B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing,
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Independent Auditor's Report

To the Members of CARE Advisory Research and Training Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CARE Advisory Research and Training Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 *Auditor's Responsibilities for the Audit of the Standalone 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 obtained by us, 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 Company's Director's report but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

Management's and Board of Directors' Responsibilities 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, profit/(loss) 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 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, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

a) The financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor who had expressed an unmodified opinion on 7 June 2021.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent 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 profit and loss (including other comprehensive income), the statement of changes in equity and the 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.

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e) On the basis of the written representations received from the directors as on 1 April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company does not have any pending litigations which would impact its financial position.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, 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:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114
ICAI UDIN: 22067114AIGIVL1726

Mumbai
2 May 2022

CARE Advisory Research and Training Limited

Annexure A to the Independent Auditor's Report – 31 March 2022

(Referred to in our report of even date)

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the 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. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. a) The Company is a service company, primarily rendering financial and management advisory services, undertaking diligence studies, appraisal of all types of projects and other related research. The Company, therefore, does not hold any physical inventories and accordingly, clause 3(ii)(a) of the Order is not applicable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

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v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

vii. a) The Company does not have liability in respect of Service tax, Duty of excise, Sales Tax, and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employee State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

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x. a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to us and on the basis of 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. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. a) In our opinion and based on the information and explanations provided to us, the Company is not required to have an internal audit system in accordance with section 138 of the Act. The Company, however, has established an internal audit system during the year.

b) We have considered the internal audit report of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

xvi. a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

xvii. The Company has incurred cash losses of Rs. 13,821 thousand in the current financial year and Rs. 3,254 thousand in the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors during the year and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the

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evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Directors' report is expected to be made available to us after the date of this auditor's report.

xx. The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114
ICAI UDIN: 22067114AIGIVL1726

Mumbai
2 May 2022

Annexure B to the Independent Auditors' report on the financial statements of CARE Advisory Research and Training Limited for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of CARE Advisory Research and Training Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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Auditors' Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114
ICAI UDIN: 22067114AIGIVL1726

Mumbai
2 May 2022

CARE Advisory Research & Training Limited
CIN :U74999MH2016PLC285575

Balance Sheet as at 31st March 2022

(Amount in Rs.'000)

SN No	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A	**ASSETS**			
1	**Non-current assets**			
	Property, plant and equipment	2	709	1,382
	Intangible assets	2	-	2,659
	Intangible assets under development	2	10,669	-
	Financial assets			
	Loans	3	-	138
	Other financial assets	4	250	-
	Deferred tax asset (Net)	5	-	747
	Total Non-current assets		**11,628**	**4,926**
2	**Current assets**			
	Financial assets			
	Trade receivables	6	2,193	3,069
	Cash and cash equivalents	7	9,922	6,387
	Bank Balances other than cash and cash equivalents	8	-	51,506
	Loans	9	-	61
	Other Current Financial Assets	10	21,448	71
	Current tax assets (Net)	11	12,040	4,684
	Other current assets	12	2,231	1,200
	Total current assets		**47,834**	**66,977**
	Total assets		**59,462**	**71,903**
B	**EQUITY AND LIABILITIES**			
	EQUITY			
I	Equity share capital	13	40,955	40,955
	Other equity	14	(3,095)	14,153
	Total Equity		**37,860**	**55,107**
II	**LIABILITIES**			
1	**Non-current Liabilities**			
	Provisions	15	1,721	2,027
	Total non-current liabilities		**1,721**	**2,027**
2	**Current Liabilities**			
	Financial Liabilities:			
	Trade Payables	16	4,704	2,402
	Provisions	17	8,138	2,928
	Other current liabilities	18	7,039	9,439
	Total current liabilities		**19,881**	**14,769**
	Total Equity and Liabilities		**59,462**	**71,903**

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Regd.No.101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No.067114

For and on behalf of the Board of Directors
CARE Advisory Research & Training Limited

M.Mathisekaran
Chairman
DIN No.03584338

Ajay Mahajan
Director
DIN No. 5108777

Mehul Pandya
Director
DIN No. 07610232

Place : Mumbai
Date: May 02, 2022

CARE Advisory Research and Training Limited
CareEdge

CARE Advisory Research & Training Limited
CIN :U74999MH2016PLC285575
Statement of Profit & Loss for the year ended March 31, 2022

(Amount in Rs.'000)

Particulars	Note No.	For the year March 31, 2022	For the year March 31, 2021
Income			
Revenue From operations	19	74,068	53,675
Other income	20	2,248	2,835
Total Income		**76,316**	**56,510**
Expenses			
Employee benefits expense	21	69,986	46,119
Depreciation and amortisation expense	2	1,203	1,303
Impairment loss on intangible assets	2	2,129	-
Other expenses	22	20,151	13,645
Total Expenses		**93,469**	**61,067**
Profit before tax		**(17,153)**	**(4,557)**
Tax Expense			
Deferred tax (Expense)/Income		**(771)**	1,067
Total Tax (Expense)/Income		**(771)**	**1,067**
Profit after tax		**(17,924)**	**(3,490)**
Other Comprehensive income			
(i) Items that will not be reclassified to profit & Loss		652	95
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(24)
Other Comprehensive income for the year		**652**	71
Total Comprehensive income for the year		**(17,272)**	**(3,418)**
Earning Per Equity Share (Face value Rs. 10/- each) (in Rs.)	23.6		
-Basic		**(4.22)**	**(0.83)**
-Diluted		**(4.22)**	**(0.83)**

As per our Report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Regd.No.101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No.067114

Place : Mumbai
Date: May 02, 2022

For and on behalf of the Board of Directors
CARE Advisory Research & Training Limited

M.Mathisekaran
Chairman
DIN No.03584338

Ajay Mahajan
Director
DIN No. 5108777

Mehul Pandya
Director
DIN No. 07610232

CARE Advisory Research and Training Limited
CareEdge

CARE Advisory Research & Training Limited
CIN :U74999MH2016PLC285575
Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital
For the year ended March 31, 2022

(Amount in Rs.'000)

Balance as at April, 01, 2021	Changes in Equity Share Capital during the year	Balance as at March 31, 2022
40,955	-	40,955

For the year ended March 31, 2021

(Amount in Rs.'000)

Balance as at April, 01, 2020	Changes in Equity Share Capital during the year	Balance as at March 31, 2021
40,955	-	40,955

B. Other Equity
For the year ended March 31, 2022

(Amount in Rs.'000)

Particulars	Reserves & Surplus		Other Comprehensive Income	Total Equity
	Securities Premium	Retained Earnings		
Balance as at April 01, 2021	**4,045**	**10,036**	**71**	**14,153**
Net Profit/(Loss) for the year	-	(17,924)	-	**(17,924)**
Other Comprehensive Income/(loss) for the year				
Remeasurement gain/(loss) on defined benefit plan (2)	-	-	652	**652**
Tax impact Reversed during the year	-	-	24	**24**
Balance as at March 31, 2022	**4,045**	**(7,888)**	**747**	**(3,095)**

Note 1 - Securities Premium Account is credited when the shares are issued at premium. It will be utilized in accordance with the provision of the Act, to issue bonus shares, to provide for premium or redemption of shares, equity related expenses like underwriting costs, etc.

Note 2 - Retained Earning -The Company has transferred Net profit/(Loss) for the year to retained earnings.

Note 3 - OCI: Re-measurement (comprising actuarial gains and losses, return on plan assets, etc.) of defined benefit plans in respect of post-employment are charged to Other Comprehensive Income. Re-measurement recognized in Other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

For the year ended March 31, 2021

(Amount in Rs.'000)

Particulars	Reserves & Surplus		Other Comprehensive Income	Total Equity
	Securities Premium	Retained Earnings		
Balance as at April 01, 2020	**4,045**	**13,526**	-	**17,571**
Net Profit/(Loss) for the year	-	(3,490)	-	**(3,490)**
Other Comprehensive Income/(loss) for the year				
Remeasurement gain/(loss) on defined benefit plan (2)	-	-	95	**95**
Tax impact on above	-	-	(24)	**(24)**
Balance as at March 31, 2021	**4,045**	**10,036**	**71**	**14,153**

Significant Accounting Policies

As per our Report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Regd.No.101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No.067114

For and on behalf of the Board of Directors
CARE Advisory Research & Training Limited

M.Mathisekaran
Chairman
DIN No. 03584338

Ajay Mahajan
Director
DIN No. 5108777

Mehul Pandya
Director
DIN No. 07610232

Place : Mumbai
Date: May 02, 2022

CARE Advisory Research and Training Limited
CareEdge

CARE Advisory Research & Training Limited
CIN No :U74999MH2016PLC285575
Statement of Cash flows for the year ended March 31, 2022

(Amount in Rs.'000)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Cash flow from Operating Activities			
Profit / (Loss) before tax		(17,153)	(4,557)
Adjustments for			
Income from investments		-	(391)
Interest on Fixed Deposits	20	(2,155)	(2,225)
Bad Debts & Other Advances written off		239	-
Impairment of Software	2	2,129	-
Depreciation and Amortization Expense	2	1,203	1,303
Operating (loss)/profit before working capital changes		**(15,737)**	**(5,871)**
Movement in working capital			
Decrease/(Increase) in Trade Receivables		707	(894)
Decrease/(Increase) in loans		200	(164)
Decrease/(Increase) in Other financial asset		(250)	-
Decrease/(Increase) in Other current assets		(380)	(1,938)
Decrease/(Increase) in Other current financial assets		(21,448)	-
(Decrease)/Increase in other current liabilities		(2,399)	8,965
(Decrease)/Increase in sundry creditors for expenses		2,302	(2,742)
(Decrease)/Increase in provision & other liabilities		4,903	3,250
Total movement in working capital		**(16,365)**	**6,477**
Taxes Paid (Net)		(7,357)	(884)
Net cash (used in)/from operating activities		**(39,458)**	**(278)**
(B) Cash flow from Investing Activities			
Income from investments		-	391
Interest on Fixed Deposits	20	2,155	2,225
Proceeds from Maturity of Fixed deposits		51,506	-
Investment in Fixed Deposits		-	(46,501)
Purchase of Property, plant and equipment & Intangible Assets		-	(116)
Intangible assets under development	2	(10,669)	-
Sale of Investments		-	49,962
Net cash from Investing activities		**42,992**	**5,962**
(C) Cash flow from financing activities			
Net cash from financing activities		-	-
Net (decrease)/increase in cash & cash equivalents		**3,535**	**5,684**
Cash & Cash equivalents at the beginning of the period/year	7	6,387	703
Cash & Cash equivalents at the end of the period/year	7	9,922	6,387
Cash & cash equivalent comprises of:	7		
Cash on hand		1	7
Cheques in hand		-	-
Balances with Banks - on current accounts		9,921	431
Deposits with banks with original maturity of less than 3 months		-	5,949
Total		9,922	6,387

Significant Accounting Policies 1

As per our Report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Regd.No.101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No.067114

Place : Mumbai
Date: May 02, 2022

For and on behalf of the Board of Directors
CARE Advisory Research & Training Limited

M.Mathisekaran
Chairman
DIN No.03584338

Ajay Mahajan
Director
DIN No. 5108777

Mehul Pandya
Director
DIN No. 07610232

CARE Advisory Research and Training Limited
CareEdge

1.1 Company Overview:

CARE Advisory Research And Training Limited (the "Company") incorporated on September 6, 2016, with the objective of rendering financial and management advisory service, undertaking diligence studies and appraisals of all types of projects and other related research. The Company also strive to be recognized as a knowledge-based company with endeavor to customize the training program in such a way so as to simulate practical situations, which helps in gearing up to the dynamic business requirements. The Company is a wholly owned Subsidiary of CARE Ratings Limited.

1.2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable. The financial statements for the year ended 31 March 2022 were approved by the Board of directors on 2 May 2022.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Fair value of Plan assets as reduced by defined benefit obligations; and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

1.3 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's financial statements are presented in INR, which is also the functional currency and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

c. Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Useful Lives of Property, Plant & Equipment:

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The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

ii) Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs for valuation techniques are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

iii) Revenue

The Company recognizes the revenue measured at the fair value of consideration received or receivable.

The Company uses various judgments and estimates to assess the efforts required for completion of various activities in the rating process. Based on assessment, the Company defines the percentage completion to be applied to measure income to be recognized from initial rating and surveillance during the year.

As a matter of prudent policy and on the basis of past experience of recoverability of income, fees in respect of certain defined categories of clients are recognized when there is reasonable certainty of ultimate collection.

iv) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

V) Expected Credit Losses on Financial Assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

d. Fair value measurement

The Company measures financial instruments, such as investments in mutual funds and equity shares at fair value at each balance sheet date.

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Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ▶ Disclosures for valuation methods, significant estimates and assumptions
- ▶ Quantitative disclosures of fair value measurement hierarchy
- ▶ Financial instruments (including those carried at amortised cost)

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e. Revenue recognition

Revenue from contract with customer

The Company earns revenue primarily from rendering financial and management advisory services, undertaking diligence studies and appraisals of all types of projects and other related research.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Company does not satisfy a performance obligation over time (similar to percentage completion method), the performance obligation is considered to be satisfied at a point in time (similar to completed contract method).

- **Recognising revenue over time:** For each performance obligation satisfied over time the Company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to depict the Company's performance in transferring control of services promised to the customer (i.e. the satisfaction of an entity's performance obligation). The Company uses input method to measure the progress achieved towards satisfaction of the performance obligation. The key elements which are considered for applying input method include salary cost of employees working on the respective project, cost incurred in relation to consultants, where applicable, and other directly attributable expenses.
- **Recognising revenue at a point in time:** Revenue is recognised on satisfaction of the respective performance obligation. Factors which are considered in determining whether the performance obligation is satisfied completely include applicable contractual terms, milestones indicative of satisfactory completion of performance obligation, history of client acceptance for similar products etc.

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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f. **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities

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and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

g. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on PPE is the systematic allocation of the depreciable amount over its useful life and is provided on a straight line basis over such useful lives as prescribed in Schedule II of the Companies Act, 2013.

Depreciation on additions is being provided on a pro rata basis from the date of such additions.

Depreciation on sale or disposal is provided on a pro rata basis till the date of such sale or disposal.

The Company reviews the estimated residual values and expected useful lives of assets at least annually..

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered

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to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

i. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies on Impairment of non-financial assets.

i) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

ii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

j. Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists, except for goodwill and intangible assets with indefinite life which are tested annually for impairment.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

k. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

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Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

l. Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

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

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

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

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

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is 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. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

m. Financial Instruments

Financial Assets

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a) Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

b) Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

c) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

d) Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

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- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

f) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

ii) Trade receivables.

   The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

a) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

b) Initial recognition and measurement

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Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

c) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

d) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

e) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition

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of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

IV. Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

o. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's management to make decisions for which discrete financial information is available.

Based on the management approach as defined in Ind AS 108, the management evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

1.4 Recent Pronouncements

On 23 March 2022, MCA has notified amendments in the Companies (Indian Accounting Standards) Amendment Rules, 2022, which are applicable from 1 April 2022. Key amendments under the notification are as under:

- Amendment to Ind AS 16 – Property, plant and equipment
- Amendment to Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- Amendment to Ind AS 103 – Reference to Conceptual Framework

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- Amendment to Ind AS 16 – Proceeds before intended use
- Amendment to Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract
- Amendment to Ind AS 109 – Annual Improvements to Ind AS (2021)
- Amendment to Ind AS 106 – Annual Improvements to Ind AS (2021)

The Company is in the process of evaluating the impact of these amendments.

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Notes to the financial statements as at March 31, 2022

Note 2
Property, Plant and Equipment and Intangible Assets

(Amount in Rs.'000)

Description of Assets	Gross Block				Accumulated Depreciation/ Amortisation/Impairment				Net Block	
	As at April 01, 2021	Additions during the year	Sales/ disposal/ adjustments during the period	As at March 31, 2022	As at April 01, 2021	For the year	Sales/ disposal/ adjustments during the period	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Tangible Assets										
Office Equipments	51	-	-	51	20	10	-	30	21	31
Computers	2,699	-	-	2,699	1,349	662	-	2,011	688	1,351
Total Tangible Assets	**2,750**	-	-	**2,750**	**1,369**	**672**	-	**2,041**	**709**	**1,382**
Intangible Assets										
Computer Software	3,859	-	-	3,859	1,199	2,659	-	3,859	(0)	2,659
Total Intangible Assets	**3,859**	-	-	**3,859**	**1,199**	**2,660**	-	**3,859**	**(0)**	**2,659**
Intangible Asset Under Development										
Intangible Asset Under Development	-	10,669	-	10,669	-	-	-	-	10,669	-
Total Intangible Asset Under Development	-	**10,669**	-	**10,669**	-	-	-	-	**10,669**	-
Total	**6,609**	**10,669**	-	**17,278**	**2,568**	**3,332**	-	**5,900**	**11,378**	**4,041**

2.1 Refer Significant Accounting Policy 1.2(g) on depreciation on tangible assets and policy 1.2(h) on amortisation of Intangible assets
Note- During the year, the Company has discontinued the training business and has chosen to focus on specific categories of advisory projects. Pursuant to such discontinuance, the value in use of the software aggregating Rs. 2129 Thousands held exclusively in relation to the training business and consequently the recoverable amount is considered to be nil. Accordingly, the Company has recognised impairment loss aggregating Rs. 2129 Thousands during the current financial year.

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(Amount in Rs.'000)

Description of Assets	Gross Block				Accumulated Depreciation/ Amortisation/Impairment				Net Block	
	As at April 01, 2020	Additions during the year	Sales/ disposal/ adjustments during the year	As at March 31, 2021	As at April 01, 2020	For the year	Sales/ disposal/ adjustments during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Tangible Assets										
Office Equipments	51	-	-	51	10	10	-	20	31	41
Computers	2,584	116	-	2,699	604	744	-	1,349	1,351	1,980
Total Tangible Assets	**2,635**	**116**	**-**	**2,751**	**614**	**755**	**-**	**1,369**	**1,382**	**2,021**
Intangible Assets										
Computer Software	3,859	-	-	3,859	651	548	-	1,199	2,659	3,207
Total Intangible Assets	**3,859**	**-**	**-**	**3,859**	**651**	**548**	**-**	**1,199**	**2,659**	**3,207**
Total	**6,494**	**116**	**-**	**6,609**	**1,265**	**1,303**	**-**	**2,568**	**4,040**	**5,228**

Intangible Assets under Development Ageing Schedule

As at March 31, 2022	Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress	10,669	-	-	-	10,669
Projects temporarily suspended	-	-	-	-	-
Total	**10,669**	**-**	**-**	**-**	**10,669**

As at March 31, 2021	Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

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Note 6

Trade Receivables

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Loans Receivables considered good - Secured	-	-
b) Loans Receivables considered good - Uncecured	2,193	3,069
c) Loans Receivables which have significant increase in Credit Risk; and	-	
d) Loans Receivables - credit impaired	-	-
Total	**2,193**	**3,069**

Trade Receivables Ageing Schedule

(Amount in Rs.'000)

Particulars	Outstanding for following periods from due date of payment				
As at March 31, 2022	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3**	**Total**
(i) Undisputed Trade receivables – considered good	2,193	-	-	-	2,193
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

(Amount in Rs.'000)

Particulars	Outstanding for following periods from due date of payment				
As at March 31, 2021	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3**	**Total**
(i) Undisputed Trade receivables – considered good	3,022	47	-	-	3,069
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

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Notes to the financial statements as at March 31, 2022

Note 3
Loans

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Employee vehicle Loan - Non Current Portion	-	138
Total	**-**	**138**

Note 4
Other Financial Assets

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Receivables*	250	-
Total	**250**	**-**

Note - Other Receivable includes receivable for gratuity.

Note 5
Deferred Tax Assets (Net)

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liabilities:		
a. Depreciation/ Amortization on Property, Plant and Equipments/ Intangible Assets		
Opening balance	(483)	(254)
Addition during the year	483	(229)
Closing balance	-	**(483)**
b. Expenses allowed in Income Tax		
Opening balance	(58)	(51)
(Deletion)/Addition during the year	58	(7)
Closing balance	-	**(58)**
Total Deferred Tax Liabilities (a+b)	-	**(541)**
Deferred Tax Assets:		
a. Provision on Employee Benefits		
Opening balance	1,288	8
Addition/(Deletion) during the year	(1,288)	1,280
Closing balance	-	**1,288**
Deferred Tax Assets (Net)	**-**	**747**

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Note 7
Cash and Cash Equivalents

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	1	7
Balances with Banks - on current accounts	9,921	431
Deposits with banks with original maturity of less than 3 months	-	5,949
Total	**9,922**	**6,387**

7.1 There are no restrictions on Cash and Cash equivalents as at the end of the reporting period and prior periods

7.2 Deposits with banks include accrued interest of Rs.7 Thousand in previous year.

Note 8
Bank Balances other than Cash and Cash Equivalents

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with banks with original maturity of more than 3 months	-	51,506
Total	-	**51,506**

Note - This includes accrued interest of Rs.1,989 Thousand in previous year.

Note 9
Loans

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good)		
Employee Vehicle Loan	-	61
Total	-	**61**

Note 10
Other Current Financial Assets

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good)		
Deposits with banks	21,423	-
Earnest Money Deposit	25	30
Security deposits	-	41
Total	**21,448**	**71**

Note - Deposit with banks include accrued interest of Rs.1,923 Thousand.

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Note 11
Current Tax Assets (Net)

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Tax and TDS	12,040	4,684
Total	**12,040**	**4,684**

Note 12
Other Current Assets

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good)		
Advances to suppliers	-	340
Prepaid Expenses	2,165	301
Balance with Government Authorities - GST	66	559
Total	**2,231**	**1,200**

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Note 13
Equity Share Capital

(Amount in Rs.'000)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount	Nos.	Amount
Authorised				
Equity Shares of Rs.10/- each	1,00,00,000	1,00,000	1,00,00,000	1,00,000
Issued, subscribed and fully paid up				
Equity Shares of Rs.10/- each	40,95,450	40,955	40,95,450	40,955
Total		**40,955**		**40,955**

13.1. Reconciliation of shares outstanding

(Amount in Rs.'000)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	40,95,450	40,955	40,95,450	40,955
At the end of the year	40,95,450	40,955	40,95,450	40,955

13.2 Rights, Preferences and Restrictions attached to Shares.
The Company has only one class of equity shares having par value of Rs. 10/- per share. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, in proportion of their shareholding.

13.3 Details of Shareholder holding more than 5% of paid up equity share capital.

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No.	% age	No.	% age
Care Ratings Limited	40,95,450	100	40,95,450	100

13.4 The Company has not issued any bonus shares, shares for consideration other than cash or has not bought back any shares since its incorporation on September 6, 2016.

Note 14
Other Equity

(Amount in Rs.'000)

Particulars	As at March 31, 2022		As at March 31, 2021	
Securities Premium Account		4,045		4,045
Retained Earnings				
Opening Balance	10,036		13,526	
Add: Net Profit/(Loss) for the year	(17,924)	(7,888)	(3,490)	10,036
Other Comprehensive Income/(Loss)				
Opening Balance	71		-	
Deferred Tax reversal of prior year	24			
Remeasurement of defined benefit plans (net of tax)	652	747	71	71
Total		**(3,095)**		**14,153**

14.1 Securities Premium Account
Securities Premium Account is credited when the shares are issued at premium. It will be utilized in accordance with the provision of the Act, to issue bonus shares, to provide for premium or redemption of shares, equity related expenses like underwriting costs, etc.

14.2 Retained Earnings
Retained Earning -The Company has transferred Net (Loss)/profit for the year to retained earnings.

14.3 OCI
Re-measurement (comprising actuarial gains and losses, return on plan assets, etc.) of defined benefit plans in respectof post-employment are charged to the Other Comprehensive Income. Re-measurement recognized in Other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

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Note 16

Trade Payables

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables*		
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,704	2,402
Trade payables to Related Parties	-	
Trade payables to Others	-	-
Total	4,704	2,402

Trade Payables Ageing Schedule*

(Amount in Rs.'000)

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2022	Accrued but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	4,653	51	-	-	-	4,704
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

(Amount in Rs.'000)

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2021	Accrued but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	1546	433	73	350	-	2,402
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

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Note 15
Provisions (Non current)

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Provision for Leave Encashment (Non current)	1,721	2,027
Total	**1,721**	**2,027**

Note 17
Provisions

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Provision for Bonus	7,196	2,706
Provision for Leave Encashment	942	213
Provision for Gratuity	-	9
Total	**8,138**	**2,928**

Note 18
Other Current Liabilities

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	5,012	8,595
Statutory Liabilities	2,027	844
Total	**7,039**	**9,439**

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Notes to the financial statements as at March 31, 2022

Note 19
Revenue From Operations

(Amount in Rs.'000)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Services		
Fee for Consultancy Services	74,068	51,259
Fee for Training Services	-	2,416
Total	**74,068**	**53,675**

Note 20
Other Income

(Amount in Rs.'000)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income on bank deposits	2,155	2,225
Dividend on Mutual Fund - short term	-	391
Interest on Vehicle Loan	4	17
Miscellaneous Income	89	202
Total	**2,248**	**2,835**

Note 21
Employee Benefits Expense

(Amount in Rs.'000)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salary, Bonus, Leave Encashment, Allowances etc.	65,489	42,641
Contribution to Provident & Other Funds	2,765	1,989
Staff Welfare Expenses	1,732	1,489
Total	**69,986**	**46,119**

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Note 22
Other Expenses

(Amount in Rs.'000)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Postage and Telephone Charges	159	140
Rent	5,056	4,484
IT Expenses	1,335	239
Travelling & Conveyance Expenses	1,005	1,594
Recruitment expenses	2,813	2,345
Professional Fees	6,424	2,840
Membership subscription	1,102	247
Rates & Taxes	15	28
Repairs & Maintenance	9	44
Printing & Stationary	49	52
Training Expenses	-	516
Bad Debts written off	169	-
Advance to suppliers written off	340	-
Auditors Remuneration		
- Audit Fees	300	190
- Limited Review Fees	230	-
- Tax Audit Fees	95	30
- Out of Pocket Expenses	7	-
Miscellaneous expenses	1,043	896
Total	**20,151**	**13,645**

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Note 23: Other Notes

Note 23.1: Contingent Liabilities

a) There are no claims against the Company not acknowledged as debts (to the extent provided for)

b). Guarantees given by Bank on behalf of the company during the current year Rs. Nil (Previous Year Rs Nil)

Note 23.2: Capital and Other Commitments

The estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) is Rs.3600 Thousands (Previous Year Rs.Nil).

The Company periodically assesses all long term contracts for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts has been made in the books of account

Note 23.3: Employee Benefits (Ind AS 19)

a) Defined Benefit Plans:

Gratuity:

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company for payment of gratuity. The Company accounts for the liability based on actuarial valuation. The Company has created a trust for future payment of gratuities which is funded through gratuity-cum-life insurance scheme of LIC of India.

Inherent Risk on above:

The plan is defined in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to the employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

Statement of Assets and Liabilities for Defined Benefit Obligation as on March 31, 2022:

(Amount Rs.'000)

Particulars	Gratuity (Funded)
Defined Benefit Obligation	179
Fair Value of Assets	429

(Amount Rs.'000)

Particulars	Gratuity (Funded)	
	As at March 31, 2022	As at March 31, 2021
(i) Change in Present value of Obligations:		
Opening Defined Benefit Obligation	550	277
Current Service Cost	492	375
Interest Cost	37	19
Actuarial (Gain)/Loss	(699)	(120)
Benefits Paid	(202)	-
Closing Defined Benefit Obligations	**179**	**550**
(ii) Change in Fair Value of Plan Assets:		
Opening Fair Value of the Plan Assets	541	238
Interest Income	37	16
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by the Employer	100	312
Benefits Paid	(202)	-
Return on Plan Assets, Excluding Interest Income	(47)	(25)
Closing Fair Value of the Plan Assets	**429**	**541**
(iii) Net Asset / (Liability) recognized in the Balance Sheet		
Present value of the defined benefit obligation at the end of the period	(179)	(550)
Fair Value of Plan Assets	429	541
Funded Status (Surplus / Deficit)	(250)	(9)
Net Asset / (Liability)	**250**	**(9)**

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(iv) Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	492	375
Interest on Defined Benefit Obligations	1	3
Expected Return on Plan Assets	-	-
Amount recognized in Statement of Profit and Loss	**493**	**378**
(v) Re-measurements recognized in Other Comprehensive Income (OCI):		
Actuarial (Gains)/Losses on Obligation For the Period	(699)	(120)
Changes in Demographic Assumptions	-	-
Experience Adjustments	-	-
Expected Return on Plan Assets, Excluding Interest Income	47	25
Amount recognized in Other Comprehensive Income(OCI)	**(652)**	**(95)**
(vi) Maturity Profile of Defined Benefit Obligation:		
Within the next 12 months	1	1
Between 1 and 5 years	109	85
Between 6 and 10 years	110	192
10 Years and above	19	1,439
(vii) Sensitivity analysis for significant assumptions:*		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year		
1% increase in discount rate	170	481
1% decrease in discount rate	189	635
1% increase in salary escalation rate	189	635
1% decrease in salary escalation rate	169	480
1% increase in employee turnover rate	188	560
1% decrease in employee turnover rate	170	540
(viii) The major categories of plan assets as a percentage of total plan:		
Insurer Managed Funds	100%	100%
(ix) Actuarial Assumptions:		
Discount Rate (p.a.)	5.54%	6.80%
Expected Return on Plan Assets (p.a.)	5.54%	6.80%
Turnover Rate	35.00%	5.00%
Mortality tables	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Salary Escalation Rate (p.a.)	10%	6%
Retirement age	60	60
(x) Weighted Average duration of Defined benefit obligation in years	**2.85**	**13**

* The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

(xi) Basis used to determine Expected Rate of Return on Plan Assets:
Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

(xii) Salary Escalation Rate:
Salary escalation rates are determined taking into account seniority, promotion, inflation and other relevant factors.

(xiii) Asset Liability Matching (ALM) strategy:
The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(xiv) The Company's expected contribution during next year is Rs NIL (Previous year Rs.501 Thousands).

b) Compensated Absences:
The compensated absences cover the Company's liability for earned leave. Long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Short term compensated absences are provided for based on estimates.
Amount recognized as an expense in respect of Compensated Absences is Rs 4244 Thousands (March 31, 2021 - Rs. 3823 Thousands).

c) Defined Contribution Plans:
The Company pays its contribution towards Provident Fund of its employees, at the prescribed rates. The contribution for the year is recognized as an expense and is included in Note 18 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is Rs. 2272 Thousands (Previous Year: Rs 1566 Thousands)

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Note 23.4: Segment Reporting (Ind AS 108):

The Company is exclusively engaged in the business of Advisory. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there is only one reportable operating applicable to the Company (i.e. Advisory).

Note 23.5: Related Party Disclosures pursuant to Ind AS 24:

(A) List of Related Parties where control exists:

Name of Related Parties	Nature of Relationship	% Shareholding and Voting Rights	
		As at March 31, 2022	As at March 31, 2021
CARE Ratings Limited	Holding Company	100%	100%

(B) Key Management Personnel:

Name of Related Parties	Nature of Relationship
Mr. M.Mathisekeran	Chairman (w.e.f. October 25, 2021)
Mr. Ajay Mahajan	Chairman (upto October 25, 2021)
Mr. Ajay Mahajan	Director (w.e.f. October 26, 2021)
Mr. Mehul Pandya	Director
Mr. Sudip Sural	Director & CEO (upto March 28, 2022)
Mr. Tushar Shah	Co-CEO (w.e.f April 11 2022)
Ms. Sushmita Majumdar	Co-CEO (w.e.f April 11 2022)

(C) Following transactions were carried out with the related parties in the ordinary course of business:

(Amount in Rs.'000)

Name of the Related Party	Relationship	Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
CARE Ratings Limited	Holding Company	Business Support Services (Exps.)	5,056	4,414
		Training Income	-	270
		Advisory Services	595	537
		Reimbursement of Payments	6,326	5,637
Sanjeet Kumar (upto 31st December 2020)	CEO	Managerial remuneration	-	4,924
		Reimbursement of expenses	-	-
Sudip Sural (upto 28th March 2022)	CEO	Managerial remuneration	10,507	2,286
		Reimbursement of expenses	148	31

(D) Outstanding balances:

(Amount in Rs.'000)

Name of Related Party	Relationship	Nature of Transactions	As at March 31, 2022	As at March 31, 2021
CARE Ratings Limited	Holding company	Receivable towards Training	-	103
CARE Ratings Limited	Holding company	Payable towards Reimbursements	-	110

(e) No amount in respect of the related parties have been written off/ back are provided for during the year.

(f) Related party relationship have been identified by the management and relied upon by the auditors.

(G) Compensation of Key Management Personnel of the Company:

(Amount in Rs.'000)

Nature of Transaction/Relationship	As at March 31, 2022	As at March 31, 2021
Short Term Employee Benefits	10,655	7,210
Other Long Terms Benefits	-	-
Total Compensation	**10,655**	**7,210**

Remuneration does not include provision made for gratuity and compensated absence since the same is provided for the Company as a whole based on actuarial valuation.

Note 23.6: Earnings per Share (EPS):

(Amount in Rs.'000)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit / (Loss) After Tax (A)	(17,272)	(3,418)
Weighted average number of shares for computation of Basic Earnings Per Share (B)	40,95,450	40,95,450
Basic Earnings Per Share (A/B)	**(4.22)**	**(0.83)**
Weighted average number of shares for computation of Diluted Earnings Per Share (C)	40,95,450	40,95,450
Diluted Earnings Per Share (A/C)	**(4.22)**	**(0.83)**

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Note 23.7: Financial Instruments: Disclosures (Ind AS 107)

a) Classification of Financial Assets and Liabilities:

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at Amortized cost:		
Loans	-	270
Cash and Cash Equivalents	9,922	6,380
Bank Balances other than Cash and Cash Equivalents	-	49,518
Other Current Financial Assets	21,448	71
Trade Receivables	2,193	3,081
Total	**33,563**	**59,319**
Financial liabilities at Amortized cost:		
Other Current Financial Liability	4,704	2,402
Total	**4,704**	**2,402**

b): Fair Value measurement (Ind AS 113):

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The company does not have any such asset or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The company does not have any such asset or liabilities.

The management assessed that cash and bank balances and other financial asset and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

c): Financial Risk Management Objectives and Policies:

The Company is a Debt Free Company. The principal financial liabilities of the Company comprise of Current Liabilities and Provisions which arise on account of normal course of business. The Company's principal financial assets include Deposits with Banks, Trade Receivables, Cash and Cash Equivalents and Other Bank Balances.

The Company is exposed to Market Risk, Credit Risk and Liquidity Risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Management of the Company updates its Board of Directors on periodic basis about various risks to the business and status of various activities planned to mitigate the risk.

The Company has exposure to the following risks arising from financial instruments:

i) Market Risk

Market risk is the risk that the fair value or future cash flows of such financial instrument will be impacted because of various financial and non financial market factors.

There is no Interest rate risk since the Company does not hold any financial instrument whose fair value or future cash flows will fluctuate because of changes in market interest rates.

ii) Credit Risk (Refer Note 5)

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating (primarily Trade Receivables), investing and financing activities including Bank Balance, Deposits with Bank, Security Deposits, Loans to Employees and other financial instruments.

The Company measures and manages its Credit Risk by diversification of its surplus funds into various fixed deposit schemes based on its investment policy. The Company restricts its exposure in equity market.

Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

iii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The cash flows and liquidity of Company is monitored under the control of the management. The objective is to ensure that Company's surplus fund are not kept idle and invested in the financial instruments only after adequate review of such instrument and approval of the management.

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The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in Rs.'000)

As at March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Other Financial Liabilities	4,704	-	-	4,704
Total	4,704	-	-	4,704

(Amount in Rs.'000)

As at March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Other Financial Liabilities	2,402	-	-	2,402
Total	2,402	-	-	2,402

23.8: Capital Management (Ind AS 1):

The Company is cash surplus and has no capital other than Equity. The Company is not exposed to any regulatory imposed capital requirements.

The cash surplus are currently invested in income generating Fixed Deposits which in line with its Investment Policy . Safety of Capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on surplus funds.

The Company does not have any borrowings and does not borrow funds unless circumstances require.

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

As at March 31,2022 the Company has only one class of equity shares. Consequent to such capital structure the company allocates its surplus funds for distribution of dividend and reinvestment as per the its investment policy for long term business plans.

23.9: Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount and interest due thereon remaining unpaid to any suppliers covered under MSMED Act as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') , along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
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 MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
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 enterprises for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-

There is no principal amount and interest overdue to Micro and Small Enterprises. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

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Note 23.10 Ratio Analysis

(Amount in Rs.'000)

Sr No	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Reasons for Variance
1	Current Ratio	Current Assets	Current Liabilities	2.41	4.53	-47%	There was high utilisation of funds for acquisition of Intangible assets which are under development, because of which current ratio declined significantly.
2	Return on Equity Ratio	Net Profit after tax	Shareholder's Equity	-47%	-6%	648%	This is due to rise in Net loss from operations in current year.
3	Trade Receivable Turnover Ratio	Average TR of FY 22 & 21	Total Revenue from Operations	4%	5%	-27%	This has reduced as we have managed our debtors well and closing debtors are just Rs.2193 Thousand as against 3069 Thousands in last year.
4	Trade payables Turnover Ratio	Average TP of FY 22 & 21	Total Other Expenses	2%	16%	-86%	Trade payables Turnover Ratio has decreased due to significant reduction in trade payables this year.
5	Net Profit Ratio	Net Profit after tax	Total Revenue from Operations	-24%	-7%	272%	Net profit was impacted due to rise in salary cost, certain one time expenses which is not expected to recur in future.
6	Return on Capital employed	Net Profit after tax	Capital Employed	-47%	-6%	648%	This is due to rise in Net loss from operations in current year.

Note 23.11 Going Concern

The Company has incurred losses aggregating INR 17,924 Thousands for the financial year ended 31 March 2022 (previous year – loss of INR 3,490 Thousands). This has also resulted in cash losses for both the financial years. However, based on the following factors, the Company does not anticipate any material uncertainty relating to going concern and hence has prepared the financial statements based on the assumption that the Company is a going concern:
- No external borrowings outstanding as of 31 March 2022.
- Net current asset position of INR 28,203 Thousands which is represented primarily by balance with banks
- Support from parent is available on a need basis

Note 23.12 Intermediaries funding/receipt

There are no funds advanced or loaned or invested by the Company or received by the Company to / from any other persons or entities, including foreign entities (Intermediaries / Funding Parties).

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Note 23.13: Reclassification of comparative year figures and additional disclosures pursuant to amendment to requirements of Schedule III to the Act

The Company during the current financial year has considered the following reclassifications in relation to the comparative period numbers:

(Amount in Rs.'000)

Nature of Expenses	Amount of Reclassification	Reason for reclassification
Reclassification of accrued interest from Other Current Assets to Cash and cash equivalents	7	Company has elected to present accrued interest as part of the related balances of deposits with banks during the current financial year.
Reclassification of accrued interest from Other Current Assets to Bank Balances other than cash and cash equivalents	1989	Company has elected to present accrued interest as part of the related balances of deposits with banks during the current financial year.
Reclassification of IT related expenses from various captions of other expenses	238	During the current financial year, the Company has elected to present IT related expenses as a separate caption based on its significance.
Reclassification of membership subscription expenses from miscellaneous expenses	247	For the current financial year, membership subscription expenses exceeded the threshold prescribed under Schedule III to the Act for separate presentation.

In addition to the above, the requirements of Schedule III to the Act was amended w.e.f. 1 April 2021 to incorporate certain additional disclosures and to amend certain existing disclosure requirements. The Company has given effect to the same to the extent applicable.

As per our Report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Regd.No.101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No.067114

For and on behalf of the Board of Directors

M.Mathisekaran
Chairman
DIN No. 03584338

Ajay Mahajan
Director
DIN No. 5108777

Mehul Pandya
Director
DIN No. 07610232

Place : Mumbai
Date: May 02, 2022

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