

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floor,
No 1, Harrington Road, Chetpet,
Chennai - 600 031, India.

Telephone : +91 44 4608 3100
Fax : +91 44 4608 3199

Independent Auditors' Report

To the Members of Northern Arc Investment Managers Private Limited (formerly known as IFMR Investment Managers Private Limited)

Report on the financial statements

We have audited the accompanying financial statements of **Northern Arc Investment Managers Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the Statement of affairs, profit and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

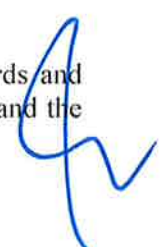
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



Independent Auditors' Report

To the Members of Northern Arc Investment Managers Private Limited (formerly known as IFMR Investment Managers Private Limited)

For the year ended March 31, 2018

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We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

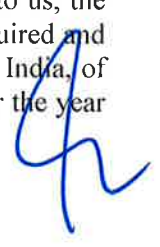
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 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, 2018, and its profit and its cash flows for the year ended on that date.



Independent Auditors' Report

To the Members of Northern Arc Investment Managers Private Limited (*formerly known as IFMR Investment Managers Private Limited*)

For the year ended March 31, 2018

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Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said 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 purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) The Company has been exempted from the requirement of its auditor reporting on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of Section 143(3)); and
 - (g) 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, 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.



Independent Auditors' Report

To the Members of Northern Arc Investment Managers Private Limited (*formerly known as IFMR Investment Managers Private Limited*)

For the year ended March 31, 2018

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- ii The Company did not have any long term contracts including derivate 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. The disclosures in the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However, amounts as appearing in the audited financial statements for the period ended March 31, 2017 have been disclosed. - Refer note 32 to the financial statements.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022



K Raghuram

Partner

Membership No: 211171

Place : Chennai

Date : May 9, 2018

Annexure A to the Independent Auditor's Report to the members of Northern Arc Investment Managers Private Limited (formerly known as IFMR Investment Managers Private Limited) for the year ended March 31, 2018 (referred to in our report of even date)

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- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable properties and accordingly, paragraph 3(i)(c) of the Order is not applicable.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is primarily engaged in services business, accordingly it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company does not have any loan, investment, guarantees and security which requires compliance under Sections 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for sale of goods and the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.




Annexure A to the Independent Auditor's Report to the members of Northern Arc Investment Managers Private Limited (formerly known as IFMR Investment Managers Private Limited) for the year ended March 31, 2018 (referred to in our report of even date)

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(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, goods and services tax, cess and any other material statutory dues have been generally deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance sales tax, duty of customs, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, goods and services tax, cess and any other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, service tax and goods and services tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to any banks, financial institutions, government and debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). However, the Company has raised term loans during the year. In our opinion and according to the information and explanations given to us, the term loan taken by the Company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company being a private Company, the provisions of section 197 read with schedule V to the Companies Act, 2013 is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
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Annexure A to the Independent Auditor's Report to the members of Northern Arc Investment Managers Private Limited (formerly known as IFMR Investment Managers Private Limited) for the year ended March 31, 2018 (referred to in our report of even date)

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- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The Company is a private limited company and hence the provisions of section 177 of the Act is not applicable.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with such directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022



K Raghuram

Partner

Membership No: 211171

Place : Chennai


Date : May 9, 2018

Northern Arc Investment Managers Private Limited
(Formerly IFMR Investment Managers Private Limited)
Balance Sheet as at March 31, 2018
(All amounts are in Indian Rupees, except share data or as stated)

	Note	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	108,300,000	108,300,000
Reserves and surplus	4	86,159,934	27,124,979
		194,459,934	135,424,979
Non-current liabilities			
Long-term borrowings	5	102,500,000	141,000,000
Long-term provisions	6	1,750,920	454,307
		104,250,920	141,454,307
Current liabilities			
Trade payables	7	-	-
- dues to micro enterprises and small enterprises		16,765,054	11,538,938
- dues to creditors other than micro enterprises and small enterprises		10,203,923	8,690,821
Short-term borrowings	8	33,163,360	13,330,649
Other current liabilities	9	101,907	70,284
Short-term provisions	6	60,234,244	33,630,692
		358,945,098	310,509,978
ASSETS			
Non-current assets			
Fixed assets			
- Property, plant and equipment	10	482,043	141,956
Deferred tax asset (net)	11	581,373	181,247
Non-current investments	12	308,750,000	269,750,000
Long-term loans and advances	13	5,848,428	789,567
		315,661,844	270,862,770
Current assets			
Trade receivables	14	-	21,611,125
Cash and cash equivalents	15	2,309,186	722,833
Short-term loans and advances	16	16,127,724	1,616,525
Other current assets	17	24,846,344	15,696,725
		43,283,254	39,647,208
		358,945,098	310,509,978

Significant accounting policies 2
The notes referred to above form an integral part of the financial statements
As per our report of even date attached


for **BSR & Co. LLP**
Chartered Accountants
ICAI Firm Registration No:101248W/W-100022


K Raghuram
Partner
Membership No. 211171

For and on behalf of the board of directors of
Northern Arc Investment Managers Private Limited
CIN : U74120TN2014PTC095064


Kshama Fernandes
Director
DIN: 02539429


Chaitanya Pande
Director
DIN: 06934810


Nithya Murali Ganam
Company Secretary
Place : Chennai
Date : May 9, 2018



Place : Chennai
Date : May 9, 2018

Northern Arc Investment Managers Private Limited
(Formerly IFMR Investment Managers Private Limited)
Statement of Profit and Loss for the Year ended March 31, 2018
(All amounts are in Indian Rupees, except share data or as stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
REVENUE			
Revenue from operations	18	152,200,263	87,681,601
Other income	19	-	8,154
		152,200,263	87,689,755
EXPENSES			
Employee benefits	20	28,405,301	11,314,416
Finance costs	21	15,407,288	7,170,974
Depreciation	22	515,846	60,160
Other expenses	23	18,403,001	17,640,101
		62,731,436	36,185,651
Profit before tax		89,468,827	51,504,104
Tax expense			
Current tax		25,058,000	17,083,000
Deferred tax benefit		(400,127)	(58,637)
		24,657,873	17,024,363
Profit for the year		64,810,954	34,479,741
Earnings per equity share (Face value of INR 100 per share)			
Basic and diluted	31	163.53	79.51

Significant accounting policies

2

The notes referred to above form an integral part of the financial statement

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No:101248W/W-100022



K Raghuram

Partner

Membership No. 211171

For and on behalf of the board of directors of

Northern Arc Investment Managers Private Limited

CIN : U74120TN2014PTC095064



Kshama Fernandes

Director

DIN: 02539429



Chaitanya Pande

Director

DIN: 06934810



Nithya Murali Ganam

Company Secretary

Place : Chennai

Date : May 9, 2018

Place : Chennai

Date : May 9, 2018



Northern Arc Investment Managers Private Limited
(Formerly IFMR Investment Managers Private Limited)
Cash flow statement for the year ended March 31, 2018
(All amounts are in Indian Rupees, except share data or as stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
A Cash flow from operating activities			
Profit before tax		89,468,827	51,504,104
Adjustments for:			
Finance costs		15,407,288	7,170,974
Depreciation		515,846	60,160
Profit on sale of mutual fund investments		-	(8,154)
Operating profit before working capital changes		105,391,961	58,727,084
Changes in working capital and other changes:			
Decrease/ (increase) in trade receivables		21,611,125	(14,953,548)
(Increase)/ decrease in loans and advances		(14,511,199)	(1,420,129)
Increase in other assets		(9,149,619)	(4,433,067)
Increase/ (decrease) in trade payables		5,226,116	935,809
Increase/ (decrease) in other current liabilities		15,789,078	(432,488)
Increase in provisions		1,328,236	153,880
Cash generated from operations		125,685,698	38,577,541
Income tax paid (net)		(30,116,861)	(19,135,449)
Net cash flow provided by operating activities (A)		95,568,837	19,442,092
B Cash flows from investing activities			
Purchase of fixed assets		(855,933)	(188,402)
Proceeds from sale of fixed assets		-	4,811
Investments in alternate investment funds		(39,000,000)	(125,000,000)
Sale of current investments (net)		-	8,154
Net cash (used in)/ provided by investing activities (B)		(39,855,933)	(125,175,437)
C Cash flow from financing activities			
Proceeds from long-term borrowings		39,000,000	134,000,000
Repayments of long-term borrowings		(77,500,000)	(33,000,000)
Net increase in short-term borrowings		1,513,102	8,690,821
Finance costs paid		(17,139,653)	(5,673,349)
Net cash generated from financing activities (C)		(54,126,551)	104,017,472
Net increase in cash and cash equivalents (A+B+C)		1,586,353	(1,715,873)
Cash and cash equivalents at the beginning of the year		722,833	2,438,706
Cash and cash equivalents at the end of the year		2,309,186	722,833



Northern Arc Investment Managers Private Limited
(Formerly IFMR Investment Managers Private Limited)
Cash flow statement for the year ended March 31, 2018

	Note	As at 31 March 2018	As at 31 March 2017
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Notes to cash flow statement

1 Components of cash and cash equivalents:

15

Balances with banks

- Current accounts

2,309,186

722,833

- in deposit accounts (with original maturity of 3 months or less)

2,309,186

722,833

Significant accounting policies

2

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

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No:101248W/W-100022



K Raghuram

Partner

Membership No. 211171

For and on behalf of the board of directors of

Northern Arc Investment Managers Private Limited

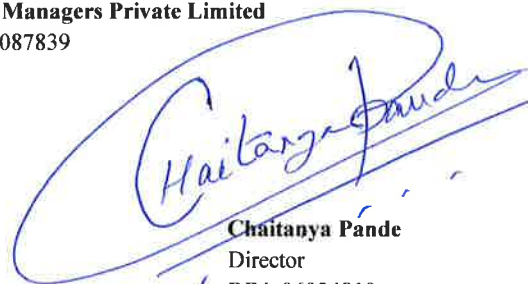
CIN : U74900TN2012PTC087839



Kshama Fernandes

Director

DIN: 02539429



Chaitanya Pande

Director

DIN: 06934810



Nrithya Murali Ganam

Company Secretary

Place : Chennai

Date : May 9, 2018

Place : Chennai

Date : May 9, 2018



Northern Arc Investment Managers Private Limited

(Formerly IFMR Investment Managers Private Limited)

Notes forming part of the financial statements for the year ended March 31, 2018

(All amounts are in Indian Rupees, except share data or as stated)

1 Company overview

Northern Arc Investment Managers Private Limited was incorporated on February 17, 2014, under The Companies Act, 1956 with the aim of carrying on the business of investment company and also to provide portfolio management services to Offshore funds and all kinds of Investment Funds.

The Company is a wholly owned subsidiary of Northern Arc Capital Limited (formerly IFMR Capital Finance Limited) ("the Holding Company").

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under historical cost convention and accrual basis of accounting, unless otherwise stated, and in accordance with the generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material aspects with the Accounting Standards ("AS") notified under Section 133 of the Companies Act, 2013.

2.2 Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting year, reported balance of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future years.

2.3 Operating cycle

Assets and liabilities are classified as current and non-current based on the operating cycle which has been estimated to be 12 months. All assets and liabilities which are expected to be realized and settled within a period of 12 months from the date of balance sheet have been classified as current and other assets and liabilities are classified as non-current.

2.4 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.

2.5 Cash flow statement

Cash 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.

2.6 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (i) Revenue from services represents investment management fee and upfront set up fees which are recognised as and when the services are rendered by the Company and when the right to receive is established.
- (ii) Profit / loss on disposal of an investment is recognised at the time of such sale / redemption and is computed based on weighted average cost. Income from investment in alternative investment fund is recognised when the right to receive is established.
- (iii) Interest income on deposits are recognised on a time proportion basis. Income from dividend is recognized in the statement of profit and loss when the right to receive is established.



Northern Arc Investment Managers Private Limited

(Formerly IFMR Investment Managers Private Limited)

Notes forming part of the financial statements for the year ended March 31, 2018

(All amounts are in Indian Rupees, except share data or as stated)

2.7 Property, Plant and Equipment ("PPE")

PPE are stated at cost less accumulated depreciation and impairment losses, if any. The cost of PPE includes non-refundable taxes, duties, freight and other incidental expenses incurred directly related to the acquisition and installation of the asset. Subsequent expenditure on PPE after their purchase / completion is capitalized, only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Cost of assets not ready for intended use, as on balance sheet date, is shown as capital work in progress. Advance given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as long terms loans and advances.

2.8 Depreciation

The depreciable amount of an asset is the cost of an asset or other amount substituted for cost, less its residual value. Depreciation is provided on the original cost on a written down value method at the useful life given under Part C of the Schedule II of the Companies Act, 2013. Pro-rata depreciation is provided for all assets purchased / sold during the year. Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower. The estimated useful life of various tangible and intangible assets are as under:

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

2.9 Impairment

The Company determines periodically whether there is any indication of impairment of the carrying amount of its 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.

2.10 Foreign currency transactions

Foreign currency transactions are converted into Indian rupees using the actual exchange rates prevailing at the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the statement of profit and loss.

2.11 Borrowing costs

Borrowing costs include interest and ancillary costs that the Company incurs in connection with the borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss at the time of availment of the loan unless it is incurred on periodic basis.

Loan acquisition costs represents ancillary costs incurred in connection with the arrangement of borrowings, including borrowings sanctioned but not availed and is amortised on a straight line basis, over the tenure of the respective borrowings. Unamortised borrowing costs remaining, if any, are fully expensed off as and when the related borrowing is prepaid / cancelled.

2.12 Employee benefits**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.



2.12 Employee benefits (continued)

Defined benefit plans

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation of the Company's obligation under such defined benefit plan is performed annually by a qualified actuary using the Projected Unit Credit Method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of profit and loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employee is recognised in the Statement of profit and loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

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.

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.

2.13 Investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage and fees.

Investments maturing within three months from the date of acquisition are classified as cash equivalents if they are readily convertible into cash. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments".

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.



Northern Arc Investment Managers Private Limited

(Formerly IFMR Investment Managers Private Limited)

Notes forming part of the financial statements for the year ended March 31, 2018

(All amounts are in Indian Rupees, except share data or as stated)

2.14 Earnings per Share

The Company reports basic and diluted earnings per equity share in accordance with AS 20, Earnings Per Share issued by the Institute of Chartered Accountants of India. Basic earnings per equity share is computed by dividing net profit / loss 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 attributable to the equity share holders 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.

2.15 Taxes on income

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognized in statement of profit and loss except that tax expense relating to items recognized directly in reserves is also recognized in those reserves.

Minimum Alternate Tax ("MAT") paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one year and are capable of reversal in one or more subsequent years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

2.16 Operating leases

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term.

2.17 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes for possible obligations which will be confirmed only by future events not wholly within the control of the company or present obligations arising from past events whose probable outflow required to settle the obligation is not known. Contingent assets are neither recognised nor disclosed in the financial statements.



Northern Arc Investment Managers Private Limited

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Notes to the financial statements for the year ended March 31, 2018

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	As at March 31, 2018	As at March 31, 2017
3 Share capital		
Authorised		
500,000 (March 31, 2017: 500,000) equity shares of INR 100 each	50,000,000	50,000,000
1,500,000 (March 31, 2017: 1500,000) 8% Redeemable preference Shares of INR 100 each	150,000,000	150,000,000
	200,000,000	200,000,000
Issued, subscribed and fully paid up		
361,000 (March 31, 2017: 361,000) Equity shares of INR 100/- each with voting rights	36,100,000	36,100,000
722,000 (March 31, 2017: 722,000) Redeemable preference shares of INR 100/- each	72,200,000	72,200,000
	108,300,000	108,300,000

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**(i) Equity shares:**

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	361,000	36,100,000	361,000	36,100,000
Add: Shares issued during the year	-	-	-	-
At the end of the year	361,000	36,100,000	361,000	36,100,000

(i) Redeemable preference shares:

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	722,000	72,200,000	722,000	72,200,000
Add: Shares issued during the year	-	-	-	-
Less: Shares redeemed during the year	-	-	-	-
At the end of the year	722,000	72,200,000	722,000	72,200,000

b) Terms / rights 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.

ii) Redeemable preference shares:

Preference shares are redeemable at premium of 8% p.a. at the end of 4 years from the date of allotment

The preference shareholder is entitled to vote only on resolution placed before the Company which directly affects the rights attached to such preference shares as set out in Section 47 of the Companies Act, 2013.



Northern Arc Investment Managers Private Limited

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Notes to the financial statements for the year ended March 31, 2018

(All amounts are in Indian Rupees, except share data or as stated)

c) Shares held by holding/ ultimate holding and /or their subsidiaries / associates:

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% held	No. of shares	% held
Equity shares				
Northern Arc Capital Limited (including nominee shareholders)	361,000	100%	361,000	100%
Redeemable preference shares				
Northern Arc Capital Limited	722,000	100%	722,000	100%

d) Details of shares held by each shareholder holding more than 5% shares of a class of shares

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% held	No. of shares	% held
Equity Shares				
Northern Arc Capital Limited (including nominee shareholders)	361,000	100%	361,000	100%
Redeemable preference shares				
Northern Arc Capital Limited	722,000	100%	722,000	100%

4 Reserves and surplus**Surplus in the statement of profit and loss**

Opening balance	27,124,979	1,331,184
Add: Profit for the year	64,810,954	34,479,741
Less: Provision for premium on redemption of preference shares	(5,775,999)	(8,685,946)
At the end of the year	86,159,934	27,124,979

5 Long-term borrowings**Unsecured**

Term loans from related party	102,500,000	141,000,000
	102,500,000	141,000,000

Note:**5.1 Terms of repayment of borrowings:**

Particulars (tenure in years)	Range of rate of interest p.a. (%) as at March 31, 2018	Amount outstanding as at March 31, 2018	Amount outstanding as at March 31, 2017
Term loans from related party			
- 4 years	12.50%	39,000,000	-
- 5 years	13.50%	50,000,000	50,000,000
- 6 years	14.00%	-	7,000,000
- 7 years	13.50% to 14.00%	13,500,000	84,000,000

5.2 Interest rates are fixed for the loans and payable on a quarterly basis. The principal is repayable only at the end of the tenure of the loan.

5.3 During the year the Company has not defaulted in the repayment of dues to its lender.



Northern Arc Investment Managers Private Limited
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Notes to the financial statements for the year ended March 31, 2018
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6 Provisions

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for gratuity (refer note 23)	1,150,530	293,016	46,278	334
Provision for compensated absences	600,390	161,291	55,629	69,950
	1,750,920	454,307	101,907	70,284

7 Trade payables

	As at March 31, 2018	As at March 31, 2017
Trade payables		
- dues to micro enterprises and small enterprises (refer note 25)	-	-
- dues to creditors other than micro enterprises and small enterprises	16,765,054	11,538,938
	16,765,054	11,538,938

8 Short-term borrowings

Loans repayable on demand		
- Cash credit (unsecured)	10,203,923	8,690,821
	10,203,923	8,690,821

8.1 Notes:

Terms of repayment of borrowings:

Particulars	Range of Rate of interest (%)	Tenure of the Loan	Amount outstanding as at March 31, 2018	Amount outstanding as at March 31, 2017
Cash credit from related party	13.50%	Repayable on demand	10,203,923	8,690,821

8.2 Interest rates are fixed for the loans and payable on a quarterly basis. The principal is repayable only at the end of the tenure of the loan.

8.3 During the year the Company has not defaulted in the repayment of dues to its lender.

9 Other current liabilities

Interest accrued but not due on term loans	-	1,732,365
Statutory dues payable	8,157,072	695,243
Dues to employees	10,544,345	2,217,095
Accrued redemption premium on preference shares	14,461,943	8,685,946
	33,163,360	13,330,649



Northern Arc Investment Managers Private Limited
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10 Property, plant and equipment

Particulars	Computer and accessories	Office equipments	Total
Gross block			
As at April 1, 2016	36,737	-	36,737
Additions	103,502	84,900	188,402
Disposals	(22,969)	-	(22,969)
As at March 31, 2017	117,270	84,900	202,170
Additions	855,933	-	855,933
Disposals	-	-	-
As at March 31, 2018	973,203	84,900	1,058,103
Accumulated depreciation			
As at April 1, 2016	18,212	-	18,212
Additions	55,363	4,797	60,160
On disposals	(18,158)	-	(18,158)
As at March 31, 2017	55,417	4,797	60,214
Additions	444,020	71,826	515,846
On disposals	-	-	-
As at March 31, 2018	499,437	76,623	576,060
Net block			
As at March 31, 2017	61,853	80,103	141,956
As at March 31, 2018	473,766	8,277	482,043



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Notes to the financial statements for the year ended March 31, 2018

(All amounts are in Indian Rupees, except share data or as stated)

	As at March 31, 2018	As at March 31, 2017
11 Deferred tax assets (net)		
Provision for employee benefits	539,543	173,446
Excess of depreciation/ amortisation on property, plant and equipment provided in accounts over depreciation/ amortisation under income-tax law	41,830	7,801
	581,373	181,247
12 Non - current investments		
<i>(Valued at cost unless stated otherwise)</i>		
Non-trade investments - unquoted		
Investment in alternative investment funds (AIF's)		
497.50 units (March 31, 2017: 497.50 units) of INR 100,000 each - IFMR Fimpact Investment Fund	49,750,000	49,750,000
936.63 units (March 31, 2017: 936.63) of INR 100,000 each - IFMR Fimpact Long Term Multi Asset Class Fund	95,000,000	95,000,000
250.00 Units (March 31, 2017: 250.00) of INR 100,000 each - IFMR Fimpact Medium Term Microfinance Fund	25,000,000	25,000,000
500.00 Units (March 31, 2017: 500.00) of INR 100,000 each - IFMR Fimpact Long Term Credit Fund	50,000,000	50,000,000
500.00 Units (March 31, 2017: 500.00) of INR 100,000 each - IFMR Fimpact Medium Term Opportunities Fund	50,000,000	50,000,000
387.40 Units (March 31, 2017: Nil) of INR 100,000 each - IFMR Fimpact Income Builder Fund	39,000,000	-
	308,750,000	269,750,000
Aggregate book value of unquoted investments	308,750,000	269,750,000
13 Long-term loans and advances		
Unsecured, considered good		
Security deposit	150,000	150,000
Advance income tax (net of provision for tax)	5,698,428	639,567
	5,848,428	789,567
14 Trade receivables		
Unsecured, considered good		
-Receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
-Others	-	21,611,125
	-	21,611,125



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Notes to the financial statements for the year ended March 31, 2018

(All amounts are in Indian Rupees, except share data or as stated)

	As at March 31, 2018	As at March 31, 2017
15 Cash and cash equivalents		
Cash and cash equivalents		
- Bank balances		
in current accounts	2,309,186	722,833
on deposit accounts (with original maturity of 3 months or less)	-	-
	2,309,186	722,833
Note:		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	2,309,186	722,833
16 Short-term loans and advances		
Unsecured, considered good		
Staff advances	-	750,000
Balances with government authorities	4,279,642	841,525
Prepaid expenses	11,848,082	25,000
	16,127,724	1,616,525
17 Other current assets		
Accrued income on investment in alternative investment fund	18,767,177	12,522,735
Other receivables	6,079,167	3,173,990
	24,846,344	15,696,725



Northern Arc Investment Managers Private Limited

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Notes to the financial statements for the year ended March 31, 2018

(All amounts are in Indian Rupees, except share data or as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
18 Revenue from operations		
Investment management fees	106,106,634	59,247,523
Upfront setup fees	2,713,151	-
Income from investment in alternative investment fund	42,543,630	27,405,174
Other operating income	836,848	1,028,904
	152,200,263	87,681,601
19 Other income		
Profit on sale of mutual fund investments	-	8,154
	-	8,154
20 Employee benefits		
Salaries, wages and bonus	26,174,674	10,563,155
Contribution to provident and other funds	1,050,282	542,332
Expenses related to post-employment defined benefit plans (refer note 32)	903,458	109,070
Staff welfare expenses	276,887	99,859
	28,405,301	11,314,416
21 Finance costs		
Interest expenses on		
- term loans	14,640,131	7,140,974
- cash credits	767,157	30,000
	15,407,288	7,170,974
22 Depreciation		
Depreciation of property, plant and equipment (refer note 10)	515,846	60,160
	515,846	60,160



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Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Indian Rupees, except share data or as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
23 Other expenses		
Rent	3,299,465	744,967
Fund setup cost	-	2,951,904
Legal and professional charges	7,629,303	8,346,063
Travelling and conveyance	3,572,492	1,356,319
Directors' sitting fees	675,000	-
Communication expenses	198,219	55,579
Membership fees	950,000	529,427
Corporate social responsibility expenditure (refer note 23.2 below)	405,529	-
Repairs and maintenance	204,790	25,066
Rates and taxes	52,168	98,873
Website designing and development	-	120,600
Publication charges	-	2,186,054
Subscription charges	602,746	-
Conference and meeting	211,948	787,324
Auditors' remuneration (Refer note 23.1 below)	500,000	422,431
Miscellaneous expenses	101,341	15,494
	18,403,001	17,640,101
23.1 Payments to auditor (excluding service tax / goods and services tax)		
Statutory audit	500,000	400,000
Reimbursement of expenses	-	22,431
	500,000	422,431
23.2 Details of expenditure on corporate social responsibility		
(a) Amount required to be spent by the Company during the year		
(b) Amount spent during the year (in cash) :		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	405,529	-
24 Contingent liabilities		
Claims against the Company not acknowledged as debt		
- Income tax related matters	-	20,710



Northern Arc Investment Managers Private Limited

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Notes to the financial statements for the year ended March 31, 2018

(All amounts are in Indian Rupees, except share data and stated otherwise)

25 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 Enterprises Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2018 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, 2018	As at March 31, 2017
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 amounts of the payment made to the supplier beyond the appointed day during each accounting period	-	-
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 period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	-	-

26 Expenditure in foreign currency (accrual basis)

	March 31, 2018	March 31, 2017
Publication charges	601,621	2,186,054
Conference and meeting	82,213	787,324

27 Employee benefits**Defined contribution plans**

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 recognised 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 1,050,282 (March 31, 2017: INR 542,332).

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 unrecongnised 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.



27 Employee benefits (continued)

Details of actuarial valuation of gratuity pursuant to the Accounting Standard 15 (Revised)

A. Change in present value of obligations

	March 31, 2018	March 31, 2017
Present value of obligations at the beginning of the year	293,350	184,280
Current service cost	118,159	75,001
Interest cost	19,654	13,637
Past service cost	194,836	-
Benefits settled	-	-
Actuarial loss/ (gain)	570,809	20,432
Present value of obligations at the end of the year	1,196,808	293,350

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	1,196,808	293,350
Fair value of plan assets	-	-
Net liability recognised in balance sheet	1,196,808	293,350

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

Current	46,278	334
Non-current	1,150,530	293,016
	1,196,808	293,350

E. Expense recognised in statement of profit and loss

Current service cost	118,159	75,001
Interest on obligation	19,654	13,637
Past service cost	194,836	-
Expected return on plan assets	-	-
Net actuarial loss recognised in the year	570,809	20,432
Expense recognised in statement of profit and loss	903,458	109,070



27 Employee benefits (continued)

F. Assumptions at balance sheet date

	March 31, 2018	March 31, 2017
Discount rate	7.60%	6.70%
Salary escalation	12.00%	15.00%
Mortality rate	Indian Assured Lives (2006 -08)	Indian Assured Lives (2006 -08)
Attrition rate	10.00%	30.00%

Notes:

- 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.
- 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.

Experience adjustments:*

	March 31, 2018	March 31, 2017	March 31, 2016
Present Value of benefit obligations	1,196,808	293,350	184,280
Fair value of plan assets	-	-	-
(Surplus) / deficit in the plan	-	-	-
Experience adjustments arising on plan liabilities - (gain)/loss	570,809	20,432	(184,280)
Experience adjustments arising on plan assets - gain/(loss)	-	-	-

Details of experience adjustments are given to the extent available.

28 Related party disclosures

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

- Ultimate Holding company IFMR Holdings Private Limited
- Holding company Northern Arc Capital Limited
- Controlling entity Dvara Trust (formerly IFMR Trust) represented by Dvara Trusteeship Services Private Limited (formerly IFMR Trusteeship Services Private Limited)
- Fellow subsidiaries Northern Arc Investment Adviser Services Private Limited (formerly IFMR Investment Adviser Services Private Limited)
IFMR Mezzanine Finance Private Limited till December 21, 2017
- Funds managed IFMR Fimpact Investment fund (IFMR Finance for Freedom Social Venture Fund)
IFMR Fimpact Long Term Multi Asset Class Fund (IFMR Finance for Freedom Fund)
IFMR Fimpact Medium Term Microfinance Fund (IFMR Finance for Freedom Fund II)
IFMR Fimpact Long Term Credit Fund (IFMR Finance for Freedom Fund III)
IFMR Fimpact Medium Term Opportunities Fund (IFMR Finance for Freedom Fund IV)
IFMR Fimpact Income Builder Fund (IFMR Finance for Freedom Fund V) from January 18, 2018



28 Related party disclosures (continued)

(v) Key Managerial Personnel (KMP)

Mr. Ravi Vukkadala - Chief executive Officer from October 26, 2017

A. Transactions during the Year :

Particulars	March 31, 2018	March 31, 2017
Dvara Trust		
Reimbursement of expenses	865,103	577,121
Northern Arc Capital Limited		
Interest paid	15,407,288	7,170,974
Reimbursement of expenses	5,002,819	2,069,880
Loan taken	59,000,000	142,690,821
Loan repaid	77,500,000	33,000,000
Purchase of fixed assets	1,809	103,502
Sale of fixed assets	-	5,533
IFMR Fim pact Investment fund		
Reimbursement of expenses	424,255	250,000
Management Fees	8,457,499	8,457,502
Gain on investment	9,400,777	9,480,934
IFMR Fim pact Long Term Multi Asset Class Fund		
Reimbursement of expenses	876,772	541,666
Management Fees	57,973,500	45,454,006
Gain on investment	14,694,232	14,649,770
IFMR Fim pact Medium Term Microfinance Fund		
Fund setup cost	-	1,666,656
Reimbursement of expenses	228,972	139,019
Management Fees	9,888,000	4,894,400
Gain on investment	3,830,469	2,891,222
Investment in Class A units	25,000,000	25,000,000
IFMR Fim pact Long Term Credit Fund		
Fund setup cost	-	2,735,781
Reimbursement of expenses	350,000	98,218
Management Fees	16,487,137	423,122
Gain on investment	7,482,057	383,248
Investment in Class A units	50,000,000	50,000,000
IFMR Fim pact Medium Term Opportunities Fund		
Fund setup cost	206,000	-
Reimbursement of expenses	3,601,000	-
Management Fees	12,192,519	18,493
Gain on investment	6,796,030	-
Investment in Class A units	50,000,000	50,000,000



28 Related party disclosures (continued)

IFMR Fimpar Income Builder Fund

	March 31, 2018	March 31, 2017
Fund setup cost	3,297,500	-
Reimbursement of expenses	3,322,500	-
Management Fees	1,107,980	-
Gain on investment	340,074	-

Mr. Ravi Vukkadala

Remuneration *	5,313,720	-
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* Amount attributable to post employment benefits have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

B. Balances as at year end:

Dvara Trust

	As at March 31, 2018	As at March 31, 2017
Trade payable	193,564	152,002

Northern Arc Capital Limited

Equity share capital		
Preference share capital		
Borrowings	112,703,923	149,690,821
Trade payable	3,436,480	9,931,755
Interest accrued but not due on loan	-	1,924,846

IFMR Fimpar Investment fund

Investment in class A Units	49,750,000	49,750,000
Trade receivable	-	2,398,223
Other receivables	313,000	-

IFMR Fimpar Long Term Multi Asset Class Fund

Investment in class A Units	95,000,000	95,000,000
Trade receivable	-	16,098,087
Other receivables	660,166	-

IFMR Fimpar Medium Term Microfinance Fund

Investment in class A Units	25,000,000	25,000,000
Trade receivable	-	2,496,779
Other receivables	138,834	-

IFMR Fimpar Long Term Credit Fund

Investment in class A Units	50,000,000	50,000,000
Trade receivable	-	486,591
Other receivables	431,000	3,259,100

IFMR Fimpar Medium Term Opportunities Fund

Investment in class A Units	50,000,000	50,000,000
Trade receivable	-	18,493
Other receivables	611,117	-

IFMR Fimpar Income Builder Fund

Investment in class A Units	39,000,000	50,000,000
Trade receivable	-	18,493
Other receivables	3,925,050	-



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Notes to the financial statements for the year ended March 31, 2018

(All amounts are in Indian Rupees, except share data and stated otherwise)

28 Related party disclosures (continued)**C. The Company is appointed as the investment manager :**

- by the Trustee of IFMR Finance for Freedom Social Venture Fund ("the Fund"), SBI CAP Trustee Company Limited, for which the Company receives management fee of 1.00% per annum on the capital committed by the Class B and Class C unit holders of the Fund and disclosed as 'Investment Management Fee' under Note 18.
- by the Trustee of IFMR Finance for Freedom Fund ("the Fund"), Axis Trustee Services Limited, for which the Company receives management fee of 1.50% per annum on the capital committed by the Class A and Class B unit holders of the Fund and disclosed as 'Investment Management Fee' under Note 18.
- by the Trustee of IFMR Finance for Freedom Fund II ("the Fund"), Axis Trustee Services Limited, for which the Company receives management fee of 1.00% per annum on the capital committed by the Class A and Class B unit holders of the Fund and disclosed as 'Investment Management Fee' under Note 18.
- by the Trustee of IFMR Finance for Freedom Fund III ("the Fund"), Axis Trustee Services Limited, for which the Company receives management fee of 1.50% per annum on the capital committed by the Class A and Class B unit holders of the Fund and disclosed as 'Investment Management Fee' under Note 18.
- by the Trustee of IFMR Finance for Freedom Fund IV ("the Fund"), Axis Trustee Services Limited, for which the Company receives management fee of 1.50% per annum on the capital committed by the Class A and Class B unit holders of the Fund and disclosed as 'Investment Management Fee' under Note 18.
- by the Trustee of IFMR Finance for Freedom Fund V ("the Fund"), Axis Trustee Services Limited, for which the Company receives management fee of 1.35% per annum on the capital committed by the Class A and Class B unit holders of the Fund and disclosed as 'Investment Management Fee' under Note 18.

29 Segment reporting

The Company operates in a single reportable business segment i.e. facilitating investments and acting as advisors to provide financial/investment advice to both Indian and foreign investors. As risks and rewards of operating such services are the same irrespective of the region, there is no geographical segment either.

30 Operating leases

The Company has an operating lease agreement for office space, the term of which is for a period of 1 year. For the year ended March 31, 2018, an amount of INR 3,299,465 (March 31, 2017: INR 744,967) was recorded as expenses towards lease rentals.

31 Earnings per share ('EPS')**Earnings**

Profit after tax (as reported)
 Less: Premium on redemption of preference shares
 Net profit attributable to equity shareholders for calculation of basic EPS
 Net profit attributable to equity shareholders for calculation of diluted

March 31, 2018	March 31, 2017
64,810,954	34,479,741
(5,775,999)	(5,776,001)
59,034,955	28,703,740
59,034,955	28,703,740

Shares

Equity shares at the beginning of the year
 Shares issued during the year
 Total number of equity shares outstanding at the end of the year
 Weighted average number of equity shares outstanding during the year for calculation of basic EPS
 Weighted average number of equity shares outstanding during the year for calculation of diluted EPS

361,000	361,000
-	-
361,000	361,000
361,000	361,000
361,000	361,000

Face value per share

100.00 100.00

Earning per share

Basic
 Diluted

163.53 79.51
 163.53 79.51



32 Disclosure of Specified Bank Notes ('SBN')

The disclosures regarding details of SBN held and transacted during the current year has not been made since the requirement does not pertain to financial year ended March 31, 2018. However, corresponding details of SBN for the period from November 8, 2016 to December 30, 2016 as appearing in the audited financial statements for the year ended March 31, 2017 have been disclosed below.

During the previous year ended March 31, 2017, the Company did not have specified bank notes or other denomination notes as defined in the MCA Notification G.S.R 308(E) dated March 31, 2017 on the details of SBN held and transacted during the period from November 8, 2016 to December 30, 2016. The denomination wise SBN and other notes as per the notification are given below:

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks (net of withdrawal)	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

For the purpose of this clause, the term specified bank note shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance - Department of Economic Affairs No. S.O.3407 (E), dated November 8, 2016.

- 33 Previous year figures have been re-grouped / re-classified wherever necessary to correspond with the current year's classification / disclosure. Previous year figures has been audited by a firm other than B S R & Co LLP.

for **B S R & Co. LLP**
 Chartered Accountants
 ICAI Firm Registration No:101248W/W-100022

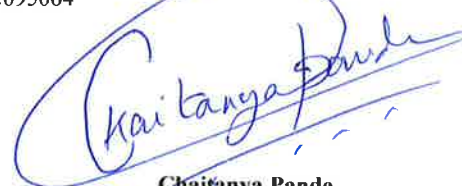


K Raghuram
 Partner
 Membership No. 211171

For and on behalf of the board of directors of
Northern Arc Investment Managers Private Limited
 CIN : U74120TN2014PTC095064



Kshama Fernandes
 Director
 DIN: 02539429



Chaitanya Pande
 Director
 DIN: 06934810



Nriithya Muraji Ganam
 Company Secretary
 Place : Chennai
 Date : May 9, 2018

Place : Chennai
 Date : May 9, 2018

