

INDEPENDENT AUDITOR'S REPORT

To the Members of **Northern Arc Foundation**

Report on the Audit of the Ind AS Financial Statements

1. Opinion

We have audited the Ind AS financial statements of **Northern Arc Foundation** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Income and Expenditure, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, income over expenditure and its Cash Flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 opinion.

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

4. Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- a) Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 Ind AS 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.

- e) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

6. Report on Other Legal and Regulatory Requirements

- i) 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 Companies Act, 2013, the said order is not applicable to the company for the year under audit.
- ii) 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 Income and Expenditure, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) Reporting of internal financial controls with reference to financial statements is not applicable to the company for the current year, as the turnover is less than 50 crores and borrowings at any point of time during the current year is less than 25 crores.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: The reporting under this clause is not applicable to the company.
- 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, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note No. 14 of Ind AS Financial Statements.



- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- (iii) The company is not required to transfer any amount to the Investor Education and Protection Fund during the year.
- (iv) a) The management has represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, 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 to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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 the we have 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) as specified above contain any material mis-statements.
- (v) During the year, the Company has not declared or paid any interim or final dividend.
- (vi) Based on our examination, the company has maintained its books of accounts manually for the financial year ended March 31, 2024. Hence the reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 is not applicable.

Place: Chennai

Date: May 13, 2024



For BRAHMAYYA & Co.
Chartered Accountants
Firm Regn. No.000511S

P. Babu
Partner
Membership No.203358
UDIN: 24203358BKAIND9077

Northern Arc Foundation
Balance Sheet as at March 31, 2024
(All amounts are in Indian Rupees in lakhs)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	0.00	0.02
		0.00	0.02
Current assets			
Financial assets			
Cash and cash equivalents	5	192.82	139.52
Others	6	1.70	1.31
		194.52	140.83
Total assets		194.52	140.85
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	1.00	1.00
Other equity	8	149.77	109.79
		150.77	110.79
Current liabilities			
Other current liabilities	9	43.75	30.06
		43.75	30.06
Total equity and liabilities		194.52	140.85

Material accounting policy information (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 **Brahmayya & Co.**

Chartered Accountants

Firm's Registration No: 000511S

P Babu

Partner

Membership No. 203358



For and on behalf of the Board of Directors of

Northern Arc Foundation

CIN:U80904TN2019NPL127426

Ashish Mehrotra

Director

DIN:07277318

Kshama Fernandes

Director

DIN:02539429

Place : Chennai

Date : May 13, 2024

Place : Chennai

Date : 13/05/2024

Northern Arc Foundation

Statement of Income and Expenditure for the year ended March 31, 2024

(All amounts are in Indian Rupees in lakhs)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Donation received	10	337.00	369.82
Total Income		337.00	369.82
Expenditure			
Project Expenditure	11	275.00	390.02
Employee Benefit Expenses	12	12.95	18.79
Depreciation and amortisation expense		0.02	1.09
Other expenses	13	9.05	4.22
Total expenses		297.02	414.12
Surplus of Income over Expenditure		39.98	(44.30)
Tax expense			
Current tax		-	-
Surplus of Income over Expenditure		39.98	(44.30)
Other comprehensive income			
Items that will not be reclassified to Income or Expenditure			
Remeasurements of the defined benefit asset/ (liability)		-	-
Income tax relating to items that will not be reclassified to Income or Expenditure		-	-
Net other comprehensive income not to be reclassified subsequently to Income or Expenditure		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		39.98	(44.30)

Material accounting policy information (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 Brahmayya & Co.

Chartered Accountants

Firm's Registration No: 000511S

P Babu

Partner

Membership No. 203358



Place : Chennai

Date : May 13, 2024

For and on behalf of the Board of Directors of

Northern Arc Foundation

CIN:U80904TN2015NPL127426

Ashish Mehrotra

Director

DIN:07277318

Place : Chennai

Date : 13/05/2024

Kshama Fernandes

Director

DIN:02539429

Northern Arc Foundation

Statement of changes in equity for the year ended March 31, 2024

(All amounts are in Indian Rupees in lakhs)

A. Equity Share Capital

Balance as at March 31, 2022	1.00
Changes in equity share capital during the year	-
Balance as at March 31, 2023	1.00
Changes in equity share capital during the year	-
Balance as at March 31, 2024	1.00

B. Other Equity

	Retained earnings	Other comprehensive income (OCI)	Total other equity attributable to equity holders of the Company
Balance as at March 31, 2022	154.08	-	154.08
Surplus of income over expenditure	(44.30)	-	(44.30)
Balance as at March 31, 2023	109.79	-	109.79
Surplus of income over expenditure	39.98	-	39.98
Balance as at March 31, 2024	149.77	-	149.77

Material accounting policy information (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 Brahmayya & Co.

Chartered Accountants

Firm's Registration No: 000511S

P Babu

Partner

Membership No. 203358



Place : Chennai

Date : May 13, 2024

For and on behalf of the Board of Directors of

Northern Arc Foundation

CIN:U80904TN2019NPL127426

Ashish Mehrotra

Director

DIN:07277318

Place : Chennai

Date : 13/05/2024

Kshama Fernandes

Director

DIN:02539429

Northern Arc Foundation

Statement of Cash Flows for the year ended March 31, 2024

(All amounts are in Indian Rupees in lakhs)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2022
A Cash flow from operating activities			
Surplus / (deficit) of income over expenditure before tax		39.98	(44.30)
Adjustments for:			
Depreciation		0.02	1.09
Operating profit before working capital changes		40.00	(43.21)
Changes in working capital:			
Decrease in other current assets		(0.39)	(1.31)
Increase in other current liabilities		13.69	12.86
Cash flow from operations		53.30	(31.65)
Income tax paid (net)		-	-
Net Cash flow provided from operating activities	(A)	53.30	(31.65)
B Cash flows from investing activities			
Purchase of property, plant and equipment		-	-
Net cash used in investing activities	(B)	-	-
C Cash flow from financing activities			
Proceeds from issue of equity share		-	-
Net cash used in financing activities	(C)	-	-
Net Increase/ (Decrease) in cash and cash equivalents	(A+B+C)	53.30	(31.65)
Cash and cash equivalents at the beginning of the year		139.52	171.17
Cash and cash equivalents at the end of the year		192.82	139.52
Notes to cash flow statement			

	Note	As at March 31, 2024	As at March 31, 2023
1 Components of cash and cash equivalents:	5		
Balances with banks			
- in current accounts		192.82	139.52
		192.82	139.52

Material accounting policy information (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 Brahmayya & Co.

Chartered Accountants

Firm's Registration No: 000511S

P Babu

Partner

Membership No. 203358



Place : Chennai

Date : May 13, 2024

For and on behalf of the Board of Directors of

Northern Arc Foundation

CIN:U80904TN2019NPL127426

Ashish Mehrotra

Director

DIN:07277318

Kshama Fernandes

Director

DIN:02539429

Place : Chennai

Date : 13/05/2024

Northern Arc Foundation

Notes forming part of the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees in lakhs)

1 Reporting entity

Northern Arc Foundation (hereinafter referred to as, "the Company") is a Section 8 company incorporated on February 12, 2019 under the Companies Act 2013. The Company is a wholly owned subsidiary of Northern Arc Capital Limited. The primary objective of the company is to carry on the objects enshrined under Schedule VII and either directly or in association with other institutions of similar nature, facilitate companies to discharge their corporate social responsibility as mandated under the Companies Act 2013.

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.

These financial statements were authorised for issue by the Company's Board of Directors on May 13, 2024.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

Division II - Schedule III to the Companies Act, 2013, has been further amended vide Government Notification dated March 24, 2021 to include certain additional presentation and disclosure requirements and changes to some of the existing requirements. These changes need to be applied in preparation of financial statements for the financial year commencing on or after April 1, 2021. Accordingly, these financial statements have been prepared based on the above requirements.

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
Certain financial assets and liabilities	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 financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

3 Significant accounting policies

3.1 Contributions

The Company receives contribution from Northern Arc Capital Limited ("the Holding Company"). Grants are recognised as income when there is reasonable certainty that the Company will comply with the conditions attached to them.

Grants received for specific purposes and the income earned thereon from such grants are credited to the specific funds. These grants are recognised as income in the statement of income and expenditure based on utilisation or upon waiver / vacation or conditions associated with such grants.



3.2 Financial instruments

A Recognition and initial measurement

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

B. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) 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.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

C Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, 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 does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.



3.3 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.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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

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).

3.4 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.

3.5 Income tax

Northern Arc Foundation is exempt from taxes as its income are applied for charitable purposes.

3.6 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.



Northern Arc Foundation

Notes forming part of the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees in lakhs)

3.7 Earnings per share

The Company reports basic 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.

3.8 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.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.



Northern Arc Foundation

Notes forming part of the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees in lakhs)

4 Property, plant and equipment

	Computer and accessories	Total
Cost or deemed cost		
Balance as at March 31, 2021	-	-
Additions	1.64	1.64
Disposals	-	-
Balance as at March 31, 2022	1.64	1.64
Balance as at March 31, 2022	1.64	1.64
Additions	-	-
Disposals	-	-
Balance as at March 31, 2023	1.64	1.64
Balance as at April 1, 2023	1.64	1.64
Additions	-	-
Disposals	-	-
Balance as at March 31, 2024	1.64	1.64
Depreciation		
Balance as at March 31, 2021	-	-
Depreciation/amortisation for the year	0.53	0.53
Accumulated depreciation/amortisation on disposals	-	-
Balance as at March 31, 2022	0.53	0.53
Balance as at March 31, 2022	0.53	0.53
Depreciation/amortisation for the year	1.09	1.09
Accumulated depreciation/amortisation on disposals	-	-
Balance as at March 31, 2023	1.62	1.62
Balance as at April 1, 2023	1.62	1.62
Depreciation/amortisation for the year	0.02	0.02
Accumulated depreciation/amortisation on disposals	-	-
Balance as at March 31, 2024	1.63	1.63
Net block		
As at March 31, 2023	0.02	1.11
As at March 31, 2024	0.00	0.02



Northern Arc Foundation

Notes forming part of the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees in lakhs)

	As at March 31, 2024	As at March 31, 2023
5 Cash and cash equivalents		
Balance with banks		
- in current accounts	192.82	139.52
- in deposit accounts free of lien (with original maturity of less than 3 months)	-	
Interest accrued		
	192.82	139.52
6 Current Financial Assets - Others		
Advances to Employees	1.70	1.31
	1.70	1.31
9 Other Current liabilities		
Due to Holding Company	34.88	20.87
Statutory liabilities	0.63	1.11
Other Payables	0.40	2.58
Provision for Expenses	2.34	-
Provision for Employee Benefits	5.50	5.50
	43.75	30.06
	Year ended March 31, 2024	Year ended March 31, 2023
10 Donations received		
Contribution received	337.00	369.82
	337.00	369.82
11 Project Expenditure		
Financial Inclusion Survey & Others	-	-
Educational Expenses	275.00	390.02
Disaster Relief Expenses	-	-
Overhead Expenses	-	-
	275.00	390.02
12 Employee Benefit Expenses		
Salary	12.95	18.79
	12.95	18.79
13 Other expenses		
Auditor's remuneration	0.71	0.30
Legal and Professional charges	6.23	3.33
Other Exp	2.11	0.60
Amount to be Spent on objectives	-	-
	9.05	4.22
13.1 Payments to auditor (excluding goods and services tax)		
Statutory audit	0.25	0.25
Tax audit	0.10	-
Certification for restated financial statements	0.25	-
GST on the above	0.11	0.05
	0.71	0.30



Northern Arc Foundation
Notes forming part of the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees in lakhs)

	As at March 31, 2024	As at March 31, 2023
7 Share capital		
Authorised		
10,000 equity shares of INR 10 each	1.00	1.00
	1.00	1.00
Issued, subscribed and paid up		
10,000 equity shares of INR 10 each	1.00	1.00
	1.00	1.00

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

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	10,000	1.00	10,000	1.00
Add: Shares issued during the year	-	-	-	-
At the end of the year	10,000	1.00	10,000	1.00

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 10 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/ ultimate holding company and /or their subsidiaries / associates:

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% held	No. of shares	% held
Equity shares:				
Northern Arc Capital Limited including its nominee shareholders	10,000	100%	10,000	100%

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

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% held	No. of shares	% held
Equity shares:				
Northern Arc Capital Limited including its nominee shareholders	10,000	100%	10,000	100%

e) Details of shares held by promoters
As at 31 March 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Northern Arc Capital Limited	10,000	-	10,000	100%	0%

As at 31 March 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Northern Arc Capital Limited	10,000	-	10,000	100%	0%

8 Other equity
a) Retained earnings

	As at March 31, 2024	As at March 31, 2023
At the commencement of the year	109.79	154.08
Add: Surplus of income over expenditure	39.98	(44.30)
At the end of the year	149.77	109.79



Northern Arc Foundation

Notes forming part of the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees in lakhs)

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

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Contingent liability not acknowledged as debt- Income Tax matters	84.59	-

15 Earnings per share:

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Surplus of income over expenditure	39.98	(44.30)
Weighted average number of equity shares outstanding during the year (basic)	10,000	10,000
Face value per share (INR)	10	10
Earnings per share (INR) - Basic	399.82	-442.97

16 Contributions received are as follows:

Particulars	Purpose	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Northern Arc Capital Limited	Project for Financial Inclusion whose objective is to measure the financial inclusion in two step process namely- a) Conceptualize the measures which accurately captures Financial inclusion b) Establish methods to capture these measures across time & space Educational project related	313.00	350.52
Northern Arc Investment Managers Private Limited	Project for Financial Inclusion whose objective is to measure the a) Conceptualize the measures which accurately captures Financial inclusion b) Establish methods to capture these measures across time & space Educational project related	24.00	19.30

17 Related party disclosures

a. Name of the related party and nature of relationship:

Nature of relationship	Name of related party
Holding Company	Northern Arc Capital Limited
Fellow Subsidiaries	Northern Arc Investment Adviser Services Private Limited Northern Arc Investment Managers Private Limited Pragati Finserv Private Limited Northern Arc Securities Private Limited

b. Transactions with related parties for the year

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Northern Arc Capital Limited		
Issue of equity share	-	-
Expenses of NAF	14.06	11.25
Contribution received	313.00	350.52
Northern Arc Investment Managers Private Limited		
Contribution received	24.00	19.30

c. Balance outstanding at the year end:

Northern Arc Capital Limited		
Sundry Creditors	30.71	20.87
Equity Share Capital	1.00	1.00

18 Northern Arc Capital Limited has not benefited from the activities of Northern Arc Foundation.



Northern Arc Foundation**Notes forming part of the financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees in lakhs)

19 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 June 30, 2023 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	For the Year ended March 31, 2024	For the Year ended March 31, 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
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.	-	-

21 Registration under Income Tax Act, 1961

The company was granted provisional registration under Section 12AA of the Income Tax Act, 1961 with effect from Assessment Year 2021-22 instead from Assessment Year 2020-21. Company had made application within the due date for applying registration for Assessment Year 2020-21. Representation before CIT (Exemptions) was made for getting it rectified and condonation of delay was sought in filing Form 9A and Form 10B for Assessment Year 2020-21.

22 Other Statutory Information

- The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 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)
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- The Company does not have 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 Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- The Company doesn't have any transactions with companies which are struck off
- The Company does not own any immovable property
- The Company does not own any Investment Property
- The Company does not revalue its Property, Plant and Equipment

23 Previous year's figures have been regrouped, reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date attached

for Brahmayya & Co.

Chartered Accountants

Firm's Registration No: 000511S

P Babu
Partner

Membership No. 203358

Place : Chennai

Date : May 13, 2024



For and on behalf of the Board of Directors of

Northern Arc Foundation

CIN:U80904TN2019NPL127426

Ashish Mehrotra
Director

DIN:07277318

Kshama Fernandes
Director

DIN:02539429

Place : Chennai

Date : 13/05/2024

Northern Arc Foundation
Notes forming part of the financial statements for the year ended March 31, 2024
 (All amounts are in Indian Rupees in lakhs)

20 Ratio Analysis

Sl No.	Ratio	Numerator	Denominator	Mar-24	Mar-23	% of variance	Remarks
(i)	Current ratio	Current Assets	Current Liabilities	4.45	4.68	-5%	Variance is mainly on account of increase in current assets owing to decrease in spendings towards CSR activities during the first quarter resulting in increased cash balances.
(ii)	Debt Equity ratio	Total debt	Share holder's Equity	NA	NA	-	
(iii)	Debt coverage ratio	Earnings for debt service = Net profit & Lease Payments + after taxes + Non-cash operating expenses	Debt service = Interest Payments + Principal Repayments	NA	NA	-	
(iv)	Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.31	-0.33	-192%	Positive ROE is due to decrease in expenditure towards CSR activities vis a vis contribution received
(v)	Trade Receivable Turnover ratio	Net Credit Sales	Average Receivable	NA	NA	-	
(vi)	Trade Payable Turnover ratio	Net credit purchases	Average Trade Payables	NA	NA	-	
(vii)	Net capital Turnover ratio	Net sales	Working capital = Current assets – Current liabilities	2.24	3.34	-33%	Decrease in expenditure towards CSR activities when compared to increase in contribution
(viii)	Net Profit ratio	Net Profit	Net sales	0.12	-0.12	-199%	Decrease in expenditure towards CSR activities when compared to increase in contribution
(ix)	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.27	-0.40	-166%	Decrease in expenditure towards CSR activities when compared to contributions received.
(x)	Return on Investment	Interest (Finance Income)	Investment	NA	NA	-	

Variances above 25% are explained above.

