

INDEPENDENT AUDITOR'S REPORT

To the Members of National Investment and Infrastructure Fund Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of National Investment and Infrastructure Fund Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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

Responsibility of Management for the 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 financial statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;

Report on Other Legal and Regulatory Requirements (continued)

- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these 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, 2020 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;
 - 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: 20094533AAAAEH4153

Place of Signature: Gurugram

Date: June 30, 2020

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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, as amended ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the 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/material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (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 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: 20094533AAAAEH4153

Place: Gurugram

Date: June 30, 2020

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, 2020 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra

Partner

Membership Number: 094533

UDIN: 20094533AAAAEH4153

Place of Signature: Gurugram

Date: June 30, 2020

National Investment and Infrastructure Fund Limited
Balance Sheet as at 31st March, 2020

(Amount in Rs. thousands)

Particulars	Note	31st March, 2020	31st March, 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	74,493	73,027
Reserves and surplus	4	2,582,455	897,579
		<u>2,656,948</u>	<u>970,606</u>
Non-current liabilities			
Long-term provisions & liabilities	5	52,582	23,355
Current liabilities			
Trade payables	6		
- Total outstanding dues of micro enterprises and small enterprises		2,010	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,976	95,767
Other current liabilities	7	269,413	97,803
Short-term provisions	8	122,508	95,186
		<u>397,907</u>	<u>288,756</u>
TOTAL		<u>3,107,437</u>	<u>1,282,717</u>
ASSETS			
Non-current assets			
Property, plant and equipment	9	88,672	55,932
Capital work-in-progress	9a	8,685	-
Intangible assets	9b	5,744	6,682
		<u>103,101</u>	<u>62,614</u>
Non-current investments	10	4,578	3,490
Deferred tax asset	11	15,914	9,750
Current assets			
Cash and bank balances	12	2,739,449	542,170
Short term loans and advances	13	35,320	116,643
Other current assets	14	209,075	548,050
		<u>2,983,844</u>	<u>1,206,863</u>
TOTAL		<u>3,107,437</u>	<u>1,282,717</u>

Note 1 to 28 form 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

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

Amit Kabra
Partner
Membership no: 094533

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, 2020

(Amount in Rs. thousands)

Particulars	Note	31st March, 2020	31st March, 2019
Revenue from operations	15	2,071,127	1,446,727
Other income	16	113,794	19,489
Total revenue		2,184,921	1,466,216
Expenses			
Employee benefit expenses	17	370,572	256,610
Depreciation and amortisation expense	9, 9b	33,082	17,013
Other expenses	18	248,128	162,282
Total expenses		651,782	435,905
Profit before tax		1,533,139	1,030,311
Tax expense			
Current tax		398,328	310,990
Short/(excess) provision for tax for earlier years		2,468	(10,370)
Deferred tax		(6,164)	(410)
Total tax expense		394,632	300,210
Profit after tax		1,138,507	730,101
Earnings per equity share (equity shares of Rs 10 each)	19		
Basic		27.89	17.89
Diluted		3.28	6.56

Note 1 to 28 form integral part of the financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
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For and on behalf of the Board of Directors of
National Investment and Infrastructure Fund Limited

Amit Kabra
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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 31 March, 2020

(Amount in Rs. thousands)

Particulars	31st March, 2020	31st March, 2019
Cash flows from operating activities		
Profit before tax	1,533,139	1,030,311
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	33,082	17,013
Interest income on bank deposits	(113,245)	(19,287)
Profit on sale of property, plant and equipment	-	(135)
Income from investments in NIIF Funds	(241)	(43)
Operating profit before working capital changes	1,452,735	1,027,858
<i>Movements in working capital:</i>		
Change in non current liabilities	29,227	23,353
Change in trade payables	(89,781)	51,756
Change in short-term provisions	27,322	23,410
Change in other current liabilities	171,610	82,628
Change in short term loans and advances	81,323	(70,269)
Change in other current assets	423,476	(507,887)
Cash generated from operations	2,095,912	630,850
Income tax paid	(411,659)	(309,770)
Net cash flow from operating activities (A)	1,684,253	321,080
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work-in-progress	(73,059)	(26,958)
Purchase of intangible assets	(584)	-
Proceeds from sale of property, plant and equipment	74	800
Purchase (net) of non-current investments	(1,088)	(1,770)
Income from investments in NIIF Funds	241	43
Interest income	39,606	14,428
Net cash flow used in investing activities (B)	(34,810)	(13,457)
Cash flows from financing activities		
Proceeds from issues of compulsory convertible preference shares	547,837	58,784
Dividend paid on compulsory convertible preference shares including taxes	(1)	(0)
Net cash flow from financing activities (C)	547,836	58,784
Net increase in cash and cash equivalents (A+B+C)	2,197,279	366,407
Cash and cash equivalents at the beginning of the year	542,170	175,763
Cash and cash equivalents at the end of the year	2,739,449	542,170
Components of cash and cash equivalents (refer note 12):		
Cash in hand	-	45
Balances with banks		
- in current accounts	14,695	19,592
Balance in term deposits with less than 12 months maturity	2,724,754	522,533
	2,739,449	542,170

Notes 1 to 28 form an integral part of these financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration no. 101049W/ E300004

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

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Membership no: 094533

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Managing Director & CEO
DIN : 02566157

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Director
DIN : 01260274

Saurabh Jain
Chief Financial Officer

Ekta Agarwal
Company Secretary
Membership no.: A18190

National Investment and Infrastructure Fund Limited
Notes to financial statements for the year ended 31 March 2020

NOTE 1: Corporate Information

National Investment and Infrastructure Fund Limited (CIN: U74900DL2015PLC287894) (the "Company") was incorporated on 28th November, 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/ Manager, Asset Management Company, settlor or to sponsor the setup of Funds including but not limited to Alternative Investment Funds, Venture Capital funds, Infrastructure Debt funds, Real Estate funds, offshore funds, Pension funds, Provident funds, Mutual funds, Growth funds etc. 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 are SEBI registered Alternative Investment Fund- Category II (collectively called as NIIF Funds).

These financial statements were approved by the board of the directors on June 22, 2020.

NOTE 2: Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards specified under section 133 of the Companies Act, 2013 read with the rule 7 of the Companies (Accounts) Rule, 2014. The Financial Statement have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE 2.1: Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to the accounting estimate is recognized in accordance with the requirements of the respective accounting standard.

All the 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 to the Companies Act, 2013. Based on the nature of the products and the time between the acquisition of assets for processing and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of Current- Non- Current classification of assets and liabilities.

(b) Property, plant and equipment

Property plant and equipment are valued at original cost less accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities.

Gains or losses arising on the disposal or retirement of an item of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment for the year ended March 31, 2020 is provided on straight line method as per the below economic life:

Asset category	Useful life (in years)	Useful life (in years) (as envisaged in schedule II)
Office equipment's *	5	10
Furniture and fixtures *	3 - 5	10
Computers	3	3

* For these class of assets, based on internal technical assessment, the management believes that useful lives, as given above, best represents the period over which management expects to use the assets. Hence the useful life of these assets is different from the useful life prescribed under Part C of Schedule II of the Companies Act, 2013.

For Leasehold improvements, management has considered the useful life based on the lease period.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised over their estimated economic life of 6 years on a straight- line method.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(e) Impairment of property, plant and equipments and intangible assets

The carrying amount of assets, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of the assets is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use, which is determined, based on the estimated future cash flows discounted to their present values. All impairment losses are recognized in the profit and loss account.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount and is recognized in profit and loss account.

(f) Operating leases

Leases where lessor is effectively retaining substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in Profit and Loss account under 'Premises costs' on Straight line basis over the lease term.

National Investment and Infrastructure Fund Limited

Notes to financial statements for the year ended 31 March 2020

NOTE 2.1: Summary of significant accounting policies (continued)

(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Management fees are recognised on an accrual basis.

Income from Investments is accounted on an accrual basis.

Interest income is recognized on time proportion basis.

(h) Investments

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Long term investments are carried at cost less provision (if any) for decline in value which is other than temporary in nature.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(i) Employee benefits

The Company's contribution on account of retirement benefits in the form of Provident Fund is charged to revenue.

Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions of the respective funds are due.

Gratuity liability are defined benefit obligations and are provided for on the basis of the actuarial valuation as per AS 15 (Revised) made at the end of each financial year based on the projected unit credit method.

Leave Encashment liability are provided for on the basis of an actuarial valuation as per AS 15 (Revised) made at the end of each year.

Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company has a long term performance plan which entitles the eligible employees a fixed amount of grant which is vested over the period of 3 years beginning 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.

(j) Earnings per share

The company reports basic and diluted Earnings per share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or net loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares.

(k) Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. At the year end, monetary items denominated in foreign currency are reported using the closing rate of exchange. Exchange difference arising thereon and on realization/payments of foreign exchange are accounted as income or expenses in the relevant year.

(l) Cash and bank balances

Bank balance and all term deposits having maturity of less than 12 months are classified as cash and cash equivalent.

(m) Income taxes

Tax expense comprises current and deferred tax. Provision for current income tax is recognized in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Deferred tax asset and liabilities are recognized for future tax consequences attributable to timing difference. They are measured using the enacted and substantively enacted tax rates and tax regulations as at the balance sheet date.

Deferred tax assets are recognized and carried forward only to the extent there is reasonable certainty that sufficient taxable income will be available in future, against which the deferred tax asset can be realized; however, where there is unabsorbed depreciation and carried forward losses, deferred tax asset is created only if there is virtual certainty of realization of assets.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

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

The company has adopted recently introduced section 115BAA of the Income Tax Act, 1961.

(n) Provisions and contingencies

Provisions

A provision is recognized when there is a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities

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.

National Investment and Infrastructure Fund Limited
Notes to financial statements for the year ended 31 March 2020

NOTE 3: Share Capital

Particulars	(Amount in Rs. thousands)			
	31st March, 2020		31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity shares of Rs. 10 each	6,600,000	66,000	6,600,000	66,000
0.001% Series A Compulsory convertible preference shares of Rs. 10 each	450,000	4,500	450,000	4,500
0.001% Series B Compulsory convertible preference shares of Rs. 10 each	1,000,000	10,000	1,000,000	10,000
0.001% Series C Compulsory convertible preference shares of Rs. 10 each	1,050,000	10,500	1,050,000	10,500
0.001% Series D Compulsory convertible preference shares of Rs. 10 each	5,900,000	59,000	5,900,000	59,000
0.001% Series E Compulsory convertible preference shares of Rs. 10 each	113,000	1,130	-	-
0.001% Series F Compulsory convertible preference shares of Rs. 10 each	34,100	341	-	-
	15,147,100	151,471	15,000,000	150,000
Issued, subscribed and fully paid up				
Equity Shares of Rs. 10 each	40,818	408	40,818	408
0.001% Series A Compulsory convertible preference shares of Rs. 10 each	345,398	3,454	345,398	3,454
0.001% Series B Compulsory convertible preference shares of Rs. 10 each	43,131	431	43,131	431
0.001% Series C Compulsory convertible preference shares of Rs. 10 each	995,000	9,950	995,000	9,950
0.001% Series D Compulsory convertible preference shares of Rs. 10 each	5,878,416	58,784	5,878,416	58,784
0.001% Series E Compulsory convertible preference shares of Rs. 10 each	112,480	1,125	-	-
0.001% Series F Compulsory convertible preference shares of Rs. 10 each	34,098	341	-	-
	7,449,341	74,493	7,302,763	73,027

3(i) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	(Amount in Rs. thousands)			
	31st March, 2020		31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
Shares outstanding at the beginning of the year	40,818	408	40,818	408
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	40,818	408	40,818	408
0.001% Series A compulsory convertible preference shares				
Shares outstanding at the beginning of the year	345,398	3,454	345,398	3,454
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	345,398	3,454	345,398	3,454
0.001% Series B compulsory convertible preference shares				
Shares outstanding at the beginning of the year	43,131	431	43,131	431
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	43,131	431	43,131	431
0.001% Series C compulsory convertible preference shares				
Shares outstanding at the beginning of the year	995,000	9,950	995,000	9,950
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	995,000	9,950	995,000	9,950
0.001% Series D compulsory convertible preference shares				
Shares outstanding at the beginning of the year	5,878,416	58,784	-	-
Shares issued during the year	-	-	5,878,416	58,784
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,878,416	58,784	5,878,416	58,784
0.001% Series E compulsory convertible preference shares				
Shares outstanding at the beginning of the year	-	-	-	-
Shares issued during the year	112,480	1,125	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	112,480	1,125	-	-
0.001% Series F compulsory convertible preference shares				
Shares outstanding at the beginning of the year	-	-	-	-
Shares issued during the year	34,098	341	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	34,098	341	-	-

National Investment and Infrastructure Fund Limited
Notes to financial statements for the year ended 31 March 2020

NOTE 3: Share Capital (continued)

3(ii) Shareholders holding more than 5% shares

Particulars	31st March, 2020		31st March, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares				
Government of India (represented by its nominees)	20,000	49.00%	20,000	49.00%
Green Rock B 2014 Limited	9,129	22.37%	9,129	22.37%
HDFC Standard Life Insurance Company Limited	2,412	5.91%	2,412	5.91%
ICICI Bank Limited	4,040	9.90%	4,040	9.90%
0.001% Series A compulsory convertible preference shares				
Government of India (represented by its nominees)	345,398	100.00%	345,398	100.00%
0.001% Series B compulsory convertible preference shares				
Green Rock B 2014 Limited	43,131	100.00%	43,131	100.00%
0.001% Series C compulsory convertible preference shares				
Housing Development Finance Corporation Limited	453,000	45.53%	453,000	45.53%
ICICI Bank Limited	542,000	54.47%	542,000	54.47%
0.001% Series D compulsory convertible preference shares				
MacRitchie Investments Pte. Ltd.	5,878,416	100.00%	5,878,416	100.00%
0.001% Series E Compulsory convertible preference shares				
2452991 Ontario Limited	55,275	49.14%	-	-
AustralianSuper Investments Fund No.2	55,275	49.14%	-	-
0.001% Series F Compulsory convertible preference shares				
CPP Investment Board Private Holdings (4) Inc	34,098	100.00%	-	-

3(iii) Rights, preferences and restrictions attached to each class of shares

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.

0.001% Series A compulsory convertible preference shares

The Series A CCPS shall rank senior and superior to the equity shares with respect to dividend distributions and repayment in case of winding up or repayment of capital. The holder of the Series A CCPS shall not be entitled to exercise voting rights on the Series A CCPS till the time and to the extent such Series A CCPS are converted into equity shares, except on any resolution: (a) that directly affects the rights attached to Series A CCPS; (b) for winding up of the Company; or (c) for the repayment or reduction of the equity or preference share capital of the Company. The holder is entitled to dividend at the rate of 0.001% per annum. The Company shall mandatorily convert such number of the Series A CCPS into equity shares at the conversion ratio in accordance with the terms of the initial share subscription agreement upon issue of any additional equity shares of the Company such that the shareholding of the investor in the Company is in proportion to its commitment in the National Investment and Infrastructure Fund.

0.001% Series B compulsory convertible preference shares

The Series B CCPS shall rank senior and superior to the equity shares with respect to dividend distributions and repayment in case of winding up or repayment of capital. The holder of the Series B CCPS shall not be entitled to exercise voting rights on the Series B CCPS till the time and to the extent such Series B CCPS are converted into equity shares, except on any resolution: (a) that directly affects the rights attached to Series B CCPS; (b) for winding up of the Company; or (c) for the repayment or reduction of the equity or preference share capital of the Company. The holder shall be entitled, to receive dividend, on a non-cumulative basis, at the rate of 0.001% per annum on the Series B CCPS. The Company shall mandatorily convert such number of the Series B CCPS into equity shares at the conversion ratio in accordance with the terms of the initial share subscription agreement upon issue of any additional equity shares of the Company such that the shareholding of the investor in the Company is in proportion to its commitment in the National Investment and Infrastructure Fund.

National Investment and Infrastructure Fund Limited
Notes to financial statements for the year ended 31 March 2020

NOTE 3: Share Capital (continued)

0.001% Series C compulsory convertible preference shares

The Series C CCPS shall rank senior and superior to the equity shares with respect to dividend distributions and repayment in case of winding up or repayment of capital. The holders of the Series C CCPS shall not be entitled to exercise voting rights on the Series C CCPS till the time and to the extent such Series C CCPS are converted into equity shares, except on any resolution: (a) that directly affects the rights attached to Series C CCPS; (b) for winding up of the Company; or (c) for the repayment or reduction of the equity or preference share capital of the Company. Each holder shall be entitled, to receive dividend, on a non-cumulative basis, at the rate of 0.001% per annum on the Series C CCPS. The Company shall mandatorily convert such number of the Series C CCPS into equity shares at the conversion ratio in accordance with the terms of the initial share subscription agreement upon issue of any additional equity shares of the Company such that the shareholding of the investor in the Company is in proportion to its commitment in the National Investment and Infrastructure Fund.

0.001% Series D compulsory convertible preference shares

The Series D CCPS shall rank senior and superior to the equity shares with respect to dividend distributions and repayment in case of winding up or repayment of capital. The holders of the Series D CCPS shall not be entitled to exercise voting rights on the Series D CCPS till the time and to the extent such Series D CCPS are converted into equity shares, except on any resolution: (a) that directly affects the rights attached to Series D CCPS; (b) for winding up of the Company; or (c) for the repayment or reduction of the equity or preference share capital of the Company. Each holder shall be entitled, to receive dividend, on a non-cumulative basis, at the rate of 0.001% per annum on the Series D CCPS. The Company shall mandatorily convert such number of Series D CCPS into Equity Shares at the Conversion ratio in accordance with the terms of agreement at the Final Close such that the shareholding of the investor in the Company is proportionate to its commitment in the National Investment and Infrastructure Fund.

0.001% Series E compulsory convertible preference shares

The Series E CCPS shall rank senior and superior to the equity shares with respect to dividend distributions and repayment in case of winding up or repayment of capital. The holders of the Series E CCPS shall not be entitled to exercise voting rights on the Series E CCPS till the time and to the extent such Series E CCPS are converted into equity shares, except on any resolution: (a) that directly affects the rights attached to Series E CCPS; (b) for winding up of the Company; or (c) for the repayment or reduction of the equity or preference share capital of the Company. Each holder shall be entitled, to receive dividend, on a non-cumulative basis, at the rate of 0.001% per annum on the Series E CCPS. The Company shall mandatorily convert such number of Series E CCPS into Equity Shares at the Conversion ratio in accordance with the terms of agreement at the Final Close such that the shareholding of the investor in the Company is proportionate to its commitment in the National Investment and Infrastructure Fund.

0.001% Series F compulsory convertible preference shares

The Series F CCPS shall rank senior and superior to the equity shares with respect to dividend distributions and repayment in case of winding up or repayment of capital. The holders of the Series F CCPS shall not be entitled to exercise voting rights on the Series F CCPS till the time and to the extent such Series F CCPS are converted into equity shares, except on any resolution: (a) that directly affects the rights attached to Series F CCPS; (b) for winding up of the Company; or (c) for the repayment or reduction of the equity or preference share capital of the Company. Each holder shall be entitled, to receive dividend, on a non-cumulative basis, at the rate of 0.001% per annum on the Series F CCPS. The Company shall mandatorily convert such number of Series F CCPS into Equity Shares at the Conversion ratio in accordance with the terms of agreement at the Final Close such that the shareholding of the investor in the Company is proportionate to its commitment in the National Investment and Infrastructure Fund.

NOTE 4: Reserves and surplus

Particulars	(Amount in Rs. thousands)	
	As at 31st March, 2020	As at 31st March, 2019
Securities premium:		
Balance as at the beginning of the year	144,292	144,292
Additions during the year	546,370	-
Balance as at the end of the year	690,662	144,292
Surplus in the Statement of Profit and Loss:		
Balance as at the beginning of the year	753,287	23,186
Profit for the year	1,138,507	730,101
(-) Dividend paid*	(1)	(0)
Balance as at the end of the year	1,891,793	753,287
	2,582,455	897,579

*During the year ended 31 March 2020, the company paid contractual dividend of INR 442/- (31 March 2019: INR 71/-) at rate of 0.001% per share on preference shares. A dividend distribution tax of INR 91/- (31 March 2019: INR 20/-) was remitted during the year.

National Investment and Infrastructure Fund Limited
Notes to financial statements for the year ended 31 March 2020

NOTE 5: Long-term provisions & liabilities

Particulars	(Amount in Rs. thousands)	
	As at 31st March, 2020	As at 31st March, 2019
Provisions		
Provision for gratuity	14,651	5,960
Provision for compensated absences	24,913	11,582
Provision for long term performance plan	6,521	-
Other long-term liabilities		
Lease equalisation reserve	6,497	5,813
	52,582	23,355

NOTE 6: Trade payables

Particulars	(Amount in Rs. thousands)	
	As at 31st March, 2020	As at 31st March, 2019
Sundry creditors		
Total outstanding dues of micro enterprises and small enterprises*	2,010	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,976	95,767
	5,986	95,767

* The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

NOTE 7: Other current liabilities

Particulars	(Amount in Rs. thousands)	
	As at 31st March, 2020	As at 31st March, 2019
Duties and taxes payable		
- Goods and service tax	1,953	74,110
- Professional tax	8	5
- Provident fund	3,337	1,607
- Tax deducted at source	13,790	15,943
Advance management fees	237,834	-
Lease equalisation reserve	4,316	3,570
Other payables	8,175	2,568
	269,413	97,803

NOTE 8: Short-term provisions

Particulars	(Amount in Rs. thousands)	
	As at 31st March, 2020	As at 31st March, 2019
Provisions for expenses	121,474	94,610
Provision for gratuity	39	20
Provision for compensated absences	995	556
	122,508	95,186

National Investment and Infrastructure Fund Limited
Notes to financial statements for the year ended 31 March 2020

NOTE 9, 9a & 9b: Property, plant & equipment, Capital work-in-progress & Intangibles

(Amount in Rs. thousands)

Particulars	Gross Block (At Cost)			Depreciation and Amortisation			Net Block	Net Block		
	Balance as at 1st April, 2019	Additions during the year	Deductions during the year	Balance as at 31st March, 2020	Balance as at 1st April, 2019	For the year during the year	Deductions during the year	Balance as at 31st March, 2020	Balance as at 31st March, 2020	Balance as at 1st April, 2019
NOTE 9:										
Computer	4,804	2,769	152	7,421	1,478	1,922	116	3,284	4,137	3,326
Furniture & fixtures	9,237	5,734	-	14,971	1,852	2,343	-	4,195	10,776	7,385
Leasehold improvements	31,687	41,907	-	73,594	5,874	16,685	-	22,559	51,035	25,813
Office equipment's	29,866	13,964	188	43,642	10,458	10,610	150	20,918	22,724	19,408
	75,594	64,374	340	139,628	19,662	31,560	266	50,956	88,672	55,932
NOTE 9a:										
Capital work-in-progress	-	8,685	-	8,685	-	-	-	-	8,685	-
NOTE 9b:										
Intangibles (softwares)	8,608	584	-	9,192	1,926	1,522	-	3,448	5,744	6,682

(Amount in Rs. thousands)

Particulars	Gross Block (At Cost)			Depreciation and Amortisation			Net Block	Net Block		
	Balance as at 1st April, 2018	Additions during the year	Deductions during the year	Balance as at 31st March, 2019	Balance as at 1st April, 2018	For the year during the year	Deductions during the year	Balance as at 31st March, 2019	Balance as at 31st March, 2019	Balance as at 1st April, 2018
NOTE 9:										
Computer	2,444	2,360	-	4,804	445	1,033	-	1,478	3,326	1,999
Furniture & fixtures	4,061	5,544	368	9,237	455	1,612	215	1,852	7,385	3,606
Leasehold improvements	20,334	15,105	3,752	31,687	3,892	5,546	3,564	5,874	25,813	16,442
Office equipment's	26,392	3,949	475	29,866	3,211	7,397	150	10,458	19,408	23,181
	53,231	26,958	4,595	75,594	8,003	15,588	3,929	19,662	55,932	45,228
NOTE 9a:										
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-
NOTE 9b:										
Intangibles (softwares)	8,608	-	-	8,608	501	1,425	-	1,926	6,682	8,107

National Investment and Infrastructure Fund Limited
Notes to financial statements for the year ended 31 March 2020

NOTE 10: Non-current investments

(Amount in Rs. thousands)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Unquoted:		
Investments in class C units of:		
National Investment and Infrastructure Fund (15,129.66 units of Rs 100/- each, previous year 15,304.67 units of Rs 100/- each)	1,513	1,530
NIIIF Fund of Funds - I (19,958.60 units of Rs 100/- each, previous year 15,886.67 units of Rs 100/- each)	1,996	1,589
National Investment and Infrastructure Fund II (10,688.53 units of Rs 100/- each, previous year 3,708.55 units of Rs 100/- each)	1,069	371
	4,578	3,490

NOTE 11: Deferred tax asset

(Amount in Rs. thousands)

Particulars	As per books	As per income tax	Difference	Deferred tax asset/(liability)
	As at 31 March 2020			
Written down value of property, plant and equipment and intangibles	103,101	114,917	11,816	2,974
Provision for leave encashment	25,909	-	25,909	6,521
Provision for gratuity	14,690	-	14,690	3,697
Lease equalisation reserve	10,813	-	10,813	2,722
				15,914

As at 31 March 2019

(Amount in Rs. thousands)

Particulars	As per books	As per income tax	Difference	Deferred tax asset/(liability)
	As at 31 March 2019			
Written down value of property, plant and equipment and intangibles	62,614	67,612	4,998	1,455
Provision for leave encashment	12,139	-	12,139	3,535
Provision for gratuity	5,979	-	5,979	1,741
Lease equalisation reserve	9,383	-	9,383	2,732
Items disallowed under tax	984	-	984	287
				9,750

NOTE 12: Cash and bank balances

(Amount in Rs. thousands)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Cash and cash equivalents		
Cash on hand (imprest)	-	45
Balance with banks (in current account)		
State Bank of India	3,609	1,400
IDBI Bank	-	212
Kotak bank	11,085	17,881
State Bank of India (Share Application Money)	-	99
HDFC Bank	1	-
Term deposits with less than 12 months maturity with banks	2,724,754	522,533
	2,739,449	542,170

NOTE 13: Short term loans and advances

(Amount in Rs. thousands)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Other loans and advances unsecured, considered good	18,512	1,423
Loans and advances to related parties	16,808	115,220
	35,320	116,643

NOTE 14: Other current assets

(Amount in Rs. thousands)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Prepaid expenses	13,697	13,833
Balances with statutory/government authorities		
- GST receivable	2,168	2,729
Interest accrued on deposits	79,385	5,746
Advance tax (net of provision for tax)	26,111	15,247
Security deposits	32,062	13,178
Travel advances	39	874
Other receivables	986	957
Accrued management fee	54,627	495,486
	209,075	548,050

National Investment and Infrastructure Fund Limited
Notes to financial statements for the year ended 31 March 2020

NOTE 15: Revenue from operations

(Amounts in Rs. thousands)

Particulars	Year ended	Year ended
	31st March 2020	31st March 2019
Management fee	2,071,127	1,446,727
	2,071,127	1,446,727

NOTE 16: Other income

(Amounts in Rs. thousands)

Particulars	Year ended	Year ended
	31st March 2020	31st March 2019
Income from investments in NIIF Funds	241	43
Gains on foreign exchange fluctuation	308	24
Profit on sale of property, plant and equipment	-	135
Interest income on term deposits	113,245	19,287
	113,794	19,489

NOTE 17: Employee benefit expenses

(Amounts in Rs. thousands)

Particulars	Year ended	Year ended
	31st March 2020	31st March 2019
Salaries and allowances*	230,111	147,206
Contribution to provident and other funds	10,947	7,413
Incentives and other staff related costs	129,514	101,991
	370,572	256,610

* Includes gratuity expense of Rs 8,815 thousands (previous year Rs 4,037 thousands) (refer note 24).

NOTE 18 : Other expenses

(Amounts in Rs. thousands)

Particulars	Year ended	Year ended
	31st March 2020	31st March 2019
Premises costs	87,516	64,691
Travelling and Conveyance	42,372	35,124
Professional and consultancy fees	34,196	13,237
Legal consultancy fees	28,998	12,265
Advertisement, branding and PR agency	17,332	9,964
Subscription and other expenses	14,525	9,388
Communication and IT running costs	12,639	7,815
CSR expenditure (refer note A below)	7,232	315
Internal audit fees	1,055	2,005
Accounting outsourcing fees	996	1,079
Payment to auditor (refer note B below)	555	564
Website designing	471	785
Interest on taxes	241	5,050
	248,128	162,282

A. In respect of Corporate Social Responsibility ("CSR") activities, the company has undertaken programmatic CSR projects and committed Rs. 7,232 thousands (previous year Rs 315 thousands) to be spent as per the milestones agreed under the program, as approved by the CSR committee and the Board. The Company has spent Rs. 1,713 thousands within the gross amount required to be spent by the Company during the year. The company has also spent Rs. 315 thousands in respect of the unspent amount of the previous year CSR commitment.

B. Payment to auditor

(Amounts in Rs. thousands)

Particulars	Year ended	Year ended
	31st March 2020	31st March 2019
Audit fee	350	350
Tax audit fee	150	150
Reimbursement of expenses	55	64
	555	564

NOTE 19: Earning per share

Particulars	Year ended	Year ended
	31st March 2020	31st March 2019
Net Profit considered for basic EPS calculation (in thousands)	1,138,507	730,101
Weighted average number of equity shares for calculating basic EPS (number)	40,818	40,818
Nominal value per share	Rs. 10	Rs. 10
Basic EPS (in thousands)	27.89	17.89
Net profit considered for diluted EPS calculation (in thousands)	1,138,507	730,101
Weighted average number of equity shares in calculating diluted EPS	346,668	111,338
Nominal value per share	Rs. 10	Rs. 10
Diluted EPS (in thousands)	3.28	6.56

National Investment and Infrastructure Fund Limited
Notes to financial statements for the year ended 31 March 2020

NOTE 20: Contingent liabilities and Capital commitments

a. Contingent liabilities - Nil* (Previous year- Nil)

*National Investment and Infrastructure Fund (NIIF) , one of the funds managed by the Company has committed an equity investment in GVK Airport Holdings Limited (“GAHL”) along with other consortium partners. A third party which was also interested in this transaction has filed a suit against the sellers and has made NIIF and consortium partners respondent in their suit. While the litigation has been filed against the Company in its capacity as investor in the proposed transaction, the Company’s management in its response against the suit will clarify that the correct respondent is the Company acting as investment manager to NIIF (who is the investor) and not the Company in its capacity as investor. The management is of the view that the suit do not attract any kind of liability whether fixed or contingent on the Company as its not a party to this transaction.

b. Capital commitments - Rs. 19,895 thousands (Previous year- Nil)

NOTE 21: The Company has only one reportable segment. Therefore, the disclosures as per AS-17 is not applicable.

NOTE 22: The future minimum lease rentals payable under non-cancellable operating leases are as follows:

Particulars	(Amounts in Rs. thousands)	
	As at 31st March, 2020	As at 31st March, 2019
Within one year	75,455	23,400
After one year but not more than five years	83,670	33,149
More than five years	-	-
	159,125	56,549

NOTE 23: Expenditure paid in foreign currency - Rs. 17,342 thousands (Previous year- Rs. 4,453 thousands)
Earnings in foreign currency - Rs Nil (Previous year Rs Nil)

NOTE 24: Employee Benefits : Gratuity

The following table set out the status of the gratuity plan as required under AS 15 (revised).

Particulars	(Amounts in Rs. thousands)	
	As at 31st March, 2020	As at 31st March, 2019
Change in defined benefit obligation		
Obligation at the year beginning	5,980	1,991
Service cost	6,564	3,705
Interest costs	457	153
Actuarial gain on obligation	1,793	179
Benefits paid	(104)	(48)
Obligation at the year end	14,690	5,980

Particulars	(Amounts in Rs. thousands)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Expenses recognised in the statement of profit and loss		
Current service cost	6,564	3,705
Interest cost	457	153
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Net actuarial gain recognised in the period	1,794	179
Expenses recognised in the statement of profit and loss	8,815	4,937

Assumptions

i) Discounting Rate	6.91%	7.65%
ii) Future salary Increase	10%	10%
iii) Retirement age	65 years	65 years

Mortality Rate - Based on IALM (2006-08) ultimate mortality table

Age	Withdrawal rate (%)	Withdrawal rate (%)
- upto 30 years	5%	5%
- upto 31 to 44 years	3%	3%
- Above 44 years	2%	2%

NOTE 25 : Related party disclosures

a) Name of the related party where control exists

National Investment and Infrastructure Fund
NIIF Fund of Funds - I
National Investment and Infrastructure Fund II
NIIFL Master Fund EBT
NIIFL Fund of Funds EBT
NIIFL Strategic Opportunities Fund EBT
Aseem Infrastructure Finance Limited
Intellismart Infrastructure Private Limited
NIIF Infrastructure Finance Limited
Athaang Infrastructure Private Limited

Nature of relationship

Company is the Investment Manager
Company is the Investment Manager
Company is the Investment Manager
Company is the Trustee
Company is the Trustee
Company is the Trustee
Portfolio company of NIIF Funds*
Portfolio company of NIIF Funds *
Portfolio company of NIIF Funds *
Portfolio company of NIIF Funds *

*The beneficial ownership of these entities is with NIIF Funds

Key managerial persons

Mr. Sujoy Bose

Chief Executive Officer

National Investment and Infrastructure Fund Limited
Notes to financial statements for the year ended 31 March 2020

NOTE 25 : Related party disclosures (continued)

b) During the year ended March 31, 2020 and March 31,2019, the following transactions were entered with related parties:

Nature of transaction	(Amounts in Rs. thousands)	
	Year ended 31st March 2020	Year ended 31st March 2019
Management fees from:		
National Investment and Infrastructure Fund	1,709,716	367,730
NIIF Fund of Funds I	44,027	236,376
National Investment and Infrastructure Fund II	317,384	842,621
Income from Investments in:		
National Investment and Infrastructure Fund	156	34
NIIF Fund of Funds I	85	9

c) As at March 31, 2020, the Company had the following balances with related parties:

Nature of transaction	(Amounts in Rs. thousands)	
	As at March 31, 2020	As at March 31, 2019
Reimbursements receivable from /(payable to) :		
National Investment and Infrastructure Fund	8,870	104,981
NIIF Fund of Funds I	(432)	3,083
National Investment and Infrastructure Fund II	-	7,156
Aseem Infrastructure Finance Limited	8,346	-
Athaang Infrastructure Private Limited	23	-
NIIF Infrastructure Finance Limited	1	-
Management fee receivable from:		
NIIF Fund of Funds I	-	41,717
National Investment and Infrastructure Fund II	-	453,769
Advance management fee from (to be adjusted in FY21) :		
NIIF Fund of Funds I	183,207	-

d) During the year the Company has paid the Rs. 25,549 thousands (previous year Rs 21,411 thousand) as salaries and allowances and Rs. 1,008 thousands (previous year Rs. 782 thousands) as contribution to provident and other funds to key managerial persons.

NOTE 26: Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	(Amounts in Rs. thousands)	
	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2,010	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-

NOTE 27: Events after the balance sheet date

There were no significant events between the Balance Sheet date and the date of signing of the financial statements, affecting the Company, which require adjustment to or disclosure in the financial statements. The recent 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 28: Previous year figures have been regrouped/reclassified wherever necessary.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration no. 101049W/ E300004

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

Amit Kabra
Partner
Membership no: 094533

Sujoy Bose
Managing Director & CEO
DIN : 02566157

Sanjay Bhandarkar
Director
DIN : 01260274

Saurabh Jain
Chief Financial Officer

Ekta Agarwal
Company Secretary
Membership no.: A18190