

**CARE KALYPTO RISK TECHNOLOGIES AND ADVISORY SERVICES
PRIVATE LIMITED**

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Directors Report on the business and operations of your Company along with the Audited Financial Statements for the year ended on 31st March, 2016.

FINANCIAL RESULTS

Particulars	31st Mar 2016 (In Rs.)	31st Mar 2015 (In Rs.)
Revenue	146,857,379	33,416,512
Add: Other Income	850,099	1,319,572
Profit before Depreciation & Tax	28,637,391	(23,735,090)
Less: Depreciation	2,811,729	1,368,250
Profit/Loss before tax	25,825,662	(25,103,340)
Less: Tax Expense (including MAT)	5,218,700	-
Less: MAT Tax Credit	(5,218,700)	-
Add: Deferred Tax Credit	3,424,476	-
Profit/ Loss after tax	29,250,138	(25,103,340)
Balance Surplus / (Deficit) carried to Balance sheet	29,250,138	(25,103,340)

DIVIDEND

The Board has not recommended any dividend for the year ended 31st March, 2016.

SHARE CAPITAL

The Authorised Share Capital of your Company comprises of 1,00,00,000 (One Crore) Equity Shares of Rs.10/- (Rupees Ten Only) each amounting to Rs.10,00,00,000/- (Rupees Ten Crores only) and 50,00,000 (Fifty Lakhs) Preference shares of Rs 10/- (Rupees Ten only) each amounting to Rs 5,00,00,000 (Rupees Five Crores only) and the Paid-up Share Capital is 80,13,500 (Eighty Lakhs Thirteen Thousand Five Hundred Only) Equity Shares amounting to

Rs.8,01,35,000/- (Eight Crores One Lakh Thirty Five Thousand Only). There was no change in share capital of the Company during the year under review.

OPERATIONS REVIEW AND OUTLOOK

Revenue & EBIDTA

During FY 16 the Company booked revenues of Rs. 14.7 Cr as against expenditures to the tune of Rs. 12.2 Cr, resulting in EBIDTA Profit of Rs. 2.86 Cr.

ACHIEVEMENTS:

1. New Orders

During FY 16, the Company was able to procure highest ever orders in its history. Through the competitive bidding process, it acquired order from the largest commercial bank in Sri Lanka viz. Bank of Ceylon (BOC) for Enterprise Risk Management Solutions. The company was also able to penetrate domestic market in a big way through orders from FIS for implementation of Risk Management Solutions and ALM/FTP at the newly formed Bandhan Bank. With the inclusion of BOC in its client list, CARE Kalypso has become the leader in Sri Lankan market in Risk Management space.

2. Implementation

From the implementation perspective, FY16 was the most challenging year for the company. Two largest implementations viz. BOC and Bandhan were being carried out in parallel along with other implementations of LOS and IFRS at Seylan Bank (Sri Lanka) and Operational Risk at CRDB Bank (Tanzania). All the implementations achieved substantial completion during the year resulting in highest ever revenue for the company. The company was able to rev up its implementation capabilities with strengthening of its team. Along with implementations, the company completed delivery of number of Change Requests (CRs) and continued to provide support under AMC to its existing clients.

3. New Product Development

Having developed IFRS 7 compliant solutions, the Company embarked on upgrading the system to make it IFRS 9 compliant.

With the objective of diversifying its product range, the company also initiated the process of development of Early Warning Signals (EWS) system for banks. Being a regulatory requirement in India, EWS is expected to generate substantial demand in future.

HUMAN RESOURCES

All the Company's core technical and functional personnel continue to be in the employment of the Company.

PROSPECTS

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

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

Your company has not accepted any deposits within the purview of Chapter V of the Companies Act, 2013 during the year under review.

PARTICULARS OF EMPLOYEES

During the year under review, no employee of the Company was in receipt of remuneration in excess of the limits specified under the Companies Act, 2013.

DIRECTORS

Mr. Rajesh Mokashi., Director (DIN:02781355) retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment.

MEETINGS OF THE BOARD

The details of the Board meetings held during the year 2015-16 are as under:

SR No.	Date of the Meeting	Place of the Meeting
1.	07.05.2015	Mumbai
2.	13.07.2016	Mumbai
3.	29.10.2015	Mumbai
4.	27.01.2016	Mumbai

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts for financial year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2016 and of the loss of the Company for the year ended on that date.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 2013 Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the accounts for the financial year ended 31st March 2016 on a "going concern" basis.
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

Conservation of Energy & Technology Absorption

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

Foreign Exchange Earnings and Outgo

During the year under review the Company has earned a foreign exchange of Rs. 11,08,02,404 /- and has spent a foreign exchange of Rs. 3,37,34,664/-.

AUDITORS AND AUDITORS REPORT

M/s. Khimji Kunverji & Co., (Firm Registration No. 105146W) Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a letter from M/s. Khimji Kunverji & Co., to the effect that their re-appointment if made would be pursuant to provisions of Section 139(1) of the Companies Act, 2013 and that they are not disqualified within the meaning of Section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014.

The Notes on Financial Statements referred to in the Auditors' Report are self explanatory and do not call for any further comments. There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors, in their report.

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2016 forms part of this report as **Annexure 1**.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

LOANS, GUARANTEE OR INVESTMENTS

During the period under review, the Company has neither granted any loan to body corporate nor has provided any guarantee or security in connection with a loan to any person or body corporate.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance the provisions of the Section 152(6)(e) of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Rajesh Mokashi (DIN: 02781355), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment

Ms. Sonia Thakur was appointed as Company Secretary on 27th January 2016.

PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into during the financial year 2015-16 with Related Parties as defined under the Companies Act were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transaction referred to in Section 188 of the Companies Act 2013. Accordingly the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act in Form AOC-2 is not applicable.

RISK MANAGEMENT

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing/mitigating the same. The Company has devised a check process for identifying, minimizing and mitigating risk which is periodically reviewed so as to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

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

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

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

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between end of the financial year of the Company as on 31st March, 2016 to which the financial statements relate and the date of this report.

CHANGE IN THE NATURE OF BUSINESS

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

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

Your Company has in place the Sexual Harassment Policy for Prevention of Sexual Harassment in line with the 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act & Rules, 2013. To create a robust framework for this policy dissemination, awareness creation and periodic reiteration among all executives.

During the year Company has not received any complaints.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the sincere and unstinted support provided to the Company by State Governments, Government agencies, Banks & Financial Institutions, customers, shareholders, vendors and other related organizations and Credit Analysis and Research Ltd., and the employees at all levels.

**By the order and On behalf of
the Board of Directors**

Place: Mumbai
Dated: August 04, 2016

D. R. Dogra
Chairman
DIN: 00226775

ANNEXURE-1

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2016
[Pursuant to section 92(3) and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	U74210MH1999PTC118349
ii.	Registration Date	15.02.1999
iii.	Name of the Company	CARE KALYPTO RISK TECHNOLOGIES AND ADVISORY SERVICES PRIVATE LIMITED
iv.	Category / Sub-Category of the Company	Indian Non-Government Company
v.	Address of the Registered office and contact details	Office No. 101,102,201 & 202, Blacksmith Tower, Plot No. 14, Sector – 6, Airoli, Navi Mumbai – 400 708. Tel: 022 - 61748900
vi.	Whether listed company (Yes / No)	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Risk Solution System	72291	96.85%
2.	Advisory	74140	3.15%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	Credit Analysis and Research Limited	L67190MH1993PLC0716 91	Holding	100%	2(46)

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

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)			No. of Shares held at the end of the year (As on 31.03.2016)			% change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical		Total
A. Promoters & Promoter Group								
(1) Indian								
Individual/HUF	0	0	0	0.00	0	0	0	0.00
Central Govt.	0	0	0	0.00	0	0	0	0.00
State Govt.(s)	0	0	0	0.00	0	0	0	0.00
Bodies Corp.	0	80,13,491	80,13,491	99.99	0	80,13,491	80,13,491	99.99
Banks / FI	0	0	0	0.00	0	0	0	0.00
Any Other	0	0	0	0.00	0	0	0	0.00
Sub-total (A)(I)	0	80,13,500	80,13,500	100.00	0	80,13,500	80,13,500	100.00
(2) Foreign								
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00
Bodies Corp.	0	0	0	0.00	0	0	0	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00
Any Other	0	0	0	0.00	0	0	0	0.00
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00
Total shareholding of Promoter (A)	0	80,13,500	80,13,500	100.00	0	80,13,500	80,13,500	100.00

Category of shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
= (A)(1)+(A)(2)									
B. Public Shareholding									
1. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others - Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	0	0	0	0	0	0	0	0	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to Rs. 1	0	0	0	0.00	0	0	0	0.00	0.00

Category of shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)			% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	
lakh								
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00
Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00
Clearing Members	0	0	0	0.00	0	0	0	0.00
Trust	0	0	0	0.00	0	0	0	0.00
Sub-total (B)(2)	0	0	0	0.00	0	0	0	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	0	0	0	0.00	0	0	0	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00
Grand Total (A+B+C)	0	80,13,500	80,13,500	100.00	0	80,13,500	80,13,500	100.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2015)				Shareholding at the end of the year (As on 31.03.2016)				% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares		
1	Credit Analysis and Research Limited (CARE)	80,13,491	99.99	00		80,13,491	99.99	0.00		0.00
2	Shri Rajesh Mokashi jointly with Credit Analysis and Research Limited	1	0.00	0.00		1	0.00	0.00		0.00
3	Ms. Revati Kasture jointly with Credit Analysis and Research Limited	1	0.00	0.00		1	0.00	0.00		0.00
4	Shri Navin Kumar Jain jointly with Credit Analysis and Research Limited	1	0.00	0.00		1	0.00	0.00		0.00
5	Shri P. N. Sathees Kumar jointly with Credit Analysis and Research Limited	1	0.00	0.00		1	0.00	0.00		0.00
6	Shri T. N. Arun Kumar jointly with Credit Analysis and Research Limited	1	0.00	0.00		1	0.00	0.00		0.00

7	Shri Milind Gadkari jointly with Credit Analysis and Research Limited	1	0.00	0.00	0.00	1	0.00	0.00	0.00
8	Shri Chandresh Shah jointly with Credit Analysis and Research Limited	1	0.00	0.00	0.00	1	0.00	0.00	0.00
9	Shri Puneet Talwar jointly with Credit Analysis and Research Limited	1	0.00	0.00	0.00	1	0.00	0.00	0.00
10	Shri Umesh Ikhe jointly with Credit Analysis and Research Limited	1	0.00	0.00	0.00	1	0.00	0.00	0.00

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

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2015)		Cumulative Shareholding during the year (As on 31.03.2016)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
	NIL				

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Credit Analysis and Research Limited (CARE)	80,13,491	99.99	80,13,491	99.99
2	Shri Rajesh Mokashi jointly with Credit Analysis and Research Limited	1	0.00	1	0.00
3	Ms. Revati Kasture jointly with Credit Analysis and Research Limited	1	0.00	1	0.00
4	Shri Navin Kumar Jain jointly with Credit Analysis and Research Limited	1	0.00	1	0.00
5	Shri P. N. Sathees Kumar jointly with Credit Analysis and Research Limited	1	0.00	1	0.00
6	Shri T. N. Arun Kumar jointly with Credit Analysis and Research Limited	1	0.00	1	0.00

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7	Shri Milind Gadkari jointly with Credit Analysis and Research Limited	1	0.00	1	0.00
8	Shri Chandresh Shah jointly with Credit Analysis and Research Limited	1	0.00	1	0.00
9	Shri Puneet Talwar jointly with Credit Analysis and Research Limited	1	0.00	1	0.00
10	Shri Umesh Ikhe jointly with Credit Analysis and Research Limited	1	0.00	1	0.00
	TOTAL	80,13,500	100.00	80,13,500	100.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the directors and KMP	Shareholding at the beginning of the year (As on 01.04.2015)		Cumulative Shareholding during the year (As on 31.03.2016)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shri Rajesh Mokashi jointly with Credit Analysis and Research Limited	1	0.00	1	0.00
2	Shri Puneet Talwar jointly with Credit Analysis and Research Limited	1	0.00	1	0.00

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits (Rs.)	Unsecur ed Loans (Rs.)	Depos its (Rs.)	Total Indebtedne ss (Rs.)
Indebtedness at the beginning of the financial year	00	00	00	00
i) Principal Amount	00	00	00	00
ii) Interest due but not paid	00	00	00	00
iii) Interest accrued but not due	00	00	00	00
Total (i+ii+iii)	00	00	00	00
Change in Indebtedness during the financial year	00	00	00	00
Addition	00	00	00	00
Reduction	00	00	00	00
Net Change	00	00	00	00
Indebtedness at the end of the financial year	00	00	00	00
i) Principal Amount	00	00	00	00
ii) Interest due but not paid	00	00	00	00
iii) Interest accrued but not due	00	00	00	00
Total (i+ii+iii)	00	00	00	00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	MD / WTD / MANAGER		Total Amount
		NA	NA	
1.	Gross salary	00	00	00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			

2.	Stock Option	00	00	00
3.	Sweat Equity	00	00	00
4.	Commission - as % of profit - others, specify...	00	00	00
5.	Others, please specify (Reimbursement of Expenses)	00	00	00
	Total (A)	00	00	00

B. REMUNERATION TO OTHER DIRECTORS:

Sr. No.	Particulars of Remuneration	Name of Director – Mr. Lalit Pophale	Total Amount
1.	Independent Directors		
	Fee for attending board / committee meetings (Rs.)	40,000	40,000
	Commission (Rs.)	00	00
	Others, please specify (Rs.)	00	00
	Total (1) (Rs.)	00	00
2.	Other Non-Executive Directors	00	00
	Fee for attending board / committee meetings (Rs.)	00	00
	Commission (Rs.)	00	00
	Others, please specify (Rs.)	00	00
	Total (2) (Rs.)	00	00
	Total Managerial Remuneration (Rs.)	40,000	40,000

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Chief Executive Officer – Mr. Puneet Talwar	Company Secretary – Ms. Sonia Thakur	CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	58,14,692	1,19,627	N.A.	59,34,319
2.	Stock Option	0	0	N.A.	0
3.	Sweat Equity	0	0	N.A.	0
4.	Commission - as % of profit - others, specify...	0		N.A.	
5.	Others, please specify (Reimbursement of Expenses)	17,00,145	0	N.A.	17,00,145
	Total	75,14,837	1,19,627	N.A.	76,34,464

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

INDEPENDENT AUDITOR'S REPORT

To the Members of
CARE Kalypto Risk Technologies and Advisory Services Private Limited

Report on the Financial Statements

1. We have audited the accompanying Financial Statements of CARE Kalypto Risk Technologies and Advisory Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 . This responsibility 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 the design, implementation and maintenance of adequate internal financial control 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management and Board of Directors, as well as evaluating the overall presentation of the Financial Statements.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters Specified in paragraphs 3 and 4 of the Order.
8. 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 purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 30(ii) to the Financial Statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 30 (i) to the Financial Statements;

- (iii) There has not been any occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund; hence, the question of delay in transferring such sums does not arise.

For Khimji Kunverji & Co
Chartered Accountants
ICAI FRN-105146W

Gautam V Shah
Partner (F-117348)

Place: Mumbai
Date: May 23, 2016

"Annexure 1" referred to in paragraph 7 of Report on Other Legal and Regulatory Requirements of our report of even date

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management at reasonable interval; as informed to us no material discrepancies were noticed on such verification.
- c) According to the information and explanations given by the management the title deeds of immovable properties are held in the name of the Company.
- ii) The Company does not hold any inventory or securities as stock in trade, hence clause 3(ii) of the Order is not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not granted any loans, guarantees and securities or made any investments covered under Section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- v) The Company has not accepted any deposits from the public.
- vi) As informed, the Company is not required to maintain any cost records prescribed by the Central Government under sub-section (1) of section 148 of the Act.
- vii) a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, value added tax and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, value added tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

As informed, the Company is not liable to pay employees' state insurance, sales-tax, duty of custom, duty of excise and cess during the year.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, value added tax and other material statutory dues that have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty on concealed income	76,86,010	AY 2007-08	Income Tax Appellate Tribunal
	Penalty u/s 271(1)(c)	6,72,097	AY 2009-10	Commissioner of Income Tax (Appeals)

As informed, the Company is not liable to pay sales-tax, duty of custom, duty of excise and cess during the year.

- viii) In our opinion and according to the information and explanations given by the management, there are no loans taken from financial institutions, government and banks nor has the Company issued any debentures, hence clause 3(viii) of the Order is not applicable.
- ix) In our opinion and according to the information and explanations given by the management, during the year the Company has not raised any term loans, hence clause 3(ix) of the Order is not applicable.
- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or

private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.

- xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company

For Khimji Kunverji & Co
Chartered Accountants
ICAI FRN-105146W

Gautam V Shah
Partner (F-117348)

Place: Mumbai
Date: May 23, 2016

Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of CARE Kalypto Risk Technologies and Advisory Services Private Limited.

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

We have audited the internal financial controls over financial reporting of CARE Kalypto Risk Technologies and Advisory Services Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Khimji Kunverji & Co
Chartered Accountants
ICAI FRN-105146W

Gautam V Shah
Partner (F-117348)

Place: Mumbai
Date: May 23, 2016

CARE Kalypto Risk Technologies and Advisory Services Private Limited

CIN NO :U74210MH1999PTC118349

Balance sheet

(All amounts in Rupees, unless otherwise stated)	Note	As at March 31, 2016	As at March 31, 2015
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EQUITY AND LIABILITIES

Shareholders' funds

Share capital	3	80,135,000	80,135,000
Reserves and surplus	4	(39,393,604)	(68,643,742)
		40,741,396	11,491,258

Non-current liabilities

Long term provisions	5	1,745,044	1,184,637
		1,745,044	1,184,637

Current liabilities

Trade payables-total outstanding dues of			
-Micro enterprises and small enterprises		-	-
-other than micro enterprises and small enterprises		10,035,000	-
Other current liabilities	6	51,050,120	36,986,961
Short term provisions	7	2,422,968	1,643,864
		63,508,088	38,630,825

Total

105,994,528	51,306,721
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ASSETS

Non-current assets

Fixed assets

- Tangible assets	8	3,761,711	5,297,785
- Intangible assets	8	796,307	668,111
Long term loans and advances	9	15,274,439	6,398,766
Other non current assets		-	-
		19,832,457	12,364,662

Current assets, loans and advances

Deferred Tax Assets	10	3,424,476	-
Trade receivables	11	13,760,204	11,683,091
Cash and Bank Balance	12	4,005,092	18,085,407
Short term loans and advances	13	4,747,726	4,180,103
Other current assets	14	60,224,573	4,993,458
		86,162,072	38,942,059

Total

105,994,528	51,306,721
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Significant accounting policies

1 & 2

The accompanying notes are an integral part of the financial statements.

As per our attached Report of even date

For Khimji Kunverji & Co.

Chartered Accountants

FRN - 105146 W

For and on behalf of the Board of Directors

D R Dogra
DIN No-00226775
Chairman

Rajesh Mokashi
DIN No-02781355
Director

Lalit Pophale
DIN No-05240078
Director

Gautam V Shah
Partner (F - 117348)
Mumbai
Date: May 23, 2016

Puneet Talwar
CEO

Sonia Thakur
A40393
Company Secretary

CARE Kalypto Risk Technologies and Advisory Services Private Limited
CIN NO :U74210MH1999PTC118349

Statement of Profit and Loss

<i>(All amounts in Rupees, unless otherwise stated)</i>	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue From Operations	15	146,857,379	33,416,512
Other income	16	850,099	1,319,572
Total Revenue		147,707,478	34,736,084
Expenditure			
Employee benefits expense	17	38,153,941	40,371,916
Depreciation	8	2,811,729	1,368,250
Administrative & Other expenses	18	80,916,146	18,099,258
Total Expenses		121,881,816	59,839,423
Profit/(Loss) before Tax		25,825,662	(25,103,340)
Current Tax Expense		5,218,700	-
MAT Credit Recognised		(5,218,700)	-
Deferred Tax Credit		3,424,476	-
Net Profit/(Loss) for the year after tax		29,250,138	(25,103,340)
Earning Per Share (Face Value Rs.10/-)	20		
- Basic		3.65	(3.13)
- Diluted		3.65	(3.13)

Significant accounting policies **1 & 2**

The accompanying notes are an integral part of the financial statements.

As per our attached Report of even date

For Khimji Kunverji & Co.
Chartered Accountants
FRN - 105146 W

For and on behalf of the Board of Directors

D R Dogra
DIN No-00226775
Chairman

Rajesh Mokashi
DIN No-02781355
Director

Lalit Pophale
DIN No-05240078
Director

Gautam V Shah
Partner (F - 117348)
Mumbai
Date: May 23, 2016

Puneet Talwar
CEO

Sonia Thakur
A40393
Company Secretary

CARE Kalypto Risk Technologies and Advisory Services Private Limited

CIN NO : U74210MH1999PTC118349

Statement of Profit & Loss						
Particulars		FY 2016			FY 2015	
(All amounts in Rupees, unless otherwise stated)						
Income	Risk Solutions	Advisory Services	TOTAL	Risk Solutions	Advisory Services	TOTAL
	142,231,357	4,626,022	146,857,379	30,052,062	3,364,450	33,416,512
	850,099	-	850,099	1,319,572	-	1,319,572
	143,081,456	4,626,022	147,707,478	31,371,634	3,364,450	34,736,084
Expenditure	Risk Solutions	Advisory Services	TOTAL	Risk Solutions	Advisory Services	TOTAL
	35,969,775	2,184,166	38,153,941	31,207,574	2,876,465	34,084,039
	73,744,126	7,172,021	80,916,146	15,993,087	8,394,046	24,387,133
	109,713,900	9,356,187	119,070,087	47,200,661	11,270,510	58,471,171
EBIDTA	33,367,556	(4,730,165)	28,637,391	(15,829,028)	(7,906,060)	(23,735,088)
Depreciation	2,811,729	-	2,811,729	1,368,250	-	1,368,250
Profit/(Loss) before Tax	30,555,827	(4,730,165)	25,825,662	(17,197,278)	(7,906,060)	(25,103,338)

CARE Kalypto Risk Technologies and Advisory Services Private Limited

CIN NO: U74210MH1999PTC118349

Cash Flow Statement

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A Cash flow from operating activities		
Net profit/(loss) before taxation	25,825,662	(25,103,338)
Adjustments for:		
Depreciation	2,811,729	1,368,250
Interest income	(158,518)	(926,155)
Dividend Income	(20,597)	
Profit on sale of assets	-	(193,778)
Profit on sale of Investment	(3,298)	-
Unrealised Foreign Exchange Loss / (Gain)	(661,136)	(112,448)
Provision for Gratuity	604,385	875,036
Operating profit before working capital changes	28,398,227	(24,092,433)
Adjustments for:		
Increase / (Decrease) in provisions	735,126	951,375
Increase / (Decrease) trade payable	10,035,000	-
Increase / (Decrease) other current liabilities	14,063,158	23,626,729
Decrease / (Increase) loans and advances	(567,623)	(1,642,778)
Decrease / (Increase) other current assets	(55,236,871)	13,699,722
Decrease / (Increase) trade receivable	(1,569,992)	(5,437,801)
Decrease / (Increase) short term loans and advances	-	-
Net changes in working capital	(4,142,975)	7,104,814
Direct taxes paid	(8,875,672)	(2,820,240)
Net cash generated from operating activities	(13,018,647)	4,284,574
B Cash flow from investing activities		
Purchase of fixed assets	(1,403,851)	(6,321,110)
Interest income	164,275	668,800
Purchase of Investments	(6,000,000)	-
Sale of Investments	6,023,894	-
Net cash (used) in investing activities	(1,215,682)	(5,652,310)
Net increase/ (decrease) in cash and cash equivalents	(14,234,329)	(1,367,736)
Effects of Unrealised Exchange gain on Cash & Cash Equivalents	154,015	(81,593)
Cash and cash equivalents at the beginning of year	18,085,407	19,534,736
Cash and cash equivalents at the end of year	4,005,093	18,085,407
Cash and cash equivalents at the year-end comprise: (Refer note 12)		
Cash in hand	134,308	74,566
Remittance in transit		
Deposits	3,865,590	1,240,464
- Current accounts	5,194	16,770,377
	4,005,092	18,085,407

Significant accounting policies

1 & 2

The accompanying notes are an integral part of the financial statements.

As per our attached Report of even date

For Khimji Kunverji & Co.
Chartered Accountants
FRN - 105146 W

For and on behalf of the Board of Directors

D R Dogra
DIN No-00226775
Chairman

Rajesh Mokashi
DIN No-02781355
Director

Lalit Pophale
DIN No-05240078
Director

Gautam V Shah
Partner (F - 117348)
Mumbai
Date: May 23, 2016

Puneet Talwar
CEO

Sonia Thakur
A40393
Company Secretary

CARE Kalypto Risk Technologies and Advisory Services Private Limited

Notes to the financial statements

3

(All amounts in Rupees, unless otherwise stated)		As at March 31, 2016	As at March 31, 2015
Share capital			
Authorised			
100,00,000 (PY 10,000,000) equity shares of Rs 10 each		100,00,000	100,00,000
50,00,000 (PY 50,00,000) preference shares of Rs 10 each		50,00,000	50,00,000
		150,00,000	150,00,000
Issued, subscribed and fully paid up			
8,013,500 (PY 8,013,500) equity shares of Rs 10 each fully paid		80,135,000	80,135,000
		80,135,000	80,135,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2016		March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	8,013,500	80,135,000	8,013,500	80,135,000
Movement during the year	-	-	-	-
Outstanding at the end of the year	8,013,500	80,135,000	8,013,500	80,135,000

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share.

All Equity shares are held by Credit Analysis and Research Limited, a holding company along with its nominees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shares held by the holding company is set out below:

Particulars	March 31, 2016		March 31, 2015	
	Number	Amount	Number	Amount
Credit Analysis and Research Limited	8,013,500	80,135,000	8,013,500	80,135,000

d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - Nil

e. Details of shareholders holding more than 5% shares in the company

Particulars	March 31, 2016		March 31, 2015	
	Number of Shares	Percentage of holding	Number of Shares	Percentage of holding
Credit Analysis and Research Limited	8,031,500	100.00	8,031,500	100.00

CARE Kalypto Risk Technologies and Advisory Services Private Limited

Notes to the financial statements

(All amounts in Rupees, unless otherwise stated)		
	As at March 31, 2016	As at March 31, 2015

4 Reserves and surplus

Deficit in the Statement of profit and loss		
Balance as at the beginning of the year	(68,643,742)	(43,316,333)
Add : Profit for the year	29,250,138	(25,103,340)
Less : Transitional provision of Schedule II Impact	-	224,069
Net deficit in the statement of profit and loss	(39,393,604)	(68,643,742)
Total Reserves & Surplus	(39,393,604)	(68,643,742)

5 Long-term provisions

Provision for employee benefits		
- Gratuity (Refer note 27)	1,745,044	1,184,637
	1,745,044	1,184,637

6 Other current liabilities

-Unearned revenue from customers	9,698,435	15,551,290
-Statutory Dues	1,762,861	862,771
-Sundry Creditor for Expenses*	39,093,436	20,572,900
-Other Liabilities	355,388	-
-Advance received from customers	140,000	-
	51,050,120	36,986,961

*Refer note 29 for amounts due to micro, small and medium enterprises

7 Short-term provisions

Provision for employee benefits		
- Gratuity (Refer note 27)	137,842	93,864
-Compensated Absence	473,126	-
- Provision for Performance Related Pay	1,812,000	1,550,000
	2,422,968	1,643,864

Notes to the financial statements

8 Fixed assets

	Gross block			Accumulated depreciation / amortisation on			Net block	
	As at 01-Apr-15	Additions during the year	Deletions/ Disposals during the year	As at March 31, 2016	As at 01-Apr-15	For the year	As at March 31, 2016	As at March 31, 2015
Tangible assets								
Leasehold improvements	1,076,250	-	-	1,076,250	83,298	452,428	535,726	992,952
Computers	2,642,626	549,976	-	3,192,602	1,932,942	684,228	2,617,170	709,684
Furniture and fixtures	1,898,650	-	-	1,898,650	144,159	453,024	597,182	1,754,492
Office equipments	887,871	143,209	-	1,031,080	92,075	402,331	494,405	795,797
Electrical installations	1,139,775	-	-	1,139,775	50,088	282,075	332,163	1,089,687
Total	7,645,173	693,185	-	8,338,358	2,302,561	2,274,085	4,576,646	5,342,612
Intangible assets								
Computer Software	777,399	710,666	-	1,488,065	154,115	537,644	691,759	796,307
Software development	30,205,295	-	-	30,205,295	30,205,295	-	30,205,295	-
Total	30,982,694	710,666	-	31,693,360	30,359,410	537,644	30,897,054	796,307
Grand Total	38,627,867	1,403,851	-	40,031,718	32,661,971	2,811,729	35,473,700	5,965,896
Previous year	36,105,771	6,321,110	3,799,014	38,627,867	34,868,664	1,368,250	32,661,971	1,237,107

	Gross block			Accumulated depreciation / amortisation on			Net block	
	As at 01-Apr-14	Additions during the year	Deletions/ Disposals during the year	As at March 31, 2015	As at 01-Apr-14	For the year	As at March 31, 2015	As at March 31, 2014
Tangible assets								
Leasehold improvements	400,137	1,076,250	400,137	1,076,250	400,137	83,298	83,298	-
Computers	2,004,248	640,152	-	2,644,400	1,555,396	395,894	1,979,543	448,852
Furniture and fixtures	2,141,930	1,830,525	2,073,805	1,898,650	1,759,824	458,140	144,159	382,106
Office equipments	688,936	858,782	659,847	887,871	481,911	74,163	92,075	207,025
Electrical installations	665,225	1,139,775	665,225	1,139,775	466,101	249,242	50,088	199,124
Total	5,900,476	5,545,485	3,799,014	7,646,947	4,663,369	1,260,736	2,349,162	1,237,107
Intangible assets								
Computer Software	-	775,625	-	775,625	-	107,514	107,514	-
Software development	30,205,295	-	-	30,205,295	30,205,295	-	30,205,295	-
Total	30,205,295	775,625	-	30,980,920	30,205,295	107,514	30,312,809	-
Grand Total	36,105,771	6,321,110	3,799,014	38,627,867	34,868,664	1,368,250	32,661,971	1,237,107
Previous year	35,619,759	486,012	-	36,105,771	34,567,662	301,002	34,868,664	1,052,097

CARE Kalypto Risk Technologies and Advisory Services Private Limited

Notes to the financial statements

(All amounts in Rupees, unless otherwise stated)		As at March 31, 2016	As at March 31, 2015
9	Long term Loans and Advances (Unsecured, considered good)		
	Deposit		
	-Rental deposit	1,050,000	1,050,000
	(Advance Tax [net of provision for tax Rs. 6,668,982 (Previous Year Rs. 1,450,282)])	9,005,739	5,149,812
	MAT Credit Entitlement	5,218,700	198,954
		<u>15,274,439</u>	<u>6,398,766</u>
10	Deferred Tax Assets (Net)#		
	Deferred Tax Liabilities	-	-
		<u>-</u>	<u>-</u>
	<u>Deferred Tax Assets</u>		
	Depreciation on Fixed Assets	1,614,883	-
	Leave Encashment	163,739	-
	Provision for bad & doubtful debts	918,900	-
	Rent Equilisation	69,022	-
	Expenses disallowed	6,302	-
	Gratuity	651,629	-
		<u>3,424,476</u>	<u>-</u>
	# Deferred Tax Assets have not been recognised in the previous year on account of prudence (Refer note no. 26)		
11	Trade Receivables (Unsecured)		
	Considered good		
	Debts outstanding for a period exceeding six months from the date they are due for payment	5,712,303	2,812,891
	Others	8,047,901	8,870,200
		<u>13,760,204</u>	<u>11,683,091</u>
	Considered doubtful		
	Debtors outstanding for a period exceeding six months from the date they are due for payment	2,655,167	2,197,283
	Others	-	-
		<u>2,655,167</u>	<u>2,197,283</u>
	Less: Provision for doubtful debts	(2,655,167)	(2,197,283)
		<u>13,760,204</u>	<u>11,683,091</u>
12	Cash and Bank Balances		
	Cash and cash equivalents		
	Cash in hand	134,308	74,566
	- in current account	5,194	16,770,377
	<u>Other Bank Balances</u>		
	- in deposit account	3,865,590	1,240,464
		<u>4,005,092</u>	<u>18,085,407</u>
	Deposits accounts with more than 12 months maturity	-	-
13	Short-term loans and advances (Unsecured and considered good)		
	Deposit		
	-Rental deposit	50,000	-
	-Earnest Money Deposit	285,000	140,000
	-Telephone Deposit	-	10,500
	Service Tax	4,020,685	3,469,502
	Prepaid expenses	116,041	342,811
	Travel advance	25,000	168,790
	Other advance	251,000	48,500
		<u>4,747,726</u>	<u>4,180,103</u>
14	Other current assets		
	Interest accrued on Investments	7,991	13,748
	Other Receivables	-	219,000
	Unbilled revenue	60,216,582	4,760,710
		<u>60,224,573</u>	<u>4,993,458</u>

CARE Kalypto Risk Technologies and Advisory Services Private Limited

Notes to the financial statements

<i>(All amounts in Rupees, unless otherwise stated)</i>	For the year ended March 31, 2016	For the year ended March 31, 2015
15 Revenue From Operations		
Sale of Licence and services	140,960,563	30,052,062
Advisory Services	4,109,068	3,364,450
Other operating revenue	1,787,748	-
	146,857,379	33,416,512
16 Other income		
Interest income	158,518	926,155
Profit on Sale of Asset	-	193,778
Dividend Income	20,597	-
Profit on sale of Investment	3,298	-
Other income	6,550	-
Foreign Exchange Gain	661,136	199,639
	850,099	1,319,572
17 Employee benefits expense		
Salaries and wages	35,358,937	37,663,798
Contributions to provident and other funds (Refer Note 27)	1,799,168	1,611,039
Gratuity (Refer Note 27)	604,384	875,036
Staff welfare expenses	391,452	222,043
	38,153,941	40,371,916
18 Administrative & Other Expenses		
Travelling and conveyance	13,727,827	5,920,327
Rent	3,021,175	2,872,174
Legal & professional	33,898,508	2,827,024
Repairs and maintenance- Other	745,765	1,862,232
Electricity expenses	542,434	583,401
Rates & Taxes	262,610	245,096
Commission on Sales	25,029,689	1,276,290
<u>Auditor's Remuneration</u>		
- Statutory Audit	550,000	300,000
- Tax Audit	100,000	50,000
Office expenses	415,206	387,124
Telephone, Postage and courier	691,563	459,283
Advertisement and Sponsorship Expenses	31,701	265,708
Printing and stationery	82,474	98,713
Bank charges	123,738	235,933
Director's sitting fees	40,000	31,000
Provision for Bad & Doubtful Debts	291,687	-
Insurance expenses	481,261	11,107
Miscellaneous expenses	880,508	673,846
	80,916,146	18,099,258

CARE Kalypto Risk Technologies and Advisory Services Private Limited

Notes to the financial statements

23	Expenditure (on accrual basis) in foreign currency (All amounts in Rupees, unless otherwise stated)	For the year ended	For the year ended
		March 31, 2016	March 31, 2015
	On travel	6,843,863	2,456,082
	On commission	25,029,689	1,057,538
	On rent	-	404,133
	On others	1,861,112	284,356
		33,734,664	4,202,109

24	Earnings in foreign exchange on accrual basis (All amounts in Rupees, unless otherwise stated)	For the year ended	For the year ended
		March 31, 2016	March 31, 2015
	Revenue from sale of licenses and services	110,802,404	23,889,689

25	Particulars of unhedged foreign currency exposures (All amounts in Rupees, unless otherwise stated)	Currency	As at March 31, 2016		As at March 31, 2015	
			Amount in Foreign currency	Amount INR	Amount in Foreign currency	Amount INR
	Description					
	Debtors	USD	207,317	13,712,506	147,086	9,044,288
	Unearned Revenue (license, implementation fees & Customisation fees)	USD	525	35,038	88,681	5,452,987
	Advance annual maintenance charges	USD	133,918	8,857,711	151,074	9,289,525
	Unbilled revenue*	LKR	112,066,500	48,962,976	-	-
	Unbilled revenue	USD	71,666	4,740,218	77,423	4,760,710
	Cash on hand	USD	1,995	122,673	1,189	73,112
	Bank balance in current account	USD	2,637	174,385	153,121	9,415,398

CARE Kalypto Risk Technologies and Advisory Services Private Limited

Notes to the financial statements

26	Deferred tax	As at March 31, 2016	As at March 31, 2015
	The components of Deferred tax balances are as follows:		
	Deferred tax assets		
	Difference between book depreciation and depreciation as per Income Tax Act, 1951	1,614,883	1,624,783
	Provision for Gratuity	651,629	442,464
	Provision for Leave Encashment	163,739	
	Provision for doubtful debts	918,900	760,436
	Provision for Rent Straight Lining	69,022	13,804
	Expenses disallowed	6,302	-
	Net Deferred tax assets	3,424,476	2,841,486
	Disclosed in Balance sheet	3,424,476	-*

* Deferred tax assets have not been recognised in the previous year on account of Prudence

27 Employee benefits

(a) Contribution to provident funds

Defined contribution plan

Contribution to defined contribution plan, recognised as expense as at March 31, 2016 are as under:

Employer's contribution to provident fund Rs. 1,799,168 (PY: 1,611,039)

(b) Gratuity (Defined benefit plan)

The Company has not funded its gratuity liability. The scheme provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service, maximum amount of gratuity liability per employee is capped to Rs. 1,000,000

The following table sets out the status of gratuity plan and the amount recognised in the Company's financial statements based on actuarial valuation.

(i) Change in the present value of the defined benefit obligations

	As at March 31, 2016	As at March 31, 2015
Defined benefit obligation, beginning of the year	1,278,501	1,877,126
Current service cost	576,423	264,053
Interest Cost	102,280	89,057
Actuarial (Gain)	(74,319)	521,926
Benefits paid	-	(1,473,661)
Defined benefit obligation, end of the year.	1,882,885	1,278,501

(ii) Change in the fair value of plan assets

	As at March 31, 2016	As at March 31, 2015
Fair value of plan asset, beginning of the year	-	-
Expected return on the plan assets	-	-
Employer's contribution	-	1,473,661
Benefits paid	-	(1,473,661)
Actuarial gain	-	-
Fair value of plan asset, end of the year	-	-
Excess of obligation over plan asset	-	-

(iii) Net Gratuity cost

	For the year ended March 31, 2016	For the year ended March 31, 2015
Current service cost	576,423	264,053
Interest on defined benefit obligation	102,280	89,057
Expected return on plan assets	-	-
Net actuarial (gain) recognised during the year	(74,319)	521,926
Net Gratuity cost	604,384	875,036

(iv) Balance Sheet reconciliation

	As at March 31, 2016	As at March 31, 2015
Net liability, beginning of the year	1,278,501	1,877,126
Gratuity cost as above	604,384	875,036
Benefits paid	-	(1,473,661)
Amount recognised in the Balance Sheet	1,882,885	1,278,501
Current portion	137,842	93,864
Non-Current portion	1,745,044	1,184,637

(v) Assumptions used in accounting for the gratuity plan

	As at March 31, 2016	As at March 31, 2015
Discount Rate (p.a.)	8.00%	7.81%
Attrition rate (p.a.)	5.00%	5.00%
Salary escalation rate (p.a.)	6.00%	6.00%

(vi) Experience Adjustments

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Present value of defined benefit obligation	1,882,885	1,278,501	1,877,136	1,531,650	1,139,742
Fair value of the Plan asset	-	-	-	-	-
Deficit in the Plan	(1,882,885)	(1,278,501)	(1,877,136)	(1,531,650)	(1,139,742)
Actuarial (gain)/loss due to change in assumptions:	-	-	-	-	-
Experience actuarial (gain)/loss adjustments on:	-	-	-	-	-
Plan Liabilities	(74,319)	(93,864)	(90,460)	(48,173)	(149,480)
Plan Assets	-	-	-	-	-

28 Segment Reporting

The Company recognises information technology (IT) as its only primary segment since its operations predominantly consists of providing a comprehensive range of IT services including developing specialised risk management solutions addressing the areas of credit risk and operational risk for financial institutions, banks and Insurance companies. Since the company operates in a single business segment, the disclosure of primary segment information under accounting standard 17 'Segment Reporting' is not applicable. The Company's geographic segmentation is based on location of customers and comprises United Arab Emirates ('UAE') and Africa, Sri Lanka and India. Revenue in relation to geographic segments is categorised based on the location of the specific customer entity for which the services are performed irrespective of whether the services are delivered onsite or offshore. Categorisation of customer related assets in relation to geographic segments is based on the location of the specific customer entity which is billed for services.

Significant portion of assets other than customer related assets are located in India and all of the fixed assets are in India

	For the year ended March 31, 2016			For the year ended March 31, 2015		
Particulars	Risk Solutions	Advisory Services	Total	Risk Solutions	Advisory Services	Total
Revenue from Operation	140,960,563	4,109,068	145,069,631	30,052,062	3,364,450	33,416,512
Out of pocket expenses	1,666,767	120,981	1,787,748	-	-	-
Total Revenue	142,627,330	4,230,049	146,857,379	30,052,062	3,364,450	33,416,512
Sundry Debtors	11,687,024	2,073,180	13,760,204	11,683,091	-	11,683,091
Unbilled revenue	60,216,582	-	60,216,582	4,760,710	-	4,760,710
Unallocated Assets	-	-	32,017,742	-	-	34,862,921
Total Assets	-	-	105,994,528	-	-	51,306,722

	For the year ended March 31, 2016				
	India	UAE and Africa	Sri Lanka	Far East	Total
Revenue from Operation	26,431,421	22,849,939	94,478,086	1,310,185	145,069,631
Unallocated Revenue	1,531,775	-	255,973	-	1,787,748
Total Revenue	-	-	-	-	146,857,379
Sundry Debtors	2,702,930	7,966,151	2,177,030	914,094	13,760,204
Unbilled revenue	6,513,388	2,698,792	51,004,401	-	60,216,582
Unallocated Assets	-	-	-	-	32,017,742
Total Assets	-	-	-	-	105,994,528

	For the year ended March 31, 2015				
	India	UAE and Africa	Sri Lanka	Far East	Total
Revenue from Operation	5,735,847	6,191,777	17,515,203	3,973,677	33,416,505
Unallocated Revenue	-	-	-	-	1,319,572
Total Revenue	-	-	-	-	34,736,077
Sundry Debtors	2,638,803	1,860,076	3,694,654	3,489,558	11,683,091
Unbilled revenue	2,465,542	-	4,201,464	559,245	7,226,251
Unallocated Assets	-	-	-	-	34,862,921
Total Assets	-	-	-	-	53,772,263

29 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.

On the basis of information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as set out below:

Particulars	As at March 31, 2016	As at March 31, 2015
Principal amount and interest due thereon remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

30 Other Significant notes

- (i) 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.
- (ii) The Company's pending litigations comprise of claims by or against the Company primarily by the tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made adequate provision in the financial statements and appropriate disclosure for contingent liabilities is given in Note 19
- (iii) The previous year's figures have been reclassified / regrouped to confirm to this year's classification.

For Khimji Kunverji & Co.
Chartered Accountants
FRN - 105146 W

For and on behalf of the Board of Directors

D R Dogra
DIN No-00226775
Chairman

Rajesh Mokashi
DIN No-02781355
Director

Lalit Pophale
DIN No-05240078
Director

Gautam V Shah
Partner (F - 117348)
Mumbai
Date: May 23, 2016

Puneet Talwar
CEO

Sonia Thakur
A40393
Company Secretary