earnings

#### Total

#### (a) Statutory reserve u/s. 45-IC of RBI Act, 1934

Opening balance  
Addition during the year  
**Closing balance**

#### (b) Securities premium

Opening balance  
Addition during the year  
Less: Share issue expenses  
**Closing balance**

#### (c) Impairment reserve

Opening balance  
Addition during the year  
**Closing balance**

#### (d) Retained earnings

Opening balance  
Transaction during the year :  
Net profit for the year  
Other comprehensive income for the year  
Less: Share issue expenses  
Less: Transfer to Statutory reserve u/s. 45-IC of RBI Act, 1934  
Less: Transfer to Impairment reserve  
**Closing balance**

As at March 31, 2021	As at March 31, 2020
421.20	5.19
1,705.62	-
54.42	-
1,472.58	20.76
<b>3,653.82</b>	<b>25.95</b>

As at March 31, 2021	As at March 31, 2020
5.19	-
416.01	5.19
<b>421.20</b>	<b>5.19</b>

As at March 31, 2021	As at March 31, 2020
-	-
1,706.32	-
(0.70)	-
<b>1,705.62</b>	<b>-</b>

As at March 31, 2021	As at March 31, 2020
-	-
54.42	-
<b>54.42</b>	<b>-</b>

As at March 31, 2021	As at March 31, 2020
20.76	-
2,080.03	25.95
(1.28)	-
(156.50)	-
(416.01)	(5.19)
(54.42)	-
<b>1,472.58</b>	<b>20.76</b>

\*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

#### On financial assets measured at amortised cost:

Interest on loans

Interest on Non Convertible Debentures

Interest on bank deposits

Other interest income\*

**Total**

For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
1,774.92	-
1,280.43	-
1,643.66	455.18
2.10	-
<b>4,701.11</b>	<b>455.18</b>

\*Represents unwinding of discount on commission income from financial guarantee contract.

### Note 19 : Fees and commission income

#### On financial assets measured at amortised cost:

Commission fees

**Total**

For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
37.72	-
<b>37.72</b>	<b>-</b>

### Note 20: Finance costs

#### On Financial liabilities measured at amortised cost

Bank charges

Interest on borrowings

Interest on corporate taxes

**Total**

For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
0.03	0.05
162.14	-
23.56	-
<b>185.73</b>	<b>0.05</b>

### Note 21: Impairment on financial instruments

#### On Financial instruments measured at amortised cost

Term Loans

Non Convertible Debentures

Non Fund Based Facility

**Total**

For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
651.46	-
143.01	-
60.50	-
<b>854.97</b>	<b>-</b>

### Note 22: Employee benefits expenses

Salaries and wages

Gratuity and leave encashment

Contribution to provident and other funds

Staff welfare expenses

**Total**

For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
546.40	-
31.53	-
20.65	-
0.10	-
<b>598.68</b>	<b>-</b>

### Note 23: Depreciation and amortisation expense

Depreciation on property, plant and equipment

**Total**

For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
2.76	-
<b>2.76</b>	<b>-</b>

# 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
<b>Total</b>	<b>448.00</b>	<b>400.91</b>

### 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	-
<b>In other capacity</b>		
Other services	2.00	2.25
Out-of-pocket expenses	0.26	-
<b>Total</b>	<b>19.26</b>	<b>5.75</b>

### 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)	-
<b>Net Profit after tax available for equity shareholders</b>	<b>1,867.83</b>	<b>25.95</b>
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	-
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>12,052</b>	<b>1,467</b>

#### 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.

# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

### Note 26: Related party disclosures

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	-
<b>Total</b>	<b>13.20</b>	<b>-</b>

#### 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
<b>Issue of equity shares</b>			
National Investment and Infrastructure Fund-II	Holding company	84,127.98	57,700.00
<b>Purchase of equity shares</b>			
NIIF Infrastructure Finance Limited	Associate company	28,627.98	26,591.01
<b>Expenses on Company's behalf by</b>			
National Investment and Infrastructure Fund-II	Holding entity	-	300.02
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	75.07	83.35
NIIF Infrastructure Finance Limited	Associate company	110.88	8.28

**Aseem Infrastructure Finance Limited****Notes forming part of financial statements as at and for the year ended March 31, 2021**

(All amounts are in INR Lakhs, unless otherwise stated)

**Note 26: Related party disclosures (continued)****d. Closing balance of the transactions with related parties**

Nature of transaction	Relationship	As at March 31, 2021	As at March 31, 2020
<b>Equity shares</b>			
National Investment and Infrastructure Fund-II	Holding company	140,563.79	57,700.00
<b>Investment in equity shares</b>			
NIIF Infrastructure Finance Limited	Associate company	55,218.99	26,591.01
<b>Expenses on Company's behalf payable</b>			
National Investment and Infrastructure Fund-II	Holding entity	-	300.02
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	69.38	75.08
NIIF Infrastructure Finance Limited	Associate company	51.81	7.45

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 27 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

(a) Gross amount required to be spent by the Company during the year – ₹ 1.08 lakhs (previous period - ₹ nil)

(b) Amount spent during the year

For the year ended March 31, 2021	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1.10	-	1.10
For the year ended March 31, 2020	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-

#### 28 Contingent liabilities & capital commitments

Capital expenditure contracted for at the end of reporting period but not recognised as liabilities is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Intangible assets	69.25	-

Contingent liabilities as at the end of reporting period are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Letter of comfort issued	12,100.00	-

#### 29 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises for the year ended March 31, 2021 and March 31, 2020 (no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED).

## 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)
	<b>568.66</b>	<b>28.27</b>

#### 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	-
	<b>0.43</b>	<b>-</b>

#### 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	<b>2,648.69</b>	<b>54.22</b>
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)	-
<b>Income tax expense</b>	<b>568.23</b>	<b>28.27</b>

#### 30.2 Deferred tax assets (net)

	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax on account of :</b>		
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)	-
<b>Net deferred tax Assets</b>	<b>475.29</b>	<b>60.41</b>

#### 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	-	-	-	-
<b>Total deferred tax Assets (net)</b>	<b>475.29</b>	<b>(414.45)</b>	<b>0.43</b>	<b>60.41</b>	<b>(60.41)</b>	<b>-</b>



# 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)

### 31 Fair value measurements

#### Financial instruments by category

Particulars	As at March 31, 2021			
	FVTPL	FVOCI	Amortised cost	Total carrying value
<b>Financial assets</b>				
Cash and cash equivalents	-	-	56,308.56	56,308.56
Loans	-	-	158,039.17	158,039.17
Other financial assets	-	-	293.69	293.69
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>214,641.42</b>	<b>214,641.42</b>
<b>Financial liabilities</b>				
Trade payables	-	-	31.91	31.91
Borrowings	-	-	44,182.49	44,182.49
Other financial liabilities	-	-	686.72	686.72
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>44,901.12</b>	<b>44,901.12</b>

Particulars	As at March 31, 2020			
	FVTPL	FVOCI	Amortised cost	Total carrying value
<b>Financial assets</b>				
Cash and cash equivalents	-	-	31,518.59	31,518.59
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>31,518.59</b>	<b>31,518.59</b>
<b>Financial liabilities</b>				
Other financial liabilities	-	-	390.93	390.93
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>390.93</b>	<b>390.93</b>

#### 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
<b>Financial assets</b>				
Loans	158,039.17	158,039.17	-	-
Other financial assets (Guarantee Commission receivable)	133.48	133.48	-	-
<b>Financial liabilities</b>				
Borrowings	44,182.49	44,182.49	-	-

#### Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and debt.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value 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	-
<b>Total Capital</b>	<b>192,856.33</b>	<b>36,841.08</b>
Risk weighted assets	127,830.30	
Tier - I capital ratio	150.20%	638.88%
Tier - II capital ratio	0.67%	0.00%
<b>Total Capital ratio</b>	<b>150.87%</b>	<b>638.88%</b>

#### Financial risk management

The Company is exposed primarily to credit risk, liquidity, foreign currency and interest rate risk. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by Board of Directors. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Company. The Company's principal financial liabilities comprises of borrowings, other financial liabilities and trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, investments and cash and cash equivalents that it derives directly from its operations.

#### A Credit risk

It is risk of financial loss that the Company will incur because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and cash equivalents, Loans, Investments and Other financial assets.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits. Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/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	-
<b>Total Gross exposure</b>	<b>171,894.94</b>	<b>-</b>
Less: Non Fund Based Facility	(12,100.00)	-
Less : Impairment loss allowances	(854.97)	-
Less: EIR adjustments	(667.66)	-
<b>Total carrying value</b>	<b>158,272.31</b>	<b>-</b>

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost such as loans.

##### Loans

Loans comprise of NCDs and loans given to infrastructure companies for which a staged approach is followed for determination of ECL.

Stage 1: All Open positions in the loans and advances are considered as stage 1 assets for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro-economic environment.

Stage 2: Exposures under stage 2 include dues upto 90 days pertaining to principal amount on closed positions and interest on all open positions of loans and advances.

Stage 3: Exposures under stage 3 include dues past 90 days pertaining to principal amount on closed positions and interest on all open positions of loans and advances.

Based on historical data, the Company assigns probability of default to stage 1 and stage 2 and applies it to the EAD to compute the ECL. For Stage 3 assets probability of default is considered as 100%.

Following table provides information about exposure to credit risk and ECL on loans and advances

Stage	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	ECL	Carrying amount	ECL
Stage 1	158,272.31	854.97	-	-
Stage 2	-	-	-	-
Stage 3	-	-	-	-

The movement in the allowance for impairment in respect of loans

Particulars	As at	As at
	March 31, 2021	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	As at
	March 31, 2021	March 31, 2020
Opening balance	-	-
Impairment loss recognised	(60.50)	-
Derecognition	-	-
Closing balance	(60.50)	-

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances

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%
<b>Total</b>	<b>100.00%</b>	<b>0.00%</b>

##### 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

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### 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%
<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>

##### 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 note 32 (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.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

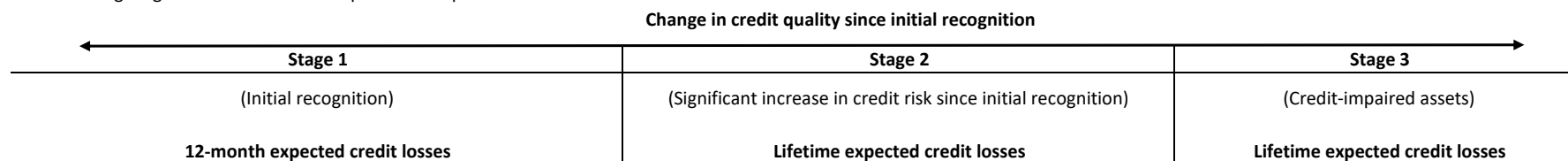
#### 32 Capital Management (continued)

##### A Credit risk (continued)

###### 1) Credit risk measurement - loans and advances (continued)

###### b) Expected credit loss measurement (continued)

The following diagram summarises the impairment requirements under Ind AS 109:



###### 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

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### 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%.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### 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.



## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

###### 1) Credit risk measurement - loans and advances (continued)

###### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

###### 1) Credit risk measurement - loans and advances (continued)

###### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### c) Credit risk exposure

##### i) Maximum exposure to credit risk - Loans and debenture measured at amortised subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

Term loans and debentures	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
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
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>171,894.94</b>	<b>-</b>	<b>-</b>	<b>171,894.94</b>

Term loans and debentures	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
<b>Performing</b>				
Highest Safety	-	-	-	-
High Safety	-	-	-	-
Adequate Safety	-	-	-	-
Moderate Safety	-	-	-	-
<b>Non- performing</b>				
Moderate Risk	-	-	-	-
High Risk/ Very High Risk/ Default	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### c) Credit risk exposure (continued)

##### iii) Collateral and other credit enhancement

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk 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
<b>As at March 31, 2021</b>						
<b>Loans to corporate entities/individuals:</b>						
- 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
<b>Total</b>	<b>171,894.94</b>	<b>854.97</b>	<b>12,100.00</b>	<b>667.66</b>	<b>158,272.31</b>	<b>292,333.96</b>
<b>As at March 31, 2020</b>						
<b>Loans to corporate entities/individuals:</b>						
- Term loans	-	-	-	-	-	-
- Debentures and bonds	-	-	-	-	-	-
- Accrued interest on loans, debentures and bonds	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### c) Credit risk exposure (continued)

##### iv) Loss allowance (continued)

An analysis of change in the gross carrying amount of the loan portfolio and corresponding loss allowance:

The following table further explains changes in the gross carrying amount of the loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed below:

Term loans and debentures	Year ended March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-
New assets originated or purchased	160,322.00	-	-	160,322.00
Assets derecognised or repaid	(1,489.72)	-	-	(1,489.72)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>158,832.28</b>	<b>-</b>	<b>-</b>	<b>158,832.28</b>

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	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### A Credit risk (continued)

##### 1) Credit risk measurement - loans and advances (continued)

##### c) Credit risk exposure (continued)

##### iv) Loss allowance (continued)

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	-	-	-	-
<b>Closing balance</b>	<b>793.11</b>	<b>-</b>	<b>-</b>	<b>793.11</b>

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	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The origination of new loan assets is the primary factor that contributed to the change in the loss allowance during the period.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities viz. Trade payables, Borrowings and other financial liabilities.

##### Liquidity risk framework

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Catergory	Limits
Limits on cumulative negative gaps, as a % of cumulative 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
<b>Floating rate</b>		
<b>Borrowings</b>		
Expiring within one year	55,900.00	-
Expiring beyond one year	-	-
<b>Total</b>	<b>55,900.00</b>	<b>-</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 32 Capital Management (continued)

##### C Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

##### (i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar in the year ended March 31, 2021.

##### Foreign currency risk management

In respect of the foreign currency transactions, the Company does not hedge the exposures since it relates to foreign currency expense and the management believes that the same is insignificant in nature and will not have a material impact on the Company.

The Company's exposure to foreign currency risk at the end of reporting period are as under:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Financial liabilities</b>		
<b>Provisions</b>		
Exposure in USD	0.46	-
<b>Financial Assets</b>		
<b>Trade receivables</b>		
Exposure in USD	-	-
<b>Net exposure to foreign currency risk</b>	<b>0.46</b>	<b>-</b>

##### 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
<b>Variable rate liabilities</b>		
Borrowings	44,100.00	-
<b>Variable rate assets</b>		
Loans	117,540.39	-

##### Sensitivity

The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on borrowings and loans given. Below is the impact on the Company's profit before tax due to interest rate sensitivity.

Particulars	As at March 31, 2021	As at March 31, 2020
Interest rates – increase by 0.50%	367.20	-
Interest rates – decrease by 0.50%	(367.20)	-

\* Holding all other variables constant

##### (iii) Price risk

The Company is not exposed to price risk as at March 31, 2021 and March 31, 2020.



# Aseem Infrastructure Finance Limited

## Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

### 33 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Company operates in a single reportable segment i.e. lending loans to infrastructure companies, since the nature of the loans are exposed to similar risk and return profiles. The Company operates in a single geographical segment i.e. India.

#### (a) Segment revenue

The Company operates as a single segment. The segment revenue is measured in the same way as in the statement of income and expenditure.

Particulars	For the year ended March 31, 2021	For the period from May 23, 2019 to March 31, 2020
Segment revenue		
- India	4,738.83	455.18
- Outside India	-	-
<b>Total</b>	<b>4,738.83</b>	<b>455.18</b>

#### 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	-	-
<b>Total</b>	<b>270,460.33</b>	<b>58,170.01</b>

### 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
<b>Pledged as security against borrowings</b>		
Receivables and Loan Assets	158,755.54	-
Other financial assets	295.04	-
<b>Total</b>	<b>159,050.58</b>	<b>-</b>

## 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

##### (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	-
<b>Defined benefit obligation at end of year</b>	<b>11.84</b>	-

##### (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	-	-
<b>Fair value of Plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

## 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	-	-
<b>Net defined benefit liability</b>	<b>11.84</b>	<b>-</b>

##### (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	-	-
<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>10.13</b>	<b>-</b>
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)	-	-
<b>Total remeasurements included in OCI</b>	<b>1.71</b>	<b>-</b>

##### (viii) Sensitivity Analysis:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Present value obligation</b>		
Discount rate +50 basis points	10.99	-
Discount rate -50 basis points	12.77	-
Salary Increase Rate +50 basis points	12.75	-
Salary Increase Rate -50 basis points	11.00	-

##### (ix) Projected plan cash flow

Maturity Profile	As at March 31, 2021	As at March 31, 2020
Expected total benefit payments		
Year 1	0.03	-
Year 2	0.04	-
Year 3	0.04	-
Year 4	0.13	-
Year 5	0.35	-
Next 5 years	395.06	-

##### (x) Provision for leave encashment

Maturity Profile	As at March 31, 2021	As at March 31, 2020
Liability for compensated absences	21.40	-

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 36 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

Assets	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
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	-	-	-
<b>Non-Financial assets</b>						
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	-	-	-
<b>Total Assets</b>	<b>62,755.55</b>	<b>207,704.78</b>	<b>270,460.33</b>	<b>31,518.59</b>	<b>26,651.42</b>	<b>58,170.01</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
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
<b>Non Financial Liabilities</b>						
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
<b>Total Liabilities</b>	<b>1,012.29</b>	<b>44,172.56</b>	<b>45,184.85</b>	<b>444.06</b>	<b>-</b>	<b>444.06</b>

## **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)

#### **37 Note on COVID-19**

The outbreak of COVID-19 virus which was declared a global pandemic by the World Health Organisation on March 11, 2020 continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities.

The pandemic has generally impacted businesses including lending business, fee income, collection efficiency etc. which in turn may impact customer defaults and consequently impairment allowance. The Company continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients. The Company has not seen any adverse impact on its collections till date.

The Company has also raised equity and compulsorily convertible preference capital during March 2021 to augment its capital base. The Company continues to meet its operating and financial obligations, has maintained a higher than required capital adequacy ratio and has adequate financial resources to run its business. The Company has not experienced any material disruptions due to this pandemic and has already considered impact if any, on carrying value of assets based on the external or internal information available up to the date of approval of financial statements. However, the extent to which COVID-19 pandemic will continue to impact the Company's business, results of operations, financial position and cash flows will depend on future developments which remain uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the financial assets and also conservatively carries additional impairment provision. The Company is closely monitoring any material changes to future economic conditions and resultant impacts, if any, on the expected credit loss provisions.

#### **38 Certificate of Registration (CoR) conditions note**

The Reserve Bank of India (RBI) had issued Certificate of Registration (COR) to the Company as a non-banking financial company, infrastructure finance company ("NBFC - IFC") on January 28, 2020. The Company had been allowed by the RBI an extended timeline up to March 31, 2021 to comply with the COR conditions relating (i) meeting 75% of asset criteria stipulated for the purpose of IFC - NBFC and the CRAR position; and (ii) commence business (Principal Business Activity as an NBFC-IFC) of having financial assets of more than 50% and income of more than 50% from these financial assets. As on February 24, 2021, the Company had achieved full compliance with all the COR Conditions and sent due intimation and confirmation to the RBI in this regard.

Thereafter, the Company received ₹ 81,500.00 lakhs as compulsorily convertible preference share capital from the President of India (represented by and acting through the Secretary, Department of Corporate Affairs, Ministry of Finance, Government of India) and ₹ 13,190.48 lakhs as equity infusion from its existing shareholder on March 26, 2021. As the deployment in infrastructure projects of these significant capital infusion funds would take time, the Company had requested the RBI on March 19, 2021 for a further extension of time to meet its 75% infrastructure asset criteria. The Company for the aforesaid reasons could not meet the 75% of asset criteria condition as at March 31, 2021. The RBI has granted a further extension of 6 months up to September 30, 2021 to ensure the pending compliance.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 39 Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, amongst other measures, the regulations issued by RBI. Company has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk 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.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 40 Disclosure Pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
<b>Performing assets</b>						
Standard	Stage 1	158,832.28	793.11	158,039.17	632.35	160.76
	Stage 2					-
<b>Subtotal</b>		<b>158,832.28</b>	<b>793.11</b>	<b>158,039.17</b>	<b>632.35</b>	<b>160.76</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss				-		-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	12,100.00	60.50	12,039.50	-	60.50
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>12,100.00</b>	<b>60.50</b>	<b>12,039.50</b>	<b>-</b>	<b>60.50</b>
<b>Total</b>	<b>Stage 1</b>	<b>170,932.28</b>	<b>853.61</b>	<b>170,078.67</b>	<b>632.35</b>	<b>221.26</b>
	<b>Stage 2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Stage 3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>170,932.28</b>	<b>853.61</b>	<b>170,078.67</b>	<b>632.35</b>	<b>221.26</b>

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

- 41 Additional Disclosures as per the circular issued by the Reserve Bank of India (Ref no. DNBR .PD. 008/ 03.10.119/ 2016-17 dated September 01,2016) & RBI circular DNBR(PD) CC no. 053/ 03.10.119 / 2015-16) in respect of Non Banking Financial (Non deposit accepting or holding) Systemically Important (NBFC-ND-SI) is as under:**

The disclosures are based on the Ind AS Financials. Accordingly, the corresponding comparative for the previous period have been restated, in order to confirm to current year presentation.

#### Additional Disclosures required by the Reserve Bank of India ('RBI')

**a. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)**

S.No	Item	For the year ended March 31, 2021	For the year ended March 31, 2020
1	CRAR (%)	150.87%	638.88%
2	CRAR - Tier I capital (%)	150.20%	638.88%
3	CRAR - Tier II Capital (%)	0.67%	0.00%
4	Amount of subordinated debt raised as 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
<b>1</b>	<b>Value of investments</b>		
	(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	-	-
<b>2</b>	<b>Movement of provisions held towards depreciation on investments</b>		
	(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.



## 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)

##### g. Details of non-performing financial assets purchased / sold

The Company has not purchased / sold any non-performing financial assets in the year ending March 31, 2021 and period ending March 31, 2020. Hence the related disclosures are not applicable to the Company.

##### h. Exposure

###### i. Exposure to Real Estate Sector

This disclosure is not applicable to the Company as there are no exposures, direct or indirect to real estate sector as at March 31, 2021 and March 31, 2020.

###### ii. Exposure to Capital Market

This disclosure is not applicable to the Company as there are no exposures to capital market as at March 31, 2021 and March 31, 2020.

##### i. Details of financing of parent company products

This disclosure is not applicable to the Company as there is no financing of Parent Company products.

##### j. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not lent/ invested/ lent and invested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI during the year ended March 31, 2021 and period ended March 31, 2020.

##### k. Unsecured Advances

The Company has not given any unsecured advances in the year ended March 31, 2021 and period ended March 31, 2020.

##### l. Registration obtained from other financial sector regulators

The Company is not registered with any financial sector regulators except with the RBI.

##### m. Disclosure of Penalties imposed by RBI and other regulators

No penalties were imposed by the RBI and other regulators during the year ended March 31, 2021 and the period ended March 31, 2020.

##### n. Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):

S.No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Provision made towards income tax	983.10	88.68
(ii)	Provision for employee benefits	132.02	-
(iii)	Provision for employee stock compensation cost	-	-
(iv)	Provision for gratuity	11.84	-
(v)	Provision for compensated absence cost	21.40	-
(vi)	Provision for impairment of financial assets	854.97	-
(vii)	Provisions for depreciation on Investment	-	-
(viii)	Provision towards NPA	-	-

##### o. Draw Down from Reserves

There has been no draw down from reserves during the period ending March 31, 2021 and March 31, 2020. Hence the related disclosures are not applicable to the Company.

##### p. Concentration of Advances, Exposures and NPAs

###### i) Concentration of Advances

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Advances to twenty largest borrowers	151,687.73	-
Percentage of Advances to twenty largest borrowers to Total Advances	95.10%	0.00%

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 41 Additional Disclosures required by the Reserve Bank of India ('RBI') (continued)

##### p. Concentration of Advances, Exposures and NPAs (continued)

###### ii) Concentration of Exposures

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Exposures to twenty largest borrowers / customers	164,057.84	-
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	95.46%	0.00%

Exposure does not include investment in associate.

###### iii) Concentration of NPAs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total of Exposures to top four NPA accounts*	-	-

\* there are no account classified as NPA as on March 31, 2021 and March 31, 2020.

###### iv) Sector-wise NPAs (% of NPA to Total Advances in that sector)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

###### v) Movement of NPAs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Net NPAs to Net Advances (%)	-	-
(ii) Movement of NPAs (Gross):		
(a) Opening balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing balance	-	-
(iii) Movement of Net NPAs		
(a) Opening balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing balance	-	-
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	-	-
(b) Provisions made during the year	-	-
(c) Write-off / write-back of excess provisions	-	-
(d) Closing balance	-	-

##### q. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company has not invested in overseas assets in the period ending March 31, 2021 and March 31, 2020.

##### r. Off-balance Sheet SPVs sponsored by the Company

The Company has not sponsored off-balance sheet SPV in the period ending March 31, 2021 and March 31, 2020.

##### s. Disclosure of Complaints

There were no customer complaints recieved during the year.

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 41 Additional Disclosures required by the Reserve Bank of India ('RBI') (Continued)

##### t. Statement on Asset Liability Management

###### Maturity pattern of certain items of assets and liabilities as at 31st March 2021

Item	Up to 30 / 31 days	Over one month to two months	Over two months upto three months	Over three months to six months	Over six months to one year	Over one year to three years	Over three years to five years	Over five years	Total
<b>Liabilities</b>									
Borrowings	136.13	-	-	-	-	17,640.00	17,640.00	8,766.36	<b>44,182.49</b>
<b>Assets</b>									
Investments	-	-	-	-	-	-	-	55,218.99	<b>55,218.99</b>
Loans	3.48	1,132.68	641.68	1,522.07	2,876.85	18,183.99	13,452.35	120,226.07	<b>158,039.17</b>

###### 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
<b>Assets</b>									
Investments	-	-	-	-	-	-	-	26,591.01	<b>26,591.01</b>

##### 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
	<b>Current Investments</b>	
	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)

<b>4 Break up of Investments (continued):</b>		
<b>Long Term Investments</b>		
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		-

<b>5 Borrower group-wise classification of asset financed (Refer note 2 below):</b>			
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
<b>Total</b>	<b>158,039.17</b>	<b>-</b>	<b>158,039.17</b>

<b>6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)</b>		
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	-	-
<b>Total</b>	<b>65,093.38</b>	<b>55,218.99</b>

\*\* As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

<b>7 Other information</b>		<b>Amount</b>
i. Gross Non-Performing Assets		
a. Related Parties		-
b. Other than related parties		-
ii. Net Non-Performing Assets		
a. Related Parties		-
b. Other than related parties		-
iii. Assets acquired in satisfaction of debt		-

## Aseem Infrastructure Finance Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2021

(All amounts are in INR Lakhs, unless otherwise stated)

#### 43. [Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016] (continued)

##### Notes:

1

As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

3 All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category 4 above.

44 The additional information required to be disclosed in terms of RBI circular (Ref. No. RBI/2009-2010/356/IDMD/4135 /11.08.43/2009-10) dated March 23, 2010 is not applicable for the Company.

45 Previous period figures have been regrouped/reclassified wherever necessary to correspond with those of the current year's classification/disclosure.

As per our report of even date.

##### For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

##### For and on behalf of the Board of Directors of

Aseem Infrastructure Finance Limited

##### per Rutushtra Patell

Partner

Membership No : 123596

##### Surya Prakash Rao Pendyala

Director

DIN: 02888802

##### Rajiv Dhar

Director

DIN: 00073997

Place: Mumbai

Date: June 8, 2021

##### Virender Pankaj

Chief Executive Officer

##### Nilesh Sampat

Chief Financial Officer

##### Karishma Pranav Jhaveri

Company Secretary

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE FINANCE COMMITTEE OF ASEEM INFRASTRUCTRE FINANCE LIMITED (“COMPANY”) AT THEIR MEETING HELD ON THURSDAY, JANUARY 12, 2023, THROUGH VIDEO CONFERENCE**

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**Approval of issuance of secured, listed, rated, redeemable, principle protected, market linked, non-convertible debentures on private placement basis**

**“RESOLVED THAT** pursuant to the provisions of Section 179(3)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and the relevant articles of association of the Company, the consent of the Committee be and is hereby accorded to:

- a) issue of upto 20,000 secured, listed, rated, redeemable, principle protected, market linked, non-convertible debentures of INR 1,00,000 (Rupees One Lakh only) each (**“NCDs”**) for an aggregate nominal value of up to INR 200,00,00,000 (Rupees Two Hundred Crores only) with a green shoe option of INR 75,00,00,000 (Rupees Seventy Five Crores Only) to be issued and allotted by the Company, in one or more series, on private placement basis to eligible investors on the terms and conditions in terms of the Debenture Documents (as defined hereinafter) (**“Transaction”**);
- b) the execution and the terms of:
  - (i) private placement offer document containing disclosures in accordance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, operational circular dated August 2021, and the Companies Act, 2013 and rules issued thereunder (**“Offer Document”**);
  - (ii) the debenture trust deed (the **“Debenture Trust Deed”**) to be executed between the Company and Catalyst Trusteeship Limited (**“Debenture Trustee”**);
  - (iii) the debenture trustee agreement to be executed between the Company and the Debenture Trustee (**“Debenture Trustee Agreement”**);
  - (iv) deed of accession to the security trustee agreement to be executed between the Company, Security Trustee and the Debenture Trustee (**“Deed of Accession”**);
  - (v) such other documents/deed/agreement/ undertakings including an offer letter, any supplemental document/amendment agreement / power of attorneys/ deed/agreement thereto, as may be required in connection with the Transaction, the creation of security for the NCDs in terms of the Debenture Trust Deed and the Deed of Accession and the terms of the NCDs; and
  - (vi) such other matters as may be necessary/incidental to the above

(all the above documents are hereinafter collectively referred to as the **“Debenture Documents”**).
- c) authorise the following persons severally i.e., Mr. Virender Pankaj, Chief Executive Officer, or Mr. Nilesh Sampat, Chief Financial Officer, or Mr. Bhawin Shah, Chief Risk Officer, or Mr. Utsav Mehrotra, Senior Vice - President Treasury, or Mr. Sayak Chandra, Vice President – Legal and Compliance, or Mr. Sandeep Agarwal, Vice President - Finance, or Ms. Karishma Jhaveri, Company Secretary of the Company (collectively hereinafter referred to as the **“Authorised Signatories”** of the Company) to:



- (i) to make an offer or invitation to subscribe to the NCDs on private placement basis and identify and record the name of the person to whom the offer or invitation to subscribe to the NCDs of the Company is made on private placement basis;
- (ii) determine the date of opening and closing of the issuance of the NCDs as they may deem fit;
- (iii) finalise, execute and issue on behalf of the Company, the Debenture Documents and such other documents/agreements/undertakings as may be required in terms of the Debenture Documents, relating to the Transaction including any supplemental/ amendment document that may be executed and to file the same with NSE for the purpose of listing and to make such changes therein as may be required;
- (iv) deal with, modify, alter, amend, finalise, sign, deliver, approve, negotiate, re-negotiate, execute and/or undertake all other acts, deeds, things and matters and notices in respect of the Debenture Documents and such other documents/deed/agreement including any supplemental document /deed/agreement thereto, as may be required in connection with the Transaction and as may be required in terms of the Debenture Documents; and
- (v) make call for the balance unpaid amount from time to time;
- (vi) appoint such intermediaries/advisors including but not limited to debenture trustee, registrar and share transfer agent, credit rating agency, valuation agency, legal counsel etc., as may be required for the Transaction and to negotiate and fix their remuneration and finalize the terms of their appointment as they may deem fit.”

**“RESOLVED FURTHER THAT** the Authorised Signatories of the Company, be and are hereby severally authorized to take all necessary steps including:

- (i) to create and perfect, from time to time, first ranking pari-passu security on the entire receivables of the Company (both present and future) as described in the security documents in favour of the Debenture Trustee in connection with the NCDs;
- (ii) filing and/or registering the necessary Debenture Documents with the relevant Sub-Registrar of Assurances;
- (iii) the payment of stamp duty in relation to the Debenture Documents,
- (iv) to sign, execute and file applications, requisite forms (in physical or electronic), intimations, undertakings and other necessary papers, as may be applicable, with the Registrar of Companies, Reserve Bank of India, NSE Limited, Securities and Exchange Board of India and other applicable regulatory/statutory authorities in this regard and
- (v) to do all things, including settling any question of law or any other discrepancy etc., in matters incidental or connected therewith.”

**“RESOLVED FURTHER THAT** consent of the Finance Committee be and is hereby accorded for affixing the Common Seal of the Company (wherever required) in the presence of any two of the following authorized signatories:

- (i) the Chief Executive Officer;
- (ii) the Chief Financial Officer;
- (iii) the Company Secretary

#### **ASEEM INFRASTRUCTURE FINANCE LIMITED**

**Regd. Office:** Aseem Infrastructure Finance Limited | UTI Tower, GN Block, 4th Floor, BKC, Mumbai-400051, Maharashtra  
**CIN:** U65990MH2019PLC325794 | **Phone:** +91- 022 68591350 | **Website:** www.aseeminfra.in

**“RESOLVED FURTHER THAT** the Authorised Signatories of the Company or the Company Secretary of the Company be and are hereby severally authorized to submit a certified true copy of the above resolutions to any regulatory authorities/persons and they be requested to act thereon.”

**For Aseem Infrastructure Finance Limited**

KARISHMA  
PRANAV  
JHAVERI

Digitally signed by  
KARISHMA  
PRANAV JHAVERI

**Karishma Jhaveri**  
**Company Secretary**

**ASEEM INFRASTRUCTURE FINANCE LIMITED**

**Regd. Office:** Aseem Infrastructure Finance Limited | UTI Tower, GN Block, 4th Floor, BKC, Mumbai-400051, Maharashtra  
**CIN:** U65990MH2019PLC325794 | **Phone:** +91- 022 68591350 | **Website:** [www.aseeminfra.in](http://www.aseeminfra.in)

**Annexure 13**  
(Scenario Analysis/Valuation Matrix)



**Tabular Representation**

Date of Allotment: [.] January 2023

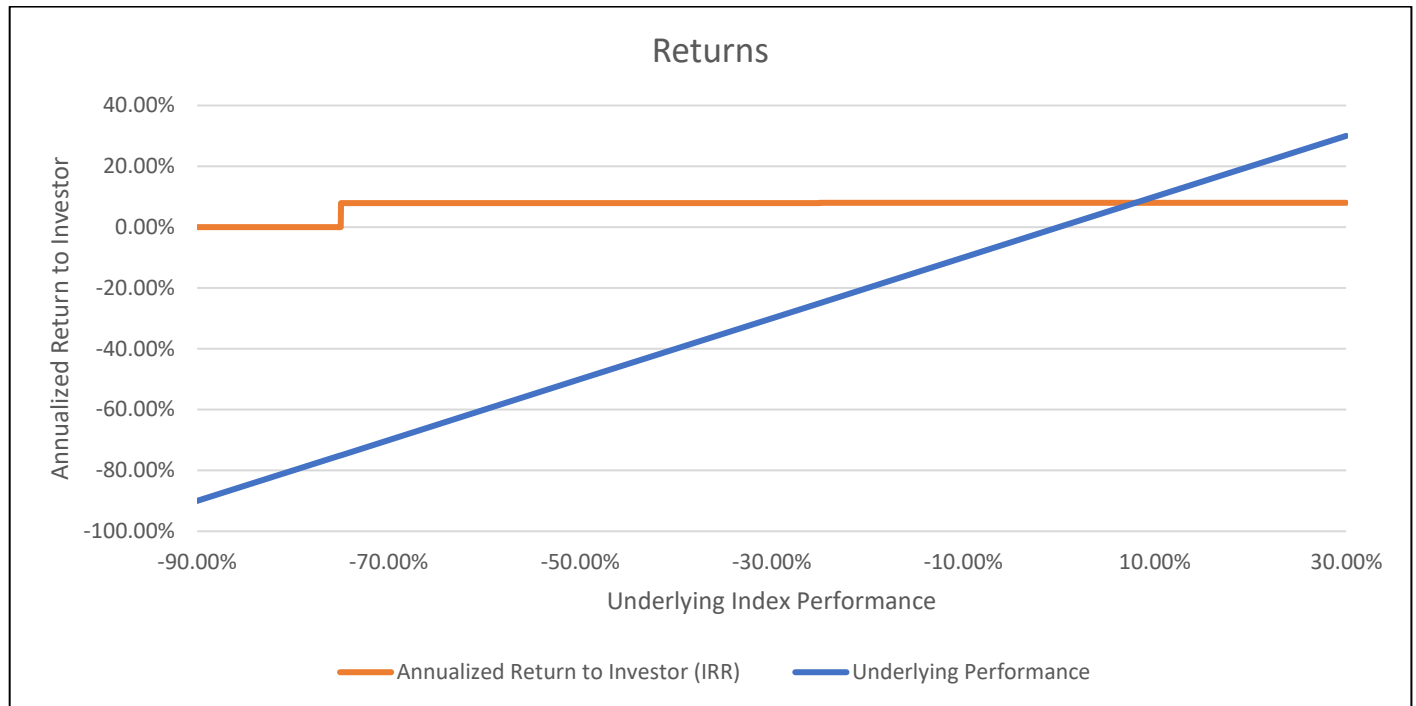
Date of Maturity: [.] July 2025

Tenure: 30 months from the Deemed Date of Allotment (i.e., 912 days from the Deemed Date of Allotment).

The following table shows the value of the Debenture at maturity under different market conditions basis Initial Investment of Rs. 1,00,000.

Scenario Details	Initial Fixing Level	Yield of Index at Initial Fixing Date	Underlying Performance	Assumed Final Fixing Level	Yield of Index at Final Fixing Date	Annualized Return to Investor (IRR)	Value of MLD on Maturity Date	Premium
If Final Fixing Level > 75% of Initial Fixing Level	99.52	7.33%	30.00%	129.38	2.68%	8.00%	1,21,203	21,203
If Final Fixing Level > 75% of Initial Fixing Level	99.52	7.33%	0.00%	99.52	7.35%	8.00%	1,21,203	21,203
If Final Fixing Level > 75% of Initial Fixing Level	99.52	7.33%	-24.99%	74.65	12.81%	8.00%	1,21,203	21,203
If Final Fixing Level ≤ 75% of Initial Fixing Level and Final Fixing Level > 25% of Initial Fixing Level	99.52	7.33%	-25.00%	74.64	12.81%	7.95%	1,21,063	21,063
If Final Fixing Level ≤ 75% of Initial Fixing Level and Final Fixing Level > 25% of Initial Fixing Level	99.52	7.33%	-50.00%	49.76	21.31%	7.95%	1,21,063	21,063
If Final Fixing Level ≤ 75% of Initial Fixing Level and Final Fixing Level > 25% of Initial Fixing Level	99.52	7.33%	-74.99%	24.89	39.26%	7.95%	1,21,063	21,063
If Final Fixing Level ≤ 25% of Initial Fixing Level	99.52	7.33%	-75.00%	24.88	39.27%	0.00%	1,00,000	-
If Final Fixing Level ≤ 25% of Initial Fixing Level	99.52	7.33%	-90.00%	9.95	78.79%	0.00%	1,00,000	-

## **Graphical Representation**



**INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF

Aseem Infrastructure Finance Limited

**Report on the Interim Consolidated Financial Statements for the quarter and half year ended September 30, 2022****Opinion**

1. We have audited the accompanying Interim Consolidated Financial Statements of **Aseem Infrastructure Finance Limited** (hereinafter referred to as "the Company") and its associate company (the Company and its associate company together referred to as "the Group") which comprise the Consolidated Balance sheet as at 30 September 2022, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in equity for the period ended September 30, 2022 and a summary of significant accounting policies and other selected explanatory information (collectively, the "Interim Consolidated Financial Statements"). The Interim Consolidated Financial Statements have been prepared by management in accordance with the accounting policies described in Note No. 3 forming part of the Interim Consolidated Financial Statements ('the Significant Accounting Policies') read with Note No. 2 describing the preparation of Interim Consolidated Financial Statements.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on the separate Interim Financial Statement of the Associate Company, the accompanying Interim Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at September 30, 2022, its consolidated profit, consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the period ended on that date of the Group.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SA) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Interim Consolidated Financial Statements section of our report. We are independent of the Holding Company in accordance with the ethical requirements that are relevant to our audit of the Interim Consolidated Financial Statements in India, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their report referred to in Other Matters Section below is sufficient and appropriate to provide a basis for our opinion.

**Management's responsibility for the Interim Consolidated Financial Statements**

4. The Company's Management and Board of Directors are responsible for the preparation and fair presentation

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of the Interim Consolidated Financial Statements that give a true and fair view of the Consolidated state of affairs of the Company in accordance with the basis of preparation as set out in Note \_\_\_ of the Interim Consolidated Financial Statements and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors of the Company is responsible for 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 Interim Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Interim Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the Interim Consolidated Financial Statements, the respective Board of Directors of the Company and its Associate Company are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate or cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Company are also responsible for overseeing the financial reporting process of the Company.

#### **Auditor's responsibilities for the audit of the Interim Consolidated Financial Statements**

5. Our objectives are to obtain reasonable assurance about whether the Interim Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Interim Consolidated Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Interim Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
  - 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 Holding 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 Interim Consolidated Financial Statements or, if such



disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Interim Consolidated Financial Statements, including the disclosures, and whether the Interim Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Interim Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Interim Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Interim Consolidated Financial Statements.

#### Other Information

6. We did not audit the Financial Statements and other financial information of NIIF Infrastructure Finance Limited – Associate which reflect Company's share of net profit of Rs. 4,873.62 lakhs for the half year ended September 30, 2022. These Financial Statements and other financial information have been reviewed by other auditors, which Financial Statements, other financial information and Review Reports have been furnished to us by the management. Our opinion on the Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this Associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associate, is based solely on the reports of such other auditor.

7. The amounts of quarter ended September 30, 2022 are the balancing amounts between audited amounts for the half year ended September 30, 2022 and the unaudited amounts in respect of the three months ended June 30, 2022.

The amounts of quarter ended September 30, 2021 are the balancing amounts between audited amounts for the half year ended September 30, 2021 and the unaudited amounts in respect of the three months ended June 30, 2021.

For **B.K. Khare & Co.**

Chartered Accountants

(Firm's Registration No. 105102W)



**Padmini Khare Kaicker**

Partner

Membership No. 044784

UDIN: 22044784BCQATL9383

November 9, 2022

Mumbai





# Aseem Infrastructure Finance Limited

## Condensed Statement of Consolidated Assets and Liabilities as at September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note	As at September 30, 2022 (Audited)	As at March 31, 2022 (Audited)
<b>I. ASSETS</b>			
<b>1 Financial assets</b>			
(a) Cash and cash equivalents	12	29,325.29	64,173.52
(b) Loans	13	949,961.74	694,283.39
(c) Investments	14	102,533.81	97,660.19
(d) Other financial assets	15	297.18	136.31
<b>Total financial assets (A)</b>		<b>1,082,118.02</b>	<b>856,253.41</b>
<b>2 Non-financial assets</b>			
(a) Current tax assets (net)	16	274.86	162.46
(b) Property, plant and equipment	17A	34.66	28.25
(c) Intangible assets	17B	127.10	139.84
(d) Other non-financial assets	18	154.53	147.84
<b>Total non-financial assets (B)</b>		<b>591.15</b>	<b>478.39</b>
<b>Total Assets (A+B)</b>		<b>1,082,709.17</b>	<b>856,731.80</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1 Financial liabilities</b>			
(a) Payables			
(i) Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		-	5.40
- Total outstanding dues of creditors other than micro enterprises and small enterprises		9.78	36.35
(b) Borrowings	20	595,052.97	472,748.40
(c) Debt Securities	21	199,680.15	107,529.69
(d) Other financial liabilities	22	1,938.29	1,098.28
<b>Total financial liabilities (A)</b>		<b>796,681.19</b>	<b>581,418.12</b>
<b>2 Non-financial liabilities</b>			
(a) Deferred tax assets (net)	23	1,448.51	1,094.87
(b) Provisions	24	457.22	284.02
(c) Other non-financial liabilities	25	333.26	114.70
<b>Total non-financial liabilities (B)</b>		<b>2,238.99</b>	<b>1,493.59</b>
<b>3 Equity</b>			
(a) Equity share capital	26A	238,058.63	238,058.63
(b) Instruments entirely equity in nature	26B	-	-
(c) Other equity	26C	45,730.36	35,761.46
<b>Total equity (C)</b>		<b>283,788.99</b>	<b>273,820.09</b>
<b>Total Liabilities and Equity (A+B+C)</b>		<b>1,082,709.17</b>	<b>856,731.80</b>

As per our report of even date.

For B. K. Khare & Co

Chartered Accountants

ICAI Firm Registration No. 105102W

*Signature of Padmini Khare Kaicker*

per Padmini Khare Kaicker

Partner

Membership No : 044784



For and on behalf of the Board of Directors of

Aseem Infrastructure Finance Limited

*Signature of Surya Prakash Rao Pendyala*

Surya Prakash Rao Pendyala

Director

DIN: 02888802

*Signature of Virender Pankaj*

Virender Pankaj

Chief Executive Officer

*Signature of Rajiv Dhar*

Rajiv Dhar

Director

DIN: 00073997

*Signature of Nilesh Sampat*

Nilesh Sampat

Chief Financial Officer

*Signature of Karishma Pranav Jhaveri*

Karishma Pranav Jhaveri

Company Secretary

Place: Mumbai

Date: November 9, 2022



# Aseem Infrastructure Finance Limited

## Condensed Statement of Consolidated Profit and Loss for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note	For the half year ended September 30, 2022 (Audited)	For the half year ended September 30, 2021 (Audited)	For the year ended March 31, 2022 (Audited)
<b>Revenue from operations</b>				
Interest income	27	32,114.52	11,593.66	31,124.30
Fees and commission income	28	310.03	87.99	217.45
Net gains on derecognition of financial assets measured at amortised cost		69.89	34.71	52.65
<b>Total Income (A)</b>		<b>32,494.44</b>	<b>11,716.36</b>	<b>31,394.40</b>
<b>Expenses</b>				
Finance costs	29	21,403.84	4,087.11	14,282.55
Impairment on financial instruments	30	1,919.34	646.50	4,239.51
Employee benefits expenses	31	667.54	479.41	1,090.24
Depreciation, amortisation and impairment	32	19.03	2.64	20.15
Other expenses	33	476.59	366.54	952.17
<b>Total expenses (B)</b>		<b>24,486.34</b>	<b>5,582.20</b>	<b>20,584.62</b>
<b>Profit before tax (C = A - B)</b>		<b>8,008.10</b>	<b>6,134.16</b>	<b>10,809.78</b>
<b>Share of net profit of associates accounted using equity method</b>		<b>4,903.61</b>	<b>3,389.79</b>	<b>7,190.27</b>
<b>Tax expense</b>				
Current tax		2,552.50	1,557.50	3,547.49
Deferred tax credit		362.87	630.25	548.57
<b>Total tax expenses (D)</b>		<b>2,915.37</b>	<b>2,187.75</b>	<b>4,096.06</b>
<b>Net profit after tax (E = C - D)</b>		<b>9,996.34</b>	<b>7,336.20</b>	<b>13,903.99</b>
<b>Other Comprehensive income/(loss)</b>				
Items that will not be reclassified to profit or loss				
- Share of OCI of associate accounted using Equity method		(29.99)	5.55	(4.68)
- Actuarial (gain) / loss on remeasurements of the net defined benefit plans		(6.68)	0.27	1.07
Income tax relating to items that will not be reclassified to profit or loss		9.23	(1.46)	0.91
<b>Total Other comprehensive income/(loss) (F)</b>		<b>(27.44)</b>	<b>4.35</b>	<b>(2.70)</b>
<b>Total comprehensive income (G = E + F)</b>		<b>9,968.90</b>	<b>7,340.55</b>	<b>13,901.29</b>
Earnings per equity share:	34			
Basic earnings per share (in ₹)		0.46	0.34	0.64
Diluted earnings per share (in ₹)		0.46	0.34	0.64


As per our report of even date.

For B. K. Khare & Co  
Chartered Accountants  
ICAI Firm Registration No. 105102W

  
per Padmini Khare Kaicker  
Partner  
Membership No : 044784



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: November 9, 2022

# Aseem Infrastructure Finance Limited

## Condensed Consolidated Statement of Cash Flows for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the half year ended September 30, 2022 (Audited)	For the year ended March 31, 2022 (Audited)
<b>A. Cash flow from operating activities</b>		
Profit before tax	8,008.10	10,809.78
Adjustment for:		
Depreciation and amortisation	19.03	20.15
Interest income on financial assets - EIR adjustment	(184.03)	(423.34)
Interest expense on financial liabilities - EIR adjustment	190.17	144.54
Gain on derecognition of financial assets	(69.89)	(52.65)
Financial guarantee obligation	(143.42)	(81.74)
Impairment on financial instruments	1,919.34	4,239.52
<b>Operating profit before working capital changes</b>	<b>9,739.30</b>	<b>14,656.26</b>
<b>Changes in working capital:</b>		
Increase in provisions	56.27	68.26
(Decrease) / increase in trade payables	(31.97)	9.84
Increase in other financial liabilities	983.43	483.90
Increase / (decrease) in other non financial liabilities	218.56	(26.28)
(Increase) / decrease in other financial assets	(160.87)	158.73
(Increase) in non-financial assets	(6.69)	(110.13)
(Increase) in loans	(257,233.52)	(539,886.01)
Increase / (decrease) in interest accrual on borrowings	951.93	(133.45)
Increase in interest accrual on debt securities	2,074.07	3,171.90
<b>Cash (used in)/generated in operations</b>	<b>(243,409.49)</b>	<b>(521,606.98)</b>
(Payment) of tax (net)	(2,664.90)	(3,758.96)
<b>Net Cash (used in)/generated in operations (A)</b>	<b>(246,074.39)</b>	<b>(525,365.94)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12.70)	(22.26)
Proceeds from sale of property, plant and equipment	-	0.28
Purchase of intangible assets	(0.00)	(69.94)
Purchase of investments	-	(31,192.87)
<b>Net cash used in investing activities (B)</b>	<b>(12.70)</b>	<b>(31,284.79)</b>
<b>C. Cash flows from financing activities</b>		
Share issue expenses	-	(67.51)
Proceeds from issuance of Equity Share Capital, net of Share issue expenses	-	31,671.41
Payment of dividend on CCPS	-	(0.82)
Proceeds from borrowings, net of cost	132,957.58	431,054.82
Repayment of borrowings	(11,666.67)	(2,500.00)
Proceeds from issue of Debt Securities	89,947.95	104,357.79
<b>Net cash generated in financing activities (C)</b>	<b>211,238.86</b>	<b>564,515.69</b>
<b>Net Increase in cash and cash equivalents (D) = (A + B + C)</b>	<b>(34,848.23)</b>	<b>7,864.96</b>
Cash and cash equivalents at the beginning of the period (E)	64,173.52	56,308.56
<b>Cash and cash equivalents at the end of the period (F) = (D) + (E)</b>	<b>29,325.29</b>	<b>64,173.52</b>
<b>Cash and cash equivalents include the following</b>		
Balances with banks in current account	1,517.56	8,565.22
Fixed deposits with maturity less than 3 months	27,807.73	55,608.30
<b>Total cash and cash equivalents</b>	<b>29,325.29</b>	<b>64,173.52</b>

### Notes:

(i) Figures in brackets represent cash outflow.

(ii) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

### The accompanying notes form an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date  
As per our report of even date.

### For B. K. Khare & Co

Chartered Accountants

ICAI Firm Registration No. 105102W

per Padmini Khare Kaicker

Partner

Membership No : 044784



### For and on behalf of the Board of Directors of

Aseem Infrastructure Finance Limited

Surya Prakash Rao Pendyala

Director

DIN: 02888802

Virender Pankaj  
Chief Executive Officer

Rajiv Dhar

Director

DIN: 00073997

Nilesh Sampat  
Chief Financial Officer

Karishma Pranav Jhaveri  
Company Secretary

Place: Mumbai  
Date: November 9, 2022

# Aseem Infrastructure Finance Limited

## Condensed Consolidated Statement of Changes in Equity for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

### A) Equity Share Capital

Particulars	Number of shares	Amount
As at March 31, 2021	1,40,56,37,939	1,40,563.79
Add : issued during the year	23,80,58,625	23,805.87
Add : CCPS conversion into equity share during the year	73,68,89,692	73,688.97
As at March 31, 2022	2,38,05,86,256	2,38,058.63
Changes during the period	-	-
As at September 30, 2022	2,38,05,86,256	2,38,058.63

### B) Compulsorily Convertible Preference Share Capital ('CCPS')

Particulars	Number of shares	Amount
As at March 31, 2021	73,68,89,692	81,057.87
Less : CCPS conversion into equity share during the year	(73,68,89,692)	(81,057.87)
As at March 31, 2022	-	-
Changes during the period	-	-
As at September 30, 2022	-	-

### C) Other equity

Particulars	Reserves & Surplus			
	Statutory reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Impairment reserve	Retained earnings
As at April 1, 2021	421.20	1,705.62	54.42	4,512.82
Net profit after tax for the year	-	-	-	13,903.99
Other comprehensive income for the year	-	-	-	(2.70)
Addition during the year	-	15,272.44	-	15,272.44
Less: Share issue expenses	-	(105.51)	-	(105.51)
Less: Dividend on CCPS	-	-	-	(0.82)
Add/(Less): Transferred to Statutory reserve	1,704.63	-	-	(1,704.63)
Closing balance as at March 31, 2022	2,125.83	16,872.55	54.42	16,708.66
As at April 1, 2022	2,125.83	16,872.55	54.42	16,708.66
Net profit after tax for the period	-	-	-	9,996.34
Other comprehensive income for the period	-	-	-	(27.44)
Add/(Less): Transferred to Statutory reserve	1,265.71	-	-	(1,265.71)
Closing balance as at September 30, 2022	3,391.54	16,872.55	54.42	25,411.85
				45,730.36

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For B. K. Khare & Co

Chartered Accountants

ICAI Firm Registration No. 105102W

per Padmini Khare Kaicker

Partner

Membership No : 044784



For and on behalf of the Board of Directors of  
Aseem Infrastructure Finance Limited

*[Signature]*

Surya Prakash Rao Pendyala

Director

DIN: 02888802

Rajiv Dhar

Director

DIN: 00073997

Virender Pankaj

Chief Executive Officer

Nilesh Sampat

Chief Financial Officer

*[Signature]*

Karishma Pranav Jhaveri

Company Secretary

Place: Mumbai

Date: November 9, 2022

# Aseem Infrastructure Finance Limited

## Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022

### 1. Corporate Information

Aseem Infrastructure Finance Limited (CIN:U65990MH2019PLC325794) (the "Company") is a public limited company, incorporated in India on May 23, 2019 under the provisions of the Companies Act, 2013 (the "Act") and is a Non-Banking Finance Company ("NBFC"), a Systemically Important Non-Deposit Taking Non-Banking Finance Institution regulated by the Reserve Bank of India ("RBI"). The registered office of the Company is located at 4th Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051, India.

The Company received its NBFC license certificate no. N-13.02382 from RBI on January 28, 2020. The object of the Company is to undertake infrastructure financing activities. It is registered with RBI as an Infrastructure Finance Company (IFC).

The Company is a subsidiary of National Investment and Infrastructure Fund-II (the 'Fund') which has been organised as a Trust by The Department of Economic Affairs. The Trust has been organised as a contributory umbrella trust and settled in India by the Settlor under the provisions of the Indian Trust Act, 1882 by way of an Indenture of trust dated March 01, 2018. The Fund is registered with the Securities and Exchange Board of India ("SEBI") as a Category II Alternative Investment Fund under SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations").

The condensed financial statements for the half year ended September 30, 2022 were authorised for issue in accordance with a resolution of the directors on November 9, 2022.

### 2. Basis of Preparation

#### (i) Compliance with Ind AS

The condensed consolidated financial statements (financial statements) of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Company has uniformly applied the accounting policies for all the periods presented in these consolidated financial statements.

The Company was incorporated on May 23, 2019 and prepared and presented its consolidated financial statements for the period ended March 31, 2020 in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 ('erstwhile Indian GAAP'). With effect from April 01, 2020, (i.e. for the previous financial year 2020-21) the Company had adopted accounting standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'). Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 - "Statement of Cash Flows".

Further, consolidated financial statements have been prepared on accrual, going concern and historical cost convention basis.

These consolidated financial statements comprise of the standalone financial statements of the Company and its associate company NIIF Infrastructure Finance Limited (NIIF IFL), in which the Company holds 30.83% stake on a fully diluted basis in its capacity as regulatory Sponsor.

#### (ii) Historical cost convention



# **Aseem Infrastructure Finance Limited**

## **Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022**

The consolidated financial statements have been prepared on a historical cost basis, except for defined benefit plans – plan assets measured at fair value.

### **(iii) Order of Liquidity**

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant.

## **2. Significant accounting policies**

### **a. Functional and Presentation Currency**

The consolidated financial statements are presented in India Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

### **b. Investments in Associates**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Wherever necessary, adjustments are made to consolidated financial statements of associates to bring their accounting policies in line with those used by the parent.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### **c. Revenue recognition**

#### **Effective Interest Rate ("EIR")**

Under Ind AS 109 – "Financial Instruments", interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at 'fair value through other comprehensive income' ("FVOCI") and debt instruments designated at 'fair value through profit or loss' ("FVTPL"). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. No changes to carrying value are recognised through EIR except in case of modification of financial asset or liability

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.





# Aseem Infrastructure Finance Limited

## Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022

### 3. Significant accounting policies (continued)

#### c. Revenue recognition (continued)

##### Effective Interest Rate ("EIR") (continued)

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest Income on fixed deposits are recognised on accrual basis at the interest rates agreed upon with the banks for such fixed deposits.

#### d. Income tax

##### (i) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income. Currently, the Company has operations only in India. Hence, the current tax assets and liabilities are determined in accordance with the provisions of the Income Tax Act, 1961. The Company has created tax provision under Section 115BAA of the Income Tax Act, 1961 and has complied with the provisions of that Section.

Current tax is recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, it is recognised in other comprehensive income or directly in equity respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

##### (ii) Deferred tax

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising 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.



# Aseem Infrastructure Finance Limited

## Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022

### Significant accounting policies (continued)

#### d. Income tax (continued)

##### (ii) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and levied by the same taxation authority.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments associate except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively

#### e. Leases

##### Company as a lessee

The Company's leased assets primarily consist of commercial leases of office premises. The Company assesses whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a lease term of twelve months or less (short-term leases) and low value leases. Currently, the Company only has short term leases.

For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.



# **Aseem Infrastructure Finance Limited**

**Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022**

## **3. Significant accounting policies (continued)**

### **f. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet and for the purpose of the statement of cash flows, comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

### **g. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **h. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts. Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

#### **Financial Assets**

##### **(i) Initial recognition and measurement**

Financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset, such as fees and commissions.

##### **(ii) Classification**

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.





# Aseem Infrastructure Finance Limited

Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022

## 3. Significant accounting policies (continued)

### h. Financial instruments (continued)

#### (ii) Classification (continued)

##### 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.



# Aseem Infrastructure Finance Limited

Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022

## 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.



# Aseem Infrastructure Finance Limited

Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022

## 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.



# Aseem Infrastructure Finance Limited

Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022

## 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.



# Aseem Infrastructure Finance Limited

## Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022

### 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 consolidated financial statements (within 'other financial liabilities') at fair value, being the premium received/receivable. Further, a financial asset is recognised for the present value of the expected future premium.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. The ECLs related to financial guarantee contracts are recognised within Provisions.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in impairment on financial instruments. The premium received is recognised in the statement of profit and loss in net fees and commission income on an EIR basis over the life of the guarantee. Unwinding of discount on guarantee commission income receivable is recognised in other interest income.

#### j. Property plant and equipment (PPE)

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment, if any. Cost comprises acquisition cost, borrowing cost if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

##### Depreciation:

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives, which are equal to the lives prescribed under Schedule II to the Act. The estimated useful lives are as follows:

Assets	Useful life
Computer equipment	3 years
Office equipment	3 years
Server/networking equipment	6 years
Intangible assets including software	6 years



# Aseem Infrastructure Finance Limited

## Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022

### 3. Significant accounting policies (continued)

#### j. Property plant and equipment (PPE) (continued)

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

#### Derecognition:

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

#### k. Intangible assets under development

Expenditure incurred which is eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use. Intangible assets under development primarily comprise of software under development.

#### l. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, or where annual impairment testing for an asset is required, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset or a Cash-Generating Unit (CGU) is the higher of its fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

If the carrying amount of the asset or CGU exceeds the estimated recoverable amount, an impairment is recognized for such excess amount in the Statement of Profit and Loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised. 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.





# Aseem Infrastructure Finance Limited

Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022

## 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 consolidated financial statements. They are disclosed in the notes if an inflow of economic benefits is probable.

### o. Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortized cost. Finance costs are charged to the Statement of profit and loss.

### p. Employee Benefits

#### Compensated absences

The Company accrues the liability for compensated absences based on the actuarial valuation as at the Balance Sheet date conducted by an independent actuary, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilization. The net present value of the Company's obligation as at the Balance Sheet date is determined based on the projected unit credit method.

#### Post-employment obligations:

The Company operates the following post-employment schemes:

#### (i) Defined contribution plans:

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constructive obligation to pay additional sums. These comprise of contributions to the employees provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

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.



# **Aseem Infrastructure Finance Limited**

## **Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022**

### **3. Significant accounting policies (continued)**

#### **(ii) Defined benefit plans:**

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The gratuity scheme is unfunded. The Company accounts for the liability for future gratuity benefits based on an independent actuarial valuation. The net present value of the Company's obligation as at the Balance Sheet date towards the same is actuarially determined based on the projected unit credit method.

Remeasurement of all defined benefit plans, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income in the year they are incurred. Remeasurements are not reclassified to profit or loss in subsequent period. Net interest expense on the net defined liability is computed by applying the discount rate used to measure the net defined liability, to the net defined liability at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

#### **q. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **r. Events after the reporting period**

Where events occurring after the reporting period provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events occurring after the reporting period are only disclosed, if they are material in size or nature.

#### **s. Segmental Reporting**

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Management Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 – "Operating Segments"), in deciding how to allocate resources and in assessing performance. These have been identified taking into account the nature of products and services, the differing risks and returns and the internal business reporting systems. Basis evaluation, the Company concluded it operates in a single reportable segment.

#### **t. Foreign Currency transactions**

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Statement of profit and loss.





## **Aseem Infrastructure Finance Limited**

**Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022**

### **3. Significant accounting policies (continued)**

#### **u. Significant accounting estimates, judgements and assumptions**

The preparation of consolidated financial statements in accordance with Ind AS requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any changes to accounting estimates are recognized prospectively.

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

##### **(i) Property, plant and equipment:**

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are as per Schedule II of the Companies Act, 2013 or are based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

##### **(ii) Income tax:**

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the consolidated financial statements.

##### **(iii) Provision and contingencies:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may, therefore, vary from the amount included in other provisions.

##### **(iv) Defined benefit obligations:**

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, attrition rates and mortality rates. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to the long term nature of these plans such estimates are subject to significant uncertainty.



# Aseem Infrastructure Finance Limited

Notes forming part of condensed consolidated financial statements as at and for the half year ended September 30, 2022

## 3. Significant accounting policies (continued)

### (v) Allowance for impairment of financial asset:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of detailed model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

### (vi) Business model assessment:

Classification and measurement of financial assets depends on the results of the Solely Payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

### (vii) Effective Interest Rate (EIR) method:

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, changes to benchmark rate and other fee income/expense that are integral parts of the instrument.



## Aseem Infrastructure Finance Limited

### Notes to the Consolidated Condensed Financial Statements for the half year ended September 30, 20

(All amounts are in INR Lakhs, unless otherwise stated)

- 4 The Consolidated Condensed financial Statements have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 - "Interim Financial Reporting" (Ind AS 34) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable.
- 5 The Company has been assigned a long term credit rating of (i) AA+; Stable (pronounced Double A Plus-Outlook Stable) by CARE Ratings Limited; (ii) AA+; Stable (pronounced Double A Plus- Outlook Stable) by CRISIL Ratings; (iii) AA+; Stable (pronounced Double A Plus-Outlook Stable) by ICRA Limited; (iv) AA+; Stable (pronounced Double A Plus-Outlook Stable) by India Ratings & Research Private Limited.

#### 6 Ratios

Ratios	Description	As at September 30, 2022 (Audited)	As at March 31, 2022 (Audited)
Debt-Equity Ratio	Total Debt / Total Equity	2.80	2.12
Current Ratio	NA	NA	NA
Long Term Debt to Working Capital	NA	NA	NA
Bad Debts to Account Receivable Ratio	NA	NA	NA
Current Liability Ratio	NA	NA	NA
Total Debts to Total Assets	Total Debt / Total Asset	73.40%	67.73%
Debtors Turnover	NA	NA	NA
Inventory Turnover	NA	NA	NA
Operating Margin (%)	Profit Before Tax / Total Revenue	24.64%	34.43%
Net Profit Margin (%)	PAT / Total Revenue	30.76%	44.29%
Net Worth	Share capital + Reserves and surplus	283,788.99	273,820.09
Net Profit After Tax		9,996.34	13,903.99
Earnings Per Share (not annualised)	PAT / Weighted average number of shares	0.46	0.64
Capital Redemption Reserve / Debenture Redemption Reserve**	NA	NA	NA
Outstanding Redeemable Preference Shares (quantity and value)	NIL	Nil	Nil
Debt Service Coverage Ratio*	NA	NA	NA
Interest Service Coverage Ratio*	NA	NA	NA
<b>Sector Specific Equivalent Ratios</b>			
Net Non-Performing Assets (NNPAs)	No NPA	Nil	Nil
Gross Non-Performing Assets (NPAs)	No NPA	Nil	Nil
Capital Adequacy	Capital adequacy ratio	25.25%	35.20%
Tier 1 Capital ratio	-	24.43%	34.34%
Tier 2 Capital ratio	-	0.82%	0.86%

\* Not applicable, being a Non-Banking Financial Service Company registered with the Reserve Bank of India.

\*\* Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b) of Companies (Share Capital and Debenture) Rules, 2014.



## Aseem Infrastructure Finance Limited

### Notes to the Consolidated Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

#### 7 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 period /previous year)' are as follows:

##### a. Name of related parties and related party relationship

###### i) Parties where control exists

Holding entity	National Investment and Infrastructure Fund-II
Investment manager of holding entity	National Investment and Infrastructure Fund Limited

###### ii) Associate company

NIIF Infrastructure Finance Limited

###### iii) Key management personnel

Chief executive officer	Mr. Virender Pankaj
Chief financial officer	Mr. Nilesch 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. Chandrashekar

##### b. Key management personnel compensation:

Particulars	For the half year ended September 30, 2022	For the year ended March 31, 2022
Short term employee benefits	151.01	401.27
Post-employment defined benefit #	8.48	15.38

#As gratuity and other long term employee benefits are computed for all employees in aggregate, the amounts relating to the Key Management Personnel cannot be individually identified.

Particulars of Director sitting fees	For the half year ended September 30, 2022	For the year ended March 31, 2022
Ms. Rosemary Sebastian - Independent Director	6.20	10.20
Mr. V. Chandrasekaran - Independent Director	6.20	10.80
<b>Total</b>	<b>12.40</b>	<b>21.00</b>

##### c. Transactions with related parties during the period / year

Nature of transaction	Relationship	For the half year ended September 30, 2022	For the year ended March 31, 2022
<b>Purchase of equity shares</b>			
NIIF Infrastructure Finance Limited	Associate company	-	31,192.87*
<b>Downsell / Assignment of Loans</b>			
NIIF Infrastructure Finance Limited	Associate company	-	18,472.88
<b>Expenses charged by Company</b>			
NIIF Infrastructure Finance Limited	Associate company	-	2.50
<b>Expenses on Company's behalf by</b>			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	18.75	159.00
NIIF Infrastructure Finance Limited	Associate company	26.54	106.91

\*During the previous year, the Company has subscribed to additional equity shares of ₹ 31,192.87 lakhs (including premium of ₹ 19,737.53 lakhs) in associate company NIIF Infrastructure Finance Limited ("NIIF IFL"), and continues to hold 30.83% stake in NIIF IFL on a fully diluted basis.



**Aseem Infrastructure Finance Limited****Notes to the Consolidated Condensed Financial Statements for the half year ended September 30, 2022**

(All amounts are in INR Lakhs, unless otherwise stated)

**7 Related party disclosures (continued)****d. Closing balance of the transactions with related parties**

Nature of transaction	Relationship	As at September 30, 2022	As at March 31, 2022
<b>Equity shares</b>			
National Investment and Infrastructure Fund-II	Holding company	140,563.79	140,563.79
<b>Investment in equity shares</b>			
NIIF Infrastructure Finance Limited	Associate company	86,411.86	86,411.86
<b>Expenses on Company's behalf payable</b>			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	-	21.06
NIIF Infrastructure Finance Limited	Associate company	6.00	-

- 8 As at September 30, 2022, the Impairment Allowance under Ind AS 109 exceeds the total provision required under IRACP (including standard asset provisioning). Hence, the Company has not made any incremental transfer to Impairment Reserve during the half year ended September 30, 2022.
- 9 The Non-Convertible Debentures issued by the Company are privately placed and therefore, the Company, being an NBFC registered with Reserve Bank of India is not required to create the Debenture Redemption Reserve (DRR).
- 10 Earnings per share for the half years ended September 30, 2022 and September 30, 2021 are not annualised.
- 11 The figures for previous period/year have been regrouped wherever required, to correspond with those of the current period / year.



## Aseem Infrastructure Finance Limited

### Notes to the Consolidated Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

#### Note 12: Cash and cash equivalents

##### Balances with banks:

- in current accounts
- Fixed deposits with original maturity less than 3 months

##### Total

As at September 30, 2022	As at March 31, 2022
1,517.56	8,565.22
27,807.73	55,608.30
<b>29,325.29</b>	<b>64,173.52</b>

#### Note 13: Loans

##### Measured at amortised cost

- Term Loans
- Non Convertible Debentures
- Total Gross**
- Less: Impairment loss allowance
- Total Net**

- Secured
- Unsecured
- Total Gross**
- Less: Impairment loss allowance
- Total Net**

##### Loans in India

- Public sector
- Others
- Total Gross**
- Less: Impairment loss allowance
- Total Net**

##### Total

As at September 30, 2022	As at March 31, 2022
557,622.78	427,039.78
399,058.94	272,154.50
<b>956,681.72</b>	<b>699,194.28</b>
(6,719.98)	(4,910.89)
<b>949,961.74</b>	<b>694,283.39</b>
956,681.72	699,194.28
-	-
<b>956,681.72</b>	<b>699,194.28</b>
(6,719.98)	(4,910.89)
<b>949,961.74</b>	<b>694,283.39</b>
956,681.72	699,194.28
-	-
<b>956,681.72</b>	<b>699,194.28</b>
(6,719.98)	(4,910.89)
<b>949,961.74</b>	<b>694,283.39</b>
949,961.74	694,283.39

#### Note 14: Investments

##### Investment in equity shares of associate company (Unquoted)

- NIIF Infrastructure Finance Limited (Formerly, IDFC Infrastructure Finance Limited)
- Share of profit of associate
- Share of Other comprehensive Income of associate
- Total (A)**

- Investments in India (i)
- Investments outside India (ii)
- Total (B) (i+ii)**

##### Total

As at September 30, 2022		As at March 31, 2022	
Number	Amount	Number	Amount
423,932,487	97,660.19	423,932,487	90,474.60
	4,903.61		7,190.27
	(29.99)		(4.68)
<b>423,932,487</b>	<b>102,533.81</b>	<b>423,932,487</b>	<b>97,660.19</b>
423,932,487	102,533.81	423,932,487	97,660.19
-	-	-	-
<b>423,932,487</b>	<b>102,533.81</b>	<b>423,932,487</b>	<b>97,660.19</b>
<b>423,932,487</b>	<b>102,533.81</b>	<b>423,932,487</b>	<b>97,660.19</b>

#### Note 15: Other financial assets

##### Measured at amortised cost

- Guarantee commission receivable
- Security Deposits
- Receivable from employees
- Total**

As at September 30, 2022	As at March 31, 2022
259.51	126.96
37.48	9.00
0.19	0.35
<b>297.18</b>	<b>136.31</b>

#### Note 16: Current tax assets (net)

- Advance income tax (net of provision for income tax of ₹ 7,106.66 lakhs as at September 30, 2022; previous year ₹ 4,554.16 lakhs)

As at September 30, 2022	As at March 31, 2022
274.86	162.46
<b>274.86</b>	<b>162.46</b>





## Aseem Infrastructure Finance Limited

Notes to the Consolidated Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

### Note 17A: Property, plant and equipment

Particulars	Computer equipment	Office equipment	Server / networking equipment	Total
<b>Gross block</b>				
Balance as at March 31, 2021	9.24	2.00	5.27	16.51
Additions/Adjustments	3.65	0.40	-	4.05
Disposals/Adjustments	-	-	-	-
Balance as at September 30, 2021	12.89	2.40	5.27	20.56
Additions/Adjustments	12.65	5.56	-	18.21
Disposals/Adjustments	-	0.40	-	0.40
Balance as at March 31, 2022	25.54	7.56	5.27	38.37
Additions/Adjustments	11.53	1.17	-	12.70
Disposals/Adjustments	-	-	-	-
Balance as at September 30, 2022	37.07	8.73	5.27	51.07
<b>Accumulated depreciation</b>				
Balance as at March 31, 2021	2.01	0.19	0.56	2.76
Depreciation charge	1.83	0.38	0.43	2.64
Disposals/Adjustments	-	-	-	-
Balance as at September 30, 2021	3.84	0.57	0.99	5.40
Depreciation charge	3.48	0.91	0.45	4.84
Disposals/Adjustments	-	0.12	-	0.12
Balance as at March 31, 2022	7.32	1.36	1.44	10.12
Depreciation charge	4.47	1.39	0.43	6.29
Disposals/Adjustments	-	-	-	-
Balance as at September 30, 2022	11.79	2.75	1.87	16.41
<b>Net block</b>				
Balance as at March 31, 2022	18.22	6.20	3.83	28.25
Balance as at September 30, 2022	25.28	5.98	3.40	34.66

### Note 17B: Intangible assets

Particulars	Software	Total
<b>Gross block</b>		
Balance as at March 31, 2021	-	-
Additions/Adjustments	-	-
Disposals/Adjustments	-	-
Balance as at September 30, 2021	-	-
Additions/Adjustments	152.51	152.51
Disposals/Adjustments	-	-
Balance as at March 31, 2022	152.51	152.51
Additions/Adjustments	-	-
Disposals/Adjustments	-	-
Balance as at September 30, 2022	152.51	152.51
<b>Accumulated depreciation</b>		
Balance as at September 30, 2021	-	-
Depreciation	12.67	12.67
Balance as at March 31, 2022	12.67	12.67
Depreciation	12.74	12.74
Balance as at September 30, 2022	25.41	25.41
<b>Net block</b>		
Balance as at March 31, 2022	139.84	139.84
Balance as at September 30, 2022	127.10	127.10



## Aseem Infrastructure Finance Limited

Notes to the Consolidated Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

### Note 18: Other non-financial assets

Advance to vendors
Prepaid expenses
<b>Total</b>

As at September 30, 2022	As at March 31, 2022
68.06	15.29
86.47	132.55
<b>154.53</b>	<b>147.84</b>

### Note 19: Trade payables

Total outstanding dues of micro enterprises and small enterprises
Total outstanding dues of creditors other than micro, small and medium enterprises
<b>Total</b>

As at September 30, 2022	As at March 31, 2022
-	5.40
9.78	36.35
<b>9.78</b>	<b>41.75</b>

### Note 20: Borrowings

#### At Amortised Cost Borrowings - In India Secured

Term loan from bank
Term loan from financial institutions
Cash credit facility
<b>Total</b>

As at September 30, 2022	As at March 31, 2022
370,055.81	242,752.31
224,997.16	224,997.11
-	4,998.98
<b>595,052.97</b>	<b>472,748.40</b>

### Note 21: Debt Securities

#### At Amortised cost

Debentures (Secured, non convertible)
Interest accrued but not due on debentures

As at September 30, 2022	As at March 31, 2022
194,434.18	104,357.79
5,245.97	3,171.90
<b>199,680.15</b>	<b>107,529.69</b>

Debt securities in India
Debt securities outside India

199,680.15	107,529.69
-	-

Face value per debenture
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1,000,000	1,000,000
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### Note 22: Other financial liabilities

#### Measured at amortised cost

Payable to related parties
Staff incentives payable
Financial guarantee obligation
Processing fees received pending disbursement
Capital expenses payable
Share issue expenses payable
Directors' sitting fees payable
Other expenses payable
<b>Total</b>

As at September 30, 2022	As at March 31, 2022
6.54	20.61
120.90	229.62
589.16	297.86
1,000.37	421.95
9.40	9.40
-	38.00
0.54	-
211.38	80.84
<b>1,938.29</b>	<b>1,098.28</b>

### Note 23: Deferred tax assets (net)

#### Temporary difference attributable to:

##### Deferred tax assets

Preliminary expenses
Provision for gratuity payable
Provision for leave encashment payable
Financial assets measured at amortised cost
Impairment allowance on financial assets

As at September 30, 2022	As at March 31, 2022
22.65	30.20
11.68	6.80
29.44	18.48
783.45	400.80
1,765.24	1,282.18
<b>2,612.46</b>	<b>1,738.46</b>

##### Deferred tax liabilities

Depreciation on property, plant and equipment
Undistributed profit of associate

(3.41)	(2.36)
(4,057.56)	(2,830.97)
<b>(4,060.97)</b>	<b>(2,833.33)</b>

#### Total Deferred tax assets (net)

<b>(1,448.51)</b>	<b>(1,094.87)</b>
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### Note 24: Provisions

#### Provisions for employee benefits

Provision for gratuity
Provision for leave benefits
Provision for Impairment loss on non-fund based facility
<b>Total</b>

As at September 30, 2022	As at March 31, 2022
46.42	27.02
116.97	73.41
293.83	183.59
<b>457.22</b>	<b>284.02</b>

### Note 25: Other non-financial liabilities

Statutory dues
<b>Total</b>

As at September 30, 2022	As at March 31, 2022
333.26	114.70
<b>333.26</b>	<b>114.70</b>





## Aseem Infrastructure Finance Limited

### Notes to the Consolidated Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

#### Note 26A: Equity Share Capital

##### Authorised capital

Equity Shares of ₹ 10 each (Previous period ₹ 10 each)

##### Issued, subscribed and paid up\*

##### (I) Equity Shares

Equity Shares of ₹ 10 each fully paid (Previous period ₹ 10 each)

As at September 30, 2022		As at March 31, 2022	
Number of Shares	Amount	Number of Shares	Amount
4,500,000,000	450,000.00	4,500,000,000	450,000.00
4,500,000,000	450,000.00	4,500,000,000	450,000.00
2,380,586,256	238,058.63	2,380,586,256	238,058.63
2,380,586,256	238,058.63	2,380,586,256	238,058.63

##### Rights, preferences and restrictions attached to Equity Shares

Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Note 26B: Compulsorily Convertible Preference Share Capital ('CCPS')

##### Authorised capital

0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each

##### Issued, subscribed and paid up\*

0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each

As at September 30, 2022		As at March 31, 2021	
Number of Shares	Amount	Number of Shares	Amount
818,181,819	90,000.00	818,181,819	90,000.00
818,181,819	90,000.00	818,181,819	90,000.00
-	-	-	-
-	-	-	-

##### Rights, preferences and restrictions attached to Preference Shares

During the previous year, upon induction of a new investor, the CCPS have been converted into equity shares in the ratio of 1 equity share for each CCPS. The CCPS carried a pre-determined cumulative dividend rate of 0.001% per annum, which is provided for during the previous year on conversion. Each CCPS was issued at a face value of ₹ 11 per CCPS and a premium of ₹ 0.06 per CCPS, and was to be converted into 1 equity share of FV ₹ 10 each and premium ₹ 1.06 upon induction of a new investor or expiry of 3 years from the date of issuance of the CCPS, whichever is earlier. The CCPS did not carry any voting rights and had liquidation preference over the Equity Shares, in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016. This CCPS infusion from Government of India during financial year 2020-21 was the first tranche subscribed against its commitment to make direct investment in the Company as announced in the Union Budget for FY 2020-21 and Atmanirbhar Bharat Scheme 3.0.

##### Reconciliation of shares outstanding at the beginning and at the end of the reporting period

##### Particulars

##### Equity Shares

At the beginning of the period / year

Add : issued during the period / year

Add : CCPS conversion into equity share during the period / year

At the end of the period / year

Total issued, subscribed and fully paid up Equity Shares

##### 0.001 % Compulsorily Convertible Preference Shares

At the beginning of the period / year

Less : CCPS conversion into equity share during the period / year

At the end of the period / year

Total issued, subscribed and fully paid up 0.001 % Compulsorily Convertible Preference Shares

As at September 30, 2022		As at March 31, 2022	
Number of Shares	Amount	Number of Shares	Amount
2,380,586,256	238,058.63	1,405,637,939	140,563.79
-	-	238,058,625	23,805.87
-	-	736,889,692	73,688.97
2,380,586,256	238,058.63	2,380,586,256	238,058.63
2,380,586,256	238,058.63	2,380,586,256	238,058.63
-	-	736,889,692	73,688.97
-	-	(736,889,692)	(73,688.97)
-	-	-	-
-	-	-	-

##### Details of shareholders holding more than 5% shares in the company

##### Name of shareholder

##### Equity shares of Rs 10 each

National Investment and Infrastructure Fund-II

Government of India

Sumitomo Mitsui Banking Corporation

As at September 30, 2022		As at March 31, 2022	
Number of Shares	% of shares	Number of Shares	% of shares
1,405,637,939	59%	1,405,637,939	59%
736,889,692	31%	736,889,692	31%
238,058,625	10%	238,058,625	10%
2,380,586,256	100%	2,380,586,256	100%



**Note 26C: Other equity**

(a) Statutory reserve u/s. 45-IC of RBI Act, 1934
(b) Securities premium
(c) Impairment reserve
(d) Retained earnings
<b>Total</b>

As at September 30, 2022	As at March 31, 2022
3,391.54	2,125.83
16,872.55	16,872.55
54.42	54.42
25,411.85	16,708.66
<b>45,730.36</b>	<b>35,761.46</b>

**(a) Statutory reserve u/s. 45-IC of RBI Act, 1934**

Opening balance
Addition during the period / year
<b>Closing balance</b>

As at September 30, 2022	As at March 31, 2022
2,125.83	421.20
1,265.71	1,704.63
<b>3,391.54</b>	<b>2,125.83</b>

**(b) Securities premium**

Opening balance
Addition during the period / year
Less: Share issue expenses
<b>Closing balance</b>

As at September 30, 2022	As at March 31, 2022
16,872.55	1,705.62
-	15,272.44
-	(105.51)
<b>16,872.55</b>	<b>16,872.55</b>

**(c) Impairment reserve**

Opening balance
Addition during the period / year
<b>Closing balance</b>

As at September 30, 2022	As at March 31, 2022
54.42	54.42
-	-
<b>54.42</b>	<b>54.42</b>

**(d) Retained earnings**

Opening balance
Transaction during the period / year
Net profit for the period / year
Other comprehensive income for the period / year
Less: Share issue expenses
Less: Transfer to Statutory reserve u/s. 45-IC of RBI Act, 1934
Less: Transfer to Impairment reserve
<b>Closing balance</b>

As at September 30, 2022	As at March 31, 2022
16,708.66	4,512.82
9,996.34	13,903.99
(27.44)	(2.70)
-	-
(1,265.71)	(1,704.63)
-	(0.82)
<b>25,411.85</b>	<b>16,708.66</b>

\*During the previous year, the Company had received equity share capital of ₹ 31,709.41 lakhs (including securities premium of ₹ 7,903.55 lakhs) from Sumitomo Mitsui Banking Corporation, Japan, to be utilised for the business purposes of the Company or investment into its associate company NIIF IFL, in its capacity as sponsor to maintain its regulatorily required stakeholding. Also, as a result of the conversion of the CCPS held by the President of India (represented by and acting through the Secretary, Department of Corporate Affairs, Ministry of Finance, Government of India (GOI)) as indicated above, the paid-up equity share capital has been increased by ₹ 81,057.87 lakhs (including securities premium).

**Nature and purpose of reserves****Statutory reserve u/s. 45-IC of RBI Act, 1934**

Appropriations to the Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 and the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out of distributable profits of the Company.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Impairment reserve**

In terms of the requirement as per RBI Notification No. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020, on implementation of Ind AS, Non-Banking Financial Companies (NBFCs) are required to create an Impairment Reserve for any shortfall in Impairment Allowances under Ind AS 109 - Financial Instruments (Ind AS 109), as compared to the Income Recognition, Asset Classification and Provisioning ('IRACP') norms (including provision on standard assets). As at December 31, 2020, the total provision required under IRACP (including standard asset provisioning) exceeded the Impairment Allowance under Ind AS 109. Accordingly, the Company had transferred ₹ 54.42 lakhs from Retained Earnings to Impairment Reserve. The Impairment Allowance including the additional provision under Ind AS 109 as at September 30, 2022 and 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 to the Consolidated Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

### Note 27 : Interest income

#### On financial assets measured at amortised cost:

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Interest on loans	18,730.64	9,615.99	23,777.82
Interest on Non Convertible Debentures	12,677.26	1,373.09	6,460.91
Interest on bank deposits	702.90	528.31	794.50
Prepayment premium on loans	-	72.09	82.31
Other interest income*	3.72	4.18	8.76
<b>Total</b>	<b>32,114.52</b>	<b>11,593.66</b>	<b>31,124.30</b>

\*Represents unwinding of discount on commission income from financial guarantee contract.

### Note 28 : Fees and commission income

#### On financial assets measured at amortised cost:

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Commission fees	310.03	87.99	217.45
<b>Total</b>	<b>310.03</b>	<b>87.99</b>	<b>217.45</b>

### Note 29 : Finance costs

#### On Financial liabilities measured at amortised cost

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Bank charges	5.29	0.20	8.46
Interest on borrowings	16,969.56	3,200.39	11,057.31
Interest on Debt securities	4,413.47	884.10	3,207.35
Interest on corporate taxes	-	-	2.50
Fees and other borrowing costs	15.52	2.42	6.93
<b>Total</b>	<b>21,403.84</b>	<b>4,087.11</b>	<b>14,282.55</b>

### Note 30 : Impairment on financial instruments

#### On Financial instruments measured at amortised cost

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Term Loans	920.16	683.65	2,349.82
Non Convertible Debentures	888.93	(1.45)	1,766.60
Non Fund Based Facility	110.25	(35.70)	123.09
<b>Total</b>	<b>1,919.34</b>	<b>646.50</b>	<b>4,239.51</b>

### Note 31 : Employee benefits expenses

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Salaries and wages	572.67	435.54	968.86
Gratuity and leave encashment	56.27	26.25	69.60
Contribution to provident and other funds	30.52	17.54	39.40
Staff welfare expenses	8.08	0.08	12.38
<b>Total</b>	<b>667.54</b>	<b>479.41</b>	<b>1,090.24</b>

### Note 32 : Depreciation and amortisation expense

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Depreciation on property, plant and equipment	19.03	2.64	20.15
<b>Total</b>	<b>19.03</b>	<b>2.64</b>	<b>20.15</b>



**Note 33 : Other expenses**

Shared services cost expense
Legal and professional fees
Rating fees
Internal audit fees
Auditor's remuneration (Refer note 36 (a))
Office Rent Expenses
Corporate social responsibility expenditure
Director sitting fees
Recruitment expenses
Information technology expenses
Insurance expenses
Other expenses
<b>Total</b>

For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
9.63	40.45	73.17
126.64	94.85	280.80
85.65	48.76	144.48
7.92	10.48	13.53
15.66	13.69	23.78
63.39	88.50	170.25
-	-	27.35
13.52	11.77	22.89
7.19	1.69	35.63
116.84	43.60	122.95
10.57	5.07	12.03
19.58	7.68	25.31
<b>476.59</b>	<b>366.54</b>	<b>952.17</b>

**Note 33(a): Break up of Auditors' remuneration**

Statutory audit
Tax audit
<b>In other capacity</b>
Other services
<b>Total</b>

For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
5.45	8.75	14.35
0.82	0.63	1.09
9.39	4.31	8.34
<b>15.66</b>	<b>13.69</b>	<b>23.78</b>

**Note 34 : Earnings per share (EPS)**

a) The basic earnings per share has been calculated based on the following:

Net Profit after tax
Less: Share issue expenses
Less: Impairment reserve
<b>Net Profit after tax available for equity shareholders</b>

For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
9,996.34	7,336.20	13,903.99
-	-	-
-	-	-
<b>9,996.34</b>	<b>7,336.20</b>	<b>13,903.99</b>
21,582	14,056	21,582
-	7,369	-
<b>21,582</b>	<b>21,425</b>	<b>21,582</b>

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Basic earnings per share (in ₹)
Diluted earnings per share (in ₹)

For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
0.46	0.34	0.64
0.46	0.34	0.64

The Basic earnings per share for the half year ended September 30, 2021 considers the effect of dilution on account of the Compulsorily Convertible Preference Shares as the conversion ratio is fixed.



**INDEPENDENT AUDITOR'S REPORT**

To  
The Board of Directors  
Aseem Infrastructure Finance Limited

**Report on the Interim Standalone Financial Statements for the quarter and half year ended September 30, 2022**

**Opinion**

1. We have audited the accompanying Interim Standalone Financial Statements of **Aseem Infrastructure Finance Limited** ('the Company'), which comprise the Balance sheet as at 30 September 2022 the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in equity for the period ended September 30, 2022 and a summary of significant accounting policies and other select explanatory information (collectively, the "Interim Standalone Financial Statements"). The Interim Standalone Financial Statements have been prepared by management in accordance with the accounting policies described in Note No. 3 forming part of the Interim Standalone Financial Statements ('the Significant Accounting Policies') read with Note No. 2 describing the preparation of Interim Standalone Financial Statements.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Interim Standalone Financial Statements of the Company give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India of the state of affairs of the Company as at September 30, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the period ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SA) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Standalone Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Interim Standalone Financial Statements in India, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Management's responsibility for the Interim Standalone Financial Statements**

4. The Company's Management and Board of Directors are responsible for the preparation and fair presentation of the Interim Standalone Financial Statements that give a true and fair view of the state of affairs of the Company in accordance with the basis of preparation as set out in Note \_\_\_ of the Interim Standalone Financial Statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Interim Standalone Financial Statements, management is responsible for assessing the

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India



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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the Interim Standalone Financial Statements**

5. Our objectives are to obtain reasonable assurance about whether the Interim 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 Interim 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 Interim 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
  - 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 Interim Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Interim Standalone Financial Statements, including the disclosures, and whether the Interim Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Interim Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Interim Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Interim Standalone Financial Statements.





**Other Information**

The amounts of quarter ended September 30, 2022 are the balancing amounts between audited amounts for the half year ended September 30, 2022 and the unaudited amounts in respect of the three months ended June 30, 2022.

The amounts of quarter ended September 30, 2021 are the balancing amounts between audited amounts for the half year ended September 30, 2021 and the unaudited amounts in respect of the three months ended June 30, 2021.

For **B.K. Khare & Co.**  
Chartered Accountants  
Firm's Registration No. 105102W



**Padmini Khare Kaicker**

Partner

Membership No. 044784

UDIN: 22044784BCQALQ5667

November 9, 2022

Mumbai



# Aseem Infrastructure Finance Limited

## Condensed Statement of Standalone Assets and Liabilities as at September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)


Particulars	Note	As at September 30, 2022 (Audited)	As at March 31, 2022 (Audited)
<b>I. ASSETS</b>			
<b>1 Financial assets</b>			
(a) Cash and cash equivalents	12	29,325.29	64,173.52
(b) Loans	13	949,961.74	694,283.39
(c) Investments	14	86,411.86	86,411.86
(d) Other financial assets	15	297.18	136.31
<b>Total financial assets (A)</b>		<b>1,065,996.07</b>	<b>845,005.08</b>
<b>2 Non-financial assets</b>			
(a) Current tax assets (net)	16	274.86	162.46
(b) Deferred tax assets (net)	17	2,609.05	1,736.10
(c) Property, plant and equipment	18A	34.66	28.25
(d) Intangible assets	18B	127.10	139.84
(e) Other non-financial assets	19	154.53	147.84
<b>Total non-financial assets (B)</b>		<b>3,200.20</b>	<b>2,214.49</b>
<b>Total Assets (A+B)</b>		<b>1,069,196.27</b>	<b>847,219.57</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1 Financial liabilities</b>			
(a) Payables			
(i) Trade payables	20	-	5.40
- Total outstanding dues of micro enterprises and small enterprises		9.78	36.35
(b) Borrowings	21	595,052.97	472,748.40
(c) Debt Securities	22	199,680.15	107,529.69
(d) Other financial liabilities	23	1,938.29	1,098.28
<b>Total financial liabilities (A)</b>		<b>796,681.19</b>	<b>581,418.12</b>
<b>2 Non-financial liabilities</b>			
(a) Provisions	24	457.22	284.02
(b) Other non-financial liabilities	25	333.26	114.70
<b>Total non-financial liabilities (B)</b>		<b>790.48</b>	<b>398.72</b>
<b>3 Equity</b>			
(a) Equity share capital	26A	238,058.63	238,058.63
(b) Instruments entirely equity in nature	26B	-	-
(c) Other equity	26C	33,665.97	27,344.10
<b>Total equity (C)</b>		<b>271,724.60</b>	<b>265,402.73</b>
<b>Total Liabilities and Equity (A+B+C)</b>		<b>1,069,196.27</b>	<b>847,219.57</b>

As per our report of even date.

For B. K. Khare & Co  
Chartered Accountants  
ICAI Firm Registration No. 105102W  
  
per Padmini Khare Kaicker  
Partner  
Membership No : 044784



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: November 9, 2022



# Aseem Infrastructure Finance Limited

## Condensed Statement of Standalone Profit and Loss for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note	For the half year ended September 30, 2022 (Audited)	For the half year ended September 30, 2021 (Audited)	For the year ended March 31, 2022 (Audited)
<b>Revenue from operations</b>				
Interest income	27	32,114.52	11,593.66	31,124.30
Fees and commission income	28	310.03	87.99	217.45
Net gains on derecognition of financial assets measured at amortised cost		69.89	34.71	52.65
<b>Total Income (A)</b>		<b>32,494.44</b>	<b>11,716.36</b>	<b>31,394.40</b>
<b>Expenses</b>				
Finance costs	29	21,403.84	4,087.11	14,282.55
Impairment on financial instruments	30	1,919.34	646.50	4,239.51
Employee benefits expenses	31	667.54	479.41	1,090.24
Depreciation, amortisation and impairment	32	19.03	2.64	20.15
Other expenses	33	476.59	366.54	952.17
<b>Total expenses (B)</b>		<b>24,486.34</b>	<b>5,582.20</b>	<b>20,584.62</b>
<b>Profit before tax (C = A - B)</b>		<b>8,008.10</b>	<b>6,134.16</b>	<b>10,809.78</b>
<b>Tax expense</b>				
Current tax		2,552.50	1,557.50	3,547.49
Deferred tax credit		(871.27)	(222.89)	(1,261.08)
<b>Total tax expenses (D)</b>		<b>1,681.23</b>	<b>1,334.61</b>	<b>2,286.41</b>
<b>Net profit after tax (E = C - D)</b>		<b>6,326.87</b>	<b>4,799.55</b>	<b>8,523.37</b>
<b>Other Comprehensive income/(loss)</b>				
Items that will not be reclassified to profit or loss				
- Actuarial (gain) / loss on remeasurements of the net defined benefit plans		(6.68)	0.27	1.07
Income tax relating to items that will not be reclassified to profit or loss		1.68	(0.07)	(0.27)
<b>Total Other comprehensive income/(loss) (F)</b>		<b>(5.00)</b>	<b>0.20</b>	<b>0.80</b>
<b>Total comprehensive income (G = E + F)</b>		<b>6,321.87</b>	<b>4,799.75</b>	<b>8,524.17</b>
Earnings per equity share:	34			
Basic earnings per share (in ₹)		0.29	0.22	0.39
Diluted earnings per share (in ₹)		0.29	0.22	0.39

As per our report of even date.

For B. K. Khare & Co

Chartered Accountants

ICAI Firm Registration No. 105102W

*[Signature]*

per Padmini Khare Kaicker

Partner

Membership No : 044784



For and on behalf of the Board of Directors of  
Aseem Infrastructure Finance Limited

*[Signature]*

Surya Prakash Rao-Pendyala

Director

DIN: 02888802

*[Signature]*

Rajiv Dhar

Director

DIN: 00073997

*[Signature]*

Virender Pankaj

Chief Executive Officer

*[Signature]*

Nilesh Sampat

Chief Financial Officer

*[Signature]*

Karishma Pranav Jhaveri

Company Secretary

Place: Mumbai

Date: November 9, 2022

# Aseem Infrastructure Finance Limited

## Condensed Standalone Statement of Cash Flows for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the half year ended September 30, 2022 (Audited)	For the year ended March 31, 2022 (Audited)
<b>A. Cash flow from operating activities</b>		
Profit before tax	8,008.10	10,809.78
Adjustment for:		
Depreciation and amortisation	19.03	20.15
Interest income on financial assets - EIR adjustment	(184.03)	(423.34)
Interest expense on financial liabilities - EIR adjustment	190.17	144.54
Gain on derecognition of financial assets	(69.89)	(52.65)
Financial guarantee obligation	(143.42)	(81.74)
Impairment on financial instruments	1,919.34	4,239.52
<b>Operating profit before working capital changes</b>	<b>9,739.30</b>	<b>14,656.26</b>
<b>Changes in working capital:</b>		
Increase in provisions	56.27	68.26
(Decrease) / increase in trade payables	(31.97)	9.84
Increase in other financial liabilities	983.43	483.90
Increase / (decrease) in other non financial liabilities	218.56	(26.28)
(Increase) / decrease in other financial assets	(160.87)	158.73
(Increase) in non-financial assets	(6.69)	(110.13)
(Increase) in loans	(257,233.52)	(539,886.01)
Increase / (decrease) in interest accrual on borrowings	951.93	(133.45)
Increase in interest accrual on debt securities	2,074.07	3,171.90
<b>Cash (used in)/generated in operations</b>	<b>(243,409.49)</b>	<b>(521,606.98)</b>
(Payment) of tax (net)	(2,664.90)	(3,758.96)
<b>Net Cash (used in)/generated in operations (A)</b>	<b>(246,074.39)</b>	<b>(525,365.94)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12.70)	(22.26)
Proceeds from sale of property, plant and equipment	-	0.28
Purchase of intangible assets	(0.00)	(69.94)
Purchase of investments	-	(31,192.87)
<b>Net cash used in investing activities (B)</b>	<b>(12.70)</b>	<b>(31,284.79)</b>
<b>C. Cash flows from financing activities</b>		
Share issue expenses	-	(67.51)
Proceeds from issuance of Equity Share Capital, net of Share issue expenses	-	31,671.41
Payment of dividend on CCPS	-	(0.82)
Proceeds from borrowings, net of cost	132,957.58	431,054.82
Repayment of borrowings	(11,666.67)	(2,500.00)
Proceeds from issue of Debt Securities	89,947.95	104,357.79
<b>Net cash generated in financing activities (C)</b>	<b>211,238.86</b>	<b>564,515.69</b>
<b>Net Increase in cash and cash equivalents (D) = (A + B + C)</b>	<b>(34,848.23)</b>	<b>7,864.96</b>
Cash and cash equivalents at the beginning of the period (E)	64,173.52	56,308.56
<b>Cash and cash equivalents at the end of the period (F) = (D) + (E)</b>	<b>29,325.29</b>	<b>64,173.52</b>
<b>Cash and cash equivalents include the following</b>		
Balances with banks in current account	1,517.56	8,565.22
Fixed deposits with maturity less than 3 months	27,807.73	55,608.30
<b>Total cash and cash equivalents</b>	<b>29,325.29</b>	<b>64,173.52</b>

### Notes:

(i) Figures in brackets represent cash outflow.

(ii) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

### The accompanying notes form an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date

As per our report of even date.

### For B. K. Khare & Co

Chartered Accountants

ICAI Firm Registration No. 105102W

per Padmini Khare Kaicker

Partner

Membership No : 044784



### For and on behalf of the Board of Directors of

Aseem Infrastructure Finance Limited

Surya Prakash Rao Pendyala

Director

DIN: 02888802

Virender Pankaj  
Chief Executive Officer

Rajiv Dhar

Director

DIN: 00073997

Nilesh Sampat  
Chief Financial Officer

Kaishma Pranav Jhaveri  
Company Secretary

Place: Mumbai  
Date: November 9, 2022

# Aseem Infrastructure Finance Limited

## Condensed Standalone Statement of Changes in Equity for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

### A) Equity Share Capital

Particulars	Number of shares	Amount
<b>As at March 31, 2021</b>	<b>1,40,56,37,939</b>	<b>1,40,563.79</b>
Add : Issued during the year	23,80,58,625	23,805.87
Add : CCPS conversion into equity share during the year	73,68,89,692	73,688.97
<b>As at March 31, 2022</b>	<b>2,38,05,86,256</b>	<b>2,38,058.63</b>
Changes during the period	-	-
<b>As at September 30, 2022</b>	<b>2,38,05,86,256</b>	<b>2,38,058.63</b>

### E) Compulsorily Convertible Preference Share Capital ('CCPS')

Particulars	Number of shares	Amount
<b>As at March 31, 2021</b>	<b>73,68,89,692</b>	<b>81,057.87</b>
Less : CCPS conversion into equity share during the year	(73,68,89,692)	(81,057.87)
<b>As at March 31, 2022</b>	-	-
Changes during the period	-	-
<b>As at September 30, 2022</b>	-	-

### Q Other equity

Particulars	Statutory reserve u/s. 45-IC of RBI Act, 1934	Reserves & Surplus			
		Securities premium	Impairment reserve	Retained earnings	Total
<b>Closing balance as at March 31, 2021</b>	<b>421.20</b>	<b>1,705.62</b>	<b>54.42</b>	<b>1,472.58</b>	<b>3,653.82</b>
Net profit after tax for the year	-	-	-	8,523.37	8,523.37
Other comprehensive income for the year	-	-	-	0.80	0.80
Addition during the year	-	15,272.44	-	-	15,272.44
Less: Share issue expenses	-	(105.51)	-	-	(105.51)
Less: Dividend on CCPS	-	-	-	(0.82)	(0.82)
Add/(Less): Transferred to Statutory reserve	1,704.63	-	-	(1,704.63)	-
<b>Closing balance as at March 31, 2022</b>	<b>2,125.83</b>	<b>16,872.55</b>	<b>54.42</b>	<b>8,291.30</b>	<b>27,344.10</b>

<b>As at April 1, 2022</b>	<b>2,125.83</b>	<b>16,872.55</b>	<b>54.42</b>	<b>8,291.30</b>	<b>27,344.10</b>
Net profit after tax for the period	-	-	-	6,326.87	6,326.87
Other comprehensive income for the period	-	-	-	(5.00)	(5.00)
Add/(Less): Transferred to Statutory reserve	1,265.71	-	-	(1,265.71)	-
<b>Closing balance as at September 30, 2022</b>	<b>3,391.54</b>	<b>16,872.55</b>	<b>54.42</b>	<b>13,347.46</b>	<b>33,665.97</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For B. K. Khare & Co

Chartered Accountants

ICAI Firm Registration No. 105102W

per Padmini Khare Kaicker

Partner

Membership No : 044784



For and on behalf of the Board of Directors of  
Aseem Infrastructure Finance Limited

*[Signature]*

Surya Prakash Rao Pendyala

Director

DIN: 02888802

Rajiv Dhar

Director

DIN: 00073997

*[Signature]*

Kaishramhavi

Karishma Pranav Jhaveri

Company Secretary

Place: Mumbai

Date: November 9, 2022

# Aseem Infrastructure Finance Limited

## Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

### 1. Corporate Information

Aseem Infrastructure Finance Limited (CIN:U65990MH2019PLC325794) (the "Company") is a public limited company, incorporated in India on May 23, 2019 under the provisions of the Companies Act, 2013 (the "Act") and is a Non-Banking Finance Company ("NBFC"), a Systemically Important Non-Deposit Taking Non-Banking Finance Institution regulated by the Reserve Bank of India ("RBI"). The registered office of the Company is located at 4th Floor, UTI Tower, North Wing, GN Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051, India.

The Company received its NBFC license certificate no. N-13.02382 from RBI on January 28, 2020. The object of the Company is to undertake infrastructure financing activities. It is registered with RBI as an Infrastructure Finance Company (IFC).

The Company is a subsidiary of National Investment and Infrastructure Fund-II (the 'Fund') which has been organised as a Trust by The Department of Economic Affairs. The Trust has been organised as a contributory umbrella trust and settled in India by the Settlor under the provisions of the Indian Trust Act, 1882 by way of an Indenture of trust dated March 01, 2018. The Fund is registered with the Securities and Exchange Board of India ("SEBI") as a Category II Alternative Investment Fund under SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations").

The condensed financial statements for the half year ended September 30, 2022 were authorised for issue in accordance with a resolution of the Directors on November 9, 2022.

### 2. Basis of Preparation

#### (i) Compliance with Ind AS

The condensed financial statements (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.

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 (i.e. for the previous financial year 2020-21), the Company had adopted accounting standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'). Any directions issued by the RBI or other regulators are implemented as and when they become applicable.



# **Aseem Infrastructure Finance Limited**

## **Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022**

### **2. Basis of Preparation (continued)**

#### **(i) Compliance with Ind AS (continued)**

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 - "Statement of Cash Flows".

Further, financial statements have been prepared on accrual, going concern and historical cost convention basis.

#### **(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for defined benefit plans – plan assets measured at fair value.

#### **(iii) Order of Liquidity**

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant.

### **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.



# Aseem Infrastructure Finance Limited

Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

## 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 items that are recognised in other comprehensive income or directly in equity, in which case, it is recognised in other comprehensive income or directly in equity respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.





# Aseem Infrastructure Finance Limited

Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

## 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



# **Aseem Infrastructure Finance Limited**

**Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022**

## **3. Significant accounting policies (continued)**

### **f. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet and for the purpose of the statement of cash flows, comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

### **g. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **h. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts. Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

#### **Financial Assets**

##### **(i) Initial recognition and measurement**

Financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. At initial recognition, the Company measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset, such as fees and commissions.





# Aseem Infrastructure Finance Limited

## Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

### 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.



# Aseem Infrastructure Finance Limited

Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

## 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.



# Aseem Infrastructure Finance Limited

## Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

### 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.



# Aseem Infrastructure Finance Limited

Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

## 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.



# Aseem Infrastructure Finance Limited

## Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

### 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 an EIR basis over the life of the guarantee. Unwinding of discount on guarantee commission income receivable is recognised in other interest income.

#### j. Property plant and equipment (PPE)

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment, if any. Cost comprises acquisition cost, borrowing cost if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

##### Depreciation:

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives, which are equal to the lives prescribed under Schedule II to the Act. The estimated useful lives are as follows:

Assets	Useful life
Computer equipment	3 years
Office equipment	3 years
Server/networking equipment	6 years
Intangible assets including software	6 years





# Aseem Infrastructure Finance Limited

Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

## 3. Significant accounting policies (continued)

### j. Property plant and equipment (PPE) (continued)

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

#### Derecognition:

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

### k. Intangible assets under development

Expenditure incurred which is eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use. Intangible assets under development primarily comprise of software under development.

### l. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, or where annual impairment testing for an asset is required, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset or a Cash-Generating Unit (CGU) is the higher of its fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

If the carrying amount of the asset or CGU exceeds the estimated recoverable amount, an impairment is recognized for such excess amount in the Statement of Profit and Loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised. 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.



# Aseem Infrastructure Finance Limited

## Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

### 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. Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortized cost. Finance costs are charged to the Statement of profit and loss.

#### p. Employee Benefits

##### Compensated absences

The Company accrues the liability for compensated absences based on the actuarial valuation as at the Balance Sheet date conducted by an independent actuary, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilization. The net present value of the Company's obligation as at the Balance Sheet date is determined based on the projected unit credit method.

##### Post-employment obligations:

The Company operates the following post-employment schemes:

##### (i) Defined contribution plans:

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constructive obligation to pay additional sums. These comprise of contributions to the employees provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

##### (ii) Defined benefit plans:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The gratuity scheme is unfunded. The Company accounts for the liability for future gratuity benefits based on an independent actuarial valuation. The net present value of the Company's obligation as at the Balance Sheet date towards the same is actuarially determined based on the projected unit credit method.



# Aseem Infrastructure Finance Limited

## Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

### 3. Significant accounting policies (continued)

#### p. Employee Benefits (continued)

##### (ii) Defined benefit plans (continued):

Remeasurement of all defined benefit plans, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income in the year they are incurred. Remeasurements are not reclassified to profit or loss in subsequent period. Net interest expense on the net defined liability is computed by applying the discount rate used to measure the net defined liability, to the net defined liability at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

#### q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### r. Events after the reporting period

Where events occurring after the reporting period provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events occurring after the reporting period are only disclosed, if they are material in size or nature.

#### s. Segmental Reporting

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Management Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 – "Operating Segments"), in deciding how to allocate resources and in assessing performance. These have been identified taking into account the nature of products and services, the differing risks and returns and the internal business reporting systems. Basis evaluation, the Company concluded it operates in a single reportable segment.

#### t. Foreign Currency transactions

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Statement of profit and loss.





# **Aseem Infrastructure Finance Limited**

## **Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022**

### **3. Significant accounting policies (continued)**

#### **u. Significant accounting estimates, judgements and assumptions**

The preparation of financial statements in accordance with Ind AS requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any changes to accounting estimates are recognized prospectively.

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

##### **(i) Property, plant and equipment:**

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are as per Schedule II of the Companies Act, 2013 or are based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

##### **(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.



# Aseem Infrastructure Finance Limited

Notes forming part of standalone condensed financial statements as at and for the half year ended September 30, 2022

## 3. Significant accounting policies (continued)

### u. Significant accounting estimates, judgements and assumptions (continued)

#### (v) Allowance for impairment of financial asset (continued)

The Company's ECL calculations are outputs of detailed model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

#### (vi) Business model assessment:

Classification and measurement of financial assets depends on the results of the Solely Payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

#### (vii) Effective Interest Rate (EIR) method:

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, changes to benchmark rate and other fee income/expense that are integral parts of the instrument.



## Aseem Infrastructure Finance Limited

### Notes to the Standalone Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

- 4 The Standalone Condensed financial Statements have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 - "Interim Financial Reporting" (Ind AS 34) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable.
- 5 The Company has been assigned a long term credit rating of (i) AA+; Stable (pronounced Double A Plus-Outlook Stable) by CARE Ratings Limited; (ii) AA+; Stable (pronounced Double A Plus- Outlook Stable) by CRISIL Ratings; (iii) AA+; Stable (pronounced Double A Plus-Outlook Stable) by ICRA Limited; (iv) AA+; Stable (pronounced Double A Plus-Outlook Stable) by India Ratings & Research Private Limited.

#### 6 Ratios

Ratios	Description	As at September 30, 2022 (Audited)	As at March 31, 2022 (Audited)
Debt-Equity Ratio	Total Debt / Total Equity	2.92	2.19
Current Ratio	NA	NA	NA
Long Term Debt to Working Capital	NA	NA	NA
Bad Debts to Account Receivable Ratio	NA	NA	NA
Current Liability Ratio	NA	NA	NA
Total Debts to Total Assets	Total Debt / Total Asset	74.33%	68.49%
Debtors Turnover	NA	NA	NA
Inventory Turnover	NA	NA	NA
Operating Margin (%)	Profit Before Tax / Total Revenue	24.64%	34.43%
Net Profit Margin (%)	PAT / Total Revenue	19.47%	27.15%
Net Worth	Share capital + Reserves and surplus	271,724.60	265,402.73
Net Profit After Tax		6,326.87	8,523.37
Earnings Per Share (not annualised)	PAT / Weighted average number of shares	0.29	0.39
Capital Redemption Reserve / Debenture Redemption Reserve**	NA	NA	NA
Outstanding Redeemable Preference Shares (quantity and value)	NIL	Nil	Nil
Debt Service Coverage Ratio*	NA	NA	NA
Interest Service Coverage Ratio*	NA	NA	NA
<b>Sector Specific Equivalent Ratios</b>			
Net Non-Performing Assets (NNPAs)	No NPA	Nil	Nil
Gross Non-Performing Assets (NPAs)	No NPA	Nil	Nil
Capital Adequacy	Capital adequacy ratio	25.48%	35.20%
Tier 1 Capital ratio	-	24.65%	34.34%
Tier 2 Capital ratio	-	0.83%	0.86%

\* Not applicable, being a Non-Banking Financial Service Company registered with the Reserve Bank of India.

\*\* Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b) of Companies (Share Capital and Debenture) Rules, 2014.



## Aseem Infrastructure Finance Limited

### Notes to the Standalone Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

#### 7 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 period /previous year)' are as follows:

##### a. Name of related parties and related party relationship

###### i) Parties where control exists

Holding entity	National Investment and Infrastructure Fund-II
Investment manager of holding entity	National Investment and Infrastructure Fund Limited

###### ii) Associate company

NIIF Infrastructure Finance Limited

###### iii) Key management personnel

Chief executive officer	Mr. Virender Pankaj
Chief financial officer	Mr. Nilesh Sampat
Company Secretary	Ms. Karishma Pranav Jhaveri

###### iv) Directors

Chairman & Non - Executive Director	Mr. Surya Prakash Rao Pendyala
Non - Executive Director	Mr. Saurabh Jain
Non - Executive Director	Mr. Rajiv Dhar
Independent Director	Ms. Rosemary Sebastian
Independent Director	Mr. V. Chandrashekar

##### b. Key management personnel compensation:

Particulars	For the half year ended September 30, 2022	For the year ended March 31, 2022
Short term employee benefits	151.01	401.27
Post-employment defined benefit #	8.48	15.38

#As gratuity and other long term employee benefits are computed for all employees in aggregate, the amounts relating to the Key Management Personnel cannot be individually identified.

Particulars of Director sitting fees	For the half year ended September 30, 2022	For the year ended March 31, 2022
Ms. Rosemary Sebastian - Independent Director	6.20	10.20
Mr. V. Chandrasekaran - Independent Director	6.20	10.80
<b>Total</b>	<b>12.40</b>	<b>21.00</b>

##### c. Transactions with related parties during the period / year

Nature of transaction	Relationship	For the half year ended September 30, 2022	For the year ended March 31, 2022
<b>Purchase of equity shares</b>			
NIIF Infrastructure Finance Limited	Associate company	-	31,192.87*
<b>Downsell / Assignment of Loans</b>			
NIIF Infrastructure Finance Limited	Associate company	-	18,472.88
<b>Expenses charged by Company</b>			
NIIF Infrastructure Finance Limited	Associate company	-	2.50
<b>Expenses on Company's behalf by</b>			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	18.75	159.00
NIIF Infrastructure Finance Limited	Associate company	26.54	106.91

\*During the previous year, the Company has subscribed to additional equity shares of ₹ 31,192.87 lakhs (including premium of ₹ 19,737.53 lakhs) in associate company NIIF Infrastructure Finance Limited ("NIIF IFL"), and continues to hold 30.83% stake in NIIF IFL on a fully diluted basis.



**Aseem Infrastructure Finance Limited****Notes to the Standalone Condensed Financial Statements for the half year ended September 30, 2022**

(All amounts are in INR Lakhs, unless otherwise stated)

**7 Related party disclosures (continued)****d. Closing balance of the transactions with related parties**

Nature of transaction	Relationship	As at	As at
		September 30, 2022	March 31, 2022
<b>Equity shares</b>			
National Investment and Infrastructure Fund-II	Holding company	140,563.79	140,563.79
<b>Investment in equity shares</b>			
NIIF Infrastructure Finance Limited	Associate company	86,411.86	86,411.86
<b>Expenses on Company's behalf payable</b>			
National Investment and Infrastructure Fund Limited	Investment manager of holding entity	-	21.06
NIIF Infrastructure Finance Limited	Associate company	6.00	-

8 As at September 30, 2022, the Impairment Allowance under Ind AS 109 exceeds the total provision required under IRACP (including standard asset provisioning). Hence, the Company has not made any incremental transfer to Impairment Reserve during the half year ended September 30, 2022.

9 The Non-Convertible Debentures issued by the Company are privately placed and therefore, the Company, being an NBFC registered with Reserve Bank of India is not required to create the Debenture Redemption Reserve (DRR).

10 Earnings per share for the half years ended September 30, 2022 and September 30, 2021 are not annualised.

11 The figures for previous period/year have been regrouped wherever required, to correspond with those of the current period / year.



## Aseem Infrastructure Finance Limited

### Notes to the Standalone Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

#### Note 12: Cash and cash equivalents

##### Balances with banks:

- in current accounts
- Fixed deposits with original maturity less than 3 months
<b>Total</b>

As at September 30, 2022	As at March 31, 2022
1,517.56	8,565.22
27,807.73	55,608.30
<b>29,325.29</b>	<b>64,173.52</b>

#### Note 13: Loans

##### Measured at amortised cost

Term Loans
Non Convertible Debentures
<b>Total Gross</b>
Less: Impairment loss allowance
<b>Total Net</b>

As at September 30, 2022	As at March 31, 2022
557,622.78	427,039.78
399,058.94	272,154.50
<b>956,681.72</b>	<b>699,194.28</b>
(6,719.98)	(4,910.89)
<b>949,961.74</b>	<b>694,283.39</b>
956,681.72	699,194.28
<b>956,681.72</b>	<b>699,194.28</b>
(6,719.98)	(4,910.89)
<b>949,961.74</b>	<b>694,283.39</b>

Secured
Unsecured
<b>Total Gross</b>
Less: Impairment loss allowance
<b>Total Net</b>

##### Loans in India

Public sector
Others
<b>Total Gross</b>
Less: Impairment loss allowance
<b>Total Net</b>

956,681.72	699,194.28
<b>956,681.72</b>	<b>699,194.28</b>
(6,719.98)	(4,910.89)
<b>949,961.74</b>	<b>694,283.39</b>
<b>949,961.74</b>	<b>694,283.39</b>

##### Total

#### Note 14: Investments

##### Investment in equity shares of associate company (Unquoted)

NIIF Infrastructure Finance Limited (Formerly, IDFC Infrastructure Finance Limited)

##### Total (A)

Investments in India (i)
Investments outside India (ii)
<b>Total (B) (i+ii)</b>

##### Total

As at September 30, 2022		As at March 31, 2022	
Number	Amount	Number	Amount
423,932,487	86,411.86	423,932,487	86,411.86
<b>423,932,487</b>	<b>86,411.86</b>	<b>423,932,487</b>	<b>86,411.86</b>
423,932,487	86,411.86	423,932,487	86,411.86
-	-	-	-
<b>423,932,487</b>	<b>86,411.86</b>	<b>423,932,487</b>	<b>86,411.86</b>
<b>423,932,487</b>	<b>86,411.86</b>	<b>423,932,487</b>	<b>86,411.86</b>

#### Note 15: Other financial assets

##### Measured at amortised cost

Guarantee commission receivable
Security Deposits
Receivable from employees
<b>Total</b>

As at September 30, 2022	As at March 31, 2022
259.51	126.96
37.48	9.00
0.19	0.35
<b>297.18</b>	<b>136.31</b>

#### Note 16: Current tax assets (net)

Advance income tax (net of provision for income tax of ₹ 7,106.66 lakhs as at September 30, 2022; previous year ₹ 4,554.16 lakhs)

As at September 30, 2022	As at March 31, 2022
274.86	162.46
<b>274.86</b>	<b>162.46</b>

#### Note 17: Deferred tax assets (net)

##### Temporary difference attributable to:

##### Deferred tax assets

Preliminary expenses
Provision for gratuity payable
Provision for leave encashment payable
Financial assets measured at amortised cost
Impairment allowance on financial assets

As at September 30, 2022	As at March 31, 2022
22.65	30.20
11.68	6.80
29.44	18.48
783.45	400.80
1,765.24	1,282.18
<b>2,612.46</b>	<b>1,738.46</b>
(3.41)	(2.36)
<b>(3.41)</b>	<b>(2.36)</b>
<b>2,609.05</b>	<b>1,736.10</b>

##### Deferred tax liabilities

Depreciation on property, plant and equipment
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##### Total Deferred tax assets (net)





## Aseem Infrastructure Finance Limited

### Notes to the Standalone Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

#### Note 18A: Property, plant and equipment

Particulars	Computer equipment	Office equipment	Server / networking equipment	Total
<b>Gross block</b>				
Balance as at March 31, 2021	9.24	2.00	5.27	16.51
Additions/Adjustments	3.65	0.40	-	4.05
Disposals/Adjustments	-	-	-	-
Balance as at September 30, 2021	12.89	2.40	5.27	20.56
Additions/Adjustments	12.65	5.56	-	18.21
Disposals/Adjustments	-	0.40	-	0.40
Balance as at March 31, 2022	25.54	7.56	5.27	38.37
Additions/Adjustments	11.53	1.17	-	12.70
Disposals/Adjustments	-	-	-	-
Balance as at September 30, 2022	37.07	8.73	5.27	51.07
<b>Accumulated depreciation</b>				
Balance as at March 31, 2021	2.01	0.19	0.56	2.76
Depreciation charge	1.83	0.38	0.43	2.64
Disposals/Adjustments	-	-	-	-
Balance as at September 30, 2021	3.84	0.57	0.99	5.40
Depreciation charge	3.48	0.91	0.45	4.84
Disposals/Adjustments	-	0.12	-	0.12
Balance as at March 31, 2022	7.32	1.36	1.44	10.12
Depreciation charge	4.47	1.39	0.43	6.29
Disposals/Adjustments	-	-	-	-
Balance as at September 30, 2022	11.79	2.75	1.87	16.41
<b>Net block</b>				
Balance as at March 31, 2022	18.22	6.20	3.83	28.25
Balance as at September 30, 2022	25.28	5.98	3.40	34.66

#### Note 18B: Intangible assets

Particulars	Software	Total
<b>Gross block</b>		
Balance as at March 31, 2021	-	-
Additions/Adjustments	-	-
Disposals/Adjustments	-	-
Balance as at September 30, 2021	-	-
Additions/Adjustments	152.51	152.51
Disposals/Adjustments	-	-
Balance as at March 31, 2022	152.51	152.51
Additions/Adjustments	-	-
Disposals/Adjustments	-	-
Balance as at September 30, 2022	152.51	152.51
<b>Accumulated depreciation</b>		
Balance as at September 30, 2021	-	-
Depreciation	12.67	12.67
Balance as at March 31, 2022	12.67	12.67
Depreciation	12.74	12.74
Balance as at September 30, 2022	25.41	25.41
<b>Net block</b>		
Balance as at March 31, 2022	139.84	139.84
Balance as at September 30, 2022	127.10	127.10



## Aseem Infrastructure Finance Limited

### Notes to the Standalone Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

#### Note 19: Other non-financial assets

	As at September 30, 2022	As at March 31, 2022
Advance to vendors	68.06	15.29
Prepaid expenses	86.47	132.55
<b>Total</b>	<b>154.53</b>	<b>147.84</b>

#### Note 20: Trade payables

	As at September 30, 2022	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	-	5.40
Total outstanding dues of creditors other than micro, small and medium enterprises	9.78	36.35
<b>Total</b>	<b>9.78</b>	<b>41.75</b>

#### Note 21: Borrowings

##### At Amortised Cost

##### Borrowings - In India

##### Secured

	As at September 30, 2022	As at March 31, 2022
Term loan from bank	370,055.81	242,752.31
Term loan from financial institutions	224,997.16	224,997.11
Cash credit facility	-	4,998.98
<b>Total</b>	<b>595,052.97</b>	<b>472,748.40</b>

#### Note 22: Debt Securities

##### At Amortised cost

##### Debentures (Secured, non convertible)

##### Interest accrued but not due on debentures

	As at September 30, 2022	As at March 31, 2022
Debentures (Secured, non convertible)	194,434.18	104,357.79
Interest accrued but not due on debentures	5,245.97	3,171.90
<b>Total</b>	<b>199,680.15</b>	<b>107,529.69</b>

Debt securities in India	199,680.15	107,529.69
Debt securities outside India	-	-

Face value per debenture	1,000,000	1,000,000
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#### Note 23: Other financial liabilities

##### Measured at amortised cost

	As at September 30, 2022	As at March 31, 2022
Payable to related parties	6.54	20.61
Staff incentives payable	120.90	229.62
Financial guarantee obligation	589.16	297.86
Processing fees received pending disbursement	1,000.37	421.95
Capital expenses payable	9.40	9.40
Share issue expenses payable	-	38.00
Directors' sitting fees payable	0.54	-
Other expenses payable	211.38	80.84
<b>Total</b>	<b>1,938.29</b>	<b>1,098.28</b>

#### Note 24: Provisions

##### Provisions for employee benefits

	As at September 30, 2022	As at March 31, 2022
Provision for gratuity	46.42	27.02
Provision for leave benefits	116.97	73.41
Provision for Impairment loss on non-fund based facility	293.83	183.59
<b>Total</b>	<b>457.22</b>	<b>284.02</b>

#### Note 25: Other non-financial liabilities

	As at September 30, 2022	As at March 31, 2022
Statutory dues	333.26	114.70
<b>Total</b>	<b>333.26</b>	<b>114.70</b>





## Aseem Infrastructure Finance Limited

### Notes to the Standalone Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

#### Note 26A: Equity Share Capital

##### Authorised capital

Equity Shares of ₹ 10 each (Previous period ₹ 10 each)

##### Issued, subscribed and paid up\*

##### (I) Equity Shares

Equity Shares of ₹ 10 each fully paid (Previous period ₹ 10 each)

As at September 30, 2022		As at March 31, 2022	
Number of Shares	Amount	Number of Shares	Amount
4,500,000,000	450,000.00	4,500,000,000	450,000.00
4,500,000,000	450,000.00	4,500,000,000	450,000.00
<hr/>			
2,380,586,256	238,058.63	2,380,586,256	238,058.63
2,380,586,256	238,058.63	2,380,586,256	238,058.63

##### Rights, preferences and restrictions attached to Equity Shares

Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Note 26B: Compulsorily Convertible Preference Share Capital ('CCPS')

##### Authorised capital

0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each

##### Issued, subscribed and paid up\*

0.001% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 11 each

As at September 30, 2022		As at March 31, 2021	
Number of Shares	Amount	Number of Shares	Amount
818,181,819	90,000.00	818,181,819	90,000.00
818,181,819	90,000.00	818,181,819	90,000.00
<hr/>			
-	-	-	-
-	-	-	-

##### Rights, preferences and restrictions attached to Preference Shares

During the previous year, upon induction of a new investor, the CCPS have been converted into equity shares in the ratio of 1 equity share for each CCPS. The CCPS carried a pre-determined cumulative dividend rate of 0.001% per annum, which is provided for during the previous year on conversion. Each CCPS was issued at a face value of ₹ 11 per CCPS and a premium of ₹ 0.06 per CCPS, and was to be converted into 1 equity share of FV ₹ 10 each and premium ₹ 1.06 upon induction of a new investor or expiry of 3 years from the date of issuance of the CCPS, whichever is earlier. The CCPS did not carry any voting rights and had liquidation preference over the Equity Shares, in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016. This CCPS infusion from Government of India during financial year 2020-21 was the first tranche subscribed against its commitment to make direct investment in the Company as announced in the Union Budget for FY 2020-21 and Atmanirbhar Bharat Scheme 3.0.

##### Reconciliation of shares outstanding at the beginning and at the end of the reporting period

##### Particulars

##### Equity Shares

At the beginning of the period / year

Add : issued during the period / year

Add : CCPS conversion into equity share during the period / year

At the end of the period / year

Total issued, subscribed and fully paid up Equity Shares

##### 0.001 % Compulsorily Convertible Preference Shares

At the beginning of the period / year

Less : CCPS conversion into equity share during the period / year

At the end of the period / year

Total issued, subscribed and fully paid up 0.001 % Compulsorily Convertible Preference Shares

As at September 30, 2022		As at March 31, 2022	
Number of Shares	Amount	Number of Shares	Amount
2,380,586,256	238,058.63	1,405,637,939	140,563.79
-	-	238,058,625	23,805.87
-	-	736,889,692	73,688.97
2,380,586,256	238,058.63	2,380,586,256	238,058.63
2,380,586,256	238,058.63	2,380,586,256	238,058.63
<hr/>			
-	-	736,889,692	73,688.97
-	-	(736,889,692)	(73,688.97)
-	-	-	-
-	-	-	-

##### Details of shareholders holding more than 5% shares in the company

##### Name of shareholder

##### Equity shares of Rs 10 each

National Investment and Infrastructure Fund-II

Government of India

Sumitomo Mitsui Banking Corporation

As at September 30, 2022		As at March 31, 2022	
Number of Shares	% of shares	Number of Shares	% of shares
1,405,637,939	59%	1,405,637,939	59%
736,889,692	31%	736,889,692	31%
238,058,625	10%	238,058,625	10%
2,380,586,256	100%	2,380,586,256	100%



**Note 26C: Other equity**

(a) Statutory reserve u/s. 45-IC of RBI Act, 1934
(b) Securities premium
(c) Impairment reserve
(d) Retained earnings
<b>Total</b>

As at September 30, 2022	As at March 31, 2022
3,391.54	2,125.83
16,872.55	16,872.55
54.42	54.42
13,347.46	8,291.30
<b>33,665.97</b>	<b>27,344.10</b>

**(a) Statutory reserve u/s. 45-IC of RBI Act, 1934**

Opening balance
Addition during the period / year
<b>Closing balance</b>

As at September 30, 2022	As at March 31, 2022
2,125.83	421.20
1,265.71	1,704.63
<b>3,391.54</b>	<b>2,125.83</b>

**(b) Securities premium**

Opening balance
Addition during the period / year
Less: Share issue expenses
<b>Closing balance</b>

As at September 30, 2022	As at March 31, 2022
16,872.55	1,705.62
-	15,272.44
-	(105.51)
<b>16,872.55</b>	<b>16,872.55</b>

**(c) Impairment reserve**

Opening balance
Addition during the period / year
<b>Closing balance</b>

As at September 30, 2022	As at March 31, 2022
54.42	54.42
-	-
<b>54.42</b>	<b>54.42</b>

**(d) Retained earnings**

Opening balance
Transaction during the period / year
Net profit for the period / year
Other comprehensive income for the period / year
Less: Share issue expenses
Less: Transfer to Statutory reserve u/s. 45-IC of RBI Act, 1934
Less: Transfer to Impairment reserve
<b>Closing balance</b>

As at September 30, 2022	As at March 31, 2022
8,291.30	1,472.58
6,326.87	8,523.37
(5.00)	0.80
(1,265.71)	(1,704.63)
-	(0.82)
<b>13,347.46</b>	<b>8,291.30</b>

\*During the previous year, the Company had received equity share capital of ₹ 31,709.41 lakhs (including securities premium of ₹ 7,903.55 lakhs) from Sumitomo Mitsui Banking Corporation, Japan, to be utilised for the business purposes of the Company or investment into its associate company NIIF IFL, in its capacity as sponsor to maintain its regulatorily required stakeholding. Also, as a result of the conversion of the CCPS held by the President of India (represented by and acting through the Secretary, Department of Corporate Affairs, Ministry of Finance, Government of India (GOI)) as indicated above, the paid-up equity share capital has been increased by ₹ 81,057.87 lakhs (including securities premium).

**Nature and purpose of reserves****Statutory reserve u/s. 45-IC of RBI Act, 1934**

Appropriations to the Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 and the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out of distributable profits of the Company.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Impairment reserve**

In terms of the requirement as per RBI Notification No. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020, on implementation of Ind AS, Non-Banking Financial Companies (NBFCs) are required to create an Impairment Reserve for any shortfall in Impairment Allowances under Ind AS 109 - Financial Instruments (Ind AS 109), as compared to the Income Recognition, Asset Classification and Provisioning ('IRACP') norms (including provision on standard assets). As at December 31, 2020, the total provision required under IRACP (including standard asset provisioning) exceeded the Impairment Allowance under Ind AS 109. Accordingly, the Company had transferred ₹ 54.42 lakhs from Retained Earnings to Impairment Reserve. The Impairment Allowance including the additional provision under Ind AS 109 as at September 30, 2022 and 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 to the Standalone Condensed Financial Statements for the half year ended September 30, 2022

(All amounts are in INR Lakhs, unless otherwise stated)

### Note 27 : Interest income

#### On financial assets measured at amortised cost:

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Interest on loans	18,730.64	9,615.99	23,777.82
Interest on Non Convertible Debentures	12,677.26	1,373.09	6,460.91
Interest on bank deposits	702.90	528.31	794.50
Prepayment premium on loans	-	72.09	82.31
Other interest income*	3.72	4.18	8.76
<b>Total</b>	<b>32,114.52</b>	<b>11,593.66</b>	<b>31,124.30</b>

\*Represents unwinding of discount on commission income from financial guarantee contract.

### Note 28 : Fees and commission income

#### On financial assets measured at amortised cost:

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Commission fees	310.03	87.99	217.45
<b>Total</b>	<b>310.03</b>	<b>87.99</b>	<b>217.45</b>

### Note 29: Finance costs

#### On Financial liabilities measured at amortised cost

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Bank charges	5.29	0.20	8.46
Interest on borrowings	16,969.56	3,200.39	11,057.31
Interest on Debt securities	4,413.47	884.10	3,207.35
Interest on corporate taxes	-	-	2.50
Fees and other borrowing costs	15.52	2.42	6.93
<b>Total</b>	<b>21,403.84</b>	<b>4,087.11</b>	<b>14,282.55</b>

### Note 30 : Impairment on financial instruments

#### On Financial instruments measured at amortised cost

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Term Loans	920.16	683.65	2,349.82
Non Convertible Debentures	888.93	(1.45)	1,766.60
Non Fund Based Facility	110.25	(35.70)	123.09
<b>Total</b>	<b>1,919.34</b>	<b>646.50</b>	<b>4,239.51</b>

### Note 31 : Employee benefits expenses

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Salaries and wages	572.67	435.54	968.86
Gratuity and leave encashment	56.27	26.25	69.60
Contribution to provident and other funds	30.52	17.54	39.40
Staff welfare expenses	8.08	0.08	12.38
<b>Total</b>	<b>667.54</b>	<b>479.41</b>	<b>1,090.24</b>

### Note 32 : Depreciation and amortisation expense

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Depreciation on property, plant and equipment	19.03	2.64	20.15
<b>Total</b>	<b>19.03</b>	<b>2.64</b>	<b>20.15</b>



**Note 33 : Other expenses**

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Shared services cost expense	9.63	40.45	73.17
Legal and professional fees	126.64	94.85	280.80
Rating fees	85.65	48.76	144.48
Internal audit fees	7.92	10.48	13.53
Auditor's remuneration (Refer note 36 (a))	15.66	13.69	23.78
Office Rent Expenses	63.39	88.50	170.25
Corporate social responsibility expenditure	-	-	27.35
Director sitting fees	13.52	11.77	22.89
Recruitment expenses	7.19	1.69	35.63
Information technology expenses	116.84	43.60	122.95
Insurance expenses	10.57	5.07	12.03
Other expenses	19.58	7.68	25.31
<b>Total</b>	<b>476.59</b>	<b>366.54</b>	<b>952.17</b>

**Note 33(a): Break up of Auditors' remuneration**

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Statutory audit	5.45	8.75	14.36
Tax audit	0.82	0.63	1.09
<b>In other capacity</b>			
Other services	9.39	4.31	8.33
<b>Total</b>	<b>15.66</b>	<b>13.69</b>	<b>23.78</b>

**Note 34: Earnings per share (EPS)**

a) The basic earnings per share has been calculated based on the following:

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Net Profit after tax	6,326.87	4,799.55	8,523.37
Less: Share issue expenses	-	-	-
Less: Impairment reserve	-	-	-
<b>Net Profit after tax available for equity shareholders</b>	<b>6,326.87</b>	<b>4,799.55</b>	<b>8,523.37</b>
Weighted average number of shares before adjustment of Compulsorily Convertible Preference Shares (CCPS) dilution	21,582	14,056	21,582
Effect of dilution on account of CCPS	-	7,369	-
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>21,582</b>	<b>21,425</b>	<b>21,582</b>

b) The reconciliation between the basic and the diluted earnings per share is as follows:

	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
Basic earnings per share (in ₹)	0.29	0.22	0.39
Diluted earnings per share (in ₹)	0.29	0.22	0.39

The Basic earnings per share for the half year ended September 30, 2021 considers the effect of dilution on account of the Compulsorily Convertible Preference Shares as the conversion ratio is fixed.

