S.P. CHOPRA & CO.
Chartered Accountants

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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, 2019, 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, 2019 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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

S.P. CHOPRA & CO. ★ CHARTERED ACCOUNTANTS ★

(Vipan Kumar)
Partner
Membership No. 081859

Place : Mumbai
Dated: 26th April, 2019

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 31st March, 2019)

(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 31st March, 2019 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 transcations 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

Vipan Kumar
Partner
Membership No. 081859

Place : Mumbai
Dated: 26th April, 2019

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 31st March, 2019)

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, 2019 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, 2019, 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

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS

Vipan Kumar
Partner
Membership No. 081859

Place : Mumbai
Dated: 26th April, 2019

CARE Advisory Research & Training Limited
CIN No :U74999MH2016PLC285575
Statement of Profit & Loss for the year ended on March 31, 2019

Amount Rs.

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue From Operations	**14**	3,23,96,045	1,67,96,225
Other Income	**15**	26,42,688	21,20,042
Total Revenue		**3,50,38,733**	**1,89,16,268**
Expenses			
Employee Benefits Expense	**16**	1,64,71,251	89,40,322
Depreciation and Amortisation Expense	**2**	2,97,911	31,306
Other Expenses	**17**	80,69,521	38,24,076
Total Expenses		**2,48,38,683**	**1,27,95,704**
Profit before Tax		**1,02,00,051**	**61,20,564**
Tax Expense			
Current Tax		17,09,110	9,37,459
Deferred Tax Expense		3,71,364	1,38,498
Add /(Less) : Income tax adjustment for earlier years			-
Total Tax Expense		**20,80,474**	10,75,957
Surplus for the year		**81,19,576**	**50,44,607**
Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit & Loss:			
Remeasurement gain/ (loss) on defined benefit plans			
Other Comprehensive Income for the year			
Total Comprehensive Income for the year		-	-
Earning Per Share (Face Value Rs.10/- each)			
- Basic		**1.98**	**1.23**
- Diluted		**1.98**	**1.23**

Significant Accounting Policies and Notes 1 to 18 form an integral part of the financial statements

The accompanying notes are integral part of financial statements.

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

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

Vipan Kumar
Partner
Membership No. 081859

S B Mainak
DIN No-02531129
Director

Rajesh Mokashi
DIN No-02781355
Director

Mehul Pandya
DIN No-07610232
Director

Sanjeet Kumar
CEO

Place : Mumbai
Date: 26 April 2019

CARE Advisory Research & Training Limited
CIN No :U74999MH2016PLC285575
Balance Sheet as at March 31, 2019

Amount Rs.

Particulars	**Note No.**	**As at March 31, 2019**	**As at March 31, 2018**
ASSETS			
Non Current Assets			
Property Plant and Equipment	2	12,97,294	1,14,834
Intangible Assets		25,16,266	10,05,760
Captial Work in Progress		-	-
Deferred Tax Assets (Net)	13A	(2,43,719)	1,27,644
Other Non-Current Assets			
Current Assets			
Financial Assets			
Investments (Current)	3	5,31,08,351	4,71,49,385
Trade Receivables	4	16,70,002	10,26,261
Cash and Cash Equivalents	5	52,59,762	31,04,452
Bank Balances other than Cash and Cash Equivalents			
Loans	6	-	2,30,000
Other Current Financial Assets			
Current Tax Assets (Net)	7	12,14,085	2,67,364
Other Current Assets	8	2,32,471	4,06,958
Total Assets		**6,50,54,512**	**5,34,32,658**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	9	4,09,54,500	4,09,54,500
Other Equity	10	1,75,49,594	94,30,017
LIABILITIES			
Non-Current Liabilities			
Provisions	11	2,30,773	99,986
Current Liabilities			
Financial Liabilities	.		
Other Current Financial Liabilities	12	27,64,507	14,34,054
Other Current Liabilities	13	35,55,138	15,14,101
Provisions			
Current Tax Liability (Net)			
Total Equity and Liabilities		**6,50,54,512**	**5,34,32,658**
		0	0

Significant Accounting Policies and Notes 1 to 19 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

S B Mainak
DIN No-02531129
Director

Rajesh Mokashi
DIN No-02781355
Director

Mehul Pandya
DIN No-07610232
Director

Sanjeet Kumar
CEO

Place : Mumbai
Date: 26 April 2019

CARE Advisory Research & Training Limited
CIN No :U74999MH2016PLC285575
Statement of Cash flows for the year ended March 31, 2019

Amount Rs.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Cash flow from Operating Activities		
Profit before tax	1,02,00,051	61,20,564
Adjustments for		
Other Comprehensive Income		
Income from investments	(24,58,966)	(19,42,090)
Unrealised Foreign Exchange (Gain)/Loss	-	2,089
Provision for Gratuity	1,30,787.00	87,858
Depreciation and Amortization Expense	2,97,911	31,306
Operating profit before working capital changes	**81,69,783**	**42,99,728**
Movement in working capital		
Decrease/(Increase) in Trade Receivables	(6,43,741)	(10,14,874)
Decrease/(Increase) in loans	2,30,000	-
Decrease/(Increase) in Other current assets	1,74,487	(5,96,206)
Decrease/(Increase) in other current liablities	8,68,999	1,24,505
Decrease/(Increase) in unearned revenue	-	(1,00,000)
Decrease/(Increase) in sundry creditors for expenses	4,61,454	(7,81,420)
Decrease/(Increase) in advance from customer	10,95,578	9,78,800
Decrease/(Increase) in provision & other liablities	9,45,459	9,36,126
Total movement in working capital	**31,32,236**	**(4,53,069)**
Taxes Paid	(26,55,832)	(11,91,520)
Net cash from operating activites	**86,46,187**	**26,55,139**
(B) Cash flow from Investing Activities		
Income from investments	24,58,966	19,42,090
Purchase of Fixed assests	(29,90,877)	(11,51,900)
Purchase of investments	(59,58,966)	(93,42,090)
Sale of Investments		42,00,000
Net cash from Investing activities	**(64,90,877)**	**(43,51,900)**
(C) Cash flow ffrom financing activities		
Proceeds from issue of equity shares		-
Net cash from financing activities	-	-
Net increase/(decrease) in cash & cash equivalents	21,55,310	(16,96,761)
Cash & Cash equivalents at the beginning of the year	31,04,452	48,01,214
Cash & Cash equivalents at the end of the year	52,59,762	31,04,452
Cash & cash equivalent comprises of :(Refer note 5)		
Cash on hand		
Cheques in hand		
Other bank balances		
On current account	24,34,014	4,43,866
Deposits accounts	28,25,748	26,60,586
Total	52,59,762	31,04,452
	0	(0)

Significant Accounting Policies and Notes 1 to 18 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

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

Vipan Kumar
Partner
Membership No. 081859

S B Mainak
DIN No-02531129
Director

Rajesh Mokashi
DIN No-02781355
Director

Mehul Pandya
DIN No-07610232
Director

Sanjeet Kumar
CEO

Place : Mumbai
Date: 26 April 2019

CARE Advsory Research & Training Limited
CIN No :U74999MH2016PLC285575

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

For the year ended March 31, 2019

Amount Rs.

Balance as at April, 01, 2018	Changes in Equity Share Capital during the year	Balance as at March 31, 2019
4,09,54,500	-	4,09,54,500

For the year ended March 31, 2018

Balance as at April, 01, 2017	Changes in Equity Share Capital during the year	Balance as at March 31, 2018
4,09,54,500		4,09,54,500

B. Other Equity

For the year ended March 31, 2019 (Amount Rs.)

Particulars	Reserves & Suplus		Total Equity
	Securities Premium	Retained Earnings	
Balance as at April 01, 2018	40,45,450	53,84,567	**94,30,017**
Profit for the year (1)	-	81,19,576	81,19,576
Other Comprehensive Income/(loss) for the year			
Remeasurement gain/(loss) on defined benefit plan (2)	-	-	-
Other Comprehensive Income/(loss) for the year (3)	-	-	-
Total Comprehensive Income/(loss) for the year (1+2+3)	-	**81,19,576**	**81,19,576**
Contribution by and Distribution to Owners			
Premium on allotment of ESOP	-	-	-
Balance ast at March 31, 2019	**40,45,450**	**1,35,04,143**	**1,75,49,593**

For the year ended March 31, 2018 (Amount Rs.)

Particulars	Reserves & Suplus		Total Equity
	Securities Premium	Retained Earnings	
Balance as at April 01, 2017	40,45,450	3,39,960	**43,85,410**
Profit for the year (1)	-	50,44,607	50,44,607
Other Comprehensive Income/(loss) for the year			
Remeasurement gain/(loss) on defined benefit plan (2)	-	-	-
Other Comprehensive Income/(loss) for the year (3)	-	-	-
Total Comprehensive Income/(loss) for the year (1+2+3)	**-**	**50,44,607**	**50,44,607**
Contribution by and Distribution to Owners			
Premium on allotment of ESOP			-
Balance as at March 31, 2018	**40,45,450**	**53,84,567**	**94,30,017**

The description of the nature and purpose of each reserve within equity is as follows:

a. Securities Premium Reserve

Securities Premium Reserve is credited when the shares are issued at premium. It is utilized in accordance with the provision of the Companies Act, to shares, to provide for premium on redemption of shares, equity related expenses like underwriting costs, etc.

Significant Accounting Policies and Notes 1 to 18 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: 26 April 2019

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

S B Mainak
DIN No-02531129
Director

Rajesh Mokashi
DIN No-02781355
Director

Mehul Pandya
DIN 07610232
Director

Sanjeet Kumar
CEO

CARE Advsory Research & Training Limited
CIN No :U74999MH2016PLC285575
Notes to the financial statements as at March 31, 2019

Note 2 **Amount Rs.**

Description of Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1-Apr-18	Additions during the year	Sales/disposal/adjustments during the year	As at 31-Mar-19	Upto 1-Apr-18	For the year	Sales/disposal/adjustments during the year	Upto during the	As at 31-Mar-19	As at 31-Mar-18
Tangible Assets										
Furniture & Fixtures				-						
Office Equipments				-						
Computers	1,29,900	13,04,200		14,34,100	15,066	1,21,740		1,36,806	12,97,294	1,14,834
Vehicles				-						
Electrical Installations				-						
Buildings				-						
Total Tangible	**1,29,900**	**13,04,200**	**-**	**14,34,100**	**15,066**	**1,21,740**	**-**	**1,36,806**	12,97,294	**1,14,834**
Intangible Assets										
Computer Software	10,22,000	16,86,677		27,08,677	16,240	1,76,171		1,92,411	25,16,266	10,05,760
Total Intangible	**10,22,000**	**16,86,677**	**-**	**27,08,677**	**16,240**	**1,76,171**	**-**	**1,92,411**	**25,16,266**	**10,05,760**
Capital Work in Progress				-						
WIP	-									
Total Capital Work in Progress	-	-	-	-	-	-	-		-	-
Total	**11,51,900**	**29,90,877**	**-**	**41,42,777**	**31,306**	**2,97,911**	**-**	**3,29,217**	**38,13,560**	**11,20,594**

Description of Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1-Apr-17	Additions during the year	Sales/ disposal/ adjustments during the year	As at 31-Mar-18	Upto 1-Apr-17	For the 31-Mar-2018	Sales/disposal/adjustments during the year	Upto during the (Revised)	As at 31-Mar-18	As at 31-Mar-17
Tangible Assets										
Furniture & Fixtures				-						
Office Equipments				-						
Computers		1,29,900		1,29,900		15,066		15,066	1,14,834	
Vehicles				-						
Electrical Installations				-						
Buildings				-						
Total Tangible	**-**	**1,29,900**	**-**	**1,29,900**	**-**	**15,066**	**-**	**15,066**	**1,14,834**	**-**
Intangible Assets										
Computer Software		10,22,000		10,22,000		16,240		16,240	10,05,760	
Total Intangible	**-**	**10,22,000**	**-**	**10,22,000**	**-**	**16,240**	**-**	**16,240**	**10,05,760**	**-**
WIP										
Total Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Total	**-**	**11,51,900**	**-**	**11,51,900**	**-**	**31,306**	**-**	**31,306**	**11,20,594**	**-**

CARE Advsory Research & Training Limited
CIN No :U74999MH2016PLC285575
Notes to the financial statements as at March 31, 2019

Note 3
Investments

Amount Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
(Valued at fair value through Statement of Profit & Loss)		
Investment in Mutual Funds - Unquoted		
52,427.797 units (PY 47,105.440 units) of DSP Black Rock Liquidity Fund - Direct Plan- Daily Dividend.	5,31,08,351	4,71,49,385
Total	**5,31,08,351**	**4,71,49,385**

Note 4
Trade Receivables

Amount Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good (Refer Note 11.1)		
- Debts outstanding for a period exceeding six months	59,000	23,600
- Other Debts	16,11,002	10,02,661
Total Debtors (Considered Good)	**16,70,002**	10,26,261
Unsecured, Considered Doubtful		
- Debts o/s for a period exceeding six months	-	
-Other Debts	-	
Total Debtors (Considered Doubtful)	**-**	**-**
Total Debtors	**16,70,002**	**10,26,261**
Less: Provision for doubtful debts		
Total	**16,70,002**	**10,26,261**

11.1 Due to short-term nature of current receivables,their carrying amount is assumed to be same as their fair value.

Note 5
Cash and Cash Equivalents

Amount Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Cash on hand	-	-
Balances with Banks		
- On Current Account	24,34,014	4,43,866
Other Bank Balances		
Deposit Accounts	28,25,748	26,60,586
Total	**52,59,762**	**31,04,452**

Note 6
Loans

Amount Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good)		
Earnest Money Deposit	-	2,30,000
Total	**-**	**2,30,000**

Note 7
Current Tax Assets (Net)

Amount Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Advance payment of taxes	12,14,085	2,67,364
(Net of provision for tax Rs. 30,81,804 (PY Rs. 937,489)		
Total	**12,14,085**	**2,67,364**

Note 8
Other Current Assets

Amount Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured,Considered Good)		
Other Receivables	3,184	3,184
Advances to suppliers	1,95,140	2,52,700
Prepaid Expenses	32,313	28,362
Service Tax, VAT, Other taxes and Statutory Deposits	(16,166)	1,22,712
Security deposits	18,000	-
Total	**2,32,471**	**4,06,958**

CARE Advsory Research & Training Limited
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Notes to the financial statements as at March 31, 2019

Note 9
Equity Share Capital

Amount Rs.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued, subscribed and fully paid up				
Equity Shares of Rs.10/- each	40,95,450	4,09,54,500	40,95,450	4,09,54,500
Total		**4,09,54,500**		**4,09,54,500**

9.1. Reconciliation of Share Outstanding

Amount Rs.

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	Amount	Number	Amount
At the beginning of the year	40,95,450	4,09,54,500	40,95,450	4,09,54,500
Add:Issued during the year				
At the end of the year	40,95,450	4,09,54,500	40,95,450	4,09,54,500

9.2 Terms/ Rights attached to Equity shares.

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. All Equity shares are held by CARE Ratings Ltd (formerly known as Credit Analysis and Research Limited), a holding company along with its nominees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

9.3 Details of Shareholder holding more than 5% shares.

Company	Share holdings (%)
Care Ratings Limited (formerly known as Credit Analysis and Research Limited)	100%

Note 10
Other Equity

Amount Rs.

Particulars	As at March 31, 2019		As at March 31, 2018	
Securities Premium Account				
As per the last account		40,45,450		40,45,450
Add:Premium on allotment of Equity Shares				
Add:Transferred from Deferred Employees Compensation				
Balance		**40,45,450**		**40,45,450**
Surplus in the Statement of Profit and Loss				
As per the last account		53,84,567		3,39,960
Add:Surplus for the year		81,19,576		50,44,607
Balance		**1,35,04,143**		**53,84,567**
Total		**1,75,49,593**		**94,30,017**

CARE Advsory Research & Training Limited
CIN No :U74999MH2016PLC285575
Notes to the financial statements as at March 31, 2019

Note 11
Provision

Amount Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Provision for Gratuity	2,30,773	99,986
Total	**2,30,773**	**99,986**

Note 12
Other Current Financial Liabilities

Amount Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Sundry Creditors for Expenses	5,97,360	1,35,906
Provision for Salary, Performance Related Pay & Commission	21,67,147	12,98,148
Total	**27,64,507**	**14,34,054**

Note 13
Other Current Liabilities

Amount Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Accrued Expense	10,20,214	3,08,377
Advance from customers	20,74,378	9,78,800
Statutory Dues	4,60,546	2,26,924
Total	**35,55,138**	**15,14,101**

Note 13A
Deferred Tax Assets (Net)

Amount Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets (Net)	(2,43,719)	1,27,644
Total	**(2,43,719)**	**1,27,644**

CARE Advsory Research & Training Limited
CIN No :U74999MH2016PLC285575
Notes to the financial statements as at March 31, 2019

Note 14
Revenue From Operations

Amount Rs.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Services		
Fee for Consultancy Services	3,05,82,008	1,57,79,774
Fee for Training Services	18,14,037	10,16,451
Total	**3,23,96,045**	**1,67,96,225**

Note 15
Other Income

Amount Rs.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend on Investments		
Dividend on Mutual Fund - short term	24,58,966	19,42,090
Other Interest Income	1,83,722	1,77,953
Total	**26,42,688**	**21,20,042**

Note 16
Employee Benefits Expense

Amount Rs.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Other Allowances	1,57,44,611	85,84,995
Contribution to Provident, Gratuity & Other Funds	5,23,748	2,60,069
Staff Welfare Expenses	2,02,892	95,258
Total	**1,64,71,251**	**89,40,322**

CARE Advsory Research & Training Limited
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Notes to the financial statements as at March 31, 2019

Note 17
Other Expenses

Amount Rs.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Telephone, Postage and Courier	48,978	27,132
Rent	12,000	-
Travelling & Conveyance Expenses	6,34,384	2,18,123
Recruitment Expenses	4,93,552	2,12,623
Legal Charges	-	36,215
Professional Fees	22,92,781	13,13,027
Rates & Taxes	13,156	14,795
Repairs & Maintenance	67,011	26,844
Advertisement	8,26,170	-
Printing & Stationary	1,09,619	67,144
Training Expenses	7,86,070	7,19,973
- Audit Fees	1,90,000	50,000
- Tax Audit Fees	30,000	-
Office Expenses	23,87,736	10,65,000
Miscellaneous expenses	1,78,064	73,200
Total	**80,69,521**	**38,24,076**

CARE Advisory Research And Training Limited
CIN No : U74999MH2016PLC285575
Notes to the financial statements for the year ended March 31, 2019

Note 1 (A):
Company Overview and Significant Accounting Policies

Company Overview:

CARE Advisory Research And Training Limited 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.
We also strive to be recognized as a knowledge-based company. Our endeavor is 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.

Summary of Significant Accounting Policies:

a) a) 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, the relevant provision of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

b) Basis of preparation of Accounts

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

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.

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.

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.

c) 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.

d) 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.

e) 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.

Note 1 (A):

f) Intangible Assets and Amortization

Intangible assets are accounted at fair value based on evaluation reports of experts 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.

Intangible assets in the nature of computer software is stated at their cost of acquisition less accumulated depreciation and impairment loss, if any. The useful life of computer software is determined at 3 years.

g) Impairment of Non-Financial Assets – Property, Plant and Equipment & Intangible 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.

h) Financial Instruments

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

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 at recognised immediately in the Statement of Profit and Loss.

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 following:

• The entity's business model for managing the financial assets and
• The contractual cash flow characteristics of the financial asset.

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.

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.

FVTPL:

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

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.

Classification and Subsequent Measurement: Financial Liabilities

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

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.

Other Financial Liabilities:

Other financial liabilities (including trade and other payables) 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.

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.

Note 1 (A): contd
Company Overview and Significant Accounting Policies contd…

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.

i) 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.

j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and 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.

k) Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Operating Lease: Lease rentals are charged or recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.
Finance Lease: Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

l) Translation of Foreign Currency Items

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 historial cost of foreign currencies are not translated.

Note 1 (A): contd

m) Employee benefit expense

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.

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.

Post Employment Benefits

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 company has adopted the pay as you go method in respect of gratuity liability and other post employment benefits

Re-measurement 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.

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.

n) Income Taxes:

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.

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.

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.

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.

o) 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.

p) Contingent Liabilities and Provisions

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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessement 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.

Note 1 (A): contd

q) <u>Useful Lives of Property, Plant & Equipment:</u>

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.

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 like Net Asset Method. The inputs to these models are taken from the financial statements of the companies in which CARE has invested. These are considered as non-observable market inputs whereby a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

r) 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.

Note 1 (A): contd
Company Overview and Significant Accounting Policies contd…

Note 18: Contingent Liabilities (Ind AS 37)
a. Claims against the Company not acknowledged as debts:

Particulars	As at March 31, 2019	As at March 31, 2018
Disputed liability not adjusted as expenses in the accounts for various years being in appeal towards Income Tax	-	-

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

Note 18.2: Capital and other commitments
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 18.3: 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 has not funded its gratuity liability. The scheme provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service, maximum amount of gratuity liability per employee is capped to Rs. 2,000,000/-

The employees of the company are not eligible for gratuity as they have not completed the minimum period of service as provided in the Gratuity Act. However as a matter of prudence, the company has provided the liability towards gratuity based on actual number of days worked by the employees.

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.

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 no 16 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is Rs.5,23,748/-(Previous Year Rs 2,60,069/-)

Note 18.4: 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

Particulars	For the year Ended March 31, 2019			
	Advisory	Training	Unallocable	Total
Segment Revenue				
Revenue from Services	3,05,82,008	18,14,037	-	3,23,96,045
Total Revenue (A)	3,05,82,008	18,14,037	-	3,23,96,045
Less: Inter Segment Revenue if any (B)	-	-	-	-
Total Segment Revenue (C = A-B)	3,05,82,008	18,14,037	-	3,23,96,045
Segment Results (Profit Before Interest, Depreciation & Tax)	88,35,207	(7,34,354)	23,97,108	1,04,97,962
Less: Depreciation & Amortization	2,97,911	-		2,97,911
Total Segment Result (D)	85,37,296	(7,34,354)	23,97,108	1,02,00,051
Less: Finance Costs	-	-		-
Add: Other Unallocable Income - Net	-	-	-	-
Profit Before Exceptional Item & Tax	85,37,296	(7,34,354)	23,97,108	1,02,00,051
Exceptional Items - Income/Expenses	-	-	-	-
Profit Before Tax	85,37,296	(7,34,354)	23,97,108	1,02,00,051
Tax Expenses	-	-	20,80,474	20,80,474
- Current Tax			17,09,110	17,09,110
- Deferred Tax Charge/(Credit)			3,71,364	3,71,364
Profit for the year	85,37,296	(7,34,354)	3,16,634	81,19,576
Segment Assets	5,96,85,849	3,52,620	-	6,00,38,469
Unallocable Assets	-	-	50,16,043	50,16,043
Total Assets	5,96,85,849	3,52,620	50,16,043	6,50,54,512
Segment Liabilities	57,32,479	-	-	57,32,479
Unallocable Liabilities	-	-	8,17,939	8,17,939
Total Liabilities	57,32,479	-	8,17,939	65,50,418
Capital Employed	-	-	-	5,85,04,094
Capital Expenditure	-	-	29,90,877	29,90,877

Particulars	For the year Ended March 31, 2018			
	Advisory	Training	Unallocable	Total
Segment Revenue				
Revenue from Services	1,57,80,283	10,15,942	-	1,67,96,225
Total Revenue (A)	1,57,80,283	10,15,942	-	1,67,96,225
Less: Inter Segment Revenue if any (B)	-	-	-	-
Total Segment Revenue (C = A-B)	1,57,80,283	10,15,942	-	1,67,96,225
Segment Results (Profit Before Interest, Depreciation & Tax)	43,66,609	(3,34,781)		40,31,828
Less: Depreciation & Amortization	31,306			31,306
Total Segment Result (D)	43,35,303	(3,34,781)	-	40,00,522
Less: Finance Costs				-
Add: Other Unallocable Income - Net	-	-	21,20,042	21,20,042
Profit Before Exceptional Item & Tax	43,35,303	(3,34,781)	21,20,042	61,20,564
Exceptional Items - Income/Expenses	-	-	-	-
Profit Before Tax	43,35,303	(3,34,781)	21,20,042	61,20,564
Tax Expenses	10,75,957	-	-	10,75,957
- Current Tax	10,75,957			10,75,957
- Deferred Tax Charge/(Credit)				-
Profit for the year	32,59,346	(3,34,781)	21,20,042	50,44,607
Segment Assets	12,40,758	12,73,963	-	25,14,721
Unallocable Assets	-	-	5,09,17,937	5,09,17,937
Total Assets	12,40,758	12,73,963	5,09,17,937	5,34,32,658
Segment Liabilities	10,85,758	28,948	-	11,14,706
Unallocable Liabilities	-	-	19,33,435	19,33,435
Total Liabilities	10,85,758	28,948	19,33,435	30,48,141
Capital Employed	-	-	-	5,03,84,517
Capital Expenditure		-	11,51,900	11,51,900

CARE Advisory Research And Training Limited
CIN No : U74999MH2016PLC285575
Notes to the financial statements for the year ended March 31, 2019

Note 18.5: Related Party Disclosures (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, 2019	As at March 31, 2018
CARE Ratings Limited (formerly known as Credit Analysis and Research Limited)	Holding Company	100%	100%

(B) Key Management Personnel:

Name of Related Parties	Nature of Relationship
S B Mainak	Chairman
Rajesh Mokashi	Director
Mehul Pandya	Director

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

Name of the Company	Relationship	Nature of Transactions	For FY 2018-2019	For FY 2017-2018
CARE Ratings Limited (formerly known as Credit Analysis and Research Limited	Holding company	Preincorporation expenses		-
	Holding company	Post Incorporation expenses		-
	Holding company	Business Support Services (Expense)	24,15,843	36,68,978
	Holding company	Training Income	2,88,000	1,42,190
	Holding company	Advisory Services	-	4,72,000
	Holding company	Reimbursement of expenses	-	76,668
		Share capital		-
Sanjeet Kumar	CEO	Managerial remuneration	58,61,447	50,14,239
		Reimbursement of expenses	57,412	1,52,740
		Consultancy		-

(D) Outstanding balances:

Name of the Company	Relationship	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
CARE Ratings Limited (formerly known as Credit Analysis and Research Limited	Holding company	Receivable towards Training	77,880.00	-
		Share capital	4,09,54,500	4,09,54,500
		Securities Premium	40,45,450	40,45,450

(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:

Nature of Transaction/Relationship	As at March 31, 2019	As at March 31, 2018
Short Term Employee Benefits	55,17,883.00	47,01,602.00
Other Long Terms Benefits	3,43,564.00	3,12,636.00
Share Based Payments	-	-
Total Compensation	**58,61,447.00**	**50,14,238.00**

Note 18.6: Earnings per Share (EPS) (Ind AS 33):

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit After Tax (A)	81,19,576	50,44,607
Weighted average number for shares for computation of Basic Earnings Per Share (B)	40,95,450	40,95,450
Basic Earnings Per Share (A/B)	**1.98**	**1.23**
Weighted average number for shares for computation of Diluted Earnings Per Share (C)	40,95,450	40,95,450
Diluted Earnings Per Share (A/C)	**1.98**	**1.23**

Note 18.7: Finanical Instruments:Fair value Measurement and Financial Risk Management.

a.)Classification of Financial Assets and Liabilities (Ind AS 107):

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Financial assets at Amortized cost:		
Investment (Non Current)	-	-
Loans (Non Current)	-	-
Loans (Current)	-	2,30,000
Cash and Cash Equivalents	52,59,762	31,04,452
Other Bank Balances	-	-
Other Non Current Financial Assets	(2,43,719)	1,27,644
Other Current Financial Assets	16,70,002	10,26,261
Financial assets at Fair Value through P&L:		
Investment (Non Current)	-	-
Investment (Current)	5,31,08,351	4,71,49,385
Financial assets at Fair Value through OCI:	-	-
Investment (Non Current)		-
Total	**5,97,94,396**	**5,16,37,742**
Financial liabilities at Amortized cost:		
Borrowings	-	-
Other Current Financial Liability	27,64,507	14,34,054
Other Non Current Financial Liability	-	-
Total	**27,64,507**	**14,34,054**

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.

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Financial Asset at Fair Value through OCI:FVTPL		
Investments – Level 2	5,31,08,351	4,71,49,385

The management assessed that cash and bank balances, trade payables, 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 Trade Payables 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 finanical and non finanical market factors. The financial instruments affected by market risk include the investment in Mutual Funds and investment in Equity Shares of oompanies 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 from its operarting (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 diversifcation 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.
Investments of surplus funds are made only based on Investment Policy of the Company. Investments primarily include investment in units of mutual funds, Bonds issued by Government/ Semi Government Agencies/ PSU etc. These Mutual Funds and Counterparties have low credit risk.

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.
The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecasted and actual periodic cash requirement and matching the maturity profiles of financial assets and liabilities.
The Company generally has investments and liquids funds more than its forecaseted and current liabilities and has not faced shortage of funds at any point of time. The Liquidity risk on the Company is very less.

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

As at March 31, 2019	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Trade Payables	-			
Statutory Dues Payable	4,60,546			
Other Financial Liabilities	27,64,507			
Investments in Mutual Funds	5,31,08,351			
Investments in Government Securities	-			
Deposits with Banks	28,25,748			

As at March 31, 2018	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Trade Payables	-			
Statutory Dues Payable	2,26,924			
Other Financial Liabilities	14,34,054			
Investments in Mutual Funds	4,71,49,385			
Investments in Government Securities	-			
Deposits with Banks	26,60,586			

18.8: 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 . Saftey of Capital is of prime importance to ensure availaibility of capital for operations.Investment objective is to provide saftey 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 Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.
As at March 31,2019 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.

18.9: 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	As at March 31, 2019	As at March 31, 2018
Principal amount and interest due thereon remaining unpaid to any supplier 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	-	-

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.

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

Significant Accounting Policies and Notes 1 to 18 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: 26 April 2019

For and on behalf of the Board of Directors

S B Mainak
DIN No-02531129
Director

Rajesh Mokashi
DIN No-02781355
Director

Mehul Pandya
DIN 07610232
Director

Sanjeet Kumar
CEO