

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, 2022, 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 significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss 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.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in



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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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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.

Other Matter

The financial statements of the Company for the year ended March 31, 2021, included in these financial statements as comparatives, have been audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on May 6, 2021.

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 that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) 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 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 consolidated financial statements;



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- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 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) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than those disclosed in the Note 33 to the financial statements, no funds (which are material either individually or in the aggregate) 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 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;
 - b) The management has represented that, to the best of its knowledge and belief, other than those disclosed in the Note 33 to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that were 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.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Bharath N S**

Partner

Membership Number: 210934

UDIN: 22210934AIQOAW6789

Place of Signature: Chennai

Date: May 9, 2022



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Annexure I 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 Services 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)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant & equipment of the Company and accordingly, the requirements under Paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)(a) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii)(a) of the Order are 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. 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.
- (iii) (b) During the year the investments made to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest. The Company has not provided any guarantee, given any security or granted any loans and advance in nature of loans to companies, firms, Limited Liability Partnerships or any other parties.



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- (iii) (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties nor there were any loans or advance in nature of loans granted to the Company. Accordingly, the requirement to report on clause 3(iii)(c) to(f) of the Order is not applicable to the Company.
- (iv) There are no loans to directors, investments made, guarantees and securities given in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax and goods and services tax. The provisions relating to employees' state insurance, service tax, sales tax, value added taxes, duty of customs, wealth tax, and duty of excise are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax and goods and services tax at the year end, for a period of more than six months from the date they became payable.
 - (b) There are no dues of goods and services tax, provident fund, income tax, and other statutory dues which have not been deposited on account of any dispute. The provisions of employees' state insurance, income tax, sales tax, customs duty, value added tax, duty of customs, wealth tax, and duty of excise 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.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (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.
 - (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.
 - (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.
 - (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.



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- (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.
- (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.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (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) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) The Company is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.
- (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.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (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) of the Order is not applicable to the Company.



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- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses in the current year amounting to Rs. 3.21 Lakhs. In the immediately previous preceding year, Company had not incurred cash losses.
- (xviii) The previous statutory auditors of the Company have resigned during the year. There were no issues, objections or concerns raised by the previous statutory auditor.
- (xix) On the basis of the financial ratios disclosed in note 32 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.
- (xx) The provisions of Section 135 of the Companies Act, 2013, are not applicable to the Company and accordingly requirement to report on Clause 3(xx) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004



per Bharath N S

Partner

Membership Number: 210934

UDIN: 22210934AIQOAW6789

Place of signature: Chennai

Date: May 9, 2022



Northern Arc Investment Adviser Services Private Limited**Balance sheet as at March 31, 2022**

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Advance Income tax (net)	5	59.64	52.18
Deferred tax assets (net)		8.65	9.95
		68.29	62.13
Current assets			
Financial assets			
Investments	6	285.94	303.53
Trade receivables	7	11.64	-
Cash and cash equivalents	8	27.66	32.33
Other current assets	9	17.94	20.46
		343.18	356.32
Total assets		411.47	418.45
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	125.00	125.00
Other equity	11	217.91	223.05
		342.91	348.05
Liabilities			
Non-current liabilities			
Provisions	12	1.99	0.13
		1.99	0.13
Current liabilities			
Financial liabilities			
Trade payables			
total outstanding dues of micro enterprises and small enterprises	15	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		35.80	36.52
Other financial liabilities	13	29.57	29.58
Provisions	12	0.10	0.10
Other current liabilities	14	1.10	4.07
		66.57	70.27
Total equity and liabilities		411.47	418.45

Significant 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 **Bharath N S**
Partner
Membership No. 210934



Place : Mumbai
Date : May 09, 2022

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



Kshama Fernandes
Director
DIN:02539429

Place : Mumbai
Date : May 09, 2022



Bama Balakrishnan
Director
DIN:06531188

Northern Arc Investment Adviser Services Private Limited
Statement of Profit and Loss for the year ended March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
REVENUE			
Revenue from operations	16	15.00	18.75
Other income	17	8.43	84.36
Total revenue		23.43	103.11
EXPENSES			
Employee benefit expenses	18	18.46	35.62
Depreciation	19	-	0.20
Other expenses	20	8.18	9.50
Total expenses		26.64	45.32
Profit/(Loss) before tax		(3.21)	57.79
Tax expense			
Current tax	24		
Current tax		4.84	14.02
Deferred tax charge/ (credit)		(3.38)	1.05
		1.46	15.07
Profit/(Loss) for the year		(4.67)	42.72
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit asset/ (liability)		(0.64)	13.83
Income tax relating to items that will not be reclassified to profit or loss		0.17	(3.60)
Net other comprehensive income not to be reclassified subsequently to profit or loss		(0.47)	10.23
Total comprehensive income		(5.14)	52.95
Earnings per equity share (Face Value - INR 100/ Share)	29		
Earnings per equity share			
Basic (in rupees)		(3.73)	34.18
Diluted (in rupees)		(3.73)	34.18
Significant 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 **Bharath N S**

Partner

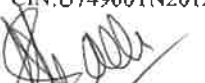
Membership No. 210934

Place : Mumbai

Date : May 09, 2022



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




Kshama Fernandes

Director

DIN:02539429

Place : Mumbai

Date : May 09, 2022



Bama Balakrishnan

Director

DIN:06531188

Northern Arc Investment Adviser Services Private Limited
Statement of Cash Flows for the Year ended March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	(3.21)	57.79
<u>Adjustments for:</u>		
Depreciation	-	0.21
Provision for Gratuity	0.04	-
Provision no longer required written back	-	(71.32)
Net gain on financial instruments at fair value through profit or loss	(3.54)	(13.04)
Operating profit before working capital changes	(6.70)	(26.36)
<u>Changes in working capital:</u>		
Decrease / (Increase) in trade receivables	(11.64)	-
Decrease in other financial assets	-	1.00
(Increase) in other current assets	2.52	(1.76)
(Decrease)/Increase in trade payables	(0.72)	(56.77)
(Decrease) / Increase in other financial liabilities	(0.01)	(7.48)
(Decrease) / Increase in other current liabilities	(1.79)	(15.10)
Cash flow from operations	(18.34)	(106.47)
Income tax paid (net)	(12.35)	(22.79)
Net Cash flow provided from operating activities (A)	(30.69)	(129.27)
B Cash flows from investing activities		
Purchase of mutual fund investments	(307.40)	-
Sale of mutual fund investments	333.42	120.00
Net cash used in investing activities (B)	26.02	120.00
C Cash flow from financing activities		
Net cash used in financing activities (C)	-	-
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	(4.67)	(9.27)
Cash and cash equivalents at the beginning of the year	32.33	41.60
Cash and cash equivalents at the end of the year	27.66	32.33

Notes to cash flow statement

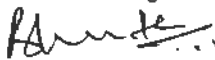
	Note	As at March 31, 2022	As at March 31, 2021
I Components of cash and cash equivalents:	8		
Balances with banks			
- in current accounts		27.66	32.33
		27.66	32.33

Significant 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. Battiboi & Associates LLP**
 Chartered Accountants
 ICAI Firm's Registration No:101049W/E300004




per **Bharath N S**
 Partner
 Membership No. 210934



Place : Mumbai
 Date : May 09, 2022

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


Kshama Fernandes
 Director
 DIN:02539429


Bama Balakrishnan
 Director
 DIN:06531188

Place : Mumbai
 Date : May 09, 2022

Northern Arc Investment Adviser Services Private Limited
Statement of changes in equity for the year ended March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

A. Equity Share Capital	Amount
Equity Share capital of INR 100 each Issued, subscribed and fully paid	
Balance as at March 31, 2020	125.00
Changes in equity share capital during the year	-
Balance as at March 31, 2021	125.00
Changes in equity share capital during the year	-
Balance as at March 31, 2022	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, 2020	85.00	85.10	170.10
Change in equity for the Year ended March 31, 2021			
Profit for the year	-	42.72	42.72
Remeasurement of net defined benefit liability	-	10.23	-
Balance as at March 31, 2021	<u>85.00</u>	<u>138.05</u>	<u>223.05</u>
Change in equity for the Year ended March 31, 2022			
Profit for the year	-	(4.67)	(4.67)
Remeasurement of net defined benefit liability	-	(0.47)	-
Balance as at March 31, 2022	<u>85.00</u>	<u>132.91</u>	<u>217.91</u>

Significant accounting policies (refer note 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: I01049W/E300004

per **Bharath N S**
Partner

Membership No. 210934



Place : Mumbai


Date : May 09, 2022

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


Kshama Fernandes
 Director
 DIN:02539429

Place : Mumbai

Date : May 09, 2022


Bama Balakrishnan
 Director
 DIN:06531188

1 Reporting entity

Northern Arc Investment Adviser Services Private Limited 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 Basis of preparation

2.1 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. ("Ind AS")

These financial statements were authorised for issue by the Company's Board of Directors on May 9 2022.

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

2.2 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.

2.3 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

2.4 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.

2.5 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

i Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income or fair value through profit and loss that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.



2.5 Use of estimates and judgements (continued)

ii) Fair value of financial instruments

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

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include :

- a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macroeconomic scenarios and economic inputs, such as consumer spending, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").
- d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

v) 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:

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



3 Significant accounting policies

3.1 Revenue Recognition

Fee income

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.

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.

Income from investment in mutual fund

Income from investment in Mutual Fund is recognised when the right to receive is established.

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)
- 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 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

3.10 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.

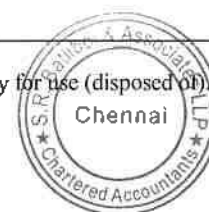
iii. Depreciation

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)



3.11 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.

3.12 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.



3.14 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 benefits 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.

3.15 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.

3.16 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.



3.17 Segment reporting- Identification of segments:

An operating segment is a component of the Company that engages in business activities from which it earn revenues and incur 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.

3.18 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.

3.19 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.

3.20 Standard Issued But Not Yet Effective

Ministry of Corporate Affairs has issued Companies (Indian Accounting Standards) Amendment Rules, 2022 on March 23, 2022, which contains various amendments to Ind AS. Management has evaluated these and have concluded that there is no material impact on the Company's financial statements.



Northern Arc Investment Adviser Services Private Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

4 Property, plant and equipment

	Computer and accessories	Total
Balance as at March 31, 2020	1.48	1.48
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	1.48	1.48
Balance as at March 31, 2020	1.48	1.48
Additions	-	-
Disposals	-	-
Balance as at March 31, 2022	1.48	1.48
Depreciation		
Balance as at March 31, 2020	1.27	1.27
Depreciation/amortisation for the year	0.20	0.20
Accumulated depreciation/amortisation on disposals	-	-
Balance as at March 31, 2021	1.48	1.48
Balance as at March 31, 2021	1.48	1.48
Depreciation/amortisation for the year	-	-
Accumulated depreciation/amortisation on disposals	-	-
Balance as at March 31, 2022	1.48	1.48
Net block		
As at March 31, 2021	0.00	0.00
As at March 31, 2022	0.00	0.00



Northern Arc Investment Adviser Services Private Limited
Notes to the financial statements for the year ended March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
5 Advance Income tax (net)		
Advance Income tax (net of provision for tax)	59.64	52.18
	<u>59.64</u>	<u>52.18</u>
6 Current Investments		
Measured at fair value through profit and loss:		
Investment in mutual funds - quoted		
8579.036 units (March 31, 2021: 9,412.346) of Tata Liquid Regular - Growth Plan	285.94	303.53
	<u>285.94</u>	<u>303.53</u>
Aggregate book value of quoted investment	277.50	288.02
Aggregate market value of quoted investment (NAV)	285.94	303.53
Aggregate amount of impairment value of investments	-	-



Northern Arc Investment Adviser Services Private Limited
Notes to the financial statements for the year ended March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

7 Trade receivables

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	11.64	-
Less: allowance for bad and doubtful debts	-	-
	11.64	-
Non-Current	-	-
Current	11.64	-

Trade receivables Ageing Schedule
As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	
Undisputed Trade Receivables – considered good	11.64	-	-	-	11.64

Trade receivables Ageing Schedule
As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 Months	6 months – 1 year	1-2 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	-	-	-	-

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 There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.



Northern Arc Investment Adviser Services Private Limited
Notes to the financial statements for the year ended March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
8 Cash and cash equivalents		
Balance with banks		
- in current accounts	27.66	32.33
	<u>27.66</u>	<u>32.33</u>
9 Other current assets		
Balances with government authorities	17.94	20.02
Advance to Vendor	-	0.44
	<u>17.94</u>	<u>20.46</u>



Northern Arc Investment Adviser Services Private Limited
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	As at March 31, 2022	As at March 31, 2021
10 Share capital		
Authorised		
500,000 (March 31, 2021: 500,000) equity shares of INR 100 each	500.00	500.00
250,000 (March 31, 2021: 250,000) redeemable preference shares of INR 100 each	250.00	250.00
	750.00	750.00
Issued, subscribed and paid up		
125,000 (March 31, 2021: 125,000) equity shares of INR 100 each	125.00	125.00
	125.00	125.00

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

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	1,25,000	125.00	1,25,000	125
Add: Shares issued during the year	-	-	-	-
At the end of the year	1,25,000	125.00	1,25,000	125.00

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) Shares held by holding:

	As at March 31, 2022		As at March 31, 2021	
	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, 2022		As at March 31, 2021	
	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 2022**

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	% change during the year
Northern Arc Capital Limited	125000	0	125000	100%	0%

As at 31 March 2021

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	% change during the year
Northern Arc Capital Limited	125000	0	125000	100%	0%



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 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

11 Other equity

	As at March 31, 2022	As at March 31, 2021
a) Retained earnings		
At the commencement of the year	138.05	85.10
Add: Profit for the year	(4.67)	42.72
Add: Transfer from other comprehensive income	(0.47)	10.23
At the end of the year	132.91	138.05
b) Capital Redemption Reserve		
At the commencement of the year	85.00	85.00
Add: Additions for the year	-	-
At the end of the year	85.00	85.00
c) Other comprehensive income		
At the commencement of the year	-	-
Remeasurements of defined benefit asset/ (liability) (refer note (iii) below)	(0.47)	10.23
Less: Transfer to Retained earnings	0.47	(10.23)
Closing balance	-	-
Total (a+b+c)	217.91	223.05

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.

(iii) Other comprehensive income

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.



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	As at		As at	
	March 31, 2022		March 31, 2021	
	Non-Current	Current	Non-Current	Current
12 Provisions				
Provision for employee benefits:				
- gratuity	0.91	0.00	0.06	0.00
- compensated absences	1.08	0.10	0.07	0.10
	1.99	0.10	0.13	0.10
	As at		As at	
	March 31, 2022		March 31, 2021	
13 Other current liabilities				
Employee benefits payable		4.61		5.22
Payable to related parties		24.96		24.36
		29.57		29.58
14 Other Current liabilities				
Statutory liabilities		1.10		4.07
		1.10		4.07



Northern Arc Investment Adviser Services Private Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

15 Trade payables*

	As at March 31, 2022	As at March 31, 2021
Trade payables (undisputed)		
-Total outstanding dues to micro enterprises and small enterprises (refer note 30)	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	35.80	36.52
	<u>35.80</u>	<u>36.52</u>

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

Trade payables Ageing Schedule
As at March 31, 2022

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	35.80	-	-	35.80

As at March 31, 2021

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	36.52	-	-	36.52

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



Northern Arc Investment Adviser Services Private Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
16 Revenue from operations		
Revenue from Contract with Customers	15.00	18.75
	15.00	18.75
Revenue from customers		
-That are recognised over a certain period of time	-	-
-That are recognised at a point of time	15.00	18.75
Geographical Market		
-In India	-	18.75
-Outside India	15.00	-
17 Other income		
Net gain on financial instruments at fair value through profit or loss		
- Investments in mutual funds	3.54	13.04
Gain on sale of Mutual Fund	4.89	-
Provision no longer required written back	-	71.32
	8.43	84.36
Fair value changes:		
-Realised	4.89	2.57
-Unrealised	3.54	10.47
	8.43	13.04
18 Employee benefits expense		
Salaries, wages and bonus	16.98	31.56
Contribution to provident and other funds	0.83	1.72
Gratuity expenses	0.04	2.15
Employee share based payment expenses	0.60	-
Staff welfare expenses	0.02	0.19
	18.46	35.62
19 Depreciation		
Depreciation of property, plant and equipment (refer note 4)	-	0.20
	-	0.20
20 Other expenses		
Rent	2.17	3.00
Legal and professional charges	1.82	2.16
Rates and taxes	0.07	0.05
Bank charges	0.03	0.02
Auditors' remuneration	3.50	3.60
Travelling Expenses	0.08	0.61
Miscellaneous expenses	0.50	0.06
	8.18	9.50
20.1 Payments to auditor (excluding goods and services tax)		
Statutory audit	3.00	3.00
Tax audit	0.50	0.50
Reimbursement of expenses	-	0.10
	3.50	3.60



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Notes to the financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
21 Income tax		
A The components of income tax expense for the years ended March 31, 2022 and 2021 are:		
Current tax	4.84	28.72
Deferred tax charge	(3.54)	2.34
Tax expense	1.29	31.06

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

	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) before tax	(3.21)	57.79
Less: carry forward loss	-	-
Taxable income	(3.21)	57.79
Applicable tax rate	26.00%	26.00%
Computed expected tax expense	-	15.03
Change in tax rate	-	0.04
Relating to origination and reversal of temporary differences	8.82	-
Tax expenses recognised in the statement of profit and loss	1.46	15.07

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, 2021	Statement of profit and loss	Other comprehensive income	MAT utilization	As at March 31, 2022
Property, plant and equipment	0.12	0.05	-	-	0.07
Impact of fair value of assets	-	-	-	-	-
Impact of fair valuation of assets	(4.03)	(3.11)	-	-	(0.92)
Provision for employee benefits	0.06	(0.32)	0.17	-	0.54
	(3.85)	(3.38)	0.17	-	(0.31)
Minimum alternative tax	13.80	-	-	(4.84)	8.97
	9.95	(3.38)	0.17	(4.84)	8.66
	As at March 31, 2020	Statement of profit and loss	Other comprehensive income	MAT utilization	As at March 31, 2021
Property, plant and equipment	0.15	(0.03)	-	-	0.12
Impact of fair value of assets	(4.32)	0.29	-	-	(4.03)
Provision for employee benefits	4.97	(1.31)	(3.60)	-	0.06
	0.80	(1.05)	(3.60)	-	(3.85)
Minimum alternative tax	17.71	-	-	(3.91)	13.80
	18.51	(1.05)	(3.60)	(3.91)	9.95



22 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, 2022 and March 31, 2021 are as follows:

Particulars	Note	Carrying amount		Fair value	
		Mar-22	Mar-21	Mar-22	Mar-21
Investments					
- Investment in Mutual Funds*	6	285.94	303.53	285.94	303.53

*The investment made in Mutual Fund are fair valued and categorised as Level 3.

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

Investments	As at March 31, 2022		As at March 31, 2021		
	Increase	Decrease	Increase	Decrease	
- Mutual fund investments		0.99	(0.99)	1.28	(1.28)

The carrying value and fair value of other financial instruments by categories as of March 31, 2022 and March 31, 2021 are as follows:

Particulars	March 31, 2022		March 31, 2021	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial assets not measured at fair value:				
Trade receivables*	11.64	11.64	-	-
Cash and cash equivalents*	27.66	27.66	32.33	32.33
Financial liabilities not measured at fair value:				
Trade payables*	35.80	35.80	36.52	36.52

*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.

23 Financial risk management objectives and policies

The main purpose of financial liabilities 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

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.

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.



24 Employee Benefits

24.1 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 aggregated to INR 0.83 lakhs (March 31, 2021: INR 1.71 lakhs).

24.2 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, 2022	March 31, 2021
A. Change in present value of obligations		
Present value of obligations at the beginning of the year	0.06	11.73
Current service cost	0.03	1.51
Interest cost	0.00	0.64
Past service cost	-	-
Benefits settled	-	-
Actuarial (gain)/ loss	0.82	(13.83)
Present value of obligations at the end of the year	0.91	0.06
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gains/ (loss)	-	-
Employer contributions	-	-
Benefits settled	-	-
Fair value of plan assets at the end of the year	-	-
C. Actual Return on plan assets		
Expected return on plan assets	-	-
Actuarial gains/ (loss) on plan assets	-	-
Actual return on plan assets	-	-
D. Reconciliation of present value of the obligation and the fair value of the plan assets		
Change in projected benefit obligation		
Present value of obligations at the end of the year	0.91	0.06
Fair value of plan assets	-	-
Net liability recognised in balance sheet	0.91	0.06

The liability in respect of the gratuity plan comprises of the following non-current and current portions:

Current *	-	-
Non-current	0.91	0.06
	0.91	0.06

* amount less than 0.01

E. Expense recognised in statement of profit and loss and other comprehensive income

	March 31, 2022	March 31, 2021
Current service cost	0.03	1.51
Interest on obligation	0.00	0.64
Past service cost	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognised in the year	0.82	(13.83)
Total included in 'employee benefits'	0.85	(11.68)



24 Employee benefits (continued)

	March 31, 2022	March 31, 2021
F. Assumptions at balance sheet date		
Discount rate	6.59%	4.62%
Salary escalation	8.00%	8.00%
Mortality rate	Indian Assured	Indian Assured
	Lives (2012 -14)	Lives (2012 -14)
Attrition rate	15.00%	50.00%

Notes:

- a) 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.
- b) 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.

	Year ended		Year ended	
	31 March 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	0.84	0.99	0.06	0.06
Future salary growth (1% movement)	0.99	0.84	0.06	0.06

25 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.



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Notes to the financial statements for the year ended March 31, 2022
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26 Contingent Liabilities and Capital commitments (to the extent not provided for)
 The Company doesn't have any contingent liabilities and capital commitments.

27 Related party disclosures

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

Holding Company Northern Arc Capital Limited

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

Northern Arc Foundation
 Northern Arc Investment Managers Private Limited
 IFMR Fimpact Long term credit fund

Transactions with related parties during the year:

Related Party	Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Northern Arc Capital Limited	ESOP Granted	0.60	-

Outstanding balances with related parties as on balance sheet date:

Related Party	Transaction	As at March 31, 2022	As at March 31, 2021
Northern Arc Capital Limited	Trade payable	31.00	31.00
	Equity share capital	125.00	125.00
	ESOP Payable	25.00	24.36

28 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, 2022 and for the previous year ended March 31, 2021.

29 Earnings per share – Basic and Diluted:

	Year ended March 31, 2022	Year ended March 31, 2021
Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS (in Lakhs)	(4.67)	42.72
Net profit attributable to equity shareholders for calculation of diluted EPS (in Lakhs)	(4.67)	42.72
Shares		
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
Earning per share		
Basic (in rupees)	(3.73)	34.18
Diluted (in rupees)	(3.73)	34.18



30 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
Principal	-	-
Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



31 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 in two batches. The first and second batch will be exercised at INR 181. The options are vested over a period of 3 years in 30:30:40 proportion

Options outstanding under Scheme 3

Plan	As at March 31, 2022	As at March 31, 2021
	Scheme 3	Scheme 3
Grant date	Various	Various
Number of options	2,000	-
Exercise price in INR	181 to 188	181 to 188
Vesting period	1 to 3 years	1 to 3 years
Option Price	92.33	-
Weighted average exercise price in INR	275	-
Weighted average remaining contractual life (in years)	4.33	-
Vesting condition	Time based vesting	Time based vesting

Reconciliation of outstanding options

The details of options granted under the above schemes are as follows.

Particulars	Number of options	
	As at March 31, 2022	As at March 31, 2021
Outstanding at beginning of year	2,62,518	3,72,720
Forfeited during the year	-	1,10,202
Exercised during the year	-	-
Granted during the year	1,72,810	-
Outstanding as at end of year	4,35,328	2,62,518
Vested and exercisable as at end of year	-	1,28,378

Fair value methodology

The fair value of options have been estimated on the dates of each grant using the Black-Scholes model. The shares of Holding Company are not listed on any stock exchange. Accordingly, the Holding Company had considered the volatility of the stock price based on historical volatility of similar listed enterprises. The various assumptions considered in the pricing model for the stock options granted by the Holding Company during the year are as follows:

	As at March 31, 2022	As at March 31, 2021
Dividend yield	0%	-
Historical Volatility Estimate	48.12%	-
Risk free interest rate	5.61%	-
Expected life of the option (in years)	5.1-5.5	-



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32 Ratio Analysis

Sl No.	Ratio	Numerator	Denominator	Mar-22	Mar-21	% of variance	Remarks
(i)	Current ratio	Current Assets	Current Liabilities	5.16	5.07	2%	
(ii)	Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	-0.01	0.13	-110%	The variance is on account of loss incurred in the current year.
(iii)	Trade Receivable - Turnover ratio	Net Credit Sales	Average Trade Receivable	2.58	-	100%	During the previous year there were no receivables resulting in trade receivable turnover ratio for current year.
(iv)	Trade Payable - Turnover ratio	Net credit purchases	Average Trade Payables	-	-	-	
(v)	Net capital - Turnover ratio	Net sales	Working capital = Current assets - Current liabilities	0.05	0.07	-17%	
(vi)	Net Profit ratio	Net Profit	Net sales	-0.21	3.08	-107%	The variance is on account of loss incurred in the current year.
(vii)	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-0.01	0.17	-106%	

Variances above 25% are explained above.

Note: Debt Equity Ratio and Debt Services coverage ratio shall not be applicable since the entity does not have debt during the financial year



33 Other Statutory Information

- a The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- b The company is not declared as wilful defaulter by any bank of financial institution or other lender
- c The company do not have any transactions with companies struck off.
- d The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- e The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- f 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.
- g 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;
- h 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; and
- i 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).

34 Previous year's figures

Previous year's figures have been reclassified to conform with the current year's classification / presentation, wherever applicable. Previous year's figures have been audited by predecessor auditor.

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



per **Bharath N S**
Partner
Membership No. 210934



Place : Mumbai
Date : May 09, 2022

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



Kishama Fernandes
Director
DIN:02539429

Place : Mumbai
Date : May 09, 2022



Bama Balakrishnan
Director
DIN:06531188