

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.
- (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.

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 Statement of Profit and Loss for the period May 23, 2019 to March 31, 2020

(Amount in Rs. unless otherwise stated)

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

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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

For and on behalf of the Board of Directors of

Aseem Infrastructure Finance Limited

Rutushtra Patell

Partner

Membership No : 123596

Place: Mumbai

Date: June 30, 2020

Surya Prakash Rao Pendyala

Director

DIN: 02888802

Place: Mumbai

Date: June 30, 2020

Rajiv Dhar

Director

DIN: 00073997

Virender Pankaj

Chief Executive Officer

Aseem Infrastructure Finance

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

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

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

Rutushtra Patell

Partner

Membership No : 123596

Place: Mumbai

Date: June 30, 2020

Surya Prakash Rao Pendyala

Director

DIN: 02888802

Place: Mumbai

Date: June 30, 2020

Rajiv Dhar

Director

DIN: 00073997

Virender Pankaj

Chief Executive Officer

Aseem Infrastructure Finance Limited

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, 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 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

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

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

Equity shares

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

b) Rights and preference of equity shareholders

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

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

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

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

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

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

Note 5: Provisions

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

Note:

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

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

Aseem Infrastructure Finance Limited
Notes forming part of the 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
<i>Unquoted</i>	
Investment in equity instruments	
NIIIF 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)	
	<u>2,65,91,01,054</u>

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

Note 8: Deferred tax asset

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

Note 9: Cash and bank balances

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

Note 10: Other current assets

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

Aseem Infrastructure Finance Limited
Notes forming part of the 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
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Note 15: Related party disclosure

a. Name of related parties and related party relationship

i) Parties where control exists

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

ii) Key management personnel

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

iii) Associate company

NIIF Infrastructure Finance Limited

b. Transactions with related parties during the period

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

c. Closing balance of the transactions with related parties

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

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

Aseem Infrastructure Finance Limited
Notes forming part of the 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)	<u>2,65,91,01,054</u>
(ii) Provision for depreciation		
(a) In India		-
(b) Outside India		-
	(B)	<u>-</u>
(iii) Net Value of Investments		
(a) In India		2,65,91,01,054
(b) Outside India		-
	(A-B)	<u>2,65,91,01,054</u>

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	<u>-</u>

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	-	-
Total	-	-

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
Liabilities											
Borrowings from banks	-	-	-	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	2,65,91,01,054	2,65,91,01,054
Joint Liability Group (JLG) Loans	-	-	-	-	-	-	-	-	-	-	-
Micro Enterprises Loans (MEL)	-	-	-	-	-	-	-	-	-	-	-
Rural Micro Enterprises Loans	-	-	-	-	-	-	-	-	-	-	-
Gold Loans (GL)	-	-	-	-	-	-	-	-	-	-	-

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
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:

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

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

r) Concentration of Exposures

	As at March 31, 2020
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
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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 preceding previous period.

As per our report of even date.

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

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

Rutushtra Patell
Partner
Membership No : 123596

Surya Prakash Rao Pendyala
Director
DIN: 02888802

Rajiv Dhar
Director
DIN: 00073997

Virender Pankaj
Chief Executive Officer

Place: Mumbai
Date: June 30, 2020

Place: Mumbai
Date: June 30, 2020