

NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the members of **CARE ADVISORY RESEARCH AND TRAINING LIMITED** will be held on **Wednesday, September 02, 2020 at 10.00 a.m.** at the registered office of the Company at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off. Eastern Express Highway, Sion (East), Mumbai - 400022 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the audited Financial Statements of the Company for the year ended on March 31, 2020, including the audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss account for the year ended on that date together with the reports of the Board of Directors ("the Board") and Auditors thereon.
2. To appoint a Director in place of Shri Mehl Pandya (DIN 07610232), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. **To appoint Shri T. N. Arun Kumar (DIN 07558952) as Director of the Company liable to retire by rotation.**

To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013, including any modification or re-enactment thereof for the time being in force, Shri T. N. Arun Kumar (DIN 07558952), who was appointed as an Additional Director of the Company by the Board of Directors with effect from December 24, 2019 and who holds office till the conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation."

4. **To appoint Shri Navin Kumar Jain (DIN 07763257) as Director of the Company liable to retire by rotation.**

To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013, including any modification or re-enactment thereof for the time being in force, Shri Navin Kumar Jain (DIN 07763257), who was appointed as an Additional Director of the Company by the Board of Directors with effect from December 24, 2019 and who holds office till the conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. To appoint Shri Ajay Mahajan (DIN 05108777) as Director of the Company liable to retire by rotation.

To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013, including any modification or re-enactment thereof for the time being in force, Shri Ajay Mahajan (DIN 05108777), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 28, 2020 and who holds office till the conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation.”

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**
- 2) Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 3) All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays, up to the date of this Annual General Meeting.
- 4) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- 5) The details of the directors seeking appointment/reappointment under item no. 2 to 5 of this Notice, as stipulated under Secretarial Standards - 2 issued by the Company Secretaries of India is annexed.
- 6) Members/proxies should sign the attendance register for attending the meeting.
- 7) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

- 8) Body corporate members are requested to lodge a valid authorization in pursuance of section 113 of the Companies Act, 2013 at the registered office of the Company
- 9) A route map showing directions to reach the venue of the Annual General Meeting is given at the end of the Notice as per the requirements of Secretarial Standards – 2 on General Meetings.

**By Order of the Board of Directors
For CARE Advisory Research and Training Limited**

**Sanjeet Kumar
Chief Executive Officer**

Place: Mumbai

Date: 06.08.2020

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 3

To appoint Shri T. N. Arun Kumar (DIN 07558952) as Director of the Company liable to retire by rotation.

Shri T. N. Arun Kumar (DIN 07558952) was appointed as an Additional Director of the Company with effect from December 24, 2019 by virtue of Section 161(1) of the Companies Act, 2013, Shri T. N. Arun Kumar holds the office up to the date of this Annual General Meeting and is eligible for appointment as a Director as set out in the Resolution at Item No.3 of the Notice of the Meeting. The said appointment is subject to the approval of the Shareholders at the Annual General Meeting of the Company.

The Board recommends the resolution as an Ordinary Resolution.

No other Directors and Key Managerial Personnel as defined under Section 2 (51) of the Companies Act, 2013 and their relatives are concerned or interested financially or otherwise in the passing of this resolution except Shri T. N. Arun Kumar.

Item No. 4

To appoint Shri Navin Kumar Jain (DIN 07763257) as Director of the Company liable to retire by rotation.

Shri Navin Kumar Jain (DIN 07763257) was appointed as an Additional Director of the Company with effect from December 24, 2019 by virtue of Section 161(1) of the Companies Act, 2013, Shri Navin Kumar Jain holds the office up to the date of this Annual General Meeting and is eligible for appointment as a Director as set out in the Resolution at Item No.4 of the Notice of the Meeting. The said appointment is subject to the approval of the Shareholders at the Annual General Meeting of the Company.

The Board recommends the resolution as an Ordinary Resolution.

No other Directors and Key Managerial Personnel as defined under Section 2 (51) of the Companies Act, 2013 and their relatives are concerned or interested financially or otherwise in the passing of this resolution except Shri Navin Kumar Jain.

Item No. 5

To appoint Shri Ajay Mahajan (DIN 05108777) as Director of the Company liable to retire by rotation.

Shri Ajay Mahajan (DIN 05108777) was appointed as an Additional Director of the Company with effect from May 28, 2020 by virtue of Section 161(1) of the Companies Act, 2013, Shri Ajay Mahajan holds the office up to the date of this Annual General Meeting and is eligible for appointment as a Director as set out in the Resolution at Item No.5 of the Notice of the Meeting. The said appointment is subject to the approval of the Shareholders at the Annual General Meeting of the Company.

The Board recommends the resolution as an Ordinary Resolution.

No other Directors and Key Managerial Personnel as defined under Section 2 (51) of the Companies Act, 2013 and their relatives are concerned or interested financially or otherwise in the passing of this resolution except Shri Ajay Mahajan.

As per Secretarial Standards issued by The Institute of the Company Secretaries of India, the following information is furnished about the Directors proposed to be reappointed / appointed.

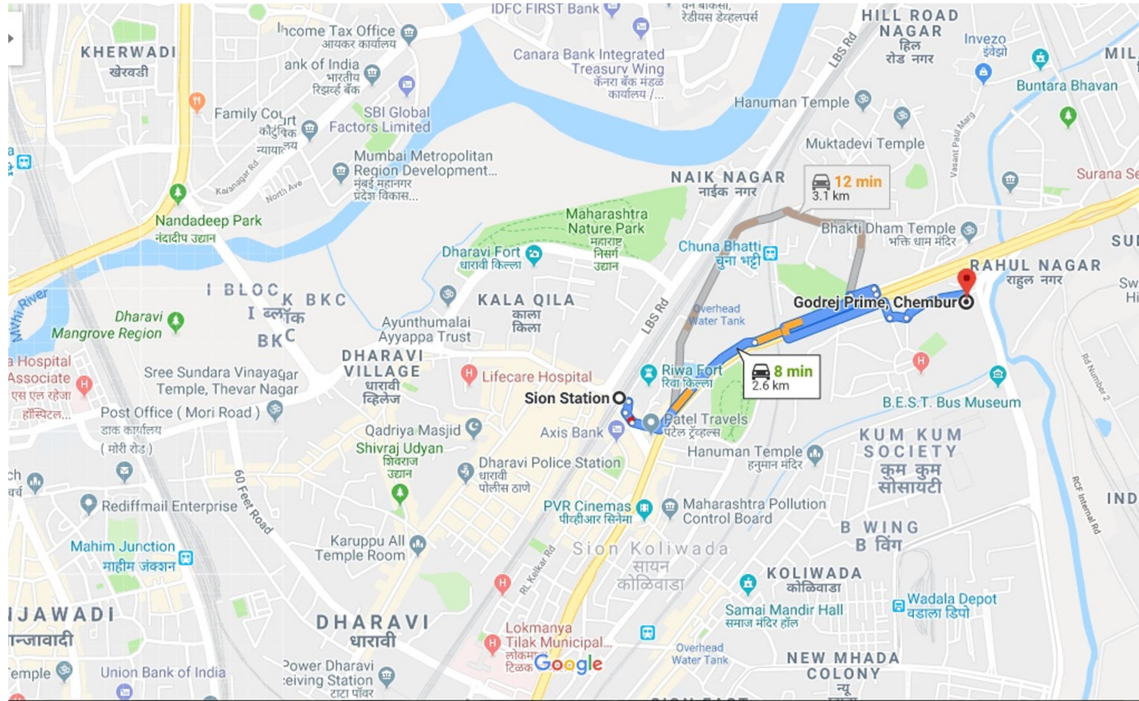
| Name of the Director | Shri Mehul Pandya | Shri T. N. Arun Kumar | Shri Navin Kumar Jain | Shri Ajay Mahajan |
|---|---|--|--|--|
| Director Identification Number | 07610232 | 07558952 | 07763257 | 05108777 |
| Date of Birth | 05.09.1972 | 01.05.1966 | 02.06.1967 | 05.11.1967 |
| Nationality | Indian | Indian | Indian | Indian |
| Date of appointment on the Board | 09.09.2016 | 24.12.2019 | 24.12.2019 | 28.05.2020 |
| Number of equity shares held in the Company | NIL | One (Jointly with CARE ratings Limited) | One (Jointly with CARE ratings Limited) | NIL |
| Qualifications | CFA charter holder from the CFA Institute, USA. | Post-graduate degree in Management from IIM, Ahmedabad, graduate in Agricultural Engineering from IIT, Kharagpur, CFA Charter holder from the CFA Institute, USA and FRM certification awarded by GARP, USA. | Honors Graduate in Commerce, Associate Member of ICSI, and Post-Graduation degree in Masters in Financial Services Management. | Bachelor of Engineering in Electrical & Electronics MBA from FMS and CFA Charter holder from CFA Institute, USA. |
| Expertise in functional area | He has over 20 years of experience in the field of providing rating services. | Over 28 years of rich experience in credit rating and project appraisal and extensive knowledge about functioning of the corporate sector. | Experienced in Company Law, Accounts and HR for more than 25 years. | widely experienced financial services expert with 30 years in banking and capital market businesses. |
| List of Directorship held in other | 1) CARE Risk Solutions Private | 1) CARE Risk Solutions Private | 1) CARE Risk Solutions Private | 1) CARE Ratings Limited 2) CARE Risk |

| | | | | |
|---|--|---|---|--|
| companies | Limited 2) CARE Ratings Nepal Limited 3) CARE Ratings Africa Private Limited | Limited 2) CARE Ratings Nepal Limited 3) CARE Ratings Africa Private Limited | Limited 2) CARE Ratings Nepal Limited | Solutions Private Limited 3) CARE Ratings Nepal Limited 4) CARE Ratings Africa Private Limited 5) Varyant Operations & Technology Company Private Limited |
| Chairman / Member of the Committees of the Boards of other companies in which he is a director | NIL | NIL | NIL | NIL |
| Terms & Conditions of re-appointment / variation of remuneration | NA | NA | NA | NA |
| Inter-se relationship with other Directors | NA | NA | NA | NA |
| Last drawn remuneration | NIL | NIL | NIL | NIL |
| No. of Board meetings attended during the year | 4 (Four) | 1 (One) | 1(One) | NA |

**By Order of the Board of Directors
For CARE Advisory Research and Training Limited**

**Sanjeet Kumar
Chief Executive Officer**

Place: Mumbai
Date: 06.08.2020



DIRECTORS' REPORT

To,
The Members,

Your Directors have immense pleasure in presenting their (4th) Fourth Directors Report on the business and operations of your Company along with the Audited Financial Statements for the financial year ended March 31, 2020 together with the Auditors Report thereon.

FINANCIAL SUMMARY AND HIGHLIGHTS

Your Company's Financial Performance for the year ended March 31, 2020, is summarized below:

FINANCIAL RESULTS

| Particulars | For the year 31/03/2020 (In Rs.000) | For the year 31/03/2019 (In Rs.000) |
|---|--|--|
| Revenue from Operation | 32,862 | 32,396 |
| Add: Other Income | 2,266 | 2,643 |
| Total Revenue | 35,128 | 35,039 |
| Total Expenditure | 35,054 | 24,839 |
| Profit/Loss before tax (PBT) | 74 | 10,200 |
| Less: Tax Expense | - | 1,709 |
| Add/ Less: Deferred Tax | 53 | 2,080 |
| Profit/ Loss after tax | 21 | 8,120 |
| Balance Surplus / (Deficit) carried to Balance sheet | 21 | 8,120 |

RESERVES

The Board has not recommended to transfer any amount to General Reserves.

DIVIDEND

Your Directors do not recommend any Equity dividend for the year under review with a view to conserve resources.

SHARE CAPITAL

The Authorised Share Capital of your Company comprises of 1,00,00,000 (One Crore) Equity Shares of Rs.10/- (Rupees Ten Only) each amounting to Rs.10,00,00,000/- (Rupees Ten Crores only) and the Paid up Share Capital of the Company is 40,95,450 (Forty Lakhs Ninety Five Thousand Four Hundred and Fifty) Equity Shares of Rs.10/- (Rupees Ten Only) each amounting to Rs. 4,09,54,500 (Rupees Four Crore Nine Lakh Fifty Four Thousand and Five Hundred only).

STATE OF THE COMPANY'S AFFAIRS

During the Year under review the Company has booked total revenues (i.e including other income) of Rs. 35.13 Lakh as against expenditures of Rs. 35.04 Lakh resulting in earning before tax (EBT) of Rs. 74,000/-.

OPERATIONS REVIEW OUTLOOK AND ACHIEVEMENTS

Advisory division

CART offers services in the field of transaction advisory (Valuation, IM preparation), Banking services support (TEV, LIE, vetting of resolution plans, Machinery Cost vetting), Corporate Advisory (DPR, Business plan preparation, Financial Improvement Plan, Financial Appraisal) and Risk Management Services (Risk related policy documents, Credit assessment models). CART is empaneled with most of the public sector banks and financial institutions. CART also works along with Government authorities and public sector corporations. During FY 2019-20, CART executed around 200 Advisory assignments.

Research Division

CART services a variety of business research needs of its Domestic and Multinational clients with credible, high-quality research and analysis on various facets of the Economy and Industries. During FY 2019-20, CART undertook around 10 industry research assignments for clients to assist them in filing Draft Red Herring Prospectus.

Training Division

The Company caters to the training needs of corporates and professionals through its training programmes which are offered through on-line as well class room mode. During the year the company conducted 28 days of executive classroom trainings on various topics which included customized training for clients. The Company also launched more on-line courses and now has 14 on-line course live on its trainings portal.

HUMAN RESOURCES

CART has a total strength of 43 staff as of March 31, 2020. To support its business growth, CART has set up regional offices at Delhi, Ahmedabad, Bangalore and Kolkata. These regional offices support our business development team who cover various cities from the regional offices.

PROSPECTS

Barring unforeseen circumstances, the Directors are confident that the Company will achieve better results in the ensuing year.

DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

Your Company has not accepted any deposits within the purview of Chapter V of the Companies Act, 2013 during the year under review. Further no amount on account of principal or interest on public deposits was outstanding on March 31, 2020.

STATEMENT SHOWING THE DETAILS OF EMPLOYEES OF THE COMPANY PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Your Company is an Unlisted Public Company hence Disclosure under Section 197(12) is not applicable to your Company during the financial year ended March 31, 2020.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 4 (Four) times during the financial year ended March 31, 2020 and the maximum gap between two Board Meetings was not more than one hundred and twenty days.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) and (5) of the Companies Act, 2013 and hereby confirm that :

- a) In the preparation of the annual accounts for financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the accounts for the financial year ended March 31, 2020 on a "going concern" basis.
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is as follows:

Conservation of Energy & Technology Absorption

As your Company is not engaged in any manufacturing activity, the particulars relating to conservation of energy and technology absorption as required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable.

Foreign Exchange Earnings and Outgo

During the Year under review the Company has not earned or spent any foreign exchange.

STAUTORY AUDTOR & AUDITORS' REPORT

M/s. S. P. Chopra, Chartered Accountant, having FRN. 000346N, were appointed as Statutory Auditors of your Company for a term of five years from the conclusion of the first Annual General Meeting held on June 29, 2017 till the conclusion of sixth Annual General Meeting.

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors, in their report.

During the financial year there under no instances of fraud detected by the statutory auditors as prescribed under Section 143 of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2020 forms part of this report as **Annexure 1**.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES OR LLP'S

The Company does not have any subsidiary, Joint Venture, Associate Company or LLPs during the year under review.

LOANS, CORPORATE GUARANTEE AND INVESTMENTS

The Company has not granted any loans, guarantees and investments for the financial year ended March 31, 2020.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

Shri S. B. Mainak, Director and Chairman of the Company has resigned as a Director of the Company with effect from February 11, 2020.

Shri Rajesh Mokashi, Director of the Company has resigned as a Director of the Company with effect from December 20, 2019.

Shri T.N. Arun Kumar (DIN 07558952) and Shri Navin Kumar Jain (DIN 07763257) were appointed as an Additional Director of the Company by the Board of Directors with effect from December 24, 2019.

Shri Ajay Mahajan (DIN 05108777) was appointed as an Additional Director of the Company by the Board of Directors with effect from May 28, 2020.

Directors liable to retire by rotation

In accordance with the provisions of the Section 152(6)(e) of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Mehul Pandya (DIN: 07610232) will be liable to retire by rotation at the ensuing Annual General Meeting and being eligible, and offers himself for re-appointment.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

During the Financial year ended March 31, 2020 your Company is not required to meet the criteria for appointment of independent director as mentioned under section 149(4) of the Act, hence question for obtaining declaration from Independent director is not arising.

ADEQUACY OF INTERNAL FINANCIAL CONTROL IN RESPECT WITH THE FINANCIAL STATEMENTS

The Company has an Internal Financial Control System commensurate with the size, scale and complexity of its operations. Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating action on continuing basis. These are routinely tested and certified by Statutory Auditors. Significant Audit observations and follow up actions thereon are reported to the Board if any.

PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into during the year under review with Related Parties as defined under the Companies Act in the ordinary course of business and on an arm's length basis has to be disclosed. During the year, the Company had not entered into any transaction with Related parties referred to

in Section 188 of the Companies Act 2013. Accordingly the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act in Form AOC-2 is not applicable.

RISK MANAGEMENT

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing/mitigating the same.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, Competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. These risks are assessed and steps as appropriate are taken to mitigate the same.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS.

There are no significant material orders passed by the Regulators / Courts/Tribunals which would impact the going concern status of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of financial year to which the financial statements relate and the date of this Report.

CHANGE IN THE NATURE OF BUSINESS

The nature of the business of the Company continues to remain the same as previous year.

COMPLIANCE OF THE APPLICABLE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

The Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DISCLOSURE UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company's policy on Prevention of Sexual Harassment at Workplace is in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace) Act, 2013 and the Rules framed thereunder. Internal Complaints Committees have also been set up to redress the

Complaints received regarding sexual harassment under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company also conducts sessions of employees to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

Your company is committed to providing a safe and conducive work environment to all its employees.

During the financial year ended March 31, 2020 your Company has not received any complaints.

MAINTENANCE OF COST RECORDS AND COST AUDIT

Requirements for Maintenance of Cost record and conducting cost audit as prescribed under Section 148(1) is not applicable upon the business carried out by your Company during the financial year ended March 31, 2020.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the sincere and unstinted support provided to the Company by customers, shareholders, vendors and other related organizations and CARE Ratings Ltd., and the employees at all levels.

**On behalf of the Board of Directors
For CARE Advisory Research and Training Limited**

**Place : Mumbai
Dated : 06.08.2020**

**Ajay Mahajan
Chairman
DIN: 05108777**

ANNEXURE-1**Form No. MGT-9****Extract of Annual Return for the period ended March 31, 2020****[Pursuant to section 92(3) and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS**

| | | |
|------|---|--|
| i. | CIN | U74999MH2016PLC285575 |
| ii. | Registration Date | 06.09.2016 |
| iii. | Name of the Company | CARE ADVISORY RESEARCH AND TRAINING LIMITED |
| iv. | Category / Sub-Category of the Company | Indian Non-Government Company |
| v. | Address of the Registered office and contact details | Godrej Coliseum, 4 th Floor, Somaiya Hospital Road off Eastern Express Highway, Sion (East) Mumbai - 400022 |
| vi. | Whether listed company (Yes / No) | No |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | NA |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total operating turnover of the Company, on standalone basis, are as under:

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total operating turnover of the Company |
|---------|--|----------------------------------|--|
| 1. | Advisory & Research | 99715910 | 91.44 |
| 3. | Training | 99929199 | 08.56 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1. | CARE Ratings Limited 4 th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion East, Mumbai 400022 | L67190MH1993PLC071691 | Holding | 100% | 2(46) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of shareholders | No. of Shares held at the beginning of the period (As on 01.04.2019) | | | | No. of Shares held at the end of the period (As on 31.03.2020) | | | | % change during the year |
|--|---|-----------|-----------|-------------------|---|-----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A. Promoters & Promoter Group | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| Individual/HUF | 0 | 6 | 6 | 0.00 | 0 | 6 | 6 | 0.00 | 0.00 |
| Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| State Govt.(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Bodies Corp. | 0 | 40,95,444 | 40,95,444 | 100.00 | 0 | 40,95,444 | 40,95,444 | 100.00 | 0.00 |
| Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A)(1) | 0 | 40,95,450 | 40,95,450 | 100.00 | 0 | 40,95,450 | 40,95,450 | 100.00 | 0.00 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other – Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 0 | 40,95,450 | 40,95,450 | 100.00 | 0 | 40,95,450 | 40,95,450 | 100.00 | 100.00 |

| | | | | | | | | | |
|---|----------|----------|----------|-------------|----------|----------|----------|-------------|-------------|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt.(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others - Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B)(1) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| 2. Non-Institutions | 0 | 0 | | | | | | | |
| a) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Indian | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Individual shareholders holding nominal share capital up to Rs. 1 lakh | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Non-Resident Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Clearing Members | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Trust | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |

| | | | | | | | | | |
|---|---|-----------|-----------|--------|---|-----------|-----------|--------|------|
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 0 | 40,95,450 | 40,95,450 | 100.00 | 0 | 40,95,450 | 40,95,450 | 100.00 | 0.00 |

(ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the period (As on 01.04.2019) | | | Shareholding at the end of the period (As on 31.03.2020) | | | % change in shareholding during the year |
|---------|---|---|----------------------------------|--|---|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | CARE Ratings Limited | 40,95,444 | 100.00 | 0.00 | 40,95,444 | 100.00 | 0.00 | 0.00 |
| 2 | Shri Rajesh Mokashi jointly with CARE Ratings Limited | 1 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0.00 |
| 3 | Shri T. N. Arun Kumar jointly with CARE Ratings Limited | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |
| 4 | Shri Madan Sabnavis jointly with CARE Ratings Limited | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |
| 5 | Ms. Revati Kasture jointly with CARE Ratings Limited | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |
| 6 | Shri. Sanjay Agarwal jointly with CARE Ratings Limited | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |
| 7 | Shri. Sanjeet Kumar jointly with CARE Ratings Limited | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |
| 8 | CARE Risk Solutions Private Limited jointly with CARE Ratings Limited | 0 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No. | Particulars | Shareholding at the beginning of the period (As on 01.04.2019) | | Cumulative Shareholding during the period (As on 31.03.2020) | | % change in shareholding during the year |
|---------|--|--|----------------------------------|--|-----------------------------------|--|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company* | |
| 1 | CARE Ratings Limited | | | | | |
| | At the beginning of the year | 40,95,444 | 100.00 | | | |
| | Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity etc) | | | 0.00 | 0.00 | |
| | At the end of the year | | | 40,95,444 | 100.00 | 0.00 |
| 2 | Shri Rajesh Mokashi jointly with CARE Ratings Limited | | | | | |
| | At the beginning of the year | 1 | 0.00 | | | |
| | Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity etc) | | | 0.00 | 0.00 | |
| | At the end of the year | | | 0 | 0.00 | 0.00 |
| 3 | Shri. T N Arun Kumar jointly with CARE Ratings Limited | | | | | |
| | At the beginning of the year | 1 | 0.00 | | | |
| | Date wise Increase/Decrease in Promoters shareholding during the year, | | | 0 | 0.00 | |

| | | | | | | |
|---|--|---|------|---|------|------|
| | specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity etc) | | | | | |
| | At the end of the year | | | 1 | 0.00 | 0.00 |
| 4 | Shri. Madan Sabnavis jointly with CARE Ratings Limited | | | | | |
| | At the beginning of the year | 1 | 0.00 | | | |
| | Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity etc) | | | 0 | 0.00 | |
| | At the end of the year | | | 1 | 0.00 | 0.00 |
| 5 | Ms. Revati Kasture jointly with CARE Ratings Limited | | | | | |
| | At the beginning of the year | 1 | 0.00 | | | |
| | Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity etc) | | | 0 | 0.00 | |
| | At the end of the year | | | 1 | 0.00 | 0.00 |
| 6 | Shri. Sanjay Agarwal jointly with CARE Ratings Limited | | | | | |
| | At the beginning of the year | 1 | 0.00 | | | |
| | Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonu | | | 0 | 0.00 | |

| | | | | | | |
|---|--|------------------|---------------|------------------|---------------|--------------|
| | s/sweat equity etc) | | | | | |
| | At the end of the year | | | 1 | 0.00 | 0.00 |
| 7 | Shri. Sanjeet Kumar jointly with CARE Ratings Limited | | | | | |
| | At the beginning of the year | 1 | 0.00 | | | |
| | Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity etc) | | | 0 | 0.00 | 0.00 |
| | At the end of the year | | | 1 | 0.00 | 0.00 |
| 7 | CARE Risk Solutions Private Limited jointly with CARE Ratings Limited | | | | | |
| | At the beginning of the year | 0 | 0.00 | | | |
| | Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity etc) | | | 0 | 0.00 | 0.00 |
| | At the end of the year | | | 1 | 0.00 | 0.00 |
| | TOTAL | 40,95,450 | 100.00 | 40,95,450 | 100.00 | 00.00 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the period | | Shareholding at the end of the period | |
|---------|-------------------------------------|---|----------------------------------|---------------------------------------|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| NIL | | | | | |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For each of the directors and KMP | Shareholding at the beginning of the period (As on 01.04.2019) | | Cumulative Shareholding during the period (As on 31.03.2020) | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | Shri Rajesh Mokashi jointly with CARE Ratings Limited | 1 | 0.00 | 0 | 0.00 |
| 2 | Shri Sanjeet Kumar jointly with CARE Ratings Limited | 1 | 0.00 | 1 | 0.00 |
| 3 | Shri T N Arun Kumar jointly with CARE Ratings Limited | 1 | 0.00 | 1 | 0.00 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

| Particulars | Secured Loans excluding deposits (Rs.) | Unsecured Loans (Rs.) | Deposits (Rs.) | Total Indebtedness (Rs.) |
|---|--|-----------------------|----------------|--------------------------|
| Indebtedness at the beginning of the financial year | 00 | 00 | 00 | 00 |
| i) Principal Amount | 00 | 00 | 00 | 00 |
| ii) Interest due but not paid | 00 | 00 | 00 | 00 |
| iii) Interest accrued but not due | 00 | 00 | 00 | 00 |
| Total (i+ii+iii) | 00 | 00 | 00 | 00 |
| Change in Indebtedness during the financial year | 00 | 00 | 00 | 00 |
| Addition | 00 | 00 | 00 | 00 |
| Reduction | 00 | 00 | 00 | 00 |
| Net Change | 00 | 00 | 00 | 00 |
| Indebtedness at the end of the financial year | 00 | 00 | 00 | 00 |
| i) Principal Amount | 00 | 00 | 00 | 00 |
| ii) Interest due but not paid | 00 | 00 | 00 | 00 |
| iii) Interest accrued but not due | 00 | 00 | 00 | 00 |
| Total (i+ii+iii) | 00 | 00 | 00 | 00 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sr. No. | Particulars of Remuneration | MD / WTD / MANAGER | | Total Amount |
|---------|--|--------------------|-----------|--------------|
| | | NA | NA | |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 00 | 00 | 00 |
| 2. | Stock Option | 00 | 00 | 00 |
| 3. | Sweat Equity | 00 | 00 | 00 |
| 4. | Commission - as % of profit - others, specify... | 00 | 00 | 00 |
| 5. | Others, please specify (Reimbursement of Expenses) | 00 | 00 | 00 |
| | Total (A) | 00 | 00 | 00 |

B. REMUNERATION TO OTHER DIRECTORS:

| Sr. No. | Particulars of Remuneration | Name of Director | Total Amount |
|-----------|--|------------------|--------------|
| 1. | Independent Directors | | |
| | Fee for attending board / committee meetings (Rs.) | 00 | 00 |
| | Commission (Rs.) | 00 | 00 |
| | Others, please specify (Rs.) | 00 | 00 |
| | Total (1) (Rs.) | 00 | 00 |
| 2. | Other Non-Executive Directors | 00 | 00 |
| | Fee for attending board / committee meetings (Rs.) | 00 | 00 |
| | Commission (Rs.) | 00 | 00 |
| | Others, please specify (Rs.) | 00 | 00 |
| | Total (2) (Rs.) | 00 | 00 |
| | Total Managerial Remuneration (Rs.) | 00 | 00 |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | |
|---------|--|---|---------------------|
| | | Chief Executive Officer – Shri. Sanjeet Kumar | Total Amount |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 62,78,463.00 | 62,78,463.00 |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission - as % of profit - others, specify... | - | - |
| 5. | Others, please specify (Reimbursement of Expenses) | 1,06,677.64 | 1,06,677.64 |
| | Total | 63,85,140.64 | 63,85,140.64 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Punishment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Compounding | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| B. DIRECTORS | | | | | |
| Penalty | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Punishment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Compounding | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Punishment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Compounding | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

**On behalf of the Board of Directors
For CARE Advisory Research and Training Limited**

Place : Mumbai
Dated : 06.08.2020

Ajay Mahajan
Chairman
DIN: 05108777

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CARE ADVISORY RESEARCH AND TRAINING LIMITED

Opinion

We have audited the financial statements of **CARE Advisory Research and Training Limited** (the 'Company'), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit, 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 Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 accounts have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "B"**.
- g) In our opinion, the remuneration paid by the Company to its Managing Directors is in accordance with the provisions of Section 197 of the Companies Act, 2013
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

**For S.P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N**



**(Vipin Kumar)
Partner**

**Membership No. 081859
UDIN 20081859AAAAAC8493**

**Place : Mumbai
Dated: June 15, 2020**



ANNEXURE-'A' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph under `Report on Other Legal and Regulatory Requirements' section of the Independent Auditors' Report of even date on financial statements of CARE Advisory Research and Training Limited for the year ended March 31, 2020)

- (i) In respect of its property, plant and equipments;
- a. The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments.
- b. As explained to us, the property, plant and equipments are physically verified by the management once in a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its property, plant and equipments. No material discrepancies were noticed on such physical verification.
- c. The Company does not hold any immovable property hence this clause is not applicable.
- (ii) The Company does not hold any inventory or securities as stock in trade, hence this clause is not applicable.
- (iii) The Company had not granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013, hence this clause is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company in respect of loans, investments, guarantees, and security has complied with the provisions of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public within the meanings of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified, hence this clause is not applicable.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under sub-section (1) of Section 148 of the Act in respect of its products.
- (vii) In respect of statutory dues:
- a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.

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- b. According to the information and explanation given to us, there is no amount payable in respect of income tax, service tax, value added tax and other material statutory dues that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) Based on the audit procedures and according to the information and explanations given to us, the Company has not taken loans or borrowings from financial institution, banks and Government, hence this clause is not applicable
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or material fraud on the Company by its officers / employees has been noticed or reported during the course of our audit.
- (xi) The managerial remuneration paid/ provided is within the limit and in compliance of the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company hence the requirement of this clause is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable. The details of such transactions have been disclosed in the financial statements, as required by the Ind AS 24 - Related Party Disclosures.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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 Directors or persons connected with them.
- (xvi) As explained to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For S.P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N**


**Vipin Kumar
Partner**

**Place : Mumbai
Dated: June 15, 2020**

**Membership No. 081859
UDIN 20081859AAAAAC8493**



ANNEXURE-'B' TO THE INDEPENDENT AUDITORS' REPORT
**(Referred to in paragraph under 'Report on Other Legal and
Regulatory Requirements' section of the Independent Auditors' Report
of even date on the financial statements of CARE Advisory Research and Training
Limited for the year ended March 31, 2020)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143
of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **CARE Advisory Research and Training Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting 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.

For S.P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N


Vipin Kumar
Partner

Membership No. 081859
UDIN 20081859AAAAAC8493

Place : Mumbai
Dated: June 15, 2020



CARE Advisory Research & Training Limited
 CIN :U74999MH2016PLC285575
 Balance Sheet as at March 31, 2020

(Amount in Rs.'000)

| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|----------|----------------------|----------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Property, Plant and Equipment | 2 | 2,021 | 1,297 |
| Intangible Assets | 2 | 3,207 | 2,516 |
| Current Assets | | | |
| Financial Assets | | | |
| - Investments | 3 | 49,962 | 53,108 |
| - Trade Receivables | 4 | 2,175 | 1,670 |
| - Cash and Cash Equivalents | 5 | 3,720 | 5,260 |
| - Loans | 6 | 106 | 18 |
| Current Tax Assets (Net) | 7 | 3,799 | 1,214 |
| Other Current Assets | 8 | 1,249 | 231 |
| Total Assets | | 66,240 | 65,314 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity Share Capital | 9 | 40,955 | 40,955 |
| Other Equity | 10 | 17,571 | 17,550 |
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| Provisions | 11 | - | 231 |
| Deferred Tax Liabilities (Net) | 12 | 296 | 244 |
| Current Liabilities | | | |
| Financial Liabilities: | | | |
| - Other Current Financial Liabilities | 13 | 4,533 | 1,618 |
| Provisions | 14 | 1,762 | 2,167 |
| Other Current Liabilities | 15 | 1,123 | 2,551 |
| Total Equity and Liabilities | | 66,240 | 65,314 |

Significant Accounting Policies and Notes 1 to 20 form an integral part of the financial statements

As per our Report of even date attached
 For S.P. Chopra & Co.
 Chartered Accountants
 Firm Regd.No.000346N

Vipan Kumar
 Partner
 Membership No. 081859



Place : Mumbai
 Date: 15-6-2020

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

Ajay Mahajan
 Ajay Mahajan
 Chairman
 DIN No.05108777

T. N. Arun Kumar
 T. N. Arun Kumar
 Director
 DIN No. 07558952

Navin Kumar Jain
 Navin Kumar Jain
 Director
 DIN No. 07763257

Sanjeet Kumar
 Sanjeet Kumar
 CEO



CARE Advisory Research & Training Limited
 CIN :U74999MH2016PLC285575
 Statement of Profit & Loss for the year ended on March 31, 2020

(Amount in Rs.'000)

| Particulars | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|----------|-----------------------------------|-----------------------------------|
| Income | | | |
| Revenue From Operations | 16 | 32,862 | 32,396 |
| Other Income | 17 | 2,266 | 2,643 |
| Total Income | | 35,128 | 35,039 |
| Expenses | | | |
| Employee Benefits Expense | 18 | 26,072 | 16,471 |
| Depreciation and Amortisation Expense | 2 | 936 | 298 |
| Other Expenses | 19 | 8,046 | 8,070 |
| Total Expenses | | 35,054 | 24,839 |
| Profit before tax | | 74 | 10,200 |
| Tax Expense | | | |
| Current Tax | | - | 1,709 |
| Deferred Tax | | 53 | 371 |
| Total Tax Expense | | 53 | 2,080 |
| Profit after tax | | 21 | 8,120 |
| Other Comprehensive Income | | | |
| - Remeasurement gain/ (loss) on defined benefit plans | | - | - |
| - Tax impact on above | | - | - |
| Other Comprehensive Income for the year | | - | - |
| Total Comprehensive Income for the year | | 21 | 8,120 |
| Earning Per Share (Face value Rs. 10/- each) (in Rs.) | | | |
| - Basic | 20.6 | 0.01 | 1.98 |
| - Diluted | | 0.01 | 1.98 |

Significant Accounting Policies and Notes 1 to 20 form an integral part of the financial statements

As per our Report of even date attached
 For S.P. Chopra & Co.
 Chartered Accountants
 Firm Regd.No.000346N

Vipan Kumar
 Partner
 Membership No. 081859



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

Ajay Mahajan
 Chairman
 DIN No.05108777

T. N. Arun Kumar
 Director
 DIN No. 07558952

Navin Kumar Jain
 Director
 DIN No. 07763257

Sanjeet Kumar
 CEO

Place : Mumbai
 Date: 15.06.2020



(Amount in Rs.'000)

| Particulars | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|----------|-----------------------------------|-----------------------------------|
| (A) Cash flow from Operating Activities | | | |
| Profit before tax | | 74 | 10,200 |
| Adjustments for | | | |
| Income from investments | | (2,054) | (2,459) |
| Provision for Gratuity | | (230) | 131 |
| Depreciation and Amortization Expense | | 936 | 298 |
| Operating (loss)/profit before working capital changes | | (1,274) | 8,170 |
| Movement in working capital | | | |
| Decrease/(Increase) in Trade Receivables | | (505) | (644) |
| Decrease/(Increase) in loans | | (88) | 213 |
| Decrease/(Increase) in Other current assets | | (1,019) | 193 |
| (Decrease)/Increase in other current liabilities | | (405) | 869 |
| (Decrease)/Increase in sundry creditors for expenses | | 3,001 | 461 |
| (Decrease)/ Increase in advance from customer | | (1,796) | 1,096 |
| (Decrease)/Increase in provision & other liabilities | | 282 | 945 |
| Total movement in working capital | | (530) | 3,133 |
| Taxes Paid | | (2,585) | (2,656) |
| Net cash (used in)/from operating activities | | (4,389) | 8,647 |
| (B) Cash flow from Investing Activities | | | |
| Income from investments | | 2,054 | 2,459 |
| Purchase of Property, plant and equipment & Intangible Assets | | (2,351) | (2,991) |
| Purchase of investments | | - | (6,459) |
| Sale of investments | | 3,146 | 500 |
| Net cash from Investing activities | | 2,849 | (6,491) |
| (C) Cash flow from financing activities | | | |
| Net cash from financing activities | | - | - |
| Net (decrease)/increase in cash & cash equivalents | | (1,540) | 2,156 |
| Cash & Cash equivalents at the beginning of the year | | 5,260 | 3,104 |
| Cash & Cash equivalents at the end of the year | | 3,720 | 5,260 |
| Cash & cash equivalent comprises of: | | | |
| Cash on hand | 5 | 17 | - |
| Balances with Banks - on current accounts | | 686 | 2,434 |
| Deposits with banks with original maturity of less than 3 months | | 3,017 | 2,826 |
| Total | | 3,720 | 5,260 |

Significant Accounting Policies and Notes 1 to 20 form an integral part of the financial statements

As per our Report of even date attached
 For S.P. Chopra & Co.
 Chartered Accountants
 Firm Regd.No.000346N

Vipin Kumar
 Partner
 Membership No. 081859



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

May Mahajan
 Chairman
 DIN No.05108777

T. N. Arun Kumar
 Director
 DIN No. 07558952

Navin Kumar Jain
 Director
 DIN No. 07763257

Sanjeet Kumar
 CEO

Place : Mumbai
 Date: 15-6-2020



CARE Advisory Research & Training Limited
CIN : U74999MH2016PLC285575

Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

For the year ended March 31, 2020

(Amount in Rs.'000)

| Balance as at April, 01, 2019 | Changes in Equity Share Capital during the year | Balance as at March 31, 2020 |
|-------------------------------|---|------------------------------|
| 40,955 | - | 40,955 |

For the year ended March 31, 2019

(Amount in Rs.'000)

| Balance as at April, 01, 2018 | Changes in Equity Share Capital during the year | Balance as at March 31, 2019 |
|-------------------------------|---|------------------------------|
| 40,955 | - | 40,955 |

B. Other Equity

For the year ended March 31, 2020

(Amount in Rs.'000)

| Particulars | Reserves & Surplus | | Remeasurement of defined benefit plans (net of tax) | Total Equity |
|--|--------------------|-------------------|---|--------------|
| | Securities Premium | Retained Earnings | | |
| Balance as at April 01, 2019 | 4,045 | 13,505 | - | 17,550 |
| Profit for the year | - | 21 | - | 21 |
| Other Comprehensive Income/(loss) for the year | - | - | - | - |
| Balance as at March 31, 2020 | 4,045 | 13,525 | - | 17,571 |

For the year ended March 31, 2019

(Amount in Rs.'000)

| Particulars | Reserves & Surplus | | Remeasurement of defined benefit plans (net of tax) | Total Equity |
|--|--------------------|-------------------|---|--------------|
| | Securities Premium | Retained Earnings | | |
| Balance as at April 01, 2018 | 4,045 | 5,385 | - | 9,430 |
| Profit for the year | - | 8,120 | - | 8,120 |
| Other Comprehensive Income/(loss) for the year | - | - | - | - |
| Balance as at March 31, 2019 | 4,045 | 13,505 | - | 17,550 |

Significant Accounting Policies and Notes 1 to 20 form an integral part of the financial statements

As per our Report of even date attached
For S.P. Chopra & Co.
Chartered Accountants
Firm Regd.No.000346N

Vipin Kumar
Partner
Membership No. 081859



Place : Mumbai
Date: 15/6/2020

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

Ajay Manojan
Chairman
DIN No.05108777

T. N. Arun Kumar
Director
DIN No. 07558952

Navin Kumar Jain
Director
DIN No. 07763257

Sanjeet Kumar
CEO



Note 1:
Company Overview and Significant Accounting Policies

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 Summary of Significant Accounting Policies:

1.2.1 Statement of Compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the relevant provision of the Companies Act, 2013 ("the Act").

The financial statements were approved for issue by the Board of Directors on June 15, 2020.

1.2.2 Basis of preparation of Accounts

a) Basis of Preparation:

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

- i Derivative Financial Instruments measured at fair value
- ii Certain financial assets and liabilities measured at fair value and classified as fair value through other comprehensive income or fair value through profit or loss.
- iii Employee's Defined Benefit Plan as per actuarial valuation;
- iv Equity settled share based payments measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

b) Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

c) Classification of Assets and Liabilities into Current/Non-current

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- i It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- ii It is held primarily for the purpose of trading; or
- iii It is expected to realise the asset within twelve months after the reporting period; or
- iv The asset is a cash or cash equivalent unless it is 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.

Similarly, a liability is classified as current if:

- i It is expected to be settled in the normal operating cycle; or
- ii It is held primarily for the purpose of trading; or
- iii It is due to be settled within twelve months after the reporting period; or
- iv The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

d) 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

i) Useful Lives of Property, Plant & Equipment:

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.



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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.

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.

1.2.3 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Expenditure incurred after the PPE have been put to use, such as repairs and maintenance, are charged to the Statement of Profit & Loss in the period in which the costs are incurred.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

1.2.4 Capital Work in Progress

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under other non current assets and cost of the assets not ready for intended use as on the Balance Sheet date are disclosed under Capital Work in Progress.

1.2.5 Depreciation

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 Pro rata basis from the date of such additions.

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

1.2.6 Intangible Assets and Amortization

Intangible assets are accounted at cost less accumulated amortization and accumulated impairment losses thereon, if any. An intangible asset is recognized, where it is probable that the future economic benefit attributable to the assets will flow to the enterprise and where its costs can be reliably measured. The Company determine the amortization period as the period over which future economic benefit will flow to the Company after taking into account all relevant facts and circumstances.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the profit or loss when the asset is derecognized.

Intangible assets in the nature of computer software is amortised over the period of 3 years.

1.2.7 Impairment of Non-Financial Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/ external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Reversal of impairment losses recognized in prior years is recorded when there is an indication that impairment losses recognized for the assets no longer exist or have decreased.



1.2.8 Financial Instruments

Financial Assets & Financial Liabilities are recognized when the Company becomes party to contractual provisions of the relevant instrument.

a) Initial Recognition:

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Transaction costs directly attributable to acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

b) Classification and Subsequent Measurement: Financial Assets

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

i) Amortized Cost:

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Fair Value through Other Comprehensive Income (FVTOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Fair value through Profit and Loss (FVTPL):

A financial asset which is not classified in any of the above categories are measured at FVTPL

c) Investment in Equity Instruments designated to be classified as FVTOCI:

The Company carries certain equity instruments which are not held for trading. The Company has elected the irrevocable option to measure such instruments at FVTOCI since initial recognition. Movements in fair value of these investments are recognized in Other Comprehensive Income and the gain or loss will not be reclassified to Statement of Profit and Loss on disposal of these investments. Dividends from these investments are recognized in statement of profit and loss when the Company's right to receive dividends is established.

d) Classification and Subsequent Measurement: Financial Liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

i) Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL: Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

ii) Other Financial Liabilities:

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. For the liabilities maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.2.9 Impairment of financial assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.



1.2.10 Cash and Cash Equivalent

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

1.2.11 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Interest Income

Interest income from debt instruments viz. investment in PSU Bonds 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.

Sale of Investments

Difference between the sale price and fair value of investment as determined at the end of the previous year is recognised as profit or loss on sale / redemption on investment on trade date of transaction.

1.2.12 Leases

Effective April 1, 2019, the Company adopted Ind AS 116 'Leases' using the modified retrospective method, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. Accordingly, the comparative information has not been restated.

The Company, at the inception of a contract, assesses the contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether the contract involves the use of an identified asset, the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Company has the right to direct the use of the asset.

Company as a lessee

On initial application of Ind AS 116, the Company recognised a lease liability measured at the present value of all the remaining lease payments, discounted using rate that matches opportunity cost of investment at April 1, 2019 whereas the Company has elected to measure right-of-use asset at its carrying amount as if Ind AS 116 had been applied since the lease commencement date, but discounted using rate that matches opportunity cost of investment at April 1, 2019. The Company has elected not to recognise a lease liability and a right-of-use asset for leases for which the lease term ends within twelve months of April 1, 2019 and has accounted for these leases as short-term leases. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

For new lease contracts, the Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the balance sheet. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using rate that matches opportunity cost of investment.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date, any initial direct costs less any lease incentives received.

Subsequent to initial recognition, right-of-use asset are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying property and equipment. In the balance sheet, the right-of-use assets and lease liabilities are presented separately.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



1.2.13 Foreign Currency Transactions

Foreign currency transactions are recorded at exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the Balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss, Non-monetary assets and liabilities that are measured in terms of historical cost of foreign currencies are not translated.

1.2.14 Employee Benefits

a) Short Term Employee Benefits

All employee benefit expenses payable within a period of 12 months from the date of rendering the services are classified as Short Term Employee Benefit. The Company recognises the undiscounted amount of Short Term Employee Benefit expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b) Long Term Employee Benefits

Long Term employee benefit expenses includes entitlement to annual leaves and sick leaves and are recognised as and when they accrue to the employees.

c) Post Employment Benefits

i) Defined Benefit Plan:

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees.

The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

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

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

ii) Defined Contribution Plan:

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, for which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are made to the Government Provident Fund monthly.

1.2.15 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

b) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent it is probable that future taxable profits will be available against which the temporary difference can be utilised. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period date and are reduced to the extent that it is no longer probable.



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1.2.16 Earnings Per Share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.2.17 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessment of time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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.

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.

1.2.18 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.



CARE Advisory Research & Training Limited
 CIN :U74999MH2016PLC285575
 Notes to the financial statements as at March 31, 2020

Note 2
 Property, Plant and Equipment and Intangible Assets

(Amount in Rs.'000)

| Description of Assets | Gross Block | | | | Depreciation/ Amortisation | | | | Net Block | |
|--------------------------------|----------------------|---------------------------|--|----------------------|----------------------------|--------------|--|----------------------|----------------------|----------------------|
| | As at April 01, 2019 | Additions during the year | Sales/ disposal/ adjustments during the year | As at March 31, 2020 | As at April 01, 2019 | For the year | Sales/ disposal/ adjustments during the year | As at March 31, 2020 | As at March 31, 2020 | As at March 31, 2019 |
| Tangible Assets | | | | | | | | | | |
| Office Equipments | - | 51 | - | 51 | - | 10 | - | 10 | 41 | - |
| Computers | 1,434 | 1,150 | - | 2,584 | 137 | 467 | - | 604 | 1,980 | 1,297 |
| Total Tangible Assets | 1,434 | 1,201 | - | 2,635 | 137 | 477 | - | 614 | 2,021 | 1,297 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 2,708 | 1,150 | - | 3,858 | 192 | 459 | - | 651 | 3,207 | 2,516 |
| Total Intangible Assets | 2,708 | 1,150 | - | 3,858 | 192 | 459 | - | 651 | 3,207 | 2,516 |
| Total | 4,142 | 2,351 | - | 6,493 | 329 | 936 | - | 1,265 | 5,228 | 3,813 |

2.1 Refer Significant Accounting Policy 1.2.5 on depreciation on tangible assets and policy 1.2.6 on amortisation of Intangible assets

(Amount in Rs.'000)

| Description of Assets | Gross Block | | | | Depreciation/ Amortisation | | | | Net Block | |
|--------------------------------|----------------------|---------------------------|--|----------------------|----------------------------|--------------|--|----------------------|----------------------|----------------------|
| | As at April 01, 2018 | Additions during the year | Sales/ disposal/ adjustments during the year | As at March 31, 2019 | As at April 01, 2018 | For the year | Sales/ disposal/ adjustments during the year | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Tangible Assets | | | | | | | | | | |
| Computers | 130 | 1,304 | - | 1,434 | 15 | 122 | - | 137 | 1,297 | 115 |
| Total Tangible Assets | 130 | 1,304 | - | 1,434 | 15 | 122 | - | 137 | 1,297 | 115 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 1,022 | 1,686 | - | 2,708 | 16 | 176 | - | 192 | 2,516 | 1,006 |
| Total Intangible Assets | 1,022 | 1,686 | - | 2,708 | 16 | 176 | - | 192 | 2,516 | 1,006 |
| Total | 1,152 | 2,990 | - | 4,142 | 31 | 298 | - | 329 | 3,813 | 1,121 |



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Note 3

| (Amount in Rs.'000) | | |
|---|-------------------------|-------------------------|
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| Investments | | |
| (Carried at fair value through Statement of Profit & Loss) | | |
| Investment in Mutual Funds - Quoted | | |
| DSP Black Rock Liquidity Fund - Direct Plan- Daily Dividend | | |
| 49,912.949 (Previous year: 52,427.797) units | 49,962 | 53,108 |
| Total | 49,962 | 53,108 |
| Aggregate amount of Quoted investments and market value thereof | 49,962 | 53,108 |
| Aggregate amount of Unquoted investments | - | - |
| Aggregate amount of impairment on value of investments | - | - |

Note 4

| (Amount in Rs.'000) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| Trade Receivables | | |
| Unsecured, Considered Good | 2,175 | 1,670 |
| Unsecured, Considered Doubtful | - | - |
| (Less): Allowance for bad and doubtful debts | - | - |
| Total | 2,175 | 1,670 |

4.1 Due to short-term nature of trade receivables, their carrying amount is assumed to be same as their fair value.
 4.2 Refer Note 20.7 (c) on information of credit and market risk of trade receivables.

Note 5

| (Amount in Rs.'000) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| Cash and Cash Equivalents | | |
| Cash on hand | 17 | - |
| Balances with Banks - on current accounts | 686 | 2,434 |
| Deposits with banks with original maturity of less than 3 months | 3,017 | 2,826 |
| Total | 3,720 | 5,260 |

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

Note 6

| (Amount in Rs.'000) | | |
|-------------------------------------|-------------------------|-------------------------|
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| Loans | | |
| (Unsecured, Considered Good) | | |
| Earnest Money Deposit | 65 | - |
| Security deposits | 41 | 18 |
| Total | 106 | 18 |

Note 7

| (Amount in Rs.'000) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| Current Tax Assets (Net) | | |
| Advance Tax and TDS | 3,799 | 1,214 |
| [Net of provisions for tax Rs. Nil (Previous year: Rs. 3,082)] | | |
| Total | 3,799 | 1,214 |

Note 8

| (Amount in Rs.'000) | | |
|---|-------------------------|-------------------------|
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| Other Current Assets | | |
| (Unsecured, Considered Good) | | |
| Advances to suppliers | 1,045 | 195 |
| Prepaid Expenses | 26 | 32 |
| Balance with Government Authorities - GST | 175 | - |
| Other Receivables | 3 | 3 |
| Total | 1,249 | 231 |



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Note 9
Equity Share Capital

(Amount in Rs.'000)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|---------------|----------------------|---------------|
| | 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 |

9.1. Reconciliation of shares outstanding

(Amount in Rs.'000)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|------------------------------|----------------------|--------|----------------------|--------|
| | 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 |

9.2 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.

9.3 Details of Shareholder holding more than 5% shares.

| Name of the Shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------------|-------|----------------------|-------|
| | No. | % age | No. | % age |
| Care Ratings Limited (formerly known as Credit Analysis and Research Limited) | 40,95,450 | 100 | 40,95,450 | 100 |

9.4 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 10
Other Equity

(Amount in Rs.'000)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---------------|-------------------------|---------------|
| | Securities Premium Account As per the last account | | 4,045 | |
| Retained Earnings As per the last account | 13,505 | | 5,385 | |
| Add: Profit for the year | 21 | 13,526 | 8,120 | 13,505 |
| Other Comprehensive Income/(Loss) Remeasurement of defined benefit plans (net of tax) As per the last account | - | | - | |
| Addition/(Deletion) for the year | - | - | - | - |
| Total | | 17,571 | | 17,550 |

10.1 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.



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Note 11
Provisions

(Amount in Rs.'000)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Provision for Employee Benefits (Refer Note 20.3) | - | 231 |
| Provision for Gratuity | - | 231 |
| Total | - | 231 |

Note 12
Deferred Tax Liabilities (Net)

(Amount in Rs.'000)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Deferred Tax Liabilities: | | |
| <u>a. Depreciation/ Amortization on Property, Plant and Equipments/ Intangible Assets</u> | | |
| Opening balance | 246 | 81 |
| Addition during the year | 8 | 165 |
| Closing balance | 254 | 246 |
| <u>b. Expenses allowed in Income Tax</u> | | |
| Opening balance | 58 | 58 |
| (Deletion)/Addition during the year | (7) | 1 |
| Closing balance | 51 | 58 |
| Total Deferred Tax Liabilities (a+b) | 305 | 304 |
| Deferred Tax Assets: | | |
| <u>a. Provision on Employee Benefits</u> | | |
| Opening balance | (60) | (11) |
| Addition/(Deletion) during the year | 51 | (49) |
| Closing balance | (9) | (60) |
| Deferred Tax Liabilities (Net) | 296 | 244 |

Note 13
Other Current Financial Liabilities

(Amount in Rs.'000)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Creditors for Expenses (Refer Note 20.9 for dues to MSME creditors) | 3,599 | 597 |
| Accrued Expenses | 897 | 1,020 |
| Payable to Trust towards Gratuity | 38 | - |
| Total | 4,533 | 1,618 |

Note 14
Provisions

(Amount in Rs.'000)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|-------------------------|-------------------------|
| Provision for Employee Benefits | 1,762 | 2,167 |
| Provision for Performance Pay | - | - |
| Total | 1,762 | 2,167 |

Note 15
Other Current Liabilities

(Amount in Rs.'000)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------|-------------------------|-------------------------|
| Advance from customers | 279 | 2,074 |
| Statutory Liabilities | 844 | 477 |
| Total | 1,123 | 2,551 |



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CARE Advisory Research & Training Limited
 CIN :U74999MH2016PLC285575
 Notes to the financial statements for the year ended March 31, 2020

Note 16
Revenue From Operations

(Amount in Rs.'000)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|------------------------------|--------------------------------------|--------------------------------------|
| Sale of Services | | |
| Fee for Consultancy Services | 30,048 | 30,582 |
| Fee for Training Services | 2,814 | 1,814 |
| Total | 32,862 | 32,396 |

Note 17
Other Income

(Amount in Rs.'000)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Dividend on Mutual Fund - short term | 2,054 | 2,459 |
| Interest Income on bank deposits | 212 | 184 |
| Total | 2,266 | 2,643 |

Note 18
Employee Benefits Expense

(Amount in Rs.'000)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Salary, Bonus, Gratuity, Leave Encashment, Allowances etc. | 24,593 | 15,745 |
| Contribution to Provident Fund | 936 | 524 |
| Staff Welfare Expenses | 543 | 203 |
| Total | 26,072 | 16,471 |



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CARE Advisory Research & Training Limited

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Notes to the financial statements for the year ended March 31, 2020

Note 19**Other Expenses**

(Amount in Rs.'000)

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Postage and Telephone Charges | 112 | 49 |
| Rent | 3,019 | 2,400 |
| Travelling & Conveyance Expenses | 871 | 634 |
| Recruitment Expenses | 125 | 494 |
| Professional Fees | 2,410 | 2,293 |
| Rates & Taxes | 33 | 13 |
| Repairs & Maintenance | 49 | 67 |
| Advertisement | - | 826 |
| Printing & Stationary | 431 | 110 |
| Training Expenses | 563 | 786 |
| <u>Auditors Remuneration</u> | | |
| - Audit Fees | 190 | 190 |
| - Tax Audit Fees | 30 | 30 |
| Miscellaneous expenses | 211 | 178 |
| Total | 8,046 | 8,070 |



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Note 20: Other Notes

Note 20.1: Contingent Liabilities (Ind AS 37)

a) Claims against the Company not acknowledged as debts (to the extent provided for):

| Particulars | (Amount in Rs.'000) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Disputed liability not adjusted as expenses in the accounts for various years being in appeal | - | - |

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

Note 20.2: Capital and Other Commitments

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

The Company has a process whereby periodically all long term contracts are assessed 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 20.3: 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, 2020:

| Particulars | (Amount Rs.'000) | |
|----------------------------|-------------------|--|
| | Gratuity (Funded) | |
| Defined Benefit Obligation | 277 | |
| Fair Value of Assets | 238 | |

| Particulars | (Amount Rs.'000) | |
|---|----------------------|----------------------|
| | Gratuity (Funded) | |
| | As at March 31, 2020 | As at March 31, 2019 |
| (i) Change in Present value of Obligations: | | |
| Opening Defined Benefit Obligation | - | - |
| Current Service Cost | 277 | - |
| Interest Cost | - | - |
| Actuarial (Gain)/Loss | - | - |
| Benefits Paid | - | - |
| Closing Defined Benefit Obligations | 277 | - |
| (ii) Change in Fair Value of Plan Assets: | | |
| Opening Fair Value of the Plan Assets | - | - |
| Expected Return on Plan Assets | - | - |
| Actuarial Gain/(Loss) | - | - |
| Contribution by the Employer | 238 | - |
| Benefits Paid | - | - |
| Closing Fair Value of the Plan Assets | 238 | - |
| (iii) Net Asset / (Liability) recognized in the Balance Sheet | | |
| Present value of the defined benefit obligation at the end of the period | (277) | - |
| Fair Value of Plan Assets | 238 | - |
| Funded Status (Surplus / Deficit) | (38) | - |
| Net Asset / (Liability) | (38) | - |
| (iv) Expenses recognized in the Statement of Profit & Loss | | |
| Current Service Cost | 277 | - |
| Interest on Defined Benefit Obligations | - | - |
| Expected Return on Plan Assets | - | - |
| Amount recognized in Statement of Profit and Loss | 277 | - |
| (v) Re-measurements recognized in Other Comprehensive Income (OCI): | | |
| Changes in Financial Assumptions | - | - |
| Changes in Demographic Assumptions | - | - |
| Experience Adjustments | - | - |
| Expected Return on Plan Assets | - | - |
| Amount recognized in Other Comprehensive Income(OCI) | - | - |
| (vi) Maturity Profile of Defined Benefit Obligation: | | |
| Within the next 12 months | 0 | - |
| Between 1 and 5 years | 42 | - |
| Between 5 and 10 years | 97 | - |
| 10 Years and above | 763 | - |
| (vii) Sensitivity analysis for significant assumptions:^a | | |
| Increase/(Decrease) on present value of defined benefits obligation at the end of the | | |
| 1% increase in discount rate | (36) | - |
| 1% decrease in discount rate | 44 | - |
| 1% increase in salary escalation rate | 44 | - |
| 1% decrease in salary escalation rate | (36) | - |
| 1% increase in employee turnover rate | (5) | - |
| 1% decrease in employee turnover rate | 5 | - |
| (viii) The major categories of plan assets as a percentage of total plan: | | |
| Insurer Managed Funds | 100% | - |
| (ix) Actuarial Assumptions: | | |
| Discount Rate (p.a.) | 6.84% | - |
| Expected Return on Plan Assets (p.a.) | 6.84% | - |
| Turnover Rate | 5% | - |
| Mortality tables | Indian Assured Lives | - |
| Salary Escalation Rate (p.a.) | Mortality (2006-08) | - |
| Retirement age | 6% | - |
| | 60 | - |
| (x) Weighted Average duration of Defined benefit obligation | 16 | - |



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* 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. 414 thousands.

b) Compensated Absences:

The compensated absences cover the Company's liability for sick and earned leave Short term compensated absences are provided for based on estimates.

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. 936 thousands (Previous Year: Rs 524 thousands)

Note 20.4: Segment Reporting (Ind AS 108):

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

Segment information

(Amount in Rs.'000)

| Particulars | For the year ended March 31, 2020 | | | |
|---|-----------------------------------|----------|-------------|--------|
| | Advisory | Training | Unallocable | Total |
| Segment Revenue | | | | |
| Revenue from Services | 30,048 | 2,814 | - | 32,862 |
| Total Revenue (A) | 30,048 | 2,814 | - | 32,862 |
| Less: Inter Segment Revenue if any (B) | - | - | - | - |
| Total Segment Revenue (C = A-B) | 30,048 | 2,814 | - | 32,862 |
| Segment Results (Profit Before Interest, Depreciation & Tax) | (2,123) | 867 | 2,266 | 1,010 |
| Less: Depreciation & Amortization | 936 | - | - | 936 |
| Total Segment Result (D) | (3,060) | 867 | 2,266 | 74 |
| Less: Finance Costs | - | - | - | - |
| Add: Other Unallocable Income - Net | - | - | - | - |
| Profit Before Exceptional Item & Tax | (3,060) | 867 | 2,266 | 74 |
| Exceptional Items - Income/Expenses | - | - | - | - |
| Profit Before Tax | (3,060) | 867 | 2,266 | 74 |
| Tax Expenses | - | - | 53 | 53 |
| - Current Tax | - | - | - | - |
| - Deferred Tax Charge/ (Credit) | - | - | 53 | 53 |
| Profit for the year | (3,060) | 867 | 2,214 | 21 |
| Segment Assets | 58,349 | 4,066 | - | 62,414 |
| Unallocable Assets | - | - | 3,529 | 3,529 |
| Total Assets | 58,349 | 4,066 | 3,529 | 65,944 |
| Segment Liabilities | 5,597 | - | - | 5,597 |
| Unallocable Liabilities | - | - | 58,585 | 58,585 |
| Total Liabilities | 5,597 | - | 58,585 | 64,182 |
| Capital Employed | - | - | - | 58,526 |
| Capital Expenditure | - | - | 2,351 | 2,351 |

(Amount in Rs.'000)

| Particulars | For the year ended March 31, 2019 | | | |
|---|-----------------------------------|----------|-------------|--------|
| | Advisory | Training | Unallocable | Total |
| Segment Revenue | | | | |
| Revenue from Services | 30,582 | 1,814 | - | 32,396 |
| Total Revenue (A) | 30,582 | 1,814 | - | 32,396 |
| Less: Inter Segment Revenue if any (B) | - | - | - | - |
| Total Segment Revenue (C = A-B) | 30,582 | 1,814 | - | 32,396 |
| Segment Results (Profit Before Interest, Depreciation & Tax) | 8,835 | (734) | 2,397 | 10,498 |
| Less: Depreciation & Amortization | 298 | - | - | 298 |
| Total Segment Result (D) | 8,537 | (734) | 2,397 | 10,200 |
| Less: Finance Costs | - | - | - | - |
| Add: Other Unallocable Income - Net | - | - | - | - |
| Profit Before Exceptional Item & Tax | 8,537 | (734) | 2,397 | 10,200 |
| Exceptional Items - Income/Expenses | - | - | - | - |
| Profit Before Tax | 8,537 | (734) | 2,397 | 10,200 |
| Tax Expenses | - | - | 2,080 | 2,080 |
| - Current Tax | - | - | 1,709 | 1,709 |
| - Deferred Tax Charge/(Credit) | - | - | 371 | 371 |
| Profit for the year | 8,537 | (734) | 317 | 8,120 |
| Segment Assets | 59,686 | 353 | - | 60,038 |
| Unallocable Assets | - | - | 5,016 | 5,016 |
| Total Assets | 59,686 | 353 | 5,016 | 65,055 |
| Segment Liabilities | 5,732 | - | - | 5,732 |
| Unallocable Liabilities | - | - | 818 | 818 |
| Total Liabilities | 5,732 | - | 818 | 6,550 |
| Capital Employed | - | - | - | 58,504 |
| Capital Expenditure | - | - | 2,991 | 2,991 |



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CARE Advisory Research And Training Limited
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 Notes to the financial statements for the year ended March 31, 2020
 Note 20.5: 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, 2020 | As at March 31, 2019 |
| CARE Ratings Limited | Holding Company | 100% | 100% |

(B) Key Management Personnel:

| Name of Related Parties | Nature of Relationship |
|-------------------------|---------------------------------------|
| S B Mainak | Chairman (Upto 11th February, 2020) |
| Ajay Mahajan | Chairman (w.e.f. 26th May, 2020) |
| Rajesh Mokashi | Director (Upto 20th December, 2019) |
| Mehul Pandya | Director |
| T. N. Arun Kumar | Director (w.e.f. 24th December, 2019) |
| Navin Kumar Jain | Director (w.e.f. 24th December, 2019) |

(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, 2020 | For the year ended March 31, 2019 |
|---------------------------|-----------------|-----------------------------------|-----------------------------------|-----------------------------------|
| CARE Ratings Limited | Holding Company | Business Support Services (Exps.) | 2,974 | 2,416 |
| | | Training Income | 238 | 288 |
| | | Advisory Services | 938 | - |
| | | Reimbursement of expenses | 906 | - |
| Sanjeet Kumar | CEO | Managerial remuneration | 6,264 | 5,861 |
| | | Reimbursement of expenses | - | 57 |

(D) Outstanding balances:

(Amount in Rs.'000)

| Name of Related Party | Relationship | Nature of Transactions | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------|-----------------|-----------------------------|----------------------|----------------------|
| CARE Ratings Limited | Holding company | Receivable towards Training | 1,293 | 78 |

(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, 2020 | As at March 31, 2019 |
|------------------------------------|----------------------|----------------------|
| Short Term Employee Benefits | 5,918 | 5,518 |
| Other Long Terms Benefits | 346 | 344 |
| Total Compensation | 6,264 | 5,861 |

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 20.6: Earnings per Share (EPS) (Ind AS 33):

(Amount in Rs.'000)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|-----------------------------------|-----------------------------------|
| Net Profit After Tax (A) | 21 | 8,120 |
| Weighted average number for shares for computation of Basic Earnings Per Share (B) | 4,095 | 4,095 |
| Basic Earnings Per Share (A/B) | 0.01 | 1.98 |
| Weighted average number for shares for computation of Diluted Earnings Per Share (C) | 4,095 | 4,095 |
| Diluted Earnings Per Share (A/C) | 0.01 | 1.98 |



Note 20.7: Financial Instruments: Disclosures (Ind AS 107)

a) Classification of Financial Assets and Liabilities:

| Particulars | (Amount in Rs.'000) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Financial assets at Amortized cost: | | |
| Loans (Current) | 18 | 18 |
| Cash and Cash Equivalents | 3,720 | 5,260 |
| Other Non Current Financial Assets | 296 | 244 |
| Other Current Financial Assets | 2,175 | 1,670 |
| Financial assets at Fair Value through P&L: | | |
| Investment (Current) | 49,962 | 53,108 |
| Total | 56,171 | 60,300 |
| Financial liabilities at Amortized cost: | | |
| Other Current Financial Liability | 4,533 | 1,618 |
| Total | 4,533 | 1,618 |

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. The investment in mutual funds are valued using the closing Net Asset Value based on the mutual fund statements received by the company. 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.

| Particulars | (Amount in Rs.'000) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Financial Asset at Fair Value through OCI: FVTPL | | |
| Investments – Level 2 | 49,962 | 53,108 |

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 (Ind AS 107):

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 Investments, 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:

a. 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. The financial instruments affected by market risk include the investment in Mutual Funds and investment in Equity Shares of companies incorporated and operating outside India.

The investment in mutual funds are fair valued using the closing Net Asset Value based on the mutual fund statements received by the company at the end of each reporting period. Investment in Equity Shares of these companies are valued at cost since these companies are subsidiaries / joint venture of the Company.

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.

b. Credit Risk

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 Mutual Fund Investments, Investment in Debt Securities, 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 mutual fund schemes based on its investment policy. The Company restricts its exposure in equity market.

Investments, 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.

c. 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 assets & liabilities based on contractual undiscounted payments.

| (Amount in Rs.'000) | | | | |
|-----------------------------|------------------|--------------|-------------------|---------------|
| As at March 31, 2020 | Less than 1 year | 1 to 5 years | More than 5 years | Total |
| Statutory Liabilities | 844 | - | - | 844 |
| Other Financial Liabilities | 4,533 | - | - | 4,533 |
| Investments in Mutual Funds | 49,962 | - | - | 49,962 |
| Deposits with Banks | 3,017 | - | - | 3,017 |
| Total | 58,357 | - | - | 58,357 |

| (Amount in Rs.'000) | | | | |
|-----------------------------|------------------|--------------|-------------------|---------------|
| As at March 31, 2019 | Less than 1 year | 1 to 5 years | More than 5 years | Total |
| Statutory Liabilities | 477 | - | - | 477 |
| Other Financial Liabilities | 1,618 | - | - | 1,618 |
| Investments in Mutual Funds | 53,108 | - | - | 53,108 |
| Deposits with Banks | 2,826 | - | - | 2,826 |
| Total | 58,029 | - | - | 58,029 |

20.8: 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 Mutual funds units and Government Securities 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, 2020 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.

20.9: 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.

| Particulars | (Amount in Rs.'000) | |
|--|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| 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 Act | - | - |
| 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.

20.10 The SARS-CoV-2 virus responsible for the outbreak of Coronavirus Disease (COVID-19) has been declared a Global pandemic by the World Health Organization (WHO) on March 11, 2020, which continues to spread across the globe, and has resulted in significant decrease in global and local economic activities. Consequent to this, most of the governments have announced the strict lockdowns across their respective countries as one of the strongest measures to contain the spread of the virus. Accordingly, the Government of India (GoI) has also announced the lockdown across India on March 24, 2020. The management has assessed the recoverability of carrying amount of assets and liabilities based on the current indicators of future economic condition considering the probable impact of COVID 19. Based on the aforesaid, the management estimates as at the date of approval of these financial statements that the impact of Covid-19 on the financial statements is not significant and the Company will be able to recover the carrying amount of the assets and settle its liabilities. The extent to which CoVID-19 pandemic will impact the Company's activities and financial results in future will depend upon future developments which are highly uncertain, and as such no impact thereof, is required, could be taken in these financial statements. The impact of the global health pandemic may be different from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

20.11: Previous year's figures have been regrouped/ rearranged, wherever considered necessary, to correspondents the current year figures.

Significant Accounting Policies and Notes 1 to 20 form an integral part of the financial statements

As per our Report of even date attached
 For S.P. Chopra & Co.
 Chartered Accountants
 Firm Regd.No.000346N

Vipin Kumar
 Vipin Kumar
 Partner
 Membership No. 081859



For and on behalf of the Board of Directors

Ajay Mahajan
 Ajay Mahajan
 Chairman
 DIN No.05108777

T. N. Arun Kumar
 T. N. Arun Kumar
 Director
 DIN No. 07558952

Navin Kumar Jain
 Navin Kumar Jain
 Director
 DIN No. 07763257

Sanjeet Kumar
 Sanjeet Kumar
 CEO

Place : Mumbai
 Date : 15.06.2020

