

## INDEPENDENT AUDITOR'S REPORT

To the Members of Northern Arc Investment Adviser Services Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Northern Arc Investment Adviser Services Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, 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 financial statements, including a summary of material 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, 2024, 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 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 Report of the Board of Directors (including annexures), but does not include the financial statements and our auditor's report thereon. The Report of the Board of Directors (including annexures) is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

#### 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 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 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.

The 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ 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, 2020 ("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, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (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 except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g)
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls with reference to financial statements;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 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;
  - (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g).
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;



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

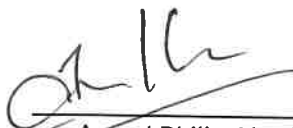
Chartered Accountants

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 30 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 30 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination, which included test checks and as explained in note 30, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. During the course of our audit we have not noted any instances of the audit trail feature being tampered at the application level. However, in the absence of service organization controls (SOC) report covering the audit trail feature at a database level, we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year or whether there were any instances of the audit trail feature being tampered with at a database level.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



Per Anand Philip Abraham

Partner

ICAI Membership Number: 232912

UDIN: 24232912BKFTKZ9742



Place of Signature: Bengaluru

Date: May 13, 2024

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

Re: Northern Arc Investment Advisers Private Limited (the "Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) There are no plant, property and equipment including immovable properties and intangible assets owned by the Company throughout the year and accordingly, the requirements under the provision of clause 3(i) of the Order are not applicable to the Company.
- (ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii)(a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company



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

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- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions of provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the Company.
- (vii)(b) There are no dues of goods and services tax, income tax, cess, and other statutory dues which have not been deposited on account of any dispute. The provisions of provident fund, employees' state insurance, sales-tax, service tax, customs duty, excise duty, value added tax are not applicable to the Company.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix)(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (ix)(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix)(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x)(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b), (c) of the Order is not applicable to the Company.
- (xiii) The Company is a private company and is thus not required to establish an Audit Committee as prescribed under Section 177 of the Companies Act, 2013. Further, as explained to us, the Company satisfies the conditions for exemption from the provisions of section 188 prescribed in notification dated June 5, 2015 issued by the Ministry of Corporate Affairs and therefore, the provisions of section 188 do not apply to the Company. Accordingly, the requirement to report on clause 3(xiii) of the Order is not applicable to the Company.
- (xiv)(a) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Companies Act, 2013.
- (xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi)(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (xvi)(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the current year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 28 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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

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- (xx) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004

  
per Anand Philip Abraham  
Partner

ICAI Membership Number: 232912

UDIN: 24232912BKFTKZ9742

Place: Bengaluru

Date: May 13, 2024



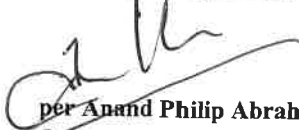


**Northern Arc Investment Adviser Services Private Limited**  
**Balance sheet as at March 31, 2024**  
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Current tax assets (net)	4	11.39	-
Deferred tax assets (net)		14.64	17.99
Financial assets			
Other financial assets	5	212.67	-
		<b>238.70</b>	<b>17.99</b>
<b>Current assets</b>			
Financial assets			
Investments	6	106.76	301.84
Trade receivables	7	-	51.15
Cash and cash equivalents	8	31.76	5.77
Other current assets	9	20.33	24.31
		<b>158.85</b>	<b>383.07</b>
<b>Total assets</b>		<b>397.55</b>	<b>401.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	125.00	125.00
Other equity	14	241.93	227.26
		<b>366.93</b>	<b>352.26</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	15	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		5.36	15.93
Other financial liabilities	11	24.96	24.97
Current tax Liability (net)	10	-	1.83
Other current liabilities	12	0.30	6.07
		<b>30.62</b>	<b>48.80</b>
<b>Total equity and liabilities</b>		<b>397.55</b>	<b>401.06</b>

Material accounting policies 2 and 3  
(The notes referred to above form an integral part of the financial statements)

As per our report of even date attached  
for **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm's Registration No:101049W/E300004

  
**per Anand Philip Abraham**  
Partner  
ICAI Membership No. 232912



For and on behalf of the Board of Directors of  
**Northern Arc Investment Adviser Services Private Limited**  
CIN:U74900TN2012PTC087839

  
**Ashish Mehrotra**  
Director  
DIN:07277318

  
**Kshama Fernandes**  
Director  
DIN:02539429

Place : Bengaluru  
Date : May 13, 2024

Place : Mumbai  
Date : May 13, 2024

**Northern Arc Investment Adviser Services Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2024**  
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>REVENUE</b>			
Revenue from operations	16	-	19.25
Other income	17	21.98	18.51
<b>Total revenue</b>		<b>21.98</b>	<b>37.76</b>
<b>EXPENSES</b>			
Employee benefit expenses	18	-	16.42
Other expenses	19	6.29	9.13
<b>Total expenses</b>		<b>6.29</b>	<b>25.55</b>
<b>Profit/(Loss) before tax</b>		<b>15.69</b>	<b>12.21</b>
<b>Tax expense</b>	20		
Current tax			
Current tax		5.32	1.83
Adjustment of tax relating to earlier periods		(1.92)	6.00
Deferred tax charge/ (credit)		(2.39)	(4.97)
		<b>1.01</b>	<b>2.86</b>
<b>Profit/(Loss) for the year</b>		<b>14.68</b>	<b>9.35</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>		-	-
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		-	-
<b>Total comprehensive income</b>		<b>14.68</b>	<b>9.35</b>
<b>Earnings per equity share (Face Value - INR 100/ Share)</b>	28		
<b>Earnings per equity share</b>			
Basic (in rupees)		11.74	7.48
Diluted (in rupees)		11.74	7.48

Material accounting policies

2 and 3

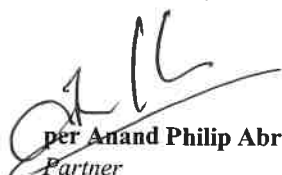
(The notes referred to above form an integral part of the financial statements)

As per our report of even date attached

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

Chartered Accountants

ICAI Firm's Registration No:101049W/E300004

  
**Anand Philip Abraham**  
Partner  
ICAI Membership No. 232912



For and on behalf of the Board of Directors of  
**Northern Arc Investment Adviser Services Private Limited**  
CIN:U74900TN2012PTC087839

  
**Ashish Mehrotra**  
Director  
DIN:07277318

  
**Kshama Fernandes**  
Director  
DIN:02539429

Place : Bengaluru  
Date : May 13, 2024

Place : Mumbai  
Date : May 13, 2024

**Northern Arc Investment Adviser Services Private Limited**  
**Statement of changes in equity for the year ended March 31, 2024**  
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

**A. Equity Share Capital**

Equity Share capital of INR 100 each Issued, subscribed and fully paid

Balance as at March 31, 2022	125.00
Changes in equity share capital during the year	-
Balance as at March 31, 2023	125.00
Changes in equity share capital during the year	-
Balance as at March 31, 2024	125.00

**B. Other Equity**

Reserves and surplus		Total Other Equity attributable to Equity Holders of the Company
Capital Redemption Reserve	Retained Earnings	
Balance as at March 31, 2022	85.00	132.91
Change in equity for the Year ended March 31, 2023		
Profit for the year	-	9.35
Balance as at March 31, 2023	85.00	142.26
Change in equity for the March 31, 2024		
Profit for the year	-	14.68
Balance as at March 31, 2024	85.00	156.93

Material accounting policies

2 and 3


(The notes referred to above form an integral part of the financial statements)

As per our report of even date attached

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

Chartered Accountants

ICAI Firm's Registration No:101049W/E300004

  
**Anand Philip Abraham**  
 Partner

ICAI Membership No. 232912



For and on behalf of the Board of Directors of

**Northern Arc Investment Adviser Services Private Limited**

CIN:U74900TN2012PTC087839



**Ashish Mehrotra**

Director

DIN:07277318



**Kshama Fernandes**

Director

DIN:02539429

Place : Mumbai

Date : May 13, 2024

Place : Bengaluru

Date : May 13, 2024

**Northern Arc Investment Adviser Services Private Limited**  
**Statement of Cash Flows for the Year ended March 31, 2024**  
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
Profit before tax	15.69	12.21
<u>Adjustments for:</u>		
Net gain on financial instruments at fair value through profit or loss	(7.90)	(15.90)
Interest in Income tax refund	-	(2.62)
Interest on fixed deposit	(14.08)	
<b>Operating profit before working capital changes</b>	<b>(6.29)</b>	<b>(6.30)</b>
<u>Changes in working capital:</u>		
Decrease / (Increase) in trade receivables	51.15	(39.51)
(Increase) in other current assets	3.98	(6.37)
(Decrease)/Increase in trade payables	(10.58)	(19.87)
(Decrease) / Increase in other financial liabilities	(0.01)	(4.60)
(Decrease) / Increase in other current liabilities	(5.77)	4.97
<b>Cash flow from operations</b>	<b>32.48</b>	<b>(71.68)</b>
Income tax paid (net)	3.82	49.79
<b>Net Cash flow provided from operating activities (A)</b>	<b>36.29</b>	<b>(21.89)</b>
<b>B Cash flows from investing activities</b>		
Purchase of mutual fund investments	(118.91)	-
Sale of mutual fund investments	308.60	-
Investment in fixed deposit	(200.00)	-
Interest income in fixed deposit	1.41	-
<b>Net cash used in investing activities (B)</b>	<b>(10.30)</b>	<b>-</b>
<b>C Cash flow from financing activities</b>		
<b>Net cash used in financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>25.99</b>	<b>(21.89)</b>
Cash and cash equivalents at the beginning of the year	5.77	27.66
<b>Cash and cash equivalents at the end of the year</b>	<b>31.76</b>	<b>5.77</b>

**Notes to cash flow statement**

	Note	As at March 31, 2024	As at March 31, 2023
<b>1 Components of cash and cash equivalents:</b>	<b>8</b>		
Balances with banks			
- in current accounts		31.76	5.77
		<b>31.76</b>	<b>5.77</b>

Material accounting policies

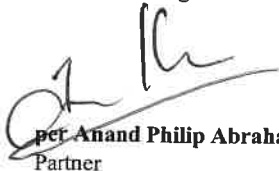
(The notes referred to above form an integral part of the financial statements)

As per our report of even date attached

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

Chartered Accountants

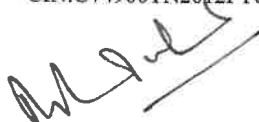
ICAI Firm's Registration No:101049W/E300004

  
**Anand Philip Abraham**  
Partner

ICAI Membership No. 232912



For and on behalf of the Board of Directors of  
**Northern Arc Investment Adviser Services Private Limited**  
CIN:U74900TN2012PTC087839

  
**Ashish Mehrotra**  
Director  
DIN:07277318

  
**Kshama Fernandes**  
Director  
DIN:02539429

Place : Bengaluru  
Date : May 13, 2024

Place : Mumbai  
Date : May 13, 2024

## 1 Reporting entity

Northern Arc Investment Adviser Services Private Limited is an investment adviser registered under Securities and Exchange Board of India (Investment Advisers) Regulations 2013, vide registration no. INA200000019. The entity was incorporated on September 27, 2012, with the aim to undertake the business of facilitating investments and act as advisors to provide financial/ investment adviser to both Indian and Foreign Investors. The company is a wholly owned subsidiary of Northern Arc Capital Limited. The Company's registered address is No. 1, Kanagam Village, 10th Floor IITM Research Park, Taramani Chennai TN 600113. The Company was Formerly known as IFMR Investment Adviser Services Private Limited.

## 2 Statement of compliance and basis of preparation

### 2.1 Operational Outlook

Company is in the process of revamping the overall business strategy and the management is in the process of finalising the proposed business outlook. The Company had taken license from Securities Exchange Board of India (SEBI) for carrying on the business of a registered investment adviser in 2013 which was renewed on a periodic basis. However, over the last few years, due to the overall change of business strategy, the management has purposed to surrender the SEBI Investment Adviser license which was approved in the board meeting dated May 10, 2023. Further, the company has initiated the process of surrendering the certificate of registration as investment adviser (Registration No. INA200000019) on February 1, 2024 which was subsequent to the year-end acknowledged by SEBI.

As at March 31, 2024, the Company has a networth of Rs. 366.93 Lakhs which a liquid asset balance of Rs. 319.43 Lakhs and is profitable with profit before tax of Rs. 15.69 Lakhs for the year. Considering these, management is of the view that the Company will have sufficient funds to meet its obligations as they fall due, to enable the Company to continue as a going concern.

Considering the above, these financial statements have been prepared on a going concern basis and no adjustments has been made to the carrying value or classification of Balance Sheet items.

### 2.2 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act'), other relevant provisions of the Act and presented in accordance with Division II - Schedule III of the Companies Act, 2013.

These financial statements were authorised for issue by the Company's Board of Directors on May 9 2024.

Details of the Company's accounting policies were disclosed in note 3.

### 2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Rupees in lakhs (two decimals), unless otherwise indicated.

### 2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except

Items	Measurement basis
Investments in Mutual funds	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

### 2.5 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

### 2.6 Other assumptions and estimation uncertainties

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Estimated useful life of property, plant and equipment and intangible assets;
- Recognition of deferred taxes;



### **3 Material accounting policies**

#### **3.1 Revenue Recognition**

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 and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115 :

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

#### **Fee income**

Fees income such as fees related to professional services rendered and arrangement of funds is recognised on point in time or over the period basis, as applicable

#### **3.2 Financial instrument - initial recognition**

##### **A Date of recognition**

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

##### **B. Initial measurement of financial instruments**

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

##### **C. Measurement categories of financial assets and liabilities**

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) Fair value through other comprehensive income (FVOCI)

A iii) Fair value through profit or loss (FVTPL)



### **3.3 Financial assets and liabilities**

#### **A. Financial assets**

##### **Business model assessment**

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

##### **Sole Payments of Principal and Interest (SPPI test)**

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows

##### **i) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **ii) Financial assets at fair value through other comprehensive income (FVOCI)**

A financial asset is measured at FVOCI if it 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 give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

##### **iii) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### **B. Financial liability**

##### **i) Initial recognition and measurement**

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

##### **ii) Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method.

### **3.4 Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.



### **3.5 Derecognition of financial assets and liabilities**

#### **A. Derecognition of financial assets due to substantial modification of terms and conditions**

The Company derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

#### **B. Derecognition of financial assets other than due to substantial modification**

##### **i) Financial Assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

##### **ii) Financial Liability**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

### **3.6 Impairment of financial assets**

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost 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.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that
- it is probable that the borrower will enter bankruptcy or other
- the disappearance of an active market for a security because of

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).





### 3.6 Impairment of financial assets (Continued)

#### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### 3.7 Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

### 3.8 Determination of fair value

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

**Level 2 financial instruments:** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

**Level 3 financial instruments** – Those that include one or more unobservable input that is significant to the measurement as whole.

### 3.9 Property, plant and equipment

#### **i. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

#### **ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### **iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss.

The Company follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset category	Useful Life
Computers and accessories	3 years
Office equipments	5 years

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).



### 3.10 Impairment of non-financial assets

The Company determines periodically whether there is any indication of impairment of the carrying amount of its non-financial assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or group of assets. The recoverable amounts of such asset are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### 3.11 Employee benefits

#### i. Post-employment benefits

##### Defined contribution plan

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

##### Defined benefit plans

##### Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### ii. Other long-term employee benefits

##### Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

#### iii. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.



### **3.13 Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

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. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefit in the form of availability of set off against future income tax liability.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by 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 if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### **3.14 Borrowing cost**

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowings costs are recognized as an expense in the statement of profit and loss account on an accrual basis using the effective interest method.

### **3.15 Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



### **3.16 Segment reporting- Identification of segments:**

An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

### **3.17 Earnings per share**

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic earnings per equity share is computed by dividing net profit / loss after tax attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the net profit/ loss after tax attributable to the equity share holders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

### **3.18 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

### **3.19 New and Amended Standards**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2023.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

The amendments had no impact on the Company's financial statements.

#### **(i) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

#### **(ii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Apert from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 107, Ind AS 109 and Ind AS 115.



**Northern Arc Investment Adviser Services Private Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2024**  
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>4 Current tax assets (net)</b>		
Advance Income tax (net of provision for tax)	11.39	-
	<b>11.39</b>	<b>-</b>
<b>5 Other financial assets</b>		
<b>Non-current</b>		
Fixed Deposit (more than 12 months)	212.67	-
	<b>212.67</b>	<b>-</b>
<b>6 Current Investments</b>		
<b>Measured at fair value through profit and loss:</b>		
<b>Investment in mutual funds - quoted</b>		
2831.411 units (March 31, 2023: 8579.036) of Tata Liquid Regular - Growth Plan	106.76	301.84
	<b>106.76</b>	<b>301.84</b>
Aggregate book value of quoted investment	100.00	282.40
Aggregate market value of quoted investment (NAV)	106.76	301.84
Aggregate amount of impairment value of investments	-	-

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**Northern Arc Investment Adviser Services Private Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2024**  
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>7 Trade receivables</b>		
Unsecured, considered good	-	51.15
Less: allowance for bad and doubtful debts	-	-
	<u>-</u>	<u>51.15</u>
Non-Current	-	-
Current	-	51.15
<b>Trade receivables Ageing Schedule</b>		
<b>As at March 31, 2024</b>		

Particulars	Unbilled (Not due)	Outstanding for following periods from due date of			Total
		Less than 6 Months	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	-	-	-	-

**Trade receivables Ageing Schedule**  
**As at March 31, 2023**

Particulars	Unbilled (Not due)	Outstanding for following periods from due date of			Total
		1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	51.15	-	-	-	51.15

- a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- b) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

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**Northern Arc Investment Adviser Services Private Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2024**  
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>8 Cash and cash equivalents</b>		
Balance with banks		
- in current accounts	31.76	5.77
	<b>31.76</b>	<b>5.77</b>
<b>9 Other current assets</b>		
Balances with government authorities	16.79	24.31
Advance to supplier	3.54	-
	<b>20.33</b>	<b>24.31</b>
<b>10 Current tax liabilities (Net)</b>		
Current tax liabilities	-	1.83
	<b>-</b>	<b>1.83</b>
<b>11 Other financial liabilities</b>		
Employee benefits payable	-	0.01
Payable to related parties	24.96	24.96
	<b>24.96</b>	<b>24.97</b>
<b>12 Other Current liabilities</b>		
Statutory liabilities	0.30	6.07
	<b>0.30</b>	<b>6.07</b>

*This space is intentionally left blank*



	As at March 31, 2024	As at March 31, 2023
<b>13 Share capital</b>		
<b>Authorised</b>		
500,000 (March 31, 2023: 500,000) equity shares of INR 100 each	500.00	500.00
250,000 (March 31, 2023: 250,000) redeemable preference shares of INR 100 each	250.00	250.00
	<b>750.00</b>	<b>750.00</b>
<b>Issued, subscribed and paid up</b>		
125,000 (March 31, 2023: 125,000) equity shares of INR 100 each	125.00	125.00
	<b>125.00</b>	<b>125.00</b>

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

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
At the commencement of the year	1,25,000	125.00	1,25,000	125
Add: Equity shares issued during the year	-	-	-	-
At the end of the year	<b>1,25,000</b>	<b>125.00</b>	<b>1,25,000</b>	<b>125.00</b>

b) Rights, preferences and restrictions attached to each class of shares

i) Equity shares

The Company has only one class of Equity Shares having par value of INR 100 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Share holding:

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% held	No. of shares	% held
Equity shares:				
Northern Arc Capital Limited	1,25,000	100%	1,25,000	100%

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

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% held	No. of shares	% held
Equity shares:				
Northern Arc Capital Limited	1,25,000	100%	1,25,000	100%

e) Details of shares held by promoters

As at 31 March 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares
Northern Arc Capital Limited	1,25,000	-	1,25,000	100%

As at 31 March 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares
Northern Arc Capital Limited	1,25,000	-	1,25,000	100%

14 Other equity

	As at March 31, 2024	As at March 31, 2023
<b>a) Retained earnings</b>		
At the commencement of the year	142.26	132.91
Add: Profit for the year	14.68	9.35
Add: Transfer from other comprehensive income	-	-
At the end of the year	<b>156.93</b>	<b>142.26</b>
<b>b) Capital Redemption Reserve</b>		
At the commencement of the year	85.00	85.00
Add: Additions for the year	-	-
At the end of the year	<b>85.00</b>	<b>85.00</b>
<b>Total (a+b+c)</b>	<b>241.93</b>	<b>227.26</b>

Nature and purpose of reserve

(i) Retained earnings

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

(ii) Capital Redemption Reserve

The capital redemption reserve was created on account of the redemption of the redeemable preference shares.





**Northern Arc Investment Adviser Services Private Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2024**  
**(All amounts are in Indian Rupees in lakhs, unless otherwise stated)**

	As at March 31, 2024	As at March 31, 2023
<b>15 Trade payables*</b>		
Trade payables (undisputed)		
-Total outstanding dues to micro enterprises and small enterprises	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	5.36	15.93
	<u>5.36</u>	<u>15.93</u>

\*There are no disputed trade payables to MSME or others.

**Trade payables Ageing Schedule**  
**As at March 31, 2024**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
-Total outstanding dues of creditors other than micro enterprises and small enterprises	5.36	-	-	-	5.36

**As at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
-Total outstanding dues of creditors other than micro enterprises and small enterprises	15.93	-	-	-	-

There are no unbilled" and "Not due" trade payables, hence the same are not disclosed in the ageing schedule.

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**Northern Arc Investment Adviser Services Private Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2024**  
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>16 Revenue from operations</b>		
Revenue from contract with customers	-	19.25
	-	<b>19.25</b>
<b>Revenue from customers</b>		
-That are recognised over a certain period of time	-	-
-That are recognised at a point of time	-	19.25
<b>Geographical Market</b>		
-In India	-	19.25
-Outside India	-	-
<b>17 Other income</b>		
Net gain on financial instruments at fair value through profit or loss		
- Investments in mutual funds	6.76	15.90
Gain/Loss on sale of Mutual Fund	1.14	-
Interest income from term deposits with Banks	14.08	-
Interest income from income tax refund	-	2.62
	<b>21.98</b>	<b>18.51</b>
<b>Fair value changes:</b>		
-Realised	1.14	-
-Unrealised	20.84	15.90
	<b>21.98</b>	<b>15.90</b>
<b>18 Employee benefits expense</b>		
Salaries, wages and bonus	-	16.16
Contribution to provident and other funds	-	0.89
Expenses related to post-employment defined benefit plans (refer note 22)	-	(0.91)
Leave encashment expenses	-	0.01
Staff welfare expenses	-	0.27
	-	<b>16.42</b>
<b>19 Other expenses</b>		
Rent	-	2.52
Legal and professional charges	2.20	2.43
Rates and taxes	0.39	0.05
Bank charges	0.02	0.21
Auditors' remuneration (refer note 18.1 below)	3.60	3.60
Miscellaneous expenses	0.08	0.32
	<b>6.29</b>	<b>9.13</b>
<b>19.1 Payments to auditor (excluding goods and services tax)</b>		
Statutory audit	2.50	2.50
Certification services	1.00	1.00
Reimbursement of expenses	0.10	0.10
	<b>3.60</b>	<b>3.50</b>



	Year ended March 31, 2024	Year ended March 31, 2023
<b>20 Income tax</b>		
<b>A The components of income tax expense for the years ended March 31, 2024 and 2023 are:</b>		
Current tax	5.32	7.83
Deferred tax charge	(2.39)	(4.97)
<b>Tax expense</b>	<b>2.93</b>	<b>2.86</b>

**B Reconciliation of the total tax charge**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2024 and March 31, 2023 are as follows:-

	Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) before tax	15.69	12.21
Taxable income	15.69	12.21
Applicable tax rate	26.00%	26.00%
<b>Computed expected tax expense</b>	<b>4.08</b>	<b>3.17</b>
Tax pertaining to permanent differences		
Adjustments in respect of current income tax of previous year	(1.92)	-
Tax benefit on bought forward loss	(1.15)	(0.31)
<b>Tax expenses recognised in the statement of profit and loss</b>	<b>1.01</b>	<b>2.86</b>
Effective tax rate (excluding previous year adjustments)	18.66%	23.44%

**C Deferred tax**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense.

**Component of Deferred tax asset / (liability)**

	As at March 31, 2023	Statement of profit and loss	Other comprehensive income	MAT utilization	As at March 31, 2024
Property, plant and equipment	0.04	(0.01)	-	-	0.03
Impact of fair valuation of assets	4.13	(2.38)	-	-	1.76
Provision for employee benefits	-	-	-	-	-
	4.18	(2.39)	-	-	1.79
Minimum alternative tax	13.81	-	-	(0.96)	12.86
	<b>17.99</b>	<b>(2.39)</b>	<b>-</b>	<b>(0.96)</b>	<b>14.64</b>
	As at March 31, 2022	Statement of profit and loss	Other comprehensive income	MAT utilization	As at March 31, 2023
Property, plant and equipment	0.07	0.03	-	-	0.04
Impact of fair value of assets	-	-	-	-	-
Provision for employee benefits	(0.81)	(4.94)	-	-	4.13
	(0.20)	(4.38)	-	-	4.18
Minimum alternative tax	8.97	-	-	4.84	13.81
	<b>8.77</b>	<b>(4.38)</b>	<b>-</b>	<b>4.84</b>	<b>17.99</b>



## 21 Financial instrument

### A Fair value measurement

#### Valuation principles

Fair value 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., exit price. This is regardless of whether that price is directly observable or estimated using a valuation technique.

#### Financial instruments by category

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2024 and March 31, 2023 are as follows:

Particulars	Note	Carrying amount		Fair value	
		Mar-24	Mar-23	Mar-24	Mar-23
Investments					
- Investment in Mutual Funds	6	106.76	301.84	106.76	301.84

#### Sensitivity analysis - Increase/ decrease of 100 basis points on annualised yeild

	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Investments				
- Mutual fund investments	0.47	(0.47)	-	-

The carrying value and fair value of other financial instruments by categories as of March 31, 2024 and March 31, 2023 are as follows:

Particulars	March 31, 2024		March 31, 2023	
	Carrying Value	Fair value	Carrying Value	Fair value
<b>Financial assets not measured at fair value:</b>				
Trade receivables	-	-	51.15	51.15
Cash and cash equivalents	31.76	31.76	5.77	5.77
Other financial assets	212.67	212.67	-	-
<b>Financial liabilities not measured at fair value:</b>				
Trade payables	5.36	5.36	15.93	15.93

The management assessed that cash and cash equivalents, trade receivables, other financial assets, borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.



**B Measurement of fair values**

**Valuation methodologies of financial instruments not measured at fair value**

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only.

**Financial assets and liabilities**

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities without a specific maturity.

**C Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

**22 Financial risk management objectives and policies**

The Company's principal borrowings comprise redeemable preference shares. The main purpose of these borrowings is to finance the Company's operations and to support its operations. The Company's financial assets primarily includes investments, trade receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework.

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.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans

The carrying amounts of financial assets represent the maximum credit risk exposure.

**A. Investments**

Investments primarily represents investments in mutual funds which are fair valued through profit and loss and hence no impairment loss allowance is made in accordance with Ind AS 109.

**B. Cash and cash equivalents**

(i) Credit risk on cash and cash equivalent is limited as the Company does not have any deposits at all.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilised cash credit facility and term loans.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

**(iii) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(iv) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's does not have any variable rate financial instruments and thus have no exposure to the risk of changes in market interest rates.



## 23 Employee Benefits

### 23.1 Defined Contribution Plan

The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expenses in the statement of profit and loss during the period in which the employee renders the related service. The amount recognised as an expense towards contribution to provident fund for the year ended March 31, 2024 is NIL (March 31,2023:0.89 lakhs)

### 23.2 Defined Benefit Plans

The Company's gratuity benefit scheme is a defined plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past services and the fair value of any plan assets are deducted. The Calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

#### Details of actuarial valuation of gratuity pursuant to the Ind AS 19

	March 31, 2024	March 31, 2023
<b>A. Change in present value of obligations</b>		
Present value of obligations at the beginning of the year	-	0.91
Current service cost	-	(0.91)
Interest cost	-	-
Past service cost	-	-
Benefits settled	-	-
Actuarial (gain)/ loss	-	-
<b>Present value of obligations at the end of the year</b>	<b>-</b>	<b>-</b>
<b>B. Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gains/ (loss)	-	-
Employer contributions	-	-
Benefits settled	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>C. Actual Return on plan assets</b>		
Expected return on plan assets	-	-
Actuarial gains/ (loss) on plan assets	-	-
<b>Actual return on plan assets</b>	<b>-</b>	<b>-</b>
<b>D. Reconciliation of present value of the obligation and the fair value of the plan assets</b>		
<b>Change in projected benefit obligation</b>		
Present value of obligations at the end of the year	-	-
Fair value of plan assets	-	-
<b>Net liability recognised in balance sheet</b>	<b>-</b>	<b>-</b>
The liability in respect of the gratuity plan comprises of the following non-current and current portions:		
Current *	-	-
Non-current	-	-
	-	-
* amount less than 0.01		
	March 31, 2024	March 31, 2023
<b>E. Expense recognised in statement of profit and loss and other comprehensive income</b>		
Current service cost	-	(0.91)
Interest on obligation	-	-
Past service cost	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognised in the year	-	-
<b>Total included in 'employee benefits'</b>	<b>-</b>	<b>(0.91)</b>



**23 Employee benefits (continued)**

**F. Assumptions at balance sheet date**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Discount rate	NA	NA
Salary escalation	NA	NA
Mortality rate	NA	NA
Attrition rate	NA	NA

**Notes:**

- a) Since there are no employees on the rolls of the Company as at March 31, 2024, the assumptions for the said year are not applicable
- b) The estimates in future salary increases, considered in actuarial valuation, takes account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employee market.
- c) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

**G. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<b>Period ended March 31, 2024</b>		<b>Year ended 31 March 2023</b>	
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
Discount rate (1% movement)	-	-	-	-
Future salary growth (1% movement)	-	-	-	-

**24 Segment Accounting:**

**Operating segments**

The Company's operations predominantly relate to financial advisory services. The information relating to this operating segment is reviewed regularly by the Company's Board of Directors (Chief Operating Decision Maker) to make decisions about resources to be allocated and to assess its performance. The CODM considers the entire business of the Company on a holistic basis to make operating decisions and thus there are no segregated operating segments. The CODM of the Company reviews the operating results of the Company as a whole and therefore not more than one reportable segment is required to be disclosed by the Company as envisaged by Ind AS 108 Operating Segments.

The company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per Ind AS 108 Operating Segments.



**25 Contingent Liabilities and Capital commitments (to the extent not provided for)**

The Company doesn't have any contingent liabilities and capital commitments.

**26 Related party disclosures**

Related party relationships and transactions are as identified by the management.

Holding Company  
Directors

Northern Arc Capital Limited  
Ashish Mehrotra  
Kshama Fernandes

**Fellow Subsidiaries with whom the Company had transactions during the year:**

Northern Arc Foundation  
Northern Arc Investment Managers Private Limited  
IFMR Fim pact Long term credit fund  
Northern Arc Emerging Bond Fund

**Transactions with related parties during the year:**

Related Party	Transaction	Period ended March 31, 2024	Year ended March 31, 2023
Northern Arc Capital Limited	Expense incurred by the Company on behalf of NACL	30.87	32.91
	Expense incurred by the NACL on behalf of NAIA	20.22	-

**Outstanding balances with related parties as on balance sheet date:**

Related Party	Transaction	Period ended March 31, 2024	Year ended March 31, 2023
Northern Arc Capital Limited	Trade Receivables	-	51.15
	Equity share capital	125.00	125.00
	ESOP Payable	24.96	24.96

**27 Corporate Social Responsibility ("CSR")**

The Company does not satisfy the criteria specified under the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and the Companies (Corporate Social Responsibility) Rules, 2014 and hence, no expenditure towards CSR was made for the year ended March 31, 2024 and for the previous year ended March 31, 2023.

**28 Earnings per share – Basic and Diluted:**

	Period ended March 31, 2024	Year ended March 31, 2023
<b>Earnings</b>		
Net profit attributable to equity shareholders for calculation of basic EPS	14.68	9.35
Net profit attributable to equity shareholders for calculation of diluted EPS	14.68	9.35
<b>Shares</b>		
Equity shares at the beginning of the period	1,25,000	1,25,000
Shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	1,25,000	1,25,000
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	1,25,000	1,25,000
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	1,25,000	1,25,000
Face value per share	100.00	100.00
<b>Earning per share</b>		
Basic (in rupees)	11.74	7.48
Diluted (in rupees)	11.74	7.48





**Northern Arc Investment Adviser Services Private Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2024**  
*(All amounts are in Indian Rupees in lakhs, unless otherwise stated)*

**28 Ratio Analysis**

Sl No.	Ratio	Numerator	Denominator	Mar-24	Mar-23	% of variance	Remarks
(i)	Current ratio	Current Assets	Current Liabilities	5.19	7.85	-34%	The variance is on account of reduction in current assets as at current year.
(ii)	Debt Equity ratio	Total debt	Share holder's Equity	-	-	-	
(iii)	Debt Service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	
(iv)	Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	4%	3%	56%	The variance is on account of reduction in revenue from operation in the current year.
(v)	Trade Receivable - Turnover ratio	Net Credit Sales	Average Trade Receivable	-	0.61	100%	The variance is on account of reduction in revenue from operation in the current year.
(vi)	Trade Payable - Turnover ratio	Net credit purchases	Average Trade Payables	-	-	-	
(vii)	Net capital - Turnover ratio	Net sales	Working capital = Current assets - Current liabilities	-	0.06	-100%	The variance is on account of reduction in revenue from operation in the current year.
(viii)	Net Profit ratio	Net Profit	Net sales	0.67	0.49	38%	The variance is on account of reduction in revenue from operation in the current year.
(ix)	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.04	0.03	23%	
(x)	Return on Investment	Interest (Finance Income)	Investment	-	-	-	

*Variances above 25% are explained above.*

Also refer note 2.1 for operational outlook of the Company

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## 29 Employee stock option plan (ESOP)

Employee Stock Option Plan 2016 (ESOP) has been approved by the Board of holding company at its meeting held on May 11, 2016 and by the members in the Extra Ordinary General Meeting held on October 7, 2016. ESOP Stock Option Plan 2018 (ESOP) has been approved by the members in the Extra Ordinary General Meeting held on July 25, 2018.

### Northern Arc Capital Employee Stock Option Plan 2018 – ("Plan" or "ESOP") ("Scheme 3")

The Northern Arc Capital Employee Stock Option Plan 2018 is applicable to all employees.

The options were issued on 9th september 2021, will be exercised at INR 275. The options are vested over a period of 3 years in 30:30:40 proportion

Ther Company has no outstanding options as at March 31, 2024 or March 31, 2023

### Reconciliation of outstanding options

The details of options granted under the above scheme is as follows.

Particulars	Number of options	
	As at March 31, 2024	As at March 31, 2023
Outstanding at beginning of year	-	2,000
Cancelled / Forfeited during the year	-	(2,000)
Exercised during the year	-	-
Granted during the year	-	-
Outstanding as at end of year	-	-
Vested and exercisable as at end of year	-	-

## 30 Other Statutory Information

- The company does not have any property, where any proceeding has been initiated or pending against the company for holding any Benami
- The company is not declared as wilful defaulter by any bank of financial institution or other lender
- The company do not have any transactions or balance outstanding with companies struck off.
- The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- There company has not provided any loans to directors or has investments made or given guarantees and securities in respect provisions of Section 185 and 186 of the Companies Act 2016.
- The company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- The company has not received money from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- The company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The Company is maintaining its book of account in electronic mode and these books of account are accessible at all times and the back-up of books of account has been kept in servers physically located in India on a daily basis throughout the year ended March 31, 2024.
- The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to accounting software relating to general ledger. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

As per our report of even date attached  
for **S.R.Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm's Registration No:101049W/E300004

per **Anand Philip Abraham**  
Partner  
ICAI Membership No. 232912

Place : Bengaluru  
Date : May 13, 2024

For and on behalf of the Board of Directors of  
**Northern Arc Investment Adviser Services Private Limited**  
CIN:U74900TN2012PTC087839

**Ashish Mehrotra**  
Director  
DIN:07277318

**Kshama Fernandes**  
Director  
DIN:02539429

Place : Mumbai  
Date : May 13, 2024