

# B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st and 2nd Floor  
No.3, Harrington Road, Chelpet  
Chennai - 600 031, India.

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

## INDEPENDENT AUDITORS' REPORT

**To the Members of Northern Arc Foundation**

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

### Opinion

We have audited the financial statements of Northern Arc Foundation ("the Company"), which comprise the balance sheet as at March 31, 2020, the statement of income and expenditure (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from February 12, 2019 (date of incorporation) to March 31, 2020 ("Period"), and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and surplus of income over expenditure and other comprehensive income, changes in equity and its cash flows for the Period.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditors' report thereon. The Board's Report is expected to be made available to us after the date of this auditors' report.

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



B S R & Co. a partnership firm with  
Registration No. BA612231 converted into  
B S R & Co. LLP a Limited Liability Partnership  
with LLP Registration No. AAB-01811  
with effect from October 14, 2013.

Registered Office:  
105/106, Trade Centre,  
Rosa Park, Chokkikulam,  
11A, 1st Floor, Mangalam,  
Mumbai-400 041

**Independent Auditors' Report  
To the Members of Northern Arc Foundation**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the Company's Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Management's and Board of Directors' Responsibility for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, income / expenditure and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 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, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibilities for the Audit of the Financial Statements**

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



**Independent Auditors' Report  
To the Members of Northern Arc Foundation**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



**Independent Auditors' Report  
To the Members of Northern Arc Foundation**

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

**Report on Other Legal and Regulatory Requirements**

1. The Company is a Company licensed under Section 8 of the Companies Act, 2013. Accordingly, the Companies (Auditors Report) Order, 2016 issued by the Central Government in terms of sub-section (11) of Section 143 of the Act is not applicable.
2. (A) 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 (including comprehensive income), statement of changes in equity and statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) The Company has been exempted from the requirement of its auditors reporting on whether the Company has adequate internal financial controls with reference to financial statement in place and the operating effectiveness of such controls (clause (i) of Section 143(3) of the Act).



**B S R & Co. LLP**

**Independent Auditors' Report  
To the Members of Northern Arc Foundation**

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(B) With respect to the other matters to be included in the Auditors' 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 did not have any pending litigations as at March 31, 2020.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial period ended March 31, 2020.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the provisions of Section 197 to the Act is not applicable to the Company.

*for B S R & Co. LLP*  
*Chartered Accountants*  
Firm's registration Number: 101248W/W-100022



**Naveen Raj R**  
*Partner*  
Membership Number: 217772  
UDIN: 20217772AAAAAQ9741

Place: Chennai  
Date: June 24, 2020

**Northern Arc Foundation**  
**Balance Sheet as at March 31, 2020**  
 (All amounts are in Indian Rupees in lakhs)

Particulars	Note	As at March 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
<b>Financial assets</b>		
Cash and cash equivalents	4	70.21
		<u>70.21</u>
<b>Total assets</b>		<u><u>70.21</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	6	1.00
Other equity	7	68.10
		<u>69.10</u>
<b>Current liabilities</b>		
Other current liabilities	5	1.11
		<u>1.11</u>
<b>Total equity and liabilities</b>		<u><u>70.21</u></u>

Significant accounting policies (refer note 2 and 3)

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

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No:101248W/W-100022



**Naveen Raj R**

Partner

Membership No. 217772

Place : Chennai

Date : June 24, 2020

For and on behalf of the Board of Directors of

**Northern Arc Foundation**

CIN:U80904TN2019NPL127426



**Kshama Fernandes**

Director

DIN:02539429

Place : Chennai

Date : June 24, 2020



**Samir Shah**

Director

DIN:00912693



**Northern Arc Foundation**

**Statement of Income and Expenditure for the period from February 12, 2019 to March 31, 2020**

(All amounts are in Indian Rupees in lakhs)

Particulars	Note	For the period from February 12, 2019 to March 31, 2020
<b>Income</b>		
Contributions	8	197.68
<b>Total Income</b>		<b>197.68</b>
<b>Expenditure</b>		
Project Expenditure	9	129.33
Other expenses	10	0.25
<b>Total expenses</b>		<b>129.58</b>
<b>Surplus of income over expenditure before tax</b>		<b>68.10</b>
<b>Tax expense</b>		
Current tax		-
<b>Surplus of income over expenditure</b>		<b>68.10</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of the defined benefit asset/ (liability)		-
Income tax relating to items that will not be reclassified to profit or loss		-
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>-</b>
<b>Other comprehensive income for the period</b>		<b>-</b>
<b>Total comprehensive income for the period</b>		<b>68.10</b>

Significant accounting policies (refer note 2 and 3)

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

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No:101248W/W-100022

**Naveen Raj R**  
Partner  
Membership No. 217772

Place : Chennai  
Date : June 24, 2020

For and on behalf of the Board of Directors of  
**Northern Arc Foundation**  
CIN:U80904TN2019NPL127426

**Kshanta Fernandes**  
Director  
DIN:02539429

**Samir Shah**  
Director  
DIN:00912693

Place : Chennai  
Date : June 24, 2020



**Northern Arc Foundation**  
**Statement of changes in equity for the period ended March 31, 2020**  
 (All amounts are in Indian Rupees in lakhs)

**A. Equity Share Capital**

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

Balance as at February 12, 2019	-
Changes in equity share capital during the period	1.00
Balance as at March 31, 2020	1.00

**B. Other Equity**

	Retained earnings (general fund)	Total other equity attributable to equity holders of the Company
Balance as at February 12, 2019	-	-
Surplus of income over expenditure	68.10	68.10
Balance as at March 31, 2020	68.10	68.10

Significant accounting policies (refer note 2 and 3)

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

As per our report of even date attached

**for B S R & Co. LLP**

Chartered Accountants

Firm's Registration No:101248W/W-100022



**Naveen Raj R**  
 Partner  
 Membership No. 217772

Place : Chennai  
 Date : June 24, 2020

For and on behalf of the Board of Directors of

**Northern Arc Foundation**

CIN:U80904TN2019NPL127426



**Kshama Fernandes**  
 Director  
 DIN:02539429



**Samir Shah**  
 Director  
 DIN:00912693

Place : Chennai  
 Date : June 24, 2020





**Northern Arc Foundation**  
**Statement of Cash Flow for the period from February 12, 2019 to March 31, 2020**  
 (All amounts are in Indian Rupees in lakhs)

Particulars	Note	For the period from February 12, 2019 to March 31, 2020
<b>A</b> <u>Cash flow from operating activities</u>		
Surplus / (deficit) of income over expenditure before tax		68.10
<b>Changes in working capital:</b>		
Increase in other current liabilities		1.11
<b>Cash flow from operations</b>		<u>69.21</u>
Income tax paid (net)		-
<b>Net Cash flow provided from operating activities</b>	(A)	<u>69.21</u>
<b>B</b> <u>Cash flows from investing activities</u>		
Net cash used in investing activities	(B)	-
<b>C</b> <u>Cash flow from financing activities</u>		
Proceeds from issue of equity share		1.00
<b>Net cash used in financing activities</b>	(C)	<u>1.00</u>
<b>Net Increase/ (Decrease) in cash and cash equivalents</b>	(A+B+C)	<u>70.21</u>
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>		<u>70.21</u>

**Notes to cash flow statement**

Particulars	Note	As at March 31, 2020
<b>1</b> <b>Components of cash and cash equivalents:</b>	<b>4</b>	
Balances with banks		70.21
- in current accounts		<u>70.21</u>

Significant accounting policies (refer note 2 and 3)

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

As per our report of even date attached

**for B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: I01248W/W-100022



**Naveen Raj R**

Partner

Membership No. 217772

Place : Chennai

Date : June 24, 2020

For and on behalf of the Board of Directors of

**Northern Arc Foundation**

CIN:U80904TN2019NPL127426



**Kshama Fernandes**

Director

DIN:02539429

Place : Chennai

Date : June 24, 2020



**Samir Shah**

Director

DIN:00912693



## Northern Arc Foundation

Notes forming part of the financial statements for the period from February 12, 2019 to March 31, 2020

(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 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016. These financial statements have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS prescribed under Section 133 of the Act.

#### 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.



**Northern Arc Foundation**

**Notes forming part of the financial statements for the period from February 12, 2019 to March 31, 2020**

(All amounts are in Indian Rupees in lakhs)

**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.



## Northern Arc Foundation

Notes forming part of the financial statements for the period from February 12, 2019 to March 31, 2020

(All amounts are in Indian Rupees in lakhs)

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### 3.3 Income tax

The Company is exempt from taxes as its income are applied for charitable purposes. The Company is in the process of obtaining registration under Section 12AA of the Income Tax Act, 1961.

### 3.4 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.

### 3.5 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.

### 3.6 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.

### 3.7 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.

### 3.8 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.



**Northern Arc Foundation**

**Notes forming part of the financial statements for the period from February 12, 2019 to March 31, 2020**

(All amounts are in Indian Rupees in lakhs)

	As at March 31, 2020
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**6 Share capital**

**Authorised**

10,000 equity shares of INR 10 each

1.00

1.00

**Issued, subscribed and paid up**

10,000 equity shares of INR 10 each

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, 2020	
	No. of shares	Amount
<b>Equity shares</b>		
At the commencement of the period	-	-
Add: Shares issued during the period	10,000	1.00
<b>At the end of the period</b>	<u>10,000</u>	<u>1.00</u>

**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, 2020	
	No. of shares	% held
<b>Equity shares:</b>		
Northern Arc Capital Limited including its nominee shareholders	10,000	100%

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

	As at March 31, 2020	
	No. of shares	% held
<b>Equity shares:</b>		
Northern Arc Capital Limited including its nominee shareholders	10,000	100%

**7 Other equity**

**a) Retained earnings (general fund)**

At the commencement of the year

-

Add: Surplus of income over expenditure

68.10

**At the end of the period**

68.10



**Northern Arc Foundation**

**Notes forming part of the financial statements for the period from February 12, 2019 to March 31, 2020**

(All amounts are in Indian Rupees in lakhs)

	<b>As at March 31, 2020</b>
<b>4 Cash and cash equivalents</b>	
Balance with banks	70.21
- in current accounts	<u>70.21</u>
<b>5 Other Current liabilities</b>	
Statutory liabilities	0.86
Other Payables	0.25
	<u>1.11</u>
	<b>For the period from February 12, 2019 to March 31, 2020</b>
<b>8 Contributions</b>	
Contribution received from Northern Arc Capital Limited	197.68
	<u>197.68</u>
<b>9 Project Expenditure</b>	
Financial Inclusion Survey & Others	70.52
Educational Expenses	58.81
	<u>129.33</u>
<b>10 Other expenses</b>	
Auditor's remuneration (refer note 10.1 below)	0.25
	<u>0.25</u>
<b>10.1 Payments to auditor (excluding goods and services tax)</b>	
Statutory audit	0.25
	<u>0.25</u>



**Northern Arc Foundation**

Notes forming part of the financial statements for the period from February 12, 2019 to March 31, 2020

(All amounts are in Indian Rupees in lakhs)

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

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

**12 Earnings per share:**

	<b>For the period ended March 31, 2020</b>
<b>Earnings</b>	
Surplus of income over expenditure	68.10
Weighted average number of equity shares outstanding during the year (basic)	8,607
Face value per share (INR)	10
Earnings per share (INR) - Basic	791.21

**13 Contributions received are as follows:**

<b>Particulars</b>	<b>Purpose</b>	<b>For the period ended March 31, 2020</b>
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	197.68

**14 Related party disclosures**

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

<b>Nature of relationship</b>	<b>Name of related party</b>
Holding Company	Northern Arc Capital Limited
Fellow Subsidiaries	Northern Arc Investment Adviser Services Private Limited Northern Arc Investment Managers Private Limited

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

	<b>For the period ended March 31, 2020</b>
<b>Northern Arc Capital Limited</b>	
Issue of equity share	1.00
Contribution received	197.68

**c. Balance outstanding at the year end:**

<b>Northern Arc Capital Limited</b>	
Equity Share Capital	1.00





**Northern Arc Foundation**

**Notes forming part of the financial statements for the period from February 12, 2019 to March 31, 2020**

(All amounts are in Indian Rupees in lakhs)

**15 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 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 period ended March 31, 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period	
Principal	-
Interest	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-

**16 Disclosure of Specified Bank Notes ('SBN')**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

**17 Impact of COVID-19 pandemic**

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the economic impact as a result of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of other assets for any possible impact on the financial statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its current assessment, this situation does not materially impact the financial statements. The management believes that the Company will not have any challenge in meeting its financial obligations for next 12 months. In this regard, the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No:101248W/W-100022



**Naveen Raj R**  
Partner  
Membership No. 217772

Place : Chennai  
Date : June 24, 2020

For and on behalf of the Board of Directors of  
**Northern Arc Foundation**  
CIN:U80904TN2019NPL127426



**Kshama Fernandes**  
Director  
DIN:02539429

Place : Chennai  
Date : June 24, 2020



**Samir Shah**  
Director  
DIN:00912693

