

Independent Auditor's Report**To the Members of CARE Risk Solutions Private Limited****Report on the Audit of the Financial Statements****Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 23.18 of the financial statements, which more fully explains that the corresponding figures presented as at and for the year ended 31 March 2021 have been restated and a third balance sheet as at 1 April 2020 has been presented by the management in accordance with "Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors" for correction of material prior period errors.

Our opinion is not modified in respect of this matter.



Other Information

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

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

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

Management's and Board of Directors' Responsibilities for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

Other Matter

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

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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



2. (A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 1 April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us¹:

- a) The Company does not have any pending litigations which would impact its financial position.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, as stated in note 23.17 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



(ii) The management has represented that, to the best of its knowledge and belief, as stated in note 23.17 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

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

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

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

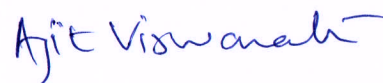
(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

For **BSR & Co. LLP**

Chartered Accountants

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



Ajit Viswanath

Partner

Mumbai
19 May 2022

Membership No: 067114
ICAI UDIN: 22067114AJHAOS6104

CARE Risk Solutions Private Limited

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

(Referred to in our report of even date)

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

(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The Company is a service company, primarily rendering specialised risk management solutions addressing the areas of credit risk and operational risk for financial institutions, banks and insurance companies. The Company, therefore, does not hold any physical inventories and accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- vii. (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales Tax, and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employee State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

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



- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
 - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
 - (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.
- x.
 - (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi.
 - (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
 - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.
 - a) In our opinion and based on the information and explanations provided to us, the Company is not required to have an internal audit system in accordance with section 138 of the Act. The Company, however, has established an internal audit system during the year.
 - b) We have considered the internal audit report of the Company issued till date for the period under audit.



- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- xvi. a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- xvii. The Company has incurred cash losses of Rs. 114,645 thousands in the current financial year and Rs. NIL in the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. We draw attention to Note 23.16 to the financial statements which explains that the Company has incurred losses in current year and has accumulated losses as at 31 March 22. However, CARE Ratings Limited, the Holding Company, has given a letter that it would continue to provide financial support to the Company in the foreseeable future to meet its obligations.

On the basis of the above and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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



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

For B S R & Co. LLP

Chartered Accountants

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

Ajit Viswanath

Ajit Viswanath

Partner

Mumbai
19 May 2022

Membership No: 067114
ICAI UDIN: 22067114AJHAOS6104

Annexure B to the Independent Auditors' report on the financial statements of CARE Risk Solutions Private Limited for the year ended 31 March 2022.

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

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

Opinion

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

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

Emphasis of Matter

We draw attention to note 23.18 of the financial statements, which more fully explains that the corresponding figures presented as at and for the year ended 31 March 2021 have been restated and a third balance sheet as at 1 April 2020 has been presented by the management in accordance with "Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors" for correction of material prior period errors.

Our opinion is not modified in respect of this matter.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with



Auditors' Responsibility (continued)

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to



Inherent Limitations of Internal Financial controls with Reference to Financial Statements (continued)

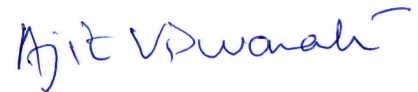
future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-

100022



Ajit Viswanath

Partner

Mumbai
19 May 2022

Membership No: 067114

ICAI UDIN: 22067114AJHAOS6104

(Amount in Rs.'000)

Particulars	Note No.	As at March 31 2022	As at March 31 2021 (Restated) (Refer Note 9,15,16)	As at April 1, 2020 (Restated) (Refer Note 9,15,16)
ASSETS				
Non Current Assets				
Property Plant and Equipment	2	5,868	1,560	2,016
Right-of-use Assets	2	44,807	1,275	13,507
Other Intangible Assets	2	230	298	953
Intangible assets under development	2	5,995	4,969	4,969
Financial Assets				
- Other financial assets	3	4,525	910	2,228
Deferred Tax Assets (Net)	4	23,420	11,443	9,812
Total non current assets		84,845	20,455	33,485
Current Assets				
Financial Assets				
- Trade Receivables	5	27,815	43,210	46,493
- Cash and Cash Equivalents	6	6,050	10,931	3,374
- Bank Balances other than Cash and Cash Equivalents	7	8,461	8,002	17,151
Current Tax Assets (Net)	8	30,697	15,504	8,931
Other Current Assets	9	87,664	1,29,423	90,696
Total current assets		1,60,687	2,07,070	1,66,645
Total Assets		2,45,532	2,27,525	2,00,130
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	10	1,57,977	80,135	80,135
Other Equity	11	(1,32,039)	(35,880)	(59,094)
Total Equity		25,938	44,255	21,041
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	12	93,240	1,14,686	1,10,520
- Lease liability	23.10	35,662	-	11,780
Provisions	13	12,173	10,232	6,425
Total non-current liabilities		1,41,075	1,24,918	1,28,726
Current Liabilities				
Financial Liabilities				
Trade Payables	14	44,728	21,760	7,744
Borrowings				
- Lease liability	23.10	7,073	1,275	2,881
Other Current Financial Liabilities	15	2,803	6,622	17,585
Other Current Liabilities	16	20,189	25,705	21,965
Provisions	17	3,726	2,990	187
Total current liabilities		78,519	58,352	50,362
Total Equity and Liabilities		2,45,532	2,27,525	2,00,130

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Regd.No. 101248W/W-100022

Ajit Viswanath

Partner

Membership No. 067114

Place: Mumbai

Date: May 09, 2022

For and on behalf of the Board of Directors

CARE Risk Solutions Private Limited

Sonal Desai

Chairman

DIN No.08095343

Mihir Surve
CEO

Ajay Mahajan

Director

DIN No.05108777

Manoj Dhondge
Company Secretary

ACS 55592

Chirag Darji
CFO



CARE Risk Solutions Private Limited

CIN No : U74210 MH1999PTC118349

Statement of Profit & Loss for the year ended March 31 2022

(Amount in Rs.'000)

Particulars	Note No.	For the year ended March 31 2022	For the year ended March 31, 2021
Income			
Revenue From Operations	18	1,34,510	1,61,196
Other Income	19	3,302	1,604
Total Income		1,37,812	1,62,800
Expenses			
Employee Benefits Expense	20	1,03,279	93,629
Finance Cost	21	8,128	9,633
Depreciation and Amortisation Expense	2	3,241	5,109
Other Expenses	22	1,41,050	33,845
Total Expenses		2,55,698	1,42,215
Profit/(Loss) before Tax		(1,17,886)	20,584
Tax Expense			
Current Tax	23.14	(3,376)	-
Deferred Tax	4	(17,516)	(2,055)
Total Tax Expense		(20,892)	(2,055)
Profit/(Loss) after tax		(96,994)	22,639
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or Loss			
- Actuarial gain on Defined Benefit Obligation		1,156	1,677
(ii) Income tax relating to items that will not be reclassified to profit or loss	4	(322)	(422)
Other Comprehensive income for the year		834	1,255
Total Comprehensive Income/(loss) for the year		(96,159)	23,893
Earnings Per equity Share (Face Value Rs.10/- each) (in Rs.)			
- Basic	23.6	(8.01)	2.83
- Diluted	23.6	(8.01)	2.83

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Regd.No. 101248W/W-100022

Ajit Viswanath

Partner

Membership No. 067114

19 MAY 2022

Place: Mumbai

Date: May 09, 2022

For and on behalf of the Board of Directors

CARE Risk Solutions Private Limited

Sonal Desai
Sonal Desai
Chairman
DIN No. 08095243

Kiran Surve
Kiran Surve
CEO

Ajay Mahajan
Ajay Mahajan
Director
DIN No. 05108777

Manoj Dhondge
Manoj Dhondge
Company Secretary
ACS 55592

Chirag Darji
Chirag Darji
CFO



Statement of Cash flows for the year ended March 31 2022

(Amount in Rs.'000)

Particulars	Note No.	For the Year ended March 31 2022	For the Year ended March 31, 2021 (Restated) (Refer Note 9,15,16)
(A) Cash flow from Operating Activities			
Profit/(Loss) before tax		(1,17,886)	20,584
Adjustments for			
Interest Income on Fixed Deposit		(532)	(862)
Unrealised Foreign Exchange (Gain) / Loss		(2,492)	1,666
Provision for Bad and Doubtful Debts		59,406	976
Bad Debts written off		1,749	-
Finance Cost		8,128	9,633
Depreciation and Amortization Expense		3,241	5,109
Operating Profit/(loss) before working capital changes		(48,386)	37,106
Movements in working capital			
Decrease/(Increase) in Trade Receivables		7,590	2,307
Decrease/(Increase) in Other Current Assets		(9,841)	(38,727)
Decrease/(Increase) in Other Financial assets		(4,920)	1,318
Increase/(Decrease) in Provisions for Non Current Liabilities		1,941	3,807
Increase/(Decrease) in Trade payables		23,258	14,016
Decrease/(Increase) in Other Current Financial Liabilities		(3,819)	(10,963)
Decrease/(Increase) in Other Current Liabilities		(5,516)	3,740
Increase/(Decrease) in Provisions for Current Liabilities		736	2,803
Total Movements in working capital		9,428	(21,699)
Taxes paid		(5,648)	(8,413)
Net cash from/(used in) operating activities		(44,606)	6,994
(B) Cash flow from Investing Activities			
Interest Received		532	862
Proceeds From sale of Property Plant Equipment		395	-
Investments made during the year		(459)	-
Proceeds from sale of investments		-	9,149
Purchase of property, plant and equipment		(5,733)	(590)
Net cash from/(used in) investing activities		(5,265)	9,421
(C) Cash flow from financing activities			
Lease payments made (including interest)		(3,278)	(3,342)
Repayment of borrowings		-	(2,000)
Borrowings from Holding Company		56,396	-
Interest on loan		(8,128)	(3,466)
Dividend and Dividend Tax paid		-	(50)
Net cash from/(used in) financing activities		44,990	(8,858)
Net increase/(decrease) in cash and cash equivalents		(4,881)	7,557
Cash And Cash Equivalents At The Beginning		10,931	3,374
Cash And Cash Equivalents At The End		6,050	10,931
Cash and cash equivalents comprise of:	6		
Cash on hand		1	1
Cheques in hand		-	-
Balances with Bank - on current accounts		6,021	8,020
Deposits with Banks with original maturity of less than 3 months		28	2,910
Total		6,050	10,931

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements
As per our Report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Regd.No. 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No. 067114

19 MAY 2022

Place: Mumbai
Date: May 09, 2022

For and on behalf of the Board of Directors of
CARE Risk Solutions Private Limited

Sonal Desai
Sonal Desai
Chairman
DIN No.08195343
Kiran Surve
Kiran Surve
CEO

Ajay Mahajan
Ajay Mahajan
Director
DIN No.05108777
Manoj Dhondge
Manoj Dhondge
Company Secretary
ACS 55592

Chirag Darji
Chirag Darji
CFO



Statement of Changes in Equity for the year ended March 31 2022

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

(Amount in Rs.'000)

Balance as at April 01, 2021	Changes in Equity Share Capital during the year	Balance as at March 31, 2022
80,135	77,842	1,57,977

For the year ended March 31, 2021

(Amount in Rs.'000)

Balance as at April 01, 2020	Changes in Equity Share Capital during the year	Balance as at March 31, 2021
80,135	-	80,135

B. Other Equity

For the year ended 31 March, 2022

(Amount in Rs.'000)

Particulars	Reserves & Surplus		Total Equity
	Equity Component of Compound financial Instrument	Retained Earnings	
Balance as at April 01, 2021	1,535	(37,414)	(35,879)
Transfer (to) / from Retained Earnings	(1,535)	-	(1,535)
Other Comprehensive Income/(loss) for the year			
Profit/(loss) for the year	-	(96,994)	(96,994)
Remeasurement gain/(loss) on defined benefit plan	-	834	834
Equity Component of Compound financial Instrument	-	1,535	1,535
Total Other Comprehensive Income/ (loss) for the year	-	(94,624)	(94,624)
Balance as at March 31, 2022	-	(1,32,039)	(1,32,039)

For the year ended March 31, 2021

(Amount in Rs.'000)

Particulars	Reserves & Surplus		Total Equity
	Equity Component of Compound financial Instrument	Retained Earnings	
Balance as at April 01, 2020	1,535	(60,629)	(59,094)
Transfer (to) / from Retained Earnings	-	(630)	(630)
Other Comprehensive Income/(loss) for the year			
Profit for the year	-	22,640	22,640
Remeasurement gain/(loss) on defined benefit plan	-	1,255	1,255
Preference dividend net	-	(50)	(50)
Total Other Comprehensive Income/(loss) for the year	-	23,844	23,894
Balance as at March 31, 2021	1,535	(37,414)	(35,879)

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Regd.No. 101248W/W-100022

Ajit Viswanath

Ajit Viswanath

Partner

Membership No. 067114

19 MAY 2022

Place: Mumbai

Date: May 09, 2022

For and on behalf of the Board of Directors

CARE Risk Solutions Private Limited

Sonal Desai

Sonal Desai

Chairman

DIN No.08095343

Kiran Surve

Kiran Surve

CEO

Ajay Mahajan

Ajay Mahajan

Director

DIN No.05108777

Manoj Dhondge

Manoj Dhondge

Company Secretary

ACS 55592

Chirag Dari

Chirag Dari

CFO



Notes to the financial statements for the year ended March 31, 2022

Company Overview and Significant Accounting Policies

1.1 **Company Overview:**

CARE Risk Solutions Private Limited ('the Company') was incorporated on December 15, 2005. The Company is involved in developing specialised risk management solutions addressing the areas of credit risk and operational risk for financial institutions, banks and insurance companies. 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 for the year ended 31 March 2022 were approved by the Board of directors on 9th May 2022.

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
- 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.

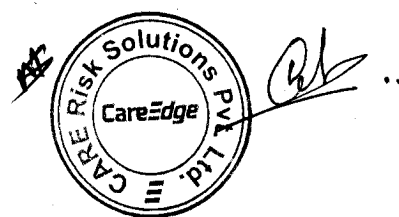
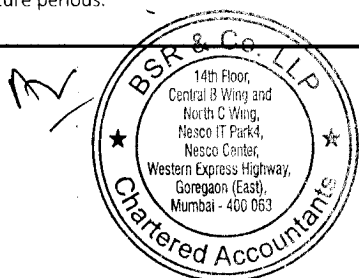
Similarly, a liability is classified as current if:

- 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.



Notes to the financial statements for the year ended March 31, 2022

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.

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 revenue is recognized using the percentage of completion method. The percentage of completion is estimated based on the proportion of the cost incurred to date and total estimated cost to complete the project.

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

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

iv) **Defined benefit plans**

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

v) **Expected Credit Losses on Financial Assets**

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

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 into operations, 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

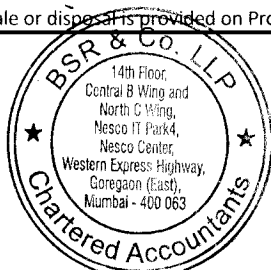
Advances paid towards acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under other non current assets and cost of the assets not put to use before such date are disclosed under Capital Work in Progress.

1.2.5 Depreciation

Depreciation / amortisation is provided on all Property, Plant & Equipments on written down value method, at rates at which 95% of the cost of the assets is written over the balance useful life of the assets as specified in Schedule II of the Companies Act, 2013 except for leasehold improvements which are written off over the lease period.

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.



Notes to the financial statements for the year ended March 31, 2022

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 amortized 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, non- financial 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'.

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Notes to the financial statements for the year ended March 31, 2022

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 from fixed-price contracts includes License fees, implementation and customisation fees.

License, Implementation and Customisation fees are recognised on proportionate work completion basis as per the terms of the contract. Proportion of work completion is determined as a proportion of costs incurred to date to the total estimated cost to complete the contract. Provision for expected loss is recognised immediately when it is probable that the total estimated costs will exceed total contract value.

Fee from other services are accounted for on accrual basis

Revenue from maintenance contracts is recognised over the term of maintenance.

Interest Income

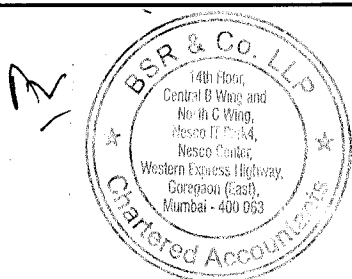
Interest income from debt instruments viz. investment in PSU Bonds is recognised using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial 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/Redemption 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.



Notes to the financial statements for the year ended March 31, 2022

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 Translation

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.

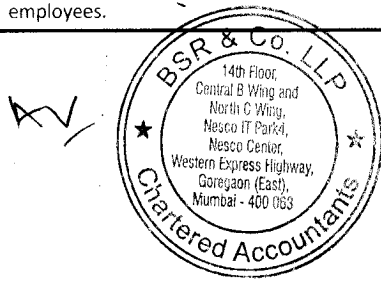
1.2.14 Employee benefit expense

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.



Notes to the financial statements for the year ended March 31, 2022

c) **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 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.

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.

d) **Share Based payments**

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in liability towards recharge arrangements with the Parent, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards.. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

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**

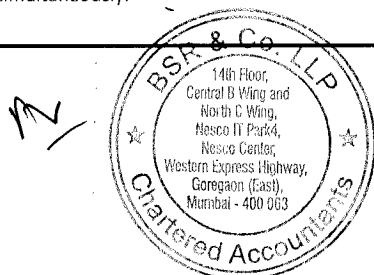
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

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.



Notes to the financial statements for the year ended March 31, 2022

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.

c) Minimum Alternate Tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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.

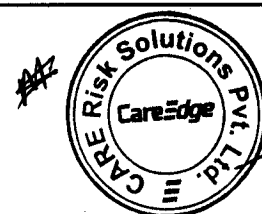
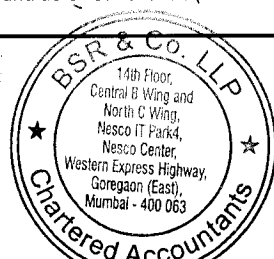
Based on the management approach as defined in Ind AS 108, the management evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

1.2.19 Unbilled revenue ("Contract Assets")

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as trade receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. In other cases this is classified as a non financial asset.

1.2.20 Unearned revenue ("Contract Liability")

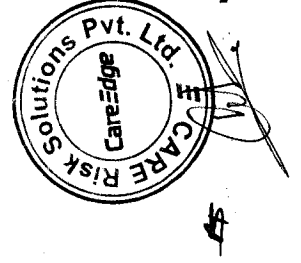
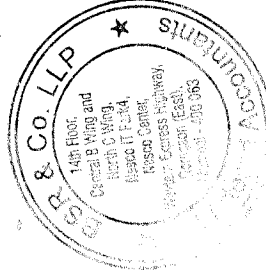
Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues



Note 2

Property Plant and Equipment, Right-of-use Assets and Intangible Assets as at March 31, 2022

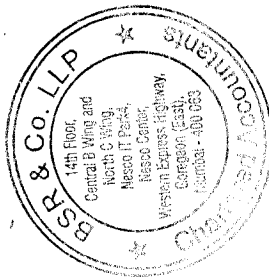
Description of Assets	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 01, 2021	Additions during the year	Sales/ disposal/ adjustments during the year	As at March 31, 2022	As at April 01, 2021	For the year	Sales/ disposal/ adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Tangible Assets										
Leasehold Improvements	541	359	541	359	541	12	541	12	347	-0.00
Computers	4,250	3,200	1,353	6,097	3,256	642	1,335	2,564	3,534	994
Furniture and fixtures	1,301	-	1,106	196	1,010	73	906	177	19	292
Office equipments	715	1,998	786	1,926	622	82	745	-42	1,968	94
Electrical Installations	808	-	808	-	627	45	672	-	-	180
Total Tangible assets	7,615	5,556	4,593	8,578	6,056	853	4,199	2,710	5,868	1,560
Right-of-use Assets										
Building Premises	2,881	45,675	2,881	45,675	1,607	2,142	2,881	868	44,807	1,275
Total Right-of-use Assets	2,881	45,675	2,881	45,675	1,607	2,142	2,881	868	44,807	1,275
Intangible Assets										
Computer Software	2,497	177	-	2,674	2,267	177	-	2,445	230	230
Software development	1,864	-	-	1,864	1,796	68	-	1,864	-	68
Total Intangible	4,361	177	-	4,538	4,063	245	-	4,308	230	298
Intangible asset under development	4,969	1,026	-	5,995	-	-	-	-	5,995	4,969
Total Intangible asset under development	4,969	1,026	-	5,995	-	-	-	-	5,995	4,969
Total	19,826	6,759	4,593	64,786	11,725	3,241	4,199	7,886	56,900	8,101
2.1 Refer Significant Accounting Policy No.1.2.5 on Depreciation on Tangible Assets and Note No. 1.2.6 on Amortisation of Intangible Assets										
Property Plant and Equipment and Intangible Assets as at March 31, 2021										
Description of Assets	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 01, 2020	Additions during the year	Sales/ disposal/ adjustments during the year	As at March 31, 2021	As at April 01, 2020	For the year	Sales/ disposal/ adjustments during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Tangible Assets										
Leasehold Improvements	541	-	-	541	483	57	-	541	-	57
Computers	3,661	590	-	4,250	2,467	790	-	3,256	994	1,194
Furniture and fixtures	1,301	-	-	1,301	908	101	-	1,010	292	393
Office equipments	715	-	-	715	587	35	-	622	94	128
Electrical Installations	808	-	-	808	564	63	-	627	180	243
Total Tangible	7,026	590	-	7,615	5,010	1,046	-	6,056	1,560	2,016
Right-of-use Assets										
Building Premises	17,109	2,804	(17,032)	2,881	3,602	3,408	(5,403)	1,607	1,275	13,507
Total Right-of-use Assets	17,109	2,804	(17,032)	2,881	3,602	3,408	(5,403)	1,607	1,275	13,507
Intangible Assets										
Computer Software	2,497	-	-	2,497	1,758	509	-	2,267	230	739
Software development	1,864	-	-	1,864	1,650	146	-	1,796	68	214
Total Intangible	4,361	-	-	4,361	3,408	655	-	4,063	298	953
Capital Work in Progress	4,969	-	-	4,969	-	-	-	-	4,969	4,969
Total Capital WIP	4,969	-	-	4,969	-	-	-	-	4,969	4,969
Total	33,464	590	-	19,826	12,019	5,109	(5,403)	11,725	8,101	21,445



Intangible Assets under Development Ageing Schedule

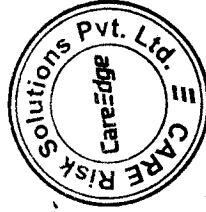
As at March 31, 2022	Intangible Assets under Development for a period of			Total
	Less than 1 year	2-3 years	More than 3 years	
Projects in progress	1,026	4,969	-	5,995
Projects temporarily suspended	-	-	-	-
Total	1,026	4,969	-	5,995

As at March 31, 2021	Intangible Assets under Development for a period of			Total
	Less than 1 year	2-3 years	More than 3 years	
Projects in progress	4,969	-	-	4,969
Projects temporarily suspended	-	-	-	-
Total	4,969	-	-	4,969

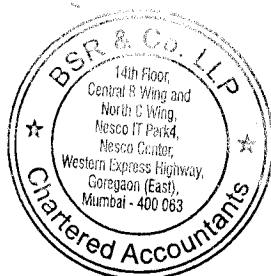


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CARE Risk Solutions Private Limited CIN No : U74210 MH1999PTC118349 Notes to the financial statements as at March 31 2022			(Amount in Rs.'000)
Note 3			
Other Financial assets			
Particulars	As at March 31 2022	As at March 31, 2021	
(Unsecured, Considered Good)			
Security Deposits	4,325	800	
Earnest Money Deposit	310	110	
(Less): Allowance for Credit loss for Earnest Money Deposit	(110)	-	
Total	4,525	910	
Note 4			
Deferred Tax Asset (Net)			
Particulars	As at March 31 2022	As at March 31, 2021	
Deferred Tax Assets			
<u>a. MAT Credit Entitlement</u>			
Opening balance	5,219	5,219	
Addition/(Deletion) during the year	(5,219)	-	
Closing balance		5,219	
<u>b. Expenses allowed in Income Tax on payment basis</u>			
Opening balance	5,780	6,959	
Addition/(Deletion) during the year	28,463	(1,179)	
Closing balance	34,243	5,780	
Total Deferred Tax Assets (a+b+c)	34,243	10,999	
Deferred Tax Liabilities / Assets			
<u>a. Depreciation/ Amortisation on Property, Plant and Equipments</u>			
Opening balance	446	(2,365)	
Addition/(Deletion) during the year	(11,270)	2,811	
Closing balance	(10,824)	446	
Deferred Tax Assets (Net)	23,420	11,443	
Note 6			
Cash and Cash Equivalents			
Particulars	As at March 31 2022	As at March 31, 2021	
Cash on hand	1	1	
Balances with Bank - on current accounts	6,021	8,020	
Deposits with Banks with original maturity of less than 3 months	28	2,910	
Total	6,050	10,931	
6.1 There are no restrictions on Cash and Cash equivalents as at the end of the reporting period and prior periods			
6.2 Deposit with Banks includes interest accrued amounting to Rs. Nil thousands (PY Rs. 55 thousands)			



Note 5
Trade Receivables

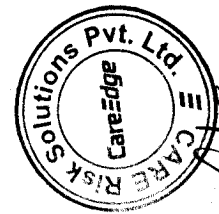
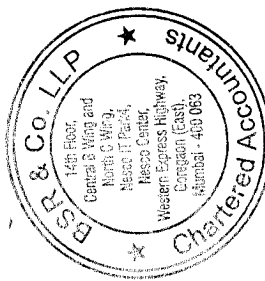
Particulars	As at March 31 2022	As at March 31, 2021
Trade receivables considered good secured	-	23,366
Trade receivables considered good unsecured (Refer Note 5.1)	16,926	30,102
Trade Receivables with significant increase in credit risk	28,952	-
Trade Receivables – Credit impaired	-	(10,258)
(Less): Allowance for bad and doubtful debts	(18,063)	-
Total	27,815	43,210

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

Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	
As at March 31, 2022					
(i) Undisputed Trade receivables – considered good	13,971	2,955	-	-	16,446
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	4,484	1,925	-	22,543	11,369
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Total	18,456	4,879	-	22,543	27,815

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	
As at March 31, 2021					
(i) Undisputed Trade receivables – considered good	21,211	2,154	-	-	22,808
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	28,746	1,356	20,402
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Total	21,211	2,154	28,746	1,356	43,210



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CARE Risk Solutions Private Limited CIN No : U74210 MH1999PTC118349 Notes to the financial statements as at March 31 2022			(Amount in Rs.'000)
Note 7 Bank Balances other than Cash and Cash Equivalents			
Particulars	As at March 31 2022	As at March 31, 2021	
Lienmarked Deposit with interest accrued	8,461	8,002	
Total	8,461	8,002	
7.1 Bank deposits given against bank guarantees issued by bank 7.2 This includes interest accrued amounting to Rs. 1,177 thousands (PY Rs. 718 thousands)			
Note 8 Current Tax Assets (Net)			
Particulars	As at March 31 2022	As at March 31, 2021	
Advance tax & TDS	30,697	15,504	
Total	30,697	15,504	
Note 9 Other Current Assets			
Particulars	As at March 31 2022	As at March 31 2021 (Restated)	
(Unsecured, Considered Good)			
Prepaid Expenses	3,267	1,997	
Balances with Government Authorities - GST	1,652	-	
Other Advances	1,429	2,715	
Unbilled Revenue	1,32,916	1,24,712	
(Less): Allowance for bad and doubtful debts - Unbilled	(51,600)	-	
Total	87,664	1,29,423	
Note 12 Borrowings			
Particulars	As at March 31 2022	As at March 31, 2021	
50,00,000 (Previous year : 50,00,000) 0.1% Optionally convertible cumulative redeemable preference shares - CARE Ratings Ltd (Holding Company)	-	74,686	
Unsecured Loans from CARE Ratings Ltd (Holding Company)	93,240	40,000	
Total	93,240	1,14,686	
12.1 Unsecured Loans from Holding Company is on long term basis, carrying interest rate ranging from 7.90% to 9.82% per annum. However, terms of repayment have not been stipulated.			

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CARE Risk Solutions Private Limited

CIN No : U74210 MH1999PTC118349

Notes to the financial statements as at March 31 2022

Note 10**Equity Share Capital**

(Amount in Rs.'000)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)
Authorised				
Equity Shares of Rs.10/- each	1,75,00,000	1,75,000	1,00,00,000	1,00,000
Optionally convertible cumulative redeemable preference shares	75,00,000	75,000	50,00,000	50,000
		2,50,000		1,50,000
Issued, subscribed and fully paid up				
Equity Shares of Rs.10/- each	1,57,97,730	1,57,977	80,13,500	80,135
Total		1,57,977		80,135

10.1: Reconciliation of shares outstanding

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount (Rs.)	Nos.	Amount
At the beginning of the year	80,13,500	80,135	80,13,500	80,135
Add : Conversion of OCCRPS into Equity Share	77,84,230	77,842	-	-
At the end of the year	1,57,97,730	1,57,977	80,13,500	80,135

10.2: 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 shareholder 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, after distribution of all preferential amounts, if any in proportion of their shareholding.

10.3: Details of shareholder holding more than 5% Shares

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	Nos.	% age	Nos.	% age
CARE Ratings Ltd (formerly known as Credit Analysis and Research Limited)	1,57,97,730	100.00%	80,13,500	100.00%

10.4 The Company has not issued any bonus shares, shares for consideration other than cash or has not bought back any shares during the period of 5 years, immediately preceding the reporting date.

Note 11**Other Equity**

Particulars		As at March 31 2022		As at March 31, 2021
Retained Earnings				
Opening Balance	(38,078)		(60,666)	
Net Profit/(Loss) for the year	(96,994)		22,639	
Equity Component of Compound Financial Instrument	1,535			
Less :				
Preference Dividend			(50)	
Transfer to OCI	-	(1,33,536)	-	(38,078)
Other Comprehensive Income				
Remeasurement of defined benefit plans (Net of tax)				
Opening balance	662		(593)	
Addition/(Deletion for the year)	834	1,496	1,255	662
Equity Component of Compound Financial Instrument				
Opening balance	1,535		1,535	
Less : Transfer to retained earnings	(1,535)	-	-	1,535
Total		(1,32,039)		(35,880)

Description of Other Equity:**11.1 Equity Component of Compound Financial Instrument**

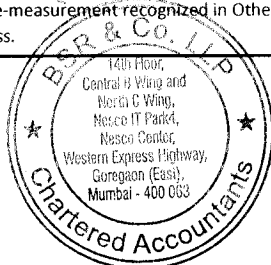
Under Ind AS 32, the Company has to split compound financial instruments into separate equity and liability components. This reserve represents the equity component of the Optionally Convertible Cumulative Redeemable Preference shares.

11.2 Retained Earnings

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

11.3 Other Comprehensive Income

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 recognized in Other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.



Note 13
Provisions

Particulars	As at March 31 2022	As at March 31, 2021
Provision for Employee Benefits		
Provision for Gratuity	3,942	6,307
Provision for Bonus	5,209	3,926
Provision for Compensated Absences	3,022	-
Total	12,173	10,232

Note 15
Other Current Financial Liabilities

Particulars	As at March 31 2022	As at March 31 2021 (Restated)
Accrued Expenses	1,647	6,265
Other Liabilities	1,156	358
Total	2,803	6,622

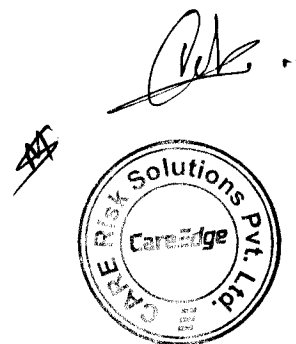
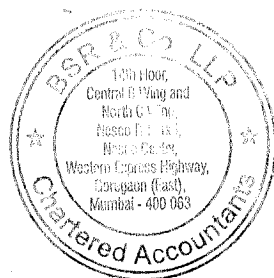
Note 16
Other Current Liabilities

Particulars	As at March 31 2022	As at March 31 2021 (Restated)
Statutory Liabilities	2,359	1,891
Unearned Revenue	17,829	23,079
Payable to Government Authorities - GST	-	736
Total	20,189	25,705

Note 17
Provisions

Particulars	As at March 31 2022	As at March 31, 2021
Provision for Employee Benefits		
Provision for Compensated Absences - Current	1,554	2,753
Provision for Gratuity - Current	2,172	237
Total	3,726	2,990

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Note 14

Trade Payables

(Amount in Rs.'000)

Particulars	As At March 31 2022	As At 31-Mar-2021
Creditors for Expenses (Refer Note 23.11 for dues to MSME Creditors)	44,728	21,760
Total	44,728	21,760

Trade Payables Ageing Schedule

(Amount in Rs.'000)

Particulars	Accrued Expenses	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3	Total
As at March 31, 2022						
(i) MSME	-	-	-	-	-	-
(ii) Others	34,837	9,668	-	223	-	44,728
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Trade Payables Ageing Schedule

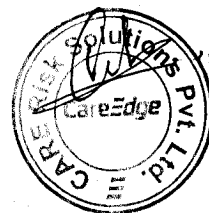
(Amount in Rs.'000)

Particulars	Accrued Expenses	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3	Total
As at March 31, 2021						
(i) MSME	-	-	-	-	-	-
(ii) Others	10,164	9,781	1,814	-	-	21,760
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

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CARE Risk Solutions Private Limited
CIN No : U74210 MH1999PTC118349

Notes to the financial statements for the year ended March 31 2022

(Amount in Rs.'000)

Note 18

Revenue From Operations

Particulars	For the year ended March 31 2022	For the year ended March 31, 2021
Sale of Services		
Sale of Licenses and services	1,09,319	1,36,621
Fee for Consultancy Services	25,191	24,574
Total	1,34,510	1,61,196

Note 19

Other Income

Particulars	For the year ended March 31 2022	For the year ended March 31, 2021
Interest income on deposit with banks	532	862
Gain on Fair Value of Security Deposits through Profit and Loss	122	66
Foreign Exchange Gain	2,370	-
Miscellaneous Income	278	677
Total	3,302	1,604

Note 20

Employee Benefits Expense

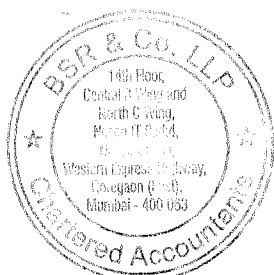
Particulars	For the year ended March 31 2022	For the year ended March 31, 2021
Salaries, incentives, gratuity, compensated absences and allowances etc.	97,126	88,892
Contribution to Provident & Other funds	5,068	4,372
Share based payment to employee	848	308
Staff Welfare Expenses	237	57
Total	1,03,279	93,629

Note 21

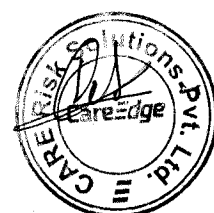
Finance Cost

Particulars	For the year ended March 31 2022	For the year ended March 31, 2021
Interest on Preference Shares	3,156	6,167
Interest on Unsecured Loan	4,664	3,466
Interest expense on Lease Liability	308	-
Total	8,128	9,633

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CARE Risk Solutions Private Limited

CIN No : U74210 MH1999PTC118349

Notes to the financial statements for the year ended March 31 2022

(Amount in Rs.'000)

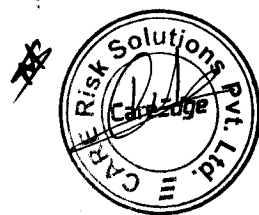
Note 22

Other Expenses

Particulars	For the year ended March 31 2022	For the year ended March 31, 2021
Electricity Charges	530	377
Postage and telephone charges	230	544
Rent	2,331	-
Travelling & Conveyance Expenses	766	736
Directors' Sitting Fees	50	36
Insurance	925	2,092
Legal Expenses	45	4
Professional Fees	44,540	10,470
Rates & Taxes	1,032	1
Repairs & Maintenance	3,420	3,793
Commission	14,698	5,876
Foreign Exchange Loss	-	1,732
Technology Expenses	3,550	2,740
Recruitment Expenses	2,626	-
Advertisement Expenses	31	-
Security, Housekeeping & Office Supplies	684	543
Membership & Subscription	2,156	1,660
Provision for Bad and Doubtful Debts	59,406	976
Bad Debts written off	1,749	-
Auditors Remuneration;		
- Audit Fees	350	300
- Tax Audit Fees	100	50
- Limited review fees	200	150
- Reimbursement of expenses	10	-
Miscellaneous Expenses	1,621	1,763
Total	1,41,050	33,845

* Provision for bad and doubtful debts includes provision Rs. 5.16 cr towards unbilled revenue.

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Note 23: Other Notes

Note 23.1: Contingent Liabilities (Ind AS 37)

- a. There are no claims against the Company not acknowledged as debts (to the extent provided for)
- b. Guarantees given by Bank of behalf of the Company in respect of Rs. 72,84,012/- (March 31, 2021 - Rs. 72,84,012/-)

Note 23.2: 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 23.3: Employee Benefits (Ind AS 19)

a). Defined Benefit Plans:

Gratuity:

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company for payment of gratuity. The Company follows pay as you go method for settling the liability

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.

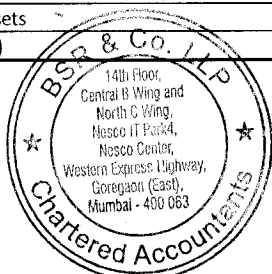
Market Risk

Market Risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. Any increase in discount rates leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

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

(Amount in Rs.'000)			
Particulars		Gratuity (Non Funded)	
Defined Benefit Obligation		6,120	
Fair Value of Assets		-	
(Amount in Rs.'000)			
Particulars		Gratuity (Non Funded)	
		As at March 31, 2022	As at March 31, 2021
(i) Change in Present value of Obligations:			
Opening Defined Benefit Obligation		6,544	6,566
Current Service Cost		1,807	1,351
Interest Cost		447	462
Actuarial (Gain)/Loss		(1,156)	(1,677)
Benefits Paid		(1,521)	(159)
Closing Defined Benefit Obligations		6,120	6,544
(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		1,521	158
Benefits Paid		(1,521)	(158)
Closing Fair Value of the Plan Assets		-	-
(iii) Net Asset / (Liability) recognized in the Balance Sheet			
Present value of the defined benefit obligation at the end of the period		6,120	6,544
Fair Value of Plan Assets		-	-
Net Asset / (Liability)		6,120	6,544

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(iv) Expenses recognized in the Statement of Profit & Loss			
Current Service Cost		1,807	1,351
Interest on Defined Benefit Obligations		447	462
Expected Return on Plan Assets		-	-
Amount recognized in Statement of Profit and Loss		2,254	1,814
(v) Re-measurements recognized in Other Comprehensive Income (OCI):			
Changes in Financial Assumptions		563	(233)
Changes in Demographic Assumptions		(518)	-
Experience Adjustments		(1,201)	(1,444)
Expected Return on Plan Assets		-	-
Amount recognized in Other Comprehensive Income (OCI)		(1,156)	(1,677)
(vi) Maturity Profile of Defined Benefit Obligation:			
Within the next 12 months		2,172	237
Between 1 and 5 years		3,589	839
Between 5 and 10 years		1,116	1,369
10 Years and above		169	4,099
(vii) Sensitivity analysis for significant assumptions:*			
Increase/(Decrease) on present value of defined benefits obligation at the end of the year			
1% increase in discount rate		5,979	5,849
1% decrease in discount rate		6,269	7,369
1% increase in salary escalation rate		6,284	7,245
1% decrease in salary escalation rate		5,961	5,933
1% increase in employee turnover rate		6,084	6,506
1% decrease in employee turnover rate		6,157	6,582
(viii) The major categories of plan assets as a percentage of total plan:			
(ix) Actuarial Assumptions:			
Discount Rate (p.a.)		5.54%	7.13%
Expected Return on Plan Assets (p.a.)		-	-
Turnover Rate		5%	5%
Mortality tables		Indian Assured Lives Mortality(2012-14)	Indian Assured Lives Mortality(2012-14)
Salary Escalation Rate (p.a.)		10.00% first year; 9.00% thereafter	7%
Retirement age		60	60
Withdrawal Rate		35%	5%
(x) Weighted Average duration of Defined benefit obligation		2.83	15.52

* 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:

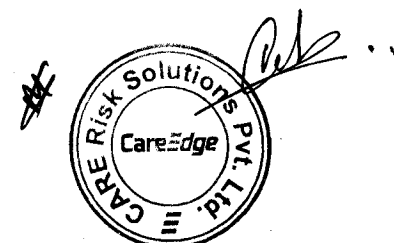
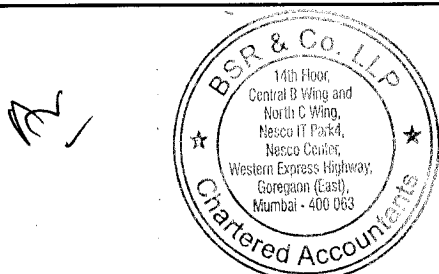
The rate at which salary is assumed to increase on a yearly basis in the future is known as the salary escalation rate. Estimates of future salary increases take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(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.

b). Compensated Absences:

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



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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 20 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is ₹ 50,67,995/- (Previous Year ₹ 43,71,919/-)

d) Share based payments:

During the year, the Holding Company has granted 21,000 options under the ESOP Scheme 2021 at an exercise price of Rs. 682 with vesting over three years in equal tranches.

Note 23.4: Segment Reporting :

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

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

(A) List of Related Parties where control exists:

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

(B) Other Related Parties with whom there were transactions during the year:

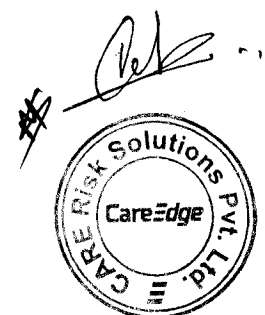
Name of Related Parties	Nature of Relationship
Key Management Personnel:	
Sonal Desai	Chairman w.e.f. 25.10.2021
Ajay Mahajan	Chairman upto 25.10.2021
Mehul Pandya	Director
Umesh Ikhe	Chief Executive Officer upto 31.08.2021
Subramanian Raman	Interim CEO upto 25.10.2021
Kiran Surve	CEO w.e.f. 25.10.2021

(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	As at March 31, 2022	As at March 31, 2021
CARE Ratings Limited (formerly known as Credit Analysis and Research Limited)	Holding Company	Income from Services	29,728	36,596
		Interest on Borrowings	7,820	3,466
		Other Expenses	401	-
Subramanian Raman	Interim CEO upto 25.10.2021	Managerial Remuneration	4,186	-
		Reimbursement of Expenses	1	-
Kiran Surve	CEO w.e.f. 25.10.2021	Managerial Remuneration	2,771	-
		Reimbursement of Expenses	113	-
Umesh Ikhe	Chief Executive Officer upto 31.08.2021	Managerial Remuneration	2,207	6,188
		ESOP expenses	-	308
		Reimbursement of Expenses	1	39

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(D) Outstanding balances:

(Amount in Rs.'000)

Name of the Related Party	Relationship	Nature of Transactions	As at March 31, 2022	As at March 31, 2021
CARE Ratings Limited	Holding Company	Amount Payable	952	1,358
		Preference Shares	-	74,686
		Borrowings	93,240	40,000

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

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

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

(Amount in Rs.'000)

Nature of Transaction/Relationship	As at March 31, 2022	As at March 31, 2021
Short Term Employee Benefits	9,943	6,188
Other Long Terms Benefits	-	-
Directors Sitting fees	50	42
Total Compensation	9,993	6,230

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

Note 23.6: Earnings per Share (EPS) (Ind AS 33):

(Amount in Rs.'000)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit/(loss) after tax (A)	(96,994)	22,639
Weighted average number of shares for computation of Basic Earnings Per Share (B)	1,21,08,218	80,13,500
Basic Earnings Per Share (A/B)	(8.01)	2.83
Weighted average number of shares for computation of Diluted Earnings Per Share (C)	1,21,08,218	80,13,500
Diluted Earnings Per Share (A/C)	(8.01)	2.83

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

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

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at Amortized cost:		
Loans	4,525	910
Trade Receivables	27,815	43,210
Cash and Cash Equivalents	6,050	10,931
Bank Balances other than cash Equivalents	8,461	8,002
Total	46,851	63,053
Financial liabilities at Amortized cost:		
Borrowings	93,240	1,14,686
Lease liability	42,735	1,275
Other Financial Liabilities	2,803	6,622
Total	1,38,778	1,22,583

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CARE Risk Solutions Private Limited

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Notes to the financial statements for the year ended March 31, 2022

b): Financial Risk Management Objectives and Policies (Ind AS 107):

The Company's principal financial liabilities comprise borrowings and Trade payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include Investments, Loans and Other receivables, Cash and Cash Equivalents, 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.

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.

The following table shows foreign currency exposures in USD , LKR on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material. The Company does not hedge its foreign currency exposure. The exchange rate used to translate the below foreign currencies are as follows: 1 USD = 75.5199 INR; 1 LKR = 0.2549 INR; 1BHD = 199.071 INR

Description	Currency	As at		As at	
		March 31, 2022		March 31, 2021	
		Amount in FC	Amount Rs.	Amount in FC	Amount Rs.
Sundry Debtors	USD	348	26,296	462	33,986
Sundry Debtors	LKR	10,421	2,656	8,958	3,264
Sundry Debtors	BHD	-	-	29	5,524
Unbilled Revenue	USD	1,063	80,302	1,085	79,772
Unbilled Revenue	BHD	53	10,590	68	13,298
Cash in hand	USD	-	-	-	-
Bank Balance in current account	USD	9	643	-	-

Foreign Currency Sensitivity on unhedged exposure:

1% increase in foreign exchange rate will have the following impact on profit before tax:

Particulars	(Amount in Rs.'000)	
	As at March 31, 2022	As at March 31, 2021
USD	1,072	1,138
LKR	27	33
BHD	106	188

Note: If the rate is decreased by 1% profit will increase by an equal amount

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.

Total Trade receivable as on March 31, 2022 is ₹ 2,78,15,015/- (March 31, 2021 ₹ 4,32,10,109 /-)

The Company has higher concentration of credit risks to a single customer. Refer the below table.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk

As Per the provision matrix receivables are classified into different bucket based on the overdue period, buckets range from 12 months - 18 months, 18 months - 24 months and more than 24 months. The norms of provisioning on the same range are from 25% - 100%. The management, on a case to case basis may decide to provide or write of at a higher rate with reasons whenever felt necessary.

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Notes to the financial statements for the year ended March 31, 2022

The position as at 31 March 2022 is as follows:

(Amount in Rs.'000)			
Particulars	Total	Bank of Ceylon	Concentration
Gross debtors	45,878	14,118	31%
Unbilled Revenue	1,32,916	48,701	37%
Less: Provisions	69,663	15,612	
Net Debtors	1,09,131	47,207	43%

The position as at 31 March 2021 is as follows:

(Amount in Rs.'000)			
Particulars	Total	Bank of Ceylon	Concentration
Gross debtors	53,468	20,361	38%
Unbilled Revenue	1,24,712	47,561	38%
Less: Provisions	(10,258)	(5,090)	
Net Debtors	1,88,437	73,012	39%

Provision movement during the year:

(Amount in Rs.'000)		
Particulars	As at March 31, 2022	As at March 31, 2021
Opening Provision	10,258	9,282
Add: Provided during the Year	62,712	1,197
Less: Utilised during the Year	(3,307)	(221)
Closing Provision	69,663	10,258

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 forecasted 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 liabilities based on contractual undiscounted payments.

(Amount in Rs.'000)				
As at March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	-	93,240	-	93,240
Other Current Financial Liabilities	2,803	-	-	2,803
Lease Liability	7,073	35,662	-	42,735
Total	9,876	1,28,902	-	1,38,778

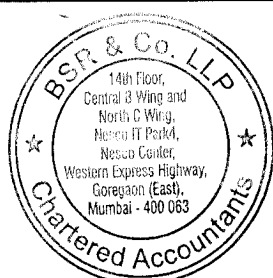
(Amount in Rs.'000)				
As at March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	-	1,14,686	-	1,14,686
Other Current Financial Liabilities	6,622	-	-	6,622
Lease Liability	1,275	-	-	1,275
Total	7,897	1,14,686	-	1,22,583

Note 23.8: Distribution made and proposed (Ind AS 1):

The Company has not declared preference dividend in current year (Previous year: Rs. 50,000/-).

Note 23.9: Capital Management (Ind AS 1):

The Company has a share capital worth Rs. 15,79,77,300/- along with total borrowings of Rs. 9,32,40,000/- which comprises of Unsecured loan from Care Ratings Limited worth Rs. 9,32,40,000/- as at 31 March 2022. The Company is not exposed to any regulatory imposed capital requirements.



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Notes to the financial statements for the year ended March 31, 2022

Note 23.10: Lease:

The Company has taken office premises on lease in its normal course of business which contain extension option after the initial contract period. The amounts recognized on account of leases are as under:

i. Amount recognized in Statement of Profit and Loss.

(Amount in Rs.'000)

Particulars	For the year ended March 31, 2022
Interest expense on lease liability	308
Amortization of Right-of-use assets	2,142

ii. Amount recognized in Balance Sheet.

a) Lease Liabilities

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	7,073	1,275
One to three years	26,079	-
Three years to Five Years	9,583	-
More than five Years	-	-
Total lease liabilities as at 31 March	42,735	1,275

Lease liabilities	As at March 31, 2022	As at March 31, 2021
Non-current	35,662	-
Current	7,073	1,275
Total	42,735	1,275

b) Amount recognised in statement of Profit & loss

Short-term leases	As at March 31, 2022	As at March 31, 2021
Expenses related to short-term leases	2,142	3,408
Total	2,142	3,408

c) Cash outflow for leases

	As at March 31, 2022	As at March 31, 2021
Cash outflow for leases	3,879	3,738
Total	3,879	3,738

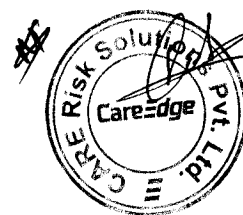
Note 23.11: Micro, Small and Medium Enterprises

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, 2022	As at March 31, 2021
Principal amount and interest due thereon remaining unpaid to any suppliers covered under MSMED Act as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED 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.

Note 23.12 The Company is in the process of completing projects which were entered over the past few years with customers based in Sri Lanka. In context of the current economic scenario prevailing in Sri Lanka, the Company has evaluated the recoverability of the trade receivables outstanding as of 31 March 2022 aggregating INR 2,70,63,360/- and unbilled revenue outstanding as of 31 March 2022 aggregating INR 6,58,38,264/- and has recognised provision of INR 1,59,96,932/- and INR 4,00,94,459/- respectively. The Company, however, is working towards completing the existing projects and taking necessary steps for recovery of the outstanding amounts.



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Notes to the financial statements for the year ended March 31, 2022

Note 23.13: Compounded Financial Instruments (Ind AS 32)

The company has issued 50,00,000 0.1% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rs 10/- each at par to its Holding Company on March 25, 2017. The tenure of OCCRPS is five (5) years with an option to the Holding Company to convert any time after three(3) years at face value. The OCCRPS shall be non- participating and hence do not have any right to participate in surplus profits. The OCCRPS do not have right to participate in surplus assets and profits on winding up, which may remain after the entire capital has been repaid. Redemption put option is available to the Holding Company after 3 or 5 years. If redeemed after 3 years, redemption premium could be benchmarked to 3 year G-sec prevailing at that time plus mark-up of 3%. If after 5 years, redemption premium could be benchmarked to 5 year G-sec yield prevailing at that time plus mark-up of 3%.

The redemption premium which would be payable after 3 years or 5 years at the prevailing G-Sec rate plus mark-up of 3% is considered to be per annum basis & charged every year as per the management.

The above instrument has been treated as Compound Financial Instruments under Ind AS 32 and the same has been split into Equity and Liability Component. Equity Component is shown under note 13 'Other Equity' and Liability Component is shown under Note 14 'Borrowings'.

The above instrument has been converted into 77,84,230 number of equity share at Rs.10 each fully paid up equity share during current financial year as on 20th September 2021.

Note 23.14: Income Taxes

(A) Income tax recognised in statment of Profit & Loss:

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Tax*	(3,376)	-
Deferred Tax	(17,516)	(2,055)
Total	(20,892)	(2,055)

* Current tax relates adjustment of tax relating to earlier year

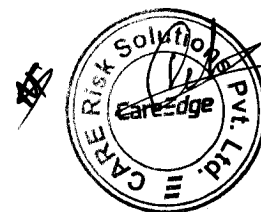
(B) Income tax recognized in Other Comprehensive Income:

(Amount in Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Income/ (Expense) on Actuarial gain/loss and changes in fair value of Investments recognized in Other Comprehensive Income	(322)	(422)
Total	(322)	(422)

(C) Reconciliation of effective tax expenses

Particulars	As at March 31, 2022	As at March 31, 2021
Profit/(Loss) before Tax	(1,17,886)	20,584
Applicable Tax rate	27.82%	27.82%
Tax effect of Non deductible expense	-	-7.72%
Tax effect of Deferred tax on losses not recognized	-12.96%	-
Tax effect of adjustment for earlier years	2.86%	-
Effective Tax rate	17.72%	20.10%



Note 23.15 : Ratio Analysis

Sr No	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Reasons for Variance
1	Current Ratio	Current Assets	Current Liabilities	2.05	3.55	-42%	The reduction of ratio is highly due to provision on Unbilled revenue taken during year.
2	Return on Equity Ratio	Net Profit after tax	Shareholder's Equity	-374%	51%	-831%	This is due to rise in Net loss from operations in current year and effect of Provision on unbilled revenue.
3	Trade Receivable Turnover Ratio	Average TR of FY 22 & 21	Total Revenue from Operations	26%	28%	-5%	This has reduced as we have managed our debtors well during previous year.
4	Trade payables Turnover Ratio	Average TP of FY 22 & 21	Total Other Expenses	24%	44%	-46%	Trade payables Turnover Ratio has decreased due to significant reduction in trade payables this year.
5	Net Profit Ratio	Net Profit after tax	Total Revenue from Operations	-72%	14%	-613%	Net profit was impacted due to Provision on unbilled revenue and professional fees on account of completion of project implementation.
6	Debt - Equity Ratio	Total Debt	Shareholder Equity	3.59	2.59	39%	The increase in debt to equity ratio is mainly due to rise in Net loss from operations in current year
7	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	(2.31)	3.98	-158%	The reduction is due to rise in Net loss from operations in current year. However there is no loans has been taken from external party, Loan amount consist of credit taken from holding company only.
8	Return on Capital employed	Net Profit after tax	Capital Employed	-374%	51%	-831%	This is due to rise in Net loss from operations in current year.

Note 23.16 Going Concern

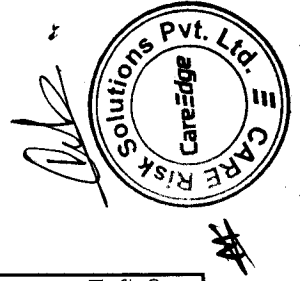
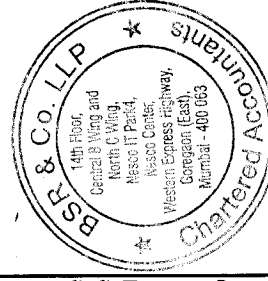
The Company has incurred net loss after tax aggregating INR 96,994/- thousands and has also incurred cash losses aggregating INR 55,239/- for the financial year ended 31 March 2022. Further, the Company has accumulated losses amounting to INR 1,32,039/- thousands as of 31 March 2022. Based on the financial support extended by CARE Ratings Limited (Shareholder of the Company), the Management believes that the Company will continue to operate as a going concern for the foreseeable future, realise its assets and meet all its liabilities as they fall due for payment, in the normal course of business. In case of any fund requirement to meet expenditures of the Company, CARE Ratings Limited shall fund/arrange funds in the form of Equity/Loan.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

Note no 23.17 : There are no funds advanced or loaned or invested by the Company or received by the Company to / from any other persons or entities, including foreign entities (Intermediaries / Funding Parties).

Note 23.18: Reclassification of comparative year figures and additional disclosures pursuant to amendment to requirements of Schedule III to the Act

During the current financial year, management has identified the need for reclassification of certain material items primarily pertaining to the earlier years and accordingly has rectified and restated the presentation of Unbilled revenue (Contract Assets) and Unearned Revenue (Contract Liabilities) in relation to the corresponding financial information as of 31 March 2021, in accordance with the requirements of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Further, the Company has presented a third balance sheet to reflect the rectified presentation in relation to these items as of 1 April 2020. The details of the rectification and restatement are set out in the table below:



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(Amount in Rs. '000)			
Particulars	Nature	March 31, 2021	April 01, 2020
Unbilled revenue	Reclassification from Other current financial assets to Other current assets, as the right to receive these amounts is not unconditional	1,24,712	83,780
Unearned revenue	Reclassification from Other current financial liabilities to Other current liabilities, as these are advances received from customers for services to be provided	23,079	20,109

Other reclassifications/regroupings

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

Nature of Expenses	Amount of Reclassification	Reason for reclassification
Reclassification of accrued interest from Other current financial assets to Cash and cash equivalents and Bank Balance Other than Cash and cash equivalents	7,72,769	Company has elected to present accrued interest as part of the related balances of deposits with banks during the current financial year.
Reclassification of IT related expenses from various captions of other expenses	3,550	During the current financial year, the Company has elected to present IT related expenses as a separate caption 'Technology Expenses' based on its significance.

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

Notes 1 to 23 form an integral part of the financial statements

For B S R & Co. LLP
Chartered Accountants
Firm Regd.No. 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No. 067114

19 MAY 2022

Place: Mumbai
Date: May 09, 2022

For and on behalf of the Board of Directors of
CARE Risk Solutions Private Limited

Sonal Desai
Sonal Desai
Chairman
DIN No. 08995343

Ajay Mahajan
Ajay Mahajan
Director
DIN No. 05108777

Kiran Surve
Kiran Surve
CEO

Manoj Dhondge
Manoj Dhondge
Company Secretary

Chirag Datt
Chirag Datt
CFO

