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INDEPENDENT AUDITOR'S REPORT

To the Members of National Investment and Infrastructure Fund Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of National Investment and Infrastructure Fund 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements.

Responsibility of Management for the Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 year ended March 31, 2020 and the transition date opening balance sheet as at April 01, 2019 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act read with the Companies (Accounts) Rules, 2014, have been audited by us whose report for the year ended March 31, 2020 and March 31, 2019 dated June 30, 2020 and May 17, 2019 respectively expressed an unmodified opinion on those financial statements, 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.

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 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 Ind AS 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 over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid /provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; 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 as disclosed in Note 24 to the financial statements;
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 & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533
UDIN: 21094533AAAAFT2540
Place of Signature: Gurugram
Date: June 17, 2021

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

Re: National Investment and Infrastructure Fund Limited

(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, there are no immovable properties, included in property, plant and equipment/fixed assets 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, and hence not commented upon.

(iii) (a) 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, provisions of section 185 and 186 of the Act, in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(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 Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, 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 and employees' state insurance are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax and other statutory dues were outstanding, at the year 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 year.

(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 (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 financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no 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 managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(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 financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Act in respect of the preferential allotment of 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 him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533
UDIN: 21094533AAAAFT2540
Place: Gurugram
Date: June 17, 2021

Annexure 2 referred to in paragraph 2 (f) 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 National Investment and Infrastructure Fund Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the 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.

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, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533
UDIN: 21094533AAAAFT2540
Place of Signature: Gurugram
Date: June 17, 2021

National Investment and Infrastructure Fund Limited
Balance Sheet as at March 31, 2021
(All amount in Rs. Lakhs, unless otherwise stated)

Particulars	Note	March 31, 2021	March 31, 2020	April 1, 2019
ASSETS				
Non-current assets				
Property, plant and equipment	2	837.93	886.72	559.32
Capital work in progress	2	-	86.85	-
Intangible assets	3	42.13	57.44	66.82
Right-of-use asset	33	876.84	1,371.26	1,407.86
Financials assets				
Investments	4	97.97	45.74	34.15
Loans and advances	5	46.68	-	-
Deferred tax assets (net)	29	973.53	180.85	87.37
		2,875.08	**2,628.86**	**2,155.52**
Current assets				
Financial assets				
Cash and bank balances	6	36,670.69	28,188.34	5,478.69
Other financial assets	7	2,130.22	1,161.69	6,235.52
Current tax assets (net)		-	261.11	152.47
Other current assets	8	356.30	176.29	177.83
		39,157.21	**29,787.43**	**12,044.51**
Total assets		**42,032.29**	**32,416.29**	**14,200.03**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	9	51.45	4.08	4.08
Instruments entirely equity in nature	10	-	740.85	726.19
Other equity	11	34,559.18	25,795.88	8,969.13
Total equity		**34,610.63**	**26,540.81**	**9,699.40**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Lease liabilities	33	216.48	802.67	979.17
Other financial liabilities	12	213.65	65.21	-
Provisions	13	700.22	395.64	175.43
Other non current liabilities	13a	-	22.88	-
		1,130.35	**1,286.40**	**1,154.60**
Current liabilities				
Financial liabilities				
Trade payables				
a) total outstanding dues of micro enterprises and small enterprises	14	34.91	20.10	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	14	200.61	39.76	957.67
Lease liabilities	33	758.70	676.06	496.80
Other financial liabilities	14a	2,404.91	1,214.73	946.10
Current tax liabilities (net)		178.64	-	-
Other current liabilities	15	433.74	2,628.09	939.70
Provisions	16	2,279.80	10.34	5.76
		6,291.31	**4,589.08**	**3,346.03**
Total equity and liabilities		**42,032.29**	**32,416.29**	**14,200.03**
Significant accounting policies	1			

The accompanying notes are an integral part of the financial statements
As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
Firm registration no. 101049W/E300004

per Amit Kabra
Partner
Membership no: 094533

For and on behalf of the Board of Directors of
National Investment and Infrastructure Fund Limited

Sujoy Bose
Managing Director & CEO
DIN : 02566157

Sanjay Bhandarkar
Director
DIN : 01260274

Saurabh Jain
Chief Financial Officer

Ekta Agarwal
Company Secretary
Membership no.: A18190

National Investment and Infrastructure Fund Limited

Statement of Profit and Loss for the year ended March 31, 2021

(All amount in Rs. Lakhs, unless otherwise stated)

Particulars	Note	March 31, 2021	March 31, 2020
Revenue			
Revenue from operations	17	18,068.08	20,711.27
Other income	18	1,695.47	1,153.40
Total income		**19,763.55**	**21,864.67**
Expenses			
Finance costs	19	127.68	144.47
Employee benefits expenses	20	7,619.10	3,621.94
Depreciation and amortization expense	21	1,373.42	948.63
Other expenses	22	2,239.65	1,854.86
Total expenses		**11,359.85**	**6,569.90**
Profit before tax		**8,403.70**	**15,294.77**
Tax expense:			
(1) Current tax	29	2,995.68	3,983.28
(2) Tax for earlier years	29	(62.43)	24.68
(3) Deferred tax (credit)	29	(789.84)	(89.17)
Profit for the year		**6,260.29**	**11,375.98**
Other comprehensive income			
Investments valued at fair value through OCI		6.36	0.71
Income tax impact		(1.60)	(0.21)
		4.76	0.50
Remeasurements of defined benefit liability		(17.63)	(17.94)
Income tax impact		4.44	4.52
		(13.19)	(13.42)
Other comprehensive income (net of tax)		**(8.43)**	**(12.92)**
Total Comprehensive Income for the year		**6,251.86**	**11,363.06**
Earnings per equity share:	23		
Basic (Rs.)		1,260.48	3,264.01
Diluted (Rs.)		1,260.48	3,264.01
Nominal value per share (Rs.)		10	10
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
Firm registration no. 101049W/E300004

per Amit Kabra
Partner
Membership no: 094533

For and on behalf of the Board of Directors of
National Investment and Infrastructure Fund Limited

Sujoy Bose
Managing Director & CEO
DIN : 02566157

Sanjay Bhandarkar
Director
DIN : 01260274

Saurabh Jain
Chief Financial Officer

Ekta Agarwal
Company Secretary
Membership no.: A18190

National Investment and Infrastructure Fund Limited
Cash Flow Statement for the year ended March 31, 2021
(All amount in Rs. Lakhs, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020
Cash flow from operating activities		
Profir before tax	8,403.70	15,294.77
Adjusted for:		
Depreciation and amortization	1,373.42	948.63
Interest income on security deposits	(22.28)	(18.54)
Interest income on bank deposits	(1,626.83)	(1,132.45)
Interest on loans to EBT	(0.79)	-
Income from investments in NIIF Funds	(1.32)	(2.41)
Interest on income tax tefund	(14.72)	-
Interest on taxes	6.23	2.41
Interest on lease liability	121.45	141.80
Operating profit before assets and liabilities changes	**8,238.86**	**15,234.21**
Adjusted for changes in assets and liabilities:		
Change in trade payables	175.66	(897.81)
Change in provisions	2,556.41	206.85
Change in other non current liabilities	(22.88)	22.88
Change in other current liabilities	(2,194.35)	1,688.39
Change in other non current other financial liabilities	148.44	65.21
Change in other financial liabilities	1,190.18	268.63
Change in other financial assets	(946.26)	5,046.90
Change in other current assets	(180.01)	1.54
Cash generated from operations	**8,966.05**	**21,636.80**
Taxes paid (net of refunds)	(2,493.50)	(4,116.59)
Net Cash generated from operating activities	**6,472.55**	**17,520.21**
Cash flows from investing activities		
Interest on deposits	1,626.83	1,132.45
Purchase of property plant and equipments including CWIP	(403.98)	(730.59)
Investments in fixed deposits	(4,310.06)	(17,487.92)
Purchase of Intangible assets	-	(5.84)
Sale of property plant and equipments	0.77	0.74
Income from investments in NIIF Funds	1.32	2.41
Purchase of investments	(45.87)	(10.88)
Loan to EBTs	(45.89)	-
Interest on taxes	(6.23)	(2.41)
Interest on income tax refund	14.72	-
Net Cash used in investing activities	**(3,168.39)**	**(17,102.04)**
Cash flows from financing activities		
Proceeds from issues of compulsory convertible preference shares	1,817.97	5,478.36
Tax on preference dividend paid	(0.01)	(0.01)
Payment of lease liability	(949.83)	(674.79)
Net Cash generated from financing activities	**868.13**	**4,803.56**
Net increase in cash and cash equivalents	**4,172.29**	**5,221.73**
Cash and cash equivalents at the beginning of the year	**5,417.64**	**195.91**
Cash and cash equivalents at the end of the year	**9,589.93**	**5,417.64**
Cash and bank balance include: (Refer Note 6)		
Balance with banks		
In current accounts	95.90	146.95
Deposits with remaining maturity of less than three months	9,494.03	5,270.69
Cash and bank balance at the end of the year	**9,589.93**	**5,417.64**

The accompanying notes are an integral part of the financial statements
As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
Firm registration no. 101049W/E300004

per Amit Kabra
Partner
Membership no: 094533

For and on behalf of the Board of Directors of
National Investment and Infrastructure Fund Limited

Sujoy Bose
Managing Director & CEO
DIN : 02566157

Sanjay Bhandarkar
Director
DIN : 01260274

Saurabh Jain
Chief Financial Officer

Ekta Agarwal
Company Secretary
Membership no.: A18190

National Investment and Infrastructure Fund Limited
Statement of Changes in Equity for the year ended March 31, 2021
(All amount in Rs. Lakhs, unless otherwise stated)

A. Equity share capital

Particulars	No.	INR lacs
Equity shares of Rs 10 each fully paid up		
At April 1, 2019	**40,818**	**4.08**
At March 31, 2020	**40,818**	**4.08**
Issue of share capital (Note 9)	473,670	47.37
At March 31, 2021	**514,488**	**51.45**

B. Instruments entirely equity in nature

Particulars	No.	INR lacs
Compulsorily Convertible Preference Shares ('CCPS') of Rs. 10 each fully paid up		
At April 1, 2019	**7,261,945**	**726.19**
Issue of CCPS (Note 10)	146,578	14.66
At March 31, 2020	**7,408,523**	**740.85**
Issue of CCPS (Note 10)	25,380	2.54
Conversion of CCPS in equity (Note 10)	(7,433,903)	(743.39)
At March 31, 2021	**-**	**-**

C. Other equity

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at April 1, 2019 (as per IGAAP)	1,442.92	7,532.87	**8,975.79**
Effect of Ind AS adjustments	-	(6.66)	(6.66)
Balance as at April 1, 2019	**1,442.92**	**7,526.21**	**8,969.13**
Profit for the year	-	11,375.98	11,375.98
Other comprehensive income for the year	-	(12.92)	(12.92)
Total comprehensive income for the year	**-**	**11,363.06**	**11,363.06**
Issue of CCPS	5,463.70	-	5,463.70
Interim Dividend paid including DDT	-	(0.01)	(0.01)
Balance as at March 31, 2020	**6,906.62**	**18,889.26**	**25,795.88**
Profit for the year	-	6,260.29	6,260.29
Other comprehensive income for the year	-	(8.43)	(8.43)
Total comprehensive income for the year	**-**	**6,251.86**	**6,251.86**
Issue of CCPS	1,815.43	-	1,815.43
Conversion of CCPS into equity	696.02	-	696.02
Dividend paid	-	(0.01)	(0.01)
Balance as at March 31, 2021	**9,418.07**	**25,141.11**	**34,559.18**

The accompanying notes are an integral part of the financial statements
As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
Firm registration no. 101049W/E300004

per Amit Kabra
Partner
Membership no: 094533

For and on behalf of the Board of Directors of
National Investment and Infrastructure Fund Limited

Sujoy Bose
Managing Director & CEO
DIN : 02566157

Sanjay Bhandarkar
Director
DIN : 01260274

Saurabh Jain
Chief Financial Officer

Ekta Agarwal
Company Secretary
Membership no.: A18190

Note 1.1: Corporate Information

National Investment and Infrastructure Fund Limited (CIN: U74900DL2015PLC287894) (the "Company") was incorporated on November 28, 2015 as a Public Company limited by shares. The principal activities of the Company inter alia include to undertake and carry on the business and activities as an Investment Manager of Funds. The registered office of the Company is at Hindustan Times House, 3rd Floor, 18-20 K G Marg, Delhi - 110001, India.

The Company has been appointed as an Investment Manager to National Investment and Infrastructure Fund, NIIF Fund of Funds - I and National Investment and Infrastructure Fund II, these funds are registered as category II Alternative Investment Fund under SEBI (Alternative Investment Funds) Regulations, 2012 (collectively referred as "NIIF Funds").

Note 1.2: Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

A) Statement of compliance

The Company has adopted Ind AS from April 1, 2020 with effective transition date of April 1, 2019 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in lnd AS, prescribed under Section 133 of the Act read with relevant rules issued thereunder and the other other relevant provisions of the Companies Act 2013. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2019 and the comparative previous year has been restated/reclassified.

These financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2019 being the 'date of transition to Ind AS'.

B) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of services and the time between provision of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

C) Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

• Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial
• Net defined benefit (asset) / liability: plan assets are measured at fair value less present value of defined benefit
• Share-based payments - measured at fair value; and
• Assets held for sale: measured at fair value less costs to sell.

D) Functional and presentation currency

The financial statements are presented in Indian 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.

E) Use of estimates and judgements

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and the Statement of Profit and Loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgment, estimates and assumptions are required in particular for:

I. Revenue

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

II. Determination of estimated useful lives of property, plant and equipment

Useful lives of property, plant and equipment are based on 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.

III. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. 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. Further details are disclosed in Note 28.

IV. Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, depreciation carry-forwards and unused tax credits could be utilized.

V. Recognition and measurement of provisions 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.

VI. Discounting of Financial Assets and Liabilities

All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets/ liabilities which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest rate method.

VII. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please refer Note 30.

VII. Impairment of financial assets

At each reporting date, the Company assesses whether the above financial assets 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.

VIII. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The 'value in use' calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

VIII. Determination of lease term

Ind AS 116 – Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

IX. Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

Note 1.3: Significant accounting policies

A. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment (PPE) are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

(iii) Depreciation

Deprecation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. Estimated useful lives of assets based on technical evaluation by the management are as follows:

Computers	3 years
Office equipment's	2 - 5 years
Furniture and fixtures	3 - 5 years
Leasehold improvements	Over the period of lease

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

B. Intangible assets

(i) Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other non-refundable taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making 'the asset ready for its intended use and net of any trade discounts and rebates.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortization

The intangible assets are amortized over the estimated useful lives as given below:

Softwares	6 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

C. Leases

Company as lessee

At inception of the contract, Company assesses whether a contract is, or contains a lease. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the period of lease term of the underlying asset. The depreciation starts at the commencement date of the lease.

Non-lease component are recognised separately from lease component, unless non-lease component is not significant.

Company as lessor
Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

D. Revenue recognition
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Management fee
Management fees is recognized an accrual basis as per the rates specified in the investment management agreement signed with contributors.

Income from NIIF Funds

Revenue on account of distribution from funds is recognised on the receipt of the distribution letter or when right to receive is established.

Interest Income
Interest income on financial assets is recognized on an accrual basis.

Profit on sale of Investment
The profit/loss on sale of investments is recognized in the Statement of Profit and Loss on the trade date.

E. Income tax
Income tax expense comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income (OCI).

Current tax
Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognized amounts, and it intends to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are reviewed at each reporting date and based on management’s judgment, are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:
(a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

F. Employee benefits

Defined contribution plan
Provident Fund
The Company's contribution to government provident fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no further obligations.

New Pension Scheme
For the employees who have opted for New Pension Scheme, the Company contributes up to 10% of employees' salary per annum, to the New Pension Fund administered by PFRDA appointed pension fund manager. The Company recognizes such contributions as an expense in the year they are incurred.

Defined Benefit Plan
Gratuity
The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, as per the independent actuarial valuation report. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method as at the Balance Sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

Compensated Absences
Compensated absences which accrue to employees and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employees performs the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit, and where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

Other Employee Benefits
The company has a long term performance cash plan ("LCAP") which entitles the eligible employees a fixed amount of grant which is vested over the period of 3 years begininng from the third anniversary of the grant date based on the performance of the funds. Expense is recognised on a straight line basis over the period of 6 years in the Statement of Profit and Loss.

G. Foreign currency transactions
Transactions in foreign currencies are translated into functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and are not retranslated.

H. Earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

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

I. Impairment of non-financial assets

The carrying values of assets (including Right of Use Assets)/cash generating units at each Balance Sheet date are reviewed for impairment if any indication of impairment exists. If any such indication exists and the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognized for such excess amount in the Statement of Profit and Loss.

The recoverable amount is the greater of the fair value less costs of disposal and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognized.

J. Provisions and contingent liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of past events, 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

K. Segment reporting

The Company’s main business is to provide investment management services to NIIF Funds. Accordingly, there are no separate reportable operating segments as per IND-AS 108.

L. 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 assets

Recognition and Initial measurement

All financial assets are recognized initially at fair value. In the case of financial assets not recorded at fair value through the Statement of Profit or Loss, any transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial asset unless otherwise specifically mentioned in the accounting policies are adjusted from the fair value.

Classification

The Company classifies its financial assets as subsequently measured at either amortized 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 information provided to the Management. The information considered includes:

• the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue,maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

• the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

• the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.

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

For the purposes of this assessment, '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.

Subsequent measurement

The Company classifies its financial assets in the following measurement categories:

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions:

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest (EIR) method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the Statement of Profit and Loss. The losses, if any, arising from impairment are recognized in the Statement of Profit and Loss.

Financial asset at fair value through Other Comprehensive Income (FVOCI) - Debt Instruments

A financial asset is measured at FVOCI if it meets both of the following conditions:

• the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

• the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at fair value. The impairment losses, if any, are recognized through Statement of Profit and Loss. The loss allowance is recognized in OCI and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

Financial asset at fair value through profit and loss (FVTPL)

Any financial asset, which does not meet the criteria for classification as at amortized cost or as FVOCI, is classified to be measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All equity investments except for investments in subsidiary/associate/joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

Equity instruments at FVOCI

The Company subsequently measures all equity investments at FVTPL, unless the Company has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to the Statement of Profit and Loss. Dividends are recognized in the Statement of Profit and Loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial liabilities

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at FVTPL. Liabilities which are classified at FVTPL, shall be subsequently measured at fair value.

M. 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 impairment on financial instruments in the 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.

N. Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- 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.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) 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 recognised in OCI is recognised in the Statement of Profit and Loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

O. Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.
If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in the Statement of Profit and Loss account. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the Statement of Profit and Loss.

P. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Q. Measurement of fair values

The Company's accounting policies and disclosures require fair value measurement of financial instruments such as investment in equity instruments, mutual funds, debentures, preference shares and units of the venture fund/alternate investment fund.

Fair value is the price 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.

Management uses its judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

R. Cash and bank balances

Cash and bank balance comprise of cash on hand, balance with banks in current accounts and term deposits with banks. It also comprises of highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

S. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and 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.

T. Trade receivable

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

U. Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest “Lakhs” as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “0” in the relevant notes in these financial statements.

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(All amount in Rs. Lakhs, unless otherwise stated)

Note 2: a. Property, plant and equipment

Particulars	Leasehold improvements	Furniture and fixtures	Office equipment	Computers	Total
Cost:					
As at April 1, 2019	**258.13**	**73.85**	**194.08**	**33.26**	**559.32**
Additions	419.07	57.34	139.64	27.69	643.74
Disposals	-	-	0.38	0.36	0.74
As at March 31, 2020	**677.20**	**131.19**	**333.34**	**60.59**	**1,202.32**
Additions	311.48	37.53	114.83	26.99	490.83
Disposals	-	-	9.73	0.73	10.46
As at March 31, 2021	**988.68**	**168.72**	**438.44**	**86.85**	**1,682.69**
Accumulated depreciation:					
As at April 1, 2019	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	166.85	23.43	106.10	19.22	315.60
Disposals	-	-	-	-	-
As at March 31, 2020	**166.85**	**23.43**	**106.10**	**19.22**	**315.60**
Depreciation charge for the year	355.98	33.60	125.86	23.42	538.86
Disposals	-	-	9.00	0.70	9.70
As at March 31, 2021	**522.83**	**57.03**	**222.96**	**41.94**	**844.76**
Net book value:					
At March 31, 2020	**510.35**	**107.76**	**227.24**	**41.37**	**886.72**
At March 31, 2021	**465.85**	**111.69**	**215.48**	**44.91**	**837.93**

b. Capital work-in progress

Particulars	Total
Cost:	
As at April 1, 2019	**-**
Additions	86.85
Disposals	-
As at March 31, 2020	**86.85**
Additions	224.63
Disposals	311.48
As at March 31, 2021	**-**

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the tangible assets as on the date of transition (April 1, 2019) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer Note below for the gross block value and the accumulated depreciation on April 1, 2019 under the previous GAAP.

Particulars	Leasehold improvements	Furniture and fixtures	Office equipment	Computers	Total
Gross Block	316.87	92.37	298.66	48.04	**755.94**
Accumulated Depreciation	58.74	18.52	104.58	14.78	**196.62**
Net book value as at April 1, 2019	**258.13**	**73.85**	**194.08**	**33.26**	**559.32**

National Investment and Infrastructure Fund Limited
Notes to the financial statements for the year ended March 31, 2021
(All amount in Rs. Lakhs, unless otherwise stated)

Note 3: Intangible assets

Particulars	Softwares	Total
Cost:		
As at April 1, 2019	**66.82**	**66.82**
Additions	5.84	5.84
As at March 31, 2020	**72.66**	**72.66**
As at March 31, 2021	**72.66**	**72.66**
Amortisation:		
As at April 1, 2019	**-**	**-**
Amortisation charge for the year	15.22	15.22
As at March 31, 2020	**15.22**	**15.22**
Amortisation charge for the year	15.31	15.31
As at March 31, 2021	**30.53**	**30.53**
Net carrying value:		
At March 31, 2020	**57.44**	**57.44**
At March 31, 2021	**42.13**	**42.13**

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the intangible assets as on the date of transition (April 1, 2019) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer Note below for the gross block value and the accumulated impairment on April 1, 2019 under the previous GAAP.

Particulars	Software	Total
Gross Block	86.08	86.08
Accumulated Amortisation	19.26	19.26
Net book value as at April 1, 2019	**66.82**	**66.82**

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National Investment and Infrastructure Fund Limited
Notes to the financial statements for the year ended March 31, 2021
(All amount in Rs. Lakhs, unless otherwise stated)

Note 4: Investments

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Unquoted:			
Investments in NIIF Funds	97.97	45.74	34.15
Total	**97.97**	**45.74**	**34.15**
(i) Investments outside India	-	-	-
(ii) Investments in India	97.97	45.74	34.15
Total	**97.97**	**45.74**	**34.15**
Total Net	**97.97**	**45.74**	**34.15**
At fair value through other comprehensive income	97.97	45.74	34.15

Note 5: Loans and Advances

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
NIIFL Fund of Funds EBT	28.79	-	-
NIIFL Master Fund EBT	17.89	-	-
Total	**46.68**	**-**	**-**

Note 6: Cash and bank balances

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Balances with banks			
In current accounts	95.90	146.95	195.91
Deposits with remaining maturity of less than 3 months	9,494.03	5,270.69	-
Bank balances other than above			
Deposits with remaining maturity of more than 3 months to 12 months	27,080.76	22,770.70	5,282.78
Total	**36,670.69**	**28,188.34**	**5,478.69**

Note 7: Other financial assets

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Accrued management fee	882.64	546.27	4,954.86
Employee advances	2.60	1.49	9.86
Vendor advances	240.62	184.02	10.93
Security deposits	284.11	261.83	107.67
Other receivables*	720.25	168.08	1,152.20
Total	**2,130.22**	**1,161.69**	**6,235.52**

*Other recievables primarily includes recievables towards reimbursement of expenses incurred on behalf of NIIF funds and their portfolio companies.

Note 8: Other current assets

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Other advances	-	9.86	9.57
Balance with statutory and government authorities	127.97	21.68	27.29
Prepaid expenses	223.55	136.97	138.33
Prepaid maintenance	4.78	7.78	2.64
Total	**356.30**	**176.29**	**177.83**

Note 9: Equity share capital

Details of authorized, issued subscribed and paid up share capital

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Authorized:			
66,00,000 equity shares of Rs.10/- each	660.00	660.00	660.00
	660.00	**660.00**	**660.00**
Issued, subscribed and fully paid-up:			
5,14,488 equity shares of Rs 10/- each, fully paid up (March 31, 2020: 40,818 equity shares, April 1, 2019: 40,818 equity shares)	51.45	4.08	4.08
	51.45	**4.08**	**4.08**

Rights, preferences and restrictions attached to Equity shares

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 9.1: Reconciliation of equity shares outstanding at the beginning and end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	No. of shares	Rs. In lakhs	No. of shares	Rs. In lakhs	No. of shares	Rs. In lakhs
Equity shares at the beginning of year	40,818	4.08	40,818	4.08	40,818	4.08
Add : shares issued during the year	473,670	47.37	-	-	-	-
Equity shares at the end of year	**514,488**	**51.45**	**40,818**	**4.08**	**40,818**	**4.08**

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

Particulars	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Government of India (represented by its nominees)	252,099	49.00%	20,000	49.00%	20,000	49.00%
2452991 Ontario Limited	55,275	10.74%	-	-	-	-
AustralianSuper Investments Fund No.2	55,275	10.74%	-	-	-	-
Green Rock B 2014 Limited	52,260	10.16%	9,129	22.37%	9,129	22.37%
CPPIB Private Holdings (4) Inc.	34,098	6.63%	-	-	-	-
ICICI Bank Limited	6,432	1.25%	4,040	9.90%	4,040	9.90%
HDFC Life Insurance Company Limited	3,377	0.66%	2,412	5.91%	2,412	5.91%
Total	**458,816**	**89.18%**	**35,581**	**87.17%**	**35,581**	**87.17%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(All amount in Rs. Lakhs, unless otherwise stated)

Note 10: Instruments entirely equity in nature

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Authorized:			
4,50,000 Compulsorily convertible preference shares of Rs. 10 each-Series A	45.00	45.00	45.00
10,00,000 Compulsorily convertible preference shares of Rs. 10 each-Series B	100.00	100.00	100.00
10,50,000 Compulsorily convertible preference shares of Rs. 10 each-Series C	105.00	105.00	105.00
59,00,000 Compulsorily convertible preference shares of Rs. 10 each-Series D	590.00	590.00	590.00
1,13,000 Compulsorily convertible preference shares of Rs. 10 each-Series E	11.30	11.30	-
34,100 Compulsorily convertible preference shares of Rs. 10 each-Series F	3.41	3.41	-
25,380 Compulsorily convertible preference shares of Rs. 10 each-Series G	2.54	-	-
Total	**857.25**	**854.71**	**840.00**
Issued, subscribed and paid-up:			
3,45,398 Compulsorily convertible preference shares of Rs. 10 each-Series A	-	34.54	34.54
43,131 Compulsorily convertible preference shares of Rs. 10 each-Series B	-	4.31	4.31
9,95,000 Compulsorily convertible preference shares of Rs. 10 each-Series C	-	99.50	99.50
58,78,416 Compulsorily convertible preference shares of Rs. 10 each-Series D	-	587.84	587.84
1,12,480 Compulsorily convertible preference shares of Rs. 10 each-Series E	-	11.25	-
34,098 Compulsorily convertible preference shares of Rs. 10 each-Series F	-	3.41	-
25,380 Compulsory convertible preference shares of Rs. 10 each - Series G	-	-	-
Total	**-**	**740.85**	**726.19**

Rights, preference and restrictions attached to Compulsorily Convertible Preference Shares ('CCPS')

The above CCPS were entitled to dividend at the rate of 0.001% per annum. On January 21, 2021, the Company converted these CCPS into equity shares of face value of Rs. 10 each, in accordance with the terms of the respective share subscription agreement as per Note 10.2 below.

Note 10.1: Details of compulsorily convertible preference shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Series C - Compulsorily convertible preference shares						
HDFC Limited	-	-	453,000	6.11%	453,000	6.24%
ICICI Bank Limited	-	-	542,000	7.32%	542,000	7.46%
Series D - Compulsorily convertible preference shares						
MacRitchie Investments Pte. Limited	-	-	5,878,416	79.35%	5,878,416	80.95%

Note 10.2: Reconciliation of compulsorily convertible preference shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2021 No. of shares	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 No. of shares	As at March 31, 2020 Rs. In lakhs	As at April 1, 2019 No. of shares	As at April 1, 2019 Rs. In lakhs
Series A - Compulsorily convertible preference shares						
Shares at the beginning of year	345,398	34.54	345,398	34.54	345,398	34.54
Less : Converted into equity*	(345,398)	(34.54)	-	-	-	-
Shares at the end of year	**-**	**-**	**345,398**	**34.54**	**345,398**	**34.54**
Series B - Compulsorily convertible preference shares						
Shares at the beginning of year	43,131	4.31	43,131	4.31	43,131	4.31
Less : Converted into equity*	(43,131)	(4.31)	-	-	-	-
Shares at the end of year	**-**	**-**	**43,131**	**4.31**	**43,131**	**4.31**
Series C - Compulsorily convertible preference shares						
Shares at the beginning of year	995,000	99.50	995,000	99.50	995,000	99.50
Less : Converted into equity*	(995,000)	(99.50)	-	-	-	-
Shares at the end of year	**-**	**-**	**995,000**	**99.50**	**995,000**	**99.50**
Series D - Compulsorily convertible preference shares						
Shares at the beginning of year	5,878,416	587.84	5,878,416	587.84	-	-
Add: shares issued during the year	-	-	-	-	5,878,416	587.84
Less : Converted into equity*	(5,878,416)	(587.84)	-	-	-	-
Shares at the end of year	**-**	**-**	**5,878,416**	**587.84**	**5,878,416**	**587.84**
Series E - Compulsorily convertible preference shares						
Shares at the beginning of year	112,480	11.25	-	-	-	-
Add: shares issued during the year	-	-	112,480	11.25	-	-
Less : Converted into equity*	(112,480)	(11.25)	-	-	-	-
Shares at the end of year	**-**	**-**	**112,480**	**11.25**	**-**	**-**
Series F - Compulsorily convertible preference shares						
Shares at the beginning of year	34,098	3.41	-	-	-	-
Add: shares issued during the year	-	-	34,098	3.41	-	-
Less : Converted into equity*	(34,098)	(3.41)	-	-	-	-
Shares at the end of year	**-**	**-**	**34,098**	**3.41**	**-**	**-**
Series G - Compulsorily convertible preference shares						
Shares at the beginning of year	-	-	-	-	-	-
Add: shares issued during the year	25,380	2.54	-	-	-	-
Less : Converted into equity*	(25,380)	(2.54)	-	-	-	-
Shares at the end of year	**-**	**-**	**-**	**-**	**-**	**-**
Total CCPS	**-**	**-**	**7,408,523**	**740.85**	**7,261,945**	**726.19**

*Pursuant to final close of National Investment and Infrastructure Fund, the oustanding Compulsorily Convertible Preference Shares were converted into equity shares during the year.

Dividend:

*During the year March 31, 2021, the company paid contractual dividend of INR 740/- (March 31, 2020: INR 442/-) at rate of 0.001% per share on preference shares.

(All amount in Rs. Lakhs, unless otherwise stated)

Note 11: Other equity

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Securities premium account*	9,418.07	6,906.62	1,442.92
Retained earnings	25,141.11	18,889.26	7,526.21
Total	**34,559.18**	**25,795.88**	**8,969.13**

Nature and purpose of reserves:

*Securities premium account is used to record the premium on issuance of shares. The same will be utilised in accordance with provisions of the Companies Act, 2013.

Note 12: Other financial liabilities

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
LCAP payable	213.65	65.21	-
Total	**213.65**	**65.21**	**-**

Note 13: Provisions

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Provision for employee benefits			
- Provision for gratuity	268.31	146.51	59.61
- Provision for compensated absences	431.91	249.13	115.82
Total	**700.22**	**395.64**	**175.43**

Note 13a: Other non current liabilities

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Revenue received in advance	-	22.88	
Total	**-**	**22.88**	**-**

Note 14: Trade Payables

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
(i) Total outstanding dues of micro enterprises and small enterprises*	34.91	20.10	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	200.61	39.76	957.67
Total	**235.52**	**59.86**	**957.67**

*The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable other than disclosed above to Micro and Small Enterprises as at March 31, 2021, March 31, 2020 and April 1, 2019.

(All amount in Rs. Lakhs, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Principal amount remaining unpaid to supplier as at the end of the year	34.91	20.10	-
Interest due on the principal remaining outstanding as at the end of the year	-	-	-
Interest paid under the Micro, Small and Medium Enterprises Development Act, 2006 beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
Interest accrued and remaining unpaid at the end of the year	-	-	-
Amount of further interest remaining due and payable even in the 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 the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

Note 14a Other financial liabilities

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
LCAP payable	23.37	-	-
Provision for expenses payable	2,381.54	1,214.73	946.10
Total	**2,404.91**	**1,214.73**	**946.10**

Note 15: Other current liabilities

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Revenue received in advance	22.88	2,355.46	-
Payable for capex	44.50	81.75	23.05
Statutory dues payable	366.36	190.88	916.65
Total	**433.74**	**2,628.09**	**939.70**

Note 16: Provisions

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Provision for employee benefits			
- Provision for gratuity	1.62	0.39	0.19
- Provision for compensated absences	23.83	9.95	5.57
Provision for management fee (Refer note 39)	2,254.35	-	-
Total	**2,279.80**	**10.34**	**5.76**

National Investment and Infrastructure Fund Limited
Notes to the financial statements for the year ended March 31, 2021
(All amount in Rs. Lakhs, unless otherwise stated)

Note 17: Revenue from operations

Particulars	March 31, 2021	March 31, 2020
Management fee (Refer note 39)	18,068.08	20,711.27
Total	**18,068.08**	**20,711.27**
Type of services		
Investment management	18,068.08	20,711.27
	18,068.08	**20,711.27**
Geographical markets		
India	18,068.08	20,711.27
Outside India	-	-
	18,068.08	**20,711.27**
Timing of revenue recognition		
At a point in time	-	-
Over a period of time	18,068.08	20,711.27
	18,068.08	**20,711.27**

Note 18: Other income

Particulars	March 31, 2021	March 31, 2020
Interest Income on:		
Term deposits with banks	1,626.83	1,132.45
Income tax refund	14.72	-
Security deposits	22.28	18.54
Loans to employee benefit trusts	0.79	-
Liabilities written back	29.53	-
Income from investments in NIIF Funds	1.32	2.41
Total	**1,695.47**	**1,153.40**

Note 19: Finance costs

Particulars	March 31, 2021	March 31, 2020
Interest on income tax	6.23	2.41
Interest on lease liabilities	121.45	141.80
Bank charges	-	0.26
Total	**127.68**	**144.47**

(All amount in Rs. Lakhs, unless otherwise stated)

Note 20: Employee benefits expenses

Particulars	March 31, 2021	March 31, 2020
Salaries and incentives	6,579.83	2,832.71
Contribution to Provident Fund and New Pension Scheme (Refer note 28)	280.30	136.92
Staff welfare expenses	15.39	72.00
Provision for gratuity (Refer note 28)	106.68	70.21
Provision for compensated absences	287.22	170.00
Others	349.68	340.10
Total	**7,619.10**	**3,621.94**

Note 21: Depreciation and amortization:

Particulars	March 31, 2021	March 31, 2020
Right-of use assets	819.25	617.81
Leasehold improvements	355.98	166.85
Furniture and fixtures	33.60	23.43
Office equipment	125.86	106.10
Computers	23.42	19.22
Softwares	15.31	15.22
Total	**1,373.42**	**948.63**

Note 22: Other expenses

Particulars	March 31, 2021	March 31, 2020
Repairs, maintenance and energy cost	140.33	188.68
Printing and stationery	7.56	11.84
Computer related expenses	18.85	16.93
Communication and IT running costs	162.21	126.39
Advertisement, branding and PR agency	260.46	173.32
Travel related expenses	21.07	423.72
Accounting outsourcing fees	11.74	9.96
Website designing	11.22	4.71
Subscription related expenses	153.42	93.06
Internal audit fee	19.20	10.55
Payment to auditor (A)	9.00	5.55
Legal and professional charges	1,019.02	697.78
Net gain or loss on foreign currency transactions	1.23	0.76
Contribution towards corporate social responsibility (Refer note 26)	176.23	72.32
Donation towards covid relief	221.78	-
Other expenditure	6.33	19.29
Total	**2,239.65**	**1,854.86**

Particulars	March 31, 2021	March 31, 2020
(A) Payment to auditor		
Audit fee	7.50	3.50
Tax audit fee	1.50	1.50
Reimbursement of expenses	-	0.55
Total	**9.00**	**5.55**

Note 23: Earnings per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	**March 31, 2021**	**March 31, 2020**
Following reflects the profit and share data used in EPS computations:		
Basic		
Weighted average number of equity shares for computation of Basic EPS (in Nos.)	495,992	348,132
Net profit for calculation of basic EPS (In Lakhs)	6,251.86	11,363.06
Basic earning per share (In Rs.)	**1,260.48**	**3,264.01**
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in Nos.)	495,992	348,132
Net profit for calculation of Diluted EPS (in Rs.)	6,251.86	11,363.06
Diluted earning per share (In Rs.)	**1,260.48**	**3,264.01**
Nominal / Face Value of equity shares (In Rs.)	**10**	**10**

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Note 24: Contingent Liabilities and commitments

a. Contingent liabilities - Nil (March 31, 2020: Nil*; April 01, 2019: Nil)

*National Investment and Infrastructure Fund (NIIF), one of the funds managed by the Company had committed an equity investment in GVK Airport Holdings Limited ("GAHL") along with other consortium partners in the year ended March 31, 2020. In the same year, a third party which was also interested in this transaction had filed a suit against the sellers and had made NIIF and consortium partners respondent in their suit. NIIF had cancelled its commitment in GAHL and subsequently the third party has withdrawn the suit.

b. Commitments

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	4.87	198.95	-
Total	**4.87**	**198.95**	**-**

Note 25: Segment information

The Company is in the business of providing Investment management services to NIIF Funds. The primary segment is identified as asset management services as all services are in relation to asset management, there is no seperate segment identified.

Note 26: Corporate Social Responsibility

The Company's CSR program is associated with the CSR initiatives as approved by the CSR committee and the Board. The Company aims to positively contribute towards economic, environmental and social well-being of communities through Its Corporate Social Responsibility agenda. CSR programs being undertaken are in the area of education, healthcare, livelihood, vocational skill development, sports and other areas such as relief and rehabilitation and environmental sustainability, etc.

As per the provisions of Section 135 of the Companies Act, 2013, the Company is required to spend INR 176.23 Lakhs (Previous year INR 72.32 Lakhs) during the year on CSR activities.

Details of Corporate Social Responsibility expenditure

Particulars	Amount
Opening balance as on April 1, 2019	72.32
Amount spent during the year ended March 31, 2020	(17.13)
Outstanding balance as on March 31, 2020	**55.19**
Gross amount required to be spent for the year ended March 31, 2021	176.23
Amount spent during the year ended March 31, 2021	(103.71)
Outstanding balance as on March 31, 2021	**127.71**

(All amount in Rs. Lakhs, unless otherwise stated)

Note 27: Related Party Disclosures

A. Names of Related Parties

Particulars	Nature of relationship
Key Management Personnel	
Mr. Tarun Bajaj	Director
Mr. Ishaat Hussain	Independent Director
Mr. Rajaraman Kalyanaraman	Director
Mr. Sanjay Vijay Bhandarkar	Director
Mr. Deepak Shantilal Parekh	Director
Mr. Bruce Ross Crane	Director
Mr. Martin Adams	Director
Ms. Teresa Clare Barger	Independent Director
Mr. Sujoy Bose	Managing Director & Chief Executive Officer
Name of the related party where control exists	
National Investment and Infrastructure Fund	Company is the Investment Manager
NIIF Fund of Funds - I	Company is the Investment Manager
National Investment and Infrastructure Fund II	Company is the Investment Manager
NIIFL Master Fund EBT	Company is the Trustee
NIIFL Fund of Funds EBT	Company is the Trustee
NIIFL Strategic Opportunities Fund EBT	Company is the Trustee
Aseem Infrastructure Finance Limited	Portfolio company of one of the NIIF Funds*
Intellismart Infrastructure Private Limited	Portfolio company of one of the NIIF Funds*
NIIF Infrastructure Finance Limited	Portfolio company of one of the NIIF Funds*
Athaang Infrastructure Private Limited	Portfolio company of one of the NIIF Funds*
Athaang Devenhalli Tollway Private Limited	Portfolio company of one of the NIIF Funds*
Athaang Dichpally Tollway Private Limited	Portfolio company of one of the NIIF Funds*
Ayana Renewable Energy Private Limited	Portfolio company of one of the NIIF Funds*

*The beneficial ownership of these entities is with one of the NIIF Funds

B Transactions with Key Management Personnel

Key Management Personnel compensation

Particulars	March 31, 2021	March 31, 2020
Managing Director		
Short-term employee benefits	465.85	255.49
Post-employment defined benefit	18.00	10.08
Independent Director		
Director sitting fee	13.20	9.60

(All amount in Rs. Lakhs, unless otherwise stated)

Note 27: Related Party Disclosures (Continued)

C Transactions and balances with Related Parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of Transaction	Year ended March 31 2021	Year ended March 31 2020
Management fees from:		
National Investment and Infrastructure Fund	12,189.90	17,097.16
NIIF Fund of Funds I	3,698.32	440.27
National Investment and Infrastructure Fund II	2,179.86	3,173.84
Income from Investments in:		
National Investment and Infrastructure Fund	0.43	1.56
NIIF Fund of Funds I	0.89	0.85
National Investment and Infrastructure Fund II	-	-
Interest on Loans to EBT:		
NIIFL Master Fund EBT	0.60	-
NIIFL Fund of Funds EBT	0.19	-
Investments in NIIF Funds		
National Investment and Infrastructure Fund	15.17	15.13
NIIF Fund of Funds I	27.08	19.96
National Investment and Infrastructure Fund II	49.40	10.69
Amount receivable from /(payable to) :		
National Investment and Infrastructure Fund	375.55	88.70
NIIF Fund of Funds I	850.21	(4.32)
National Investment and Infrastructure Fund II	109.59	-
Aseem Infrastructure Finance Limited	75.00	83.46
Athaang Infrastructure Private Limited	180.99	0.23
Intellismart Infrastructure Private Limited	0.56	-
NIIF Infrastructure Finance Limited	-	0.01
Loan to Employee Benefit Trusts		
NIIFL Master Fund EBT	17.89	-
NIIFL Fund of Funds EBT	28.79	-

(c) Terms and conditions of transactions with related parties

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

(All amount in Rs. Lakhs, unless otherwise stated)

Note 28: Employee Benefits

A. The Company contributes to the following post-employment defined benefit plans in India.

The Company has recognized the following amounts in the Standalone Statement of profit and loss towards contributions to Provident Fund and Other Funds.

	March 31, 2021	March 31, 2020
Contribution to Provident Fund and New Pension Scheme	280.30	136.92

Defined Benefit Plan:

Gratuity :-

The Company accounts for the liability for future gratuity benefits based on an independent actuarial valuation. The gratuity obligation is unfunded. The net present value of the Company's obligation towards the same is determined based on the Projected Unit Credit method as at the Balance Sheet date.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at Balance Sheet date:

	March 31, 2021	March 31, 2020	April 01, 2019
Present value of Unfunded defined benefit obligation (A)	269.93	146.90	-
Fair value of plan assets (B)		-	-
Net (asset) / liability recognized in the Balance Sheet (A-B)	**269.93**	**146.90**	**-**

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) / liability and its components:-

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/liability	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening balance	146.90	59.79	-	-	146.90	59.79
Included in profit or loss	-	-	-	-	-	-
Current service cost	96.53	65.64	-	-	96.53	65.64
Past service cost	-	-	-	-	-	-
Interest cost (income)	10.15	4.57	-	-	10.15	4.57
	253.59	**130.01**	-	-	**253.59**	**130.01**
Included in OCI						
<u>Remeasurement loss/(gain):</u>						
Actuarial loss/(gain) arising from:						
Demographic assumptions	-	0.05	-	-	-	0.05
Financial assumptions	-	15.43	-	-	-	15.43
Experience adjustment	17.63	2.46	-	-	17.63	2.46
Actual return on plan assets less interest on plan assets	-	-	-	-	-	-
	17.63	**17.94**	-	-	**17.63**	**17.94**

(All amount in Rs. Lakhs, unless otherwise stated)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/liability	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	(1.28)	(1.04)	-	-	(1.28)	(1.04)
Liabilities assumed / (settled)*	-	-	-	-	-	-
Closing balance	**269.93**	**146.90**	**-**	**-**	**269.93**	**146.90**
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					269.93	146.90
					269.93	**146.90**

** On account of business combination or inter group transfer*

C. Expenses recognized in Statement of Profit and Loss

	March 31, 2021	March 31, 2020
Current service cost	96.53	65.64
Past service cost	-	-
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	10.15	4.57
(Gains) / losses on settlement	-	-
	106.68	**70.21**

D. Remeasurements recognized in other comprehensive income

	March 31, 2021	March 31, 2020
Actuarial loss / (gain) arising from:		
Demographic assumptions	-	0.05
Financial assumptions	-	15.43
Experience adjustments	17.63	2.46
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognize the effect of asset ceiling	-	-
	17.63	**17.94**

E. Defined benefit obligations

i. Actuarial assumptions

The key actuarial assumptions adopted for the purposes of this valuation are given below:-

	March 31, 2021	March 31, 2020	April 01, 2019
Discount rate (p.a.)	6.79%	6.91%	7.65%
Salary escalation rate (p.a.)	7.50%	10.00%	10.00%

ii. Sensitivity analysis

Gratuity is a lump sum plan and the cost of providing this benefit is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

			\	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate				
(50 bps movement)	(17.68)	19.54	(11.56)	12.89
Salary escalation rate				
(50 bps movement)	19.31	(17.64)	12.45	(11.30)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous year in the methods and assumptions used in preparing the sensitivity analyses.

F. Accumulated Compensated Absences

The Company provides for accumulated compensated absences as at the Balance Sheet date on the basis of an actuarial valuation. The Company recognized Rs. 287.22 Lakhs (Previous year : Rs. 170.00 Lakhs) for Compensated Absences in the Statement of Profit and Loss.

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(All amount in Rs. Lakhs, unless otherwise stated)

Note 29: Tax expense

a. Amounts recognized in the Statement of Profit and Loss

Particulars	March 31, 2021	March 31, 2020
Current tax expense		
Current period	2,995.68	3,983.28
Changes in estimated related to prior years	(62.43)	24.68
Total current tax expense (A)	**2,933.25**	**4,007.96**
Deferred income tax liability / (asset), net		
Reduction in tax rate on deferred tax asset at the beginning of the year	-	(28.41)
Change in recognized deductible temporary differences	(789.84)	(60.76)
Deferred tax expense (B)	**(789.84)**	**(89.17)**
Tax expense for the year (A)+(B)	**2,143.41**	**3,918.79**

b. Amounts recognized in Other Comprehensive Income (OCI)

Particulars	March 31, 2021			March 31, 2020		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
(a) Remeasurements of defined benefit liability (asset)	(17.63)	4.44	**(13.19)**	(17.94)	4.52	**(13.42)**
(b) Investments valued at fair value through OCI	6.36	(1.60)	**4.76**	0.71	(0.21)	**0.50**
Total	**(11.27)**	**2.84**	**(8.43)**	**(17.23)**	**4.31**	**(12.92)**

c. Reconciliation of effective tax rate

Particulars	March 31, 2021		March 31, 2020	
	Amount	%	Amount	%
Profit before tax	**8,403.70**		**15,294.77**	
Tax using the Company's domestic tax rate	2,115.04	25.17%	3,849.39	25.17%
Tax effect of:				
Non-deductible expenses/other items	93.64	1.11%	49.03	0.32%
Tax for earlier years	(62.43)	-0.74%	24.68	0.16%
Tax at effective Income Tax rate	**2,146.25**	25.54%	**3,923.10**	25.65%
Income tax expense reported in the Statement of Profit and loss	**2,146.25**		**3,923.10**	

(All amount in Rs. Lakhs, unless otherwise stated)

Note 29: Tax expense (Contd.):

Movement in deferred tax balances

Particulars	March 31, 2021					
	Net balance March 31, 2020	**Recognized in profit or loss**	**Recognized in OCI**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax asset/(liabilities)						
Property, plant and equipment	51.60	89.10	-	140.70	140.70	-
Investments at FVOCI	0.01	-	(1.60)	(1.59)	-	(1.59)
Employee benefits	102.18	76.02	4.44	182.64	182.64	-
Right-of use assets	(345.11)	124.43	-	(220.68)	-	(220.68)
Lease liabilities	372.17	(126.74)	-	245.43	245.43	-
Provision for management fee	-	567.38	-	567.38	567.38	-
LCAP payable	-	59.65	-	59.65	59.65	-
Total	**180.85**	**789.84**	**2.84**	**973.53**	**1,195.80**	**(222.27)**

Particulars	March 31, 2020					
	Net balance April 01, 2019	**Recognized in profit or loss**	**Recognized in OCI**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax asset/(liabilities)						
Property, plant and equipment	14.55	37.05	-	51.60	51.60	-
Investments at FVOCI	0.22	-	(0.21)	0.01	0.01	-
Employee benefits	52.76	44.90	4.52	102.18	102.18	-
Right-of use assets	(409.96)	64.85	-	(345.11)	-	(345.11)
Lease liabilities	429.80	(57.63)	-	372.17	372.17	-
Total	**87.37**	**89.17**	**4.31**	**180.85**	**525.96**	**(345.11)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

(All amount in Rs. Lakhs, unless otherwise stated)

Note 30: Financial instruments – Fair values and risk management

A. Classification of financial assets and financial liabilities:

Management has determined that the carrying amount of Other financial assets, Trade receivables, Cash & cash equivalents and Financial liabilities measured at amortised cost are reasonable approximation of their fair values, either due to their short-term nature or near the end of the reporting period.

B. Fair value hierarchy:

Fair value measurements are analysed by level in the fair value hierarchy as follows:
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 accounting standard. An explanation of each level follows underneath the table:

Particulars	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVOCI				
- Alternative Investment Fund	-		97.97	**97.97**
Total financial assets	**-**	**-**	**97.97**	**97.97**

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVOCI				
- Alternative Investment Fund	-	-	45.74	**45.74**
Total financial assets	**-**	**-**	**45.74**	**45.74**

Particulars	As at April 1, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVOCI				
- Alternative Investment Fund	-	-	34.15	**34.15**
Total financial assets	**-**	**-**	**34.15**	**34.15**

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a iability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(All amount in Rs. Lakhs, unless otherwise stated)

Valuation techniques used to determine fair value

Financial Instrument	Valuation technique
Alternate Investment Funds	Net Asset Value (NAV) declared by NIIF funds

Fair value measeurement using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2021 and March 31, 2020

As at April 1, 2019	**34.15**
Acquisitions	10.88
Disposals	-
Gain recognised in other comprehensive income	0.71
As at March 31, 2020	**45.74**
Acquisitions	45.87
Disposals	-
Gain recognised in other comprehensive income	6.36
As at March 31, 2021	**97.97**

Note 31: Financial risk management

31.1: Introduction and risk profile

Whilst risk is inherent in the Company’s activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company’s continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company also has a system of internal controls to reduce the residual risk in each of these categories and the effectiveness of these controls is assessed periodically.

The Company has exposure to the following risks arising from Financial Instruments:

Risk	Exposure arising from
Credit Risk	Cash and cash equivalents, trade & other receivables, financial assets measured at amortised cost
Market Risk- Price	Investments in Alternate Invetment Funds

31.1.1: Risk management structure and policies

The Company’s board of directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The board of directors has established the Audit and Risk Committee, which is responsible for monitoring the Company’s risk management policies. The committee reports regularly to the board of directors on its activities.

The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(All amount in Rs. Lakhs, unless otherwise stated)

31.2: Credit risk

Credit risk is the risk of actual or probable financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments, loans, other financial assets and other current assets.

The gross carrying amounts of following financial assets represent the maximum credit risk exposure:

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Loan to Employee Benefit Trust	46.68	-	-
Cash and bank balances *	36,670.69	28,188.34	5,478.69
Other financial assets #	2,130.22	1,161.69	6,235.52
Total	**38,847.59**	**29,350.03**	**11,714.21**

* the company maintains all current account and term deposits only with 5 largest scheduled banks in India.
# Other financial assets primarily represents amounts recievable from NIIF funds under contractual arrangement with them.

31.3: Market Risk- Price

The company's exposure to Alternate investment funds price risk arises from investments held by the company and classified in the balance sheet at fair value through other comprehensive income.

Company's investments are units of alternative investment funds, consequently, exposures to risk of fluctuation in the market price. Market price of such instruments are closely linked to movement in equity and bond market indices.

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Alternate Investment Funds			
NAV - Increased by 5%	4.90	2.29	1.71
NAV - Decreased by 5%	(4.90)	(2.29)	(1.71)

Note 32: Capital Disclosure

For the purpose of the company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Group's Capital Management is to maximise shareholders value.

Note 33: Leases where the Company is a lessee

The Company's lease asset primarily consist of office premises. The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

a. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Office premises	**March 31, 2021**	**March 31, 2020**
Opening net carrying balance	**1,371.26**	**1,407.86**
Addition	324.83	581.21
Deletion	-	-
Depreciation	(819.25)	(617.81)
Closing net carrying balance	**876.84**	**1,371.26**

b. Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	**March 31, 2021**	**March 31, 2020**
Opening balance	**1,478.73**	**1,475.97**
Addition	324.83	535.75
Deletion	-	-
Accretion of interest	121.45	141.80
Payments	(949.83)	(674.79)
Closing balance	**975.18**	**1,478.73**

c. Amounts recognised in the statement of Profit and Loss:

Particulars	**March 31, 2021**	**March 31, 2020**
Interest expense on lease liabilities	121.45	141.80
Depreciation on right to use assets	819.25	617.81

d. Maturity analysis:

Particulars	**March 31, 2021**	**March 31, 2020**
Contractual undiscounted cash flows		
Not later than 1 year	216.48	802.67
Later than 1 year and not later than 5 years	758.70	676.06
Later than 5 years	-	-
Total undiscounted lease liabilities	**975.18**	**1,478.73**

The Company does not face a significant liquidity risk with regard to its lease liabilities.

e. Impact on Financial Statements:

On transition to Ind AS 116, the Company recognised an additional of INR 1,407.86 Lakhs Right-of use asset and INR 1,475.97 Lakhs of lease liabilities. The difference is due to adjustment of any prepaid or accrued lease payments and lease equalization reserve.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted average rate applied is 8.7%.

(All amount in Rs. Lakhs, unless otherwise stated)

f. The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Particulars	Amount
Operating lease commitments as at March 31, 2019	565.49
Add: Change in management estimates of existing lease term as at March 31, 2019	1,078.77
	1,644.26
Weighted average incremental borrowing rate as at April 1, 2019	8.70%
Discounted operating lease commitments as at April 1, 2019	**1,475.97**

The lease liabilities were discounted using the incremental borrowing rate of the Company as at 1st April, 2019.

The following are the practical expedients availed by the Company on transition:

(i) Used a single discount rate to a portfolio of leases with reasonably similar characteristics

(ii) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application

(iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

(iv) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

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Note 34: First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2021, are the first financial statements the Company has prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2020, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for years ending on March 31, 2021, together with the comparative year data as at and for the year ended March 31, 2020, as described in the summary of significant accounting policies in preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2019, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2019 and the financial statements as at and for the year ended March 31, 2020.

34.1: Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Mandatory exemptions:

I. Estimates

The estimates at April 1, 2019 and March 31, 2020 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences if any, in accounting policies). The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Fair valuation of financial instruments at FVTPL and / or FVTOCI

II. Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

III. Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Optional exemptions:

I. Deemed cost

The Company has elected to account for property plant and equipment and intangible assets at their previous GAAP carrying amount as at April 1, 2019 i.e. deemed cost as at the date of transition.

(All amount in Rs. Lakhs, unless otherwise stated)

Note 34: First-time adoption of Ind AS (continued)

34.2: Effect of Ind AS adoption on the balance sheet as at April 1, 2019:

Particulars	Indian GAAP	Ind AS adjustments	Ind AS
ASSETS			
Non-current assets			
Property, Plant and Equipment	559.32	-	559.32
Intangible assets	66.82	-	66.82
Right-of-use assets	-	1,407.86	1,407.86
Financials assets			
Investments	34.90	(0.75)	34.15
Deferred Tax assets (Net)	97.50	(10.13)	87.37
	758.54	**1,396.98**	**2,155.52**
Current assets			
Financial assets			
Cash and cash equivalents	5,478.69	-	5,478.69
Other financial assets	6,259.62	(24.10)	6,235.52
Current Tax assets (Net)	152.47	-	152.47
Other Non-financial assets	175.22	2.61	177.83
	12,066.00	**(21.49)**	**12,044.51**
Total assets	**12,824.54**	**1,375.49**	**14,200.03**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	4.08	-	4.08
Instruments entirely equity in nature	726.19	-	726.19
Other equity	8,975.79	(6.66)	8,969.13
Total equity	**9,706.06**	**(6.66)**	**9,699.40**
Liabilities			
Non-current liabilities			
Lease Liabilities	-	979.17	979.17
Provisions	175.43	-	175.43
Other non-current liabilities	93.82	(93.82)	-
	269.25	**885.35**	**1,154.60**
Current liabilities			
Financial liabilities			
Trade payables	957.67	-	957.67
Lease Liabilities	-	496.80	496.80
Other financial liabilty	946.10	-	946.10
Other current liabilities	939.70	-	939.70
Provisions	5.76	-	5.76
Total non-financial liabilities	**2,849.23**	**496.80**	**3,346.03**
Total equity and liabilities	**12,824.54**	**1,375.49**	**14,200.03**

(All amount in Rs. Lakhs, unless otherwise stated)

34.3: Effect of Ind AS adoption on the balance sheet as at March 31, 2020:

Particulars	Indian GAAP	Ind AS adjustments	Ind AS
ASSETS			
Non-current assets			
Property, Plant and Equipment	886.72	-	886.72
Capital work in progress	86.85	-	86.85
Intangible assets	57.44	-	57.44
Right-of-use assets	-	1,371.26	1,371.26
Financials assets			
Investments	45.78	(0.04)	45.74
Deferred Tax assets (Net)	159.14	21.71	180.85
	1,235.93	**1,392.93**	**2,628.86**
Current assets			
Financial assets			
Cash and cash equivalents	28,188.34	-	28,188.34
Other financial assets	1,220.48	(58.79)	1,161.69
Current Tax assets (Net)	261.11	-	261.11
Other Non-financial assets	168.51	7.78	176.29
Total financial assets	**29,838.44**	**(51.01)**	**29,787.43**
Total assets	**31,074.37**	**1,341.92**	**32,416.29**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	4.08	-	4.08
Instruments entirely equity in nature	740.85	-	740.85
Other equity	25,824.55	(28.67)	25,795.88
Total equity	**26,569.48**	**(28.67)**	**26,540.81**
Liabilities			
Non-current liabilities			
Lease liabilities	-	802.67	802.67
Financial liabilities	65.21	-	65.21
Provisions	395.64	-	395.64
Other non current liabilities	64.97	(42.09)	22.88
	525.82	**760.58**	**1,286.40**
Current liabilities			
Financial liabilities			
Trade payables	59.86	-	59.86
Lease Liabilities	-	676.06	676.06
Other financial liabilty	1,214.73	-	1,214.73
Other current liabilities	2,694.14	(66.05)	2,628.09
Provisions	10.34	-	10.34
	3,979.07	**610.01**	**4,589.08**
Total equity and liabilities	**31,074.37**	**1,341.92**	**32,416.29**

(All amount in Rs. Lakhs, unless otherwise stated)

34.4: Reconciliation of Statement of Profit or Loss for the year ended March 31, 2020

Particulars	Indian GAAP	Ind AS adjustments	Ind AS
Income			
Revenue from operations			
Fees and commission income	20,711.27	-	20,711.27
Total revenue from operations	**20,711.27**	**-**	**20,711.27**
Other income	2.41	-	2.41
Interest income	1,132.45	18.54	1,150.99
Total income	**21,846.13**	**18.54**	**21,864.67**
Expenses			
Finance costs	2.67	141.80	144.47
Employee Benefits expenses	3,621.94	-	3,621.94
Depreciation and amortization expense	330.82	617.81	948.63
Other expenses	2,559.31	(704.45)	1,854.86
Total Expenses	**6,514.74**	**55.16**	**6,569.90**
Profit before tax	**15,331.39**	**(36.62)**	**15,294.77**
Tax expense:			
(1) Current tax	3,983.28	-	3,983.28
(2) Tax for earlier years	24.68	-	24.68
(3) Deferred tax (credit)	(61.64)	(27.53)	(89.17)
Profit for the year	**11,385.07**	**(9.09)**	**11,375.98**
Other comprehensive income			
Investments valued at fair value through OCI	-	0.71	0.71
Income tax impact	-	(0.21)	(0.21)
		0.50	0.50
Remeasurements of defined benefit liability	-	(17.94)	(17.94)
Income tax impact	-	4.52	4.52
	-	(13.42)	(13.42)
Other comprehensive income (net of tax)	**-**	**(12.92)**	**(12.92)**
Total Comprehensive Income for the year	**11,385.07**	**(22.01)**	**11,363.06**

(All amount in Rs. Lakhs, unless otherwise stated)

Note 34: First-time adoption of Ind AS (continued)

34.5: Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

34.6: Reconciliation of equity

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101.

Particulars	**Footnote ref.**	**As at March 31, 2020**	**As at April 1, 2019**
Net worth under IGAAP		26,569.48	9,706.06
Summary of Ind AS adjustments			
Fair Valuation of Investments	(i)	(0.04)	(0.75)
Lease equalization provision no longer required	(iii)	19.09	4.78
Valuation of security deposit	(ii)	15.36	(0.56)
Impact of Ind AS 116	(iii)	(84.79)	-
Deferred tax impact	(iv)	21.71	(10.13)
Total Ind AS adjustments		**(28.67)**	**(6.66)**
Net worth under Ind AS		**26,540.81**	**9,699.40**

Reconciliation of total comprehensive income

Particulars	**Footnote ref.**	**For the year ended March 31, 2020**
Net profit after tax as per IGAAP		**11,385.07**
Fair Valuation of Investments	(i)	0.71
Lease equalization provision no longer required	(ii)	14.31
Valuation of security deposit	(iv)	15.92
Impact of Ind AS 116	(iii)	(84.79)
Deferred tax impact	(iv)	31.84
Total comprehensive income for the year as per Ind AS		**11,363.06**

34.7: Footnotes to the reconciliation of equity as at April 1, 2019 and March 31, 2020 and profit or loss for the year ended March 31, 2020

(i) Investments

Under IGAAP, Investments in Alternate Investment Funds ("AIF") were carried at cost. Under Ind AS, Investments in AIF are fair valued at the period end and resulting mark to market loss or gain is transferred to Other comprehensive income.

(ii) Security Deposits

The difference between the fair value and the transaction price has been recognized as prepaid rent and is amortized over the period of the lease on straight-line basis. Subsequently, these security deposits have been measured at amortized cost using the effective interest rate ('EIR') and the resultant interest is accounted as finance income.

(iii) Leases

‘Under Indian GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under Ind AS, (as explained in Note 47), a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to Ind AS, the Company applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the date of transition to Ind AS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments and lease equalization reserve. As a result, the Company recognised INR 1,475.97 lakhs as at April 01, 2019 (transition date) on account of lease liabilities included under Other Financial Liabilities and INR 1,478.77 lakhs as at March 31, 2020.

INR 1,407.86 lakhs as at April 1, 2019 (transition date) on account of right-of-use assets and INR 1,371.26 lakhs as at March 31, 2020. Additionally, depreciation increased by INR 617.81 lakhs and finance costs increased by INR 141.80 lakhs for the year ended March 31, 2020.

(iv) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(v) Remeasurements of post employment benefit plans

Under Ind AS, remeasurements i.e. actuarial gain and losses on the net defined liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these measurements were forming part of the profit or loss for the year. Though there is no impact on the total equity as at March 31, 2020.

Note 35: Expenditure and Earning in foreign currency

Additional information pursuant to the provisions of Schedule III to the Companies Act,2013 is given below:

Expenditure in foreign currency

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenditure in foreign currency	213.67	173.4
Total	213.67	173.42

Note 36: Impact of Covid 19

The global outbreak of COVID-19 has disrupted economic markets and the prolonged economic impact is uncertain. Based on the management assessment, the Covid-19 will not have any impact on the going concern assumption since the Company has sufficient working capital and sizeable fee commitments from the NIIF Funds.

Note 37: The Indian Parliament has approved the Code an Social Security, 2020 which assumes the Provident Fund and the Gratuity Act and rules there under. 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.

Note 38: The figures for the previous periods have been regrouped/rearranged wherever necessary to conform to current period presentation.

Note 39: Subsequent event after the balance sheet date

Subsequent to reporting date, a new investor has been onboarded in one of the funds managed by the Company. As per terms and conditions of the contribution agreements, investors agreed to pay the management fee from October 18, 2018 instead of April 01, 2018. This became an adjusting event for the Company and the management fee as of reporting date has been adjusted to this effect. Accordingly, a provision of Rs. 2,254.35 lacs has been made in the books of accounts at the reporting date.

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
Firm registration no. 101049W/E300004

per Amit Kabra
Partner
Membership no: 094533

For and on behalf of the Board of Directors of
National Investment and Infrastructure Fund Limited

Sujoy Bose
Managing Director & CEO
DIN : 02566157

Sanjay Bhandarkar
Director
DIN : 01260274

Saurabh Jain
Chief Financial Officer

Ekta Agarwal
Company Secretary
Membership no.: A18190