

## NOTICE

**NOTICE** is hereby given that 21<sup>st</sup> Annual General Meeting of the members of **CARE Risk Solutions Private Limited** will be held on Wednesday, September 02, 2020 at 9.00 a.m. at the Registered Office of the Company at Unit No. 602, 6th Floor, "RUPA SOLITAIRE", Plot No. MBP-2, Millennium Business Park, Sector 1, T.T.C. Industrial Area, Mahape, Navi Mumbai – 400 710 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider, and adopt the audited Financial Statements of the Company for the year ended on March 31, 2020, including the audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss account for the year ended on that date together with the reports of the Board of Directors ("the Board") and Auditors thereon.
2. To declare dividend on 0.1% Optionally Convertible Cumulative Redeemable Preference Shares for the Financial Year 2019-2020.
3. To appoint Director in place of Shri Lalit Pophale (DIN 05240078), who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

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

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

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

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

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

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

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

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

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

**NOTES:**

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

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

**By Order of the Board of Directors  
FOR CARE Risk Solutions Private Limited**

Date: 06.08.2020  
Place: Navi Mumbai

**Manoj Dhondge  
Company Secretary  
Membership No. A55592**

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

**Item No. 4**

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

Shri T. N. Arun Kumar (DIN 07558952) was appointed as an Additional Director of the Company with effect from December 24, 2019 and by virtue of Section 161(1) of the Companies Act, 2013, Shri T. N. Arun Kumar holds the office up to the date of this Annual General Meeting and is eligible for appointment as a Director as set out in the Resolution at Item No.4 of the Notice of the Meeting. The said appointment is subject to the approval of the Shareholders at the Annual General Meeting of the Company.

The Board recommends the passing of resolution as an Ordinary Resolution set out at item no. 4 of this Notice.

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

**Item No. 5**

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

Shri Navin Kumar Jain (DIN 07763257) was appointed as an Additional Director of the Company with effect from December 24, 2019 and by virtue of Section 161(1) of the Companies Act, 2013, Shri Navin Kumar Jain holds the office up to the date of this Annual General Meeting and is eligible for appointment as a Director as set out in the Resolution at Item No.5 of the Notice of the Meeting. The said appointment is subject to the approval of the Shareholders at the Annual General Meeting of the Company.

The Board recommends the passing of resolution as an Ordinary Resolution as set out at item no. 5 of this Notice.

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

**Item No. 6**

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

Shri Ajay Mahajan (DIN 05108777) was appointed as an Additional Director of the Company with effect from May 28, 2020 and by virtue of Section 161(1) of the Companies Act, 2013, Shri Ajay Mahajan holds the office up to the date of this Annual General Meeting and is eligible for appointment as a Director as set out in the Resolution at Item No.6 of the Notice of the Meeting. The

said appointment is subject to the approval of the Shareholders at the Annual General Meeting of the Company.

The Board recommends the passing of resolution as an Ordinary Resolution as set out at item no. 6 of this Notice.

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

**By Order of the Board of Directors  
FOR CARE Risk Solutions Private Limited**

Date: 06.08.2020  
Place: Navi Mumbai

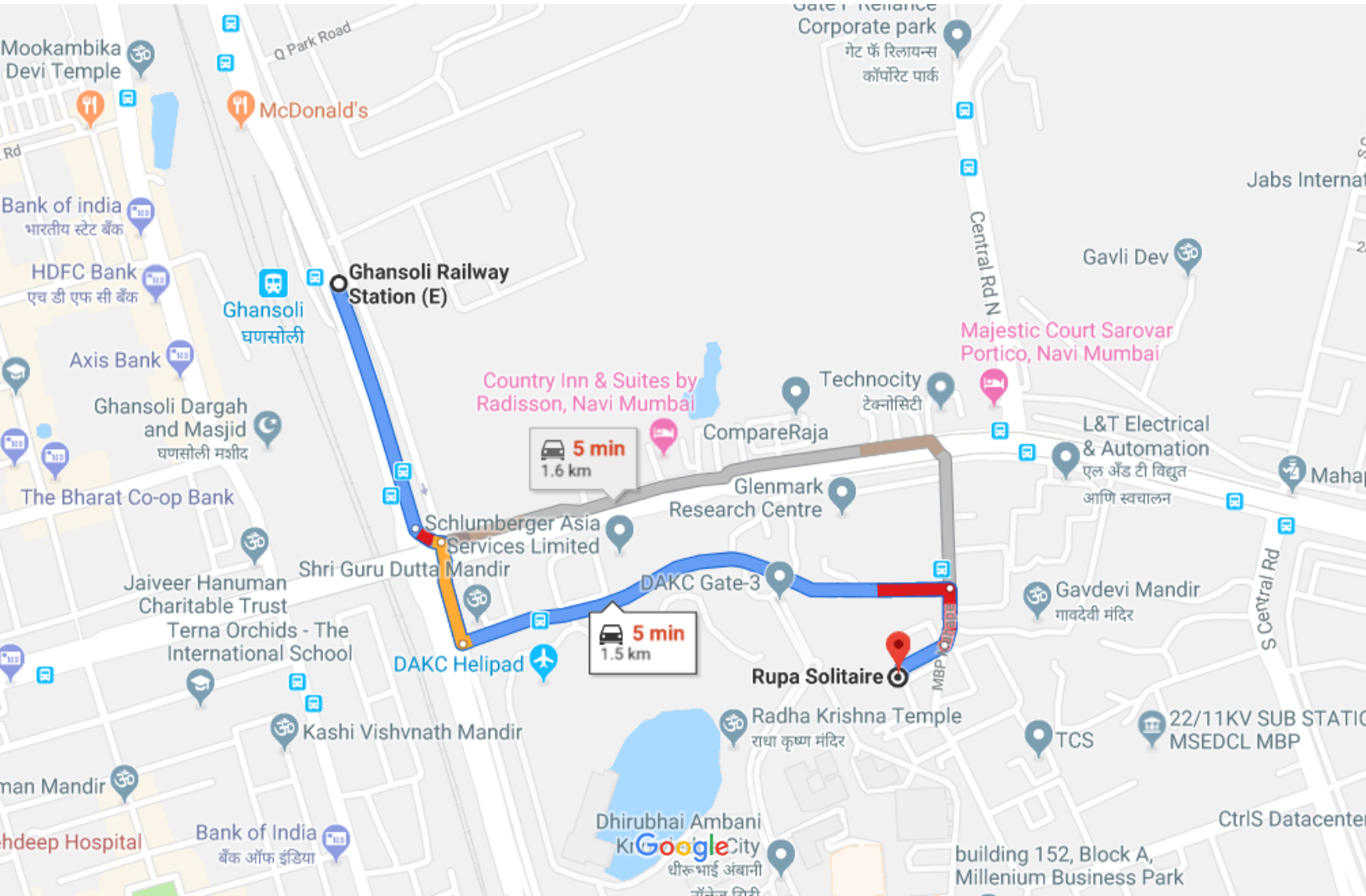
**Manoj Dhondge  
Company Secretary  
Membership No. A55592**

Details of the Director seeking reappointment/appointment as per Secretarial Standards (SS-2) issued by The Institute of Company Secretaries of India (ICSI)


<b>Name of the Director</b>	<b>Shri Lalit Pophale</b>	<b>Shri T. N. Arun Kumar</b>	<b>Shri Navin Kumar Jain</b>	<b>Shri Ajay Mahajan</b>
Director Identification Number	05240078	07558952	07763257	05108777
Age	42	54	53	53
Date of Birth	13.02.1978	01.05.1966	02.06.1967	05.11.1967
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	15.02.2012	24.12.2019	24.12.2019	28.05.2020
Number of equity shares held in the Company	NIL	One (Jointly with CARE ratings Limited)	NIL	NIL
Qualifications	Member of Institute of Chartered Accounts of India	Post-graduate degree in Management from IIM, Ahmedabad, graduate in Agricultural Engineering from IIT, Kharagpur, CFA Charterholder from the CFA Institute, USA and FRM certification awarded by GARP, USA.	Honors Graduate in Commerce, Associate Member of ICSI, and Post-Graduation degree in Masters in Financial Services Management.	Bachelor of Engineering in Electrical & Electronics MBA from FMS and CFA Charter holder from CFA Institute, USA.
Expertise in functional area	Experienced in financial services over 20 years	Over 28 years of rich experience in credit rating and project appraisal and extensive knowledge about functioning of the corporate sector.	Experienced in Company Law, Accounts and HR for more than 25 years.	widely experienced financial services expert with 30 years in banking and capital market businesses.
List of Directorship held in other companies	NIL	1) CARE Advisory Research and Training Limited 2) CARE Ratings Nepal Limited	1) CARE Advisory Research and Training Limited 2) CARE	1) CARE Ratings Limited 2) CARE Advisory Research and Training Limited


		3) CARE Ratings Africa Private Limited	Ratings Nepal Limited	3) CARE Ratings Nepal Limited 4) CARE Ratings Africa Private Limited 5) Varyant Operations & Technology Company Private Limited
Chairman / Member of the Committees of the Boards of other companies in which he is a director	NIL	NIL	NIL	CARE Advisory Research and Training Limited - Chairman
Terms & Conditions of re-appointment / variation of remuneration	NA	As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement thereto, proposed to be appointed as a Director liable to retire by rotation.	As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto, proposed to be appointed as a Director liable to retire by rotation.	As per the resolution at Item No. 6 of the Notice convening this Meeting read with explanatory statement thereto, proposed to be appointed as a Director liable to retire by rotation.
Inter-se relationship with other Directors, Managers and Key Managerial Personnel of the Company	NA	NA	NA	NA
Last drawn remuneration	NIL	NIL	NIL	NIL
No. of Board meetings attended during the year	4 (Four)	1 (One)	1(One)	NA

A route map showing directions to reach the venue of the Annual General Meeting



Map data ©2019 Google 200 m

 via Thane - Belapur Rd and Mahape Road **5 min**  
1.5 km  
Best route, despite the usual traffic

 via Thane - Belapur Rd **5 min**  
1.6 km  
Heavy traffic, as usual



## BOARD'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 21<sup>st</sup> Board's Report on the business and operations of your Company along with the Audited Financial Statements for the year ended on March 31, 2020.

### FINANCIAL RESULTS

<b>Particulars</b>	<b>31<sup>st</sup> March, 2020 (In Rs.000)</b>	<b>31<sup>st</sup> March, 2019 (In Rs.000)</b>
Revenue	1,55,308	1,54,911
Add: Other Income	8,342	2,599
<b>Total Income</b>	<b>1,63,650</b>	<b>1,57,510</b>
<b>Total Expenditure</b>	<b>(1,59,560)</b>	<b>(1,42,337)</b>
Profit/Loss before tax (PBT)	4,090	15,173
Less: Current Tax	3,800	-
Less: Deferred Tax	(2,759)	2,209
Profit/ Loss after tax	3,050	12,964
<b>Balance Surplus / (Deficit) carried to Balance Sheet</b>	<b>-</b>	<b>12,964</b>

### RESERVES

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

### DIVIDEND

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

Your Directors are pleased to recommend to pay the Preference dividend of Rs. 50,000/- being 0.1% Optionally Convertible Cumulative Preference Share Capital for the Financial year 2019-2020 as per the terms of issuance.

### 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) 0.1% Optionally Convertible Cumulative Redeemable Preference share of Rs 10/- (Rupees Ten only) each amounting to Rs. 5,00,00,000 (Rupees Five Crores only). The Paid-up Share Capital comprises of 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) and 50,00,000 (Fifty Lakh) 0.1% Optionally Convertible Cumulative Redeemable Preference shares amounting to Rs. 5,00,00,000/- (Rupees Five Crores only).

## **REVENUE & EBIDTA**

During FY 2019-2020 the Revenues of the company is Rs. 15.53 Crore against the revenues of Rs 15.49 Crore in FY 2018-2019. Profit after tax of Rs. 30.50 Lakh for the FY 2019-2020 which was Rs.1.30 Cr in the FY 2018-2019.

## **OPERATIONS REVIEW OUTLOOK AND ACHIEVEMENTS:**

### **1. Project deliveries**

During FY 2019-2020 your company has successfully implemented projects viz. Seylan Bank (Basel III upgrade), DFCC (LOS), CARE Ratings (CFO Reporting Tool, Rating and Bank of Baroda – SME), Bank of Bhutan (Credit Risk/ALM/FTP and IFRS/FRA), Union Bank of Colombo (RLOS) and Bank of Ceylon (IFRS). The Company has commenced the new project at Punjab and Sind Bank for Credit Rating, Karnataka Bank for Market Risk, HDB Financial Services for Asset Liability Management System and Seylan Bank PLC for IFRS 9 upgrade during this year.

The Company has commenced the new implementation of projects at Sathapana Bank (IFRS 9 and FRA), NABARD (Credit Risk and Market Risk), Bank of Ceylon, Chennai (ALM), Punjab & Sindh Bank (Credit Rating), HDB Financial Services (ALM), Seylan Bank PLC (IFRS 9 upgrade), Commercial Bank (RLOS upgrade), Karnataka Bank (Market Risk, ALM and Operations Risk) during this year.

With more structured and process driven approach, the team has acquired capabilities to execute multiple projects in parallel. As such, it is in a position to meet the challenges of growing volumes in future.

### **2. Product development/ enhancements**

During FY 2019-2020, the Company has undertaken major Product development initiatives. The Company has launched Early Warning Signals, IFRS Upgrade and Analytics products during the Financial Year 2019-2020.

The Company is exploring new opportunities in insurance and demand for IFRS 17 and for that the Company is working with Grand Thornton for securing an opportunity in the IFRS-17 insurance.

### **3. Sales and Marketing**

During the FY 2019-2020, the Company has established strong partner network in India & SAARC, Africa, Middle East and ASEAN and has seen a more focused approach towards the markets. The Company has started digital marketing which will provide us necessary brand visibility on various social media platforms and also work towards leveraging social media for brand building and targeted marketing campaign. The Company has started working on opportunities with Indian Public Sector Banks. The Company has begun exploring possibilities of extending IFRS product capabilities to other domain areas like insurance, telecom and manufacturing.

## **HUMAN RESOURCES**

Your company believes that human capital is a key enabler in achieving a differentiated growth. The product development, project execution as well as support depends on the quality of Human Resources. In this regard your company has a structured process of interviewing by keeping in mind the competencies required.

As part of employee's skill development program, your company identifies various training needs for its employees keeping in mind the required skill enhancements and nominates its employees for various training programs. These initiatives enable the company to retain its core quality resources and keep them updated with the current market trend.

## **PROSPECTS**

Barring unforeseen circumstances, the Directors are confident that the Company will be able to achieve sustainable growth in future.

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

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

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

None of the employees of the Company is in receipt of remuneration prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

## **MEETINGS OF THE BOARD**

Regular meetings of the Board were held to discuss the performance of the Company. The maximum gap between any two Board Meetings was less than 120 days. Total 4 (Four) meetings of the Board of Directors were held during the Financial year 2019-2020.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

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

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

##### **Conservation of Energy & Technology Absorption**

Your company has taken necessary steps and initiative in respect of conservation of energy to possible extent to conserve the resources as required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. As your Company is not engaged in any manufacturing activity, the particulars of technology absorption as required under the section are not applicable.

##### **Foreign Exchange Earnings and Outgo**

During the year under review the Company has earned a foreign exchange of Rs. 4,58,35,383.75/- and has spent a foreign exchange of Rs. 3,03,38,489.25/-.

#### **STATUTORY AUDITORS & AUDITORS' REPORT**

M/s. S. P. Chopra & Co., Chartered Accountants, Statutory Auditors, were appointed as Statutory Auditors of the Company at Annual general Meeting held on July 13, 2018 till the conclusion of Annual general Meeting to be held for the financial year 2023.

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

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

#### **MAINTENANCE OF COST RECORDS & COST AUDIT**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

#### **EXTRACT OF ANNUAL RETURN**

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

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

#### **LOANS, CORPORATE GUARANTEE AND INVESTMENTS**

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

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **i. Key Managerial Personnel**

##### **Chief Financial Officer**

Shri Nitesh Poojari, Chief Financial Officer (KMP) of the Company has resigned from the services of the Company with effect from December 6, 2019.

##### **Directors**

Shri Rajesh Mokashi, Director and Chairman of the Company has resigned as Director with effect from December 20, 2019. The Board places on record its appreciation for the valuable services and guidance given by him during his tenure as Director and Chairman of the Company.

Shri T.N. Arun Kumar (DIN 07558952) and Shri Navin Kumar Jain (DIN 07763257) who were appointed as an Additional Director of the Company by the Board of Directors with effect from December 24, 2019 and they shall hold office upto the date of ensuing Annual General Meeting. The Company pursuant to provision of Section 160(1) of the Companies Act, 2013 received notice in writing from Member proposing her candidature for the appointment as a Non-Executive Director.

Shri Ajay Mahajan (DIN 05108777) was appointed as an Additional Director of the Company by the Board of Directors with effect from May 28, 2020 and they shall hold office upto the date of ensuing Annual General Meeting. The Company pursuant to provision of Section 160(1) of the Companies Act, 2013 received notice in writing from Member proposing her candidature for the appointment as a Non-Executive Director.

#### **Directors liable to retire by rotation**

In accordance with the provisions of the Section 152(6)(e) of the Companies Act, 2013 read with the Articles of Association of the Company, Shri Lalit Pophale (DIN: 05240078), will be retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

#### **INTERNAL FINANCIAL CONTROL IN RESPECT WITH THE FINANCIAL STATEMENTS**

The Company has an Internal Financial Control System commensurate with the size, scale and complexity of its operations. Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating action on continuing basis. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant Audit observations and follow up actions thereon are reported to the Audit Committee. During the year under review, no material or serious observations has been received from the internal Auditor of the Company for inefficiency or inadequacy of such controls.

#### **PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered into during the financial year 2019-2020 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.

Attention of the members is drawn to the disclosures of transactions with the related parties as per Indian Accounting Standard (IND AS) 24 is set out in Notes to Accounts forming part of the financial statement forming part of Annual report.

#### **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 appropriate steps 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 the financial year of the Company as on March 31, 2020 to which the financial statements relate and the date of this report.

#### **CHANGE IN THE NATURE OF BUSINESS**

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

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

It is hereby confirmed that the Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

#### **COMPOSITION OF THE AUDIT COMMITTEE**

The composition of Audit Committee comprises of three directors. The representatives of the Statutory Auditors and Internal Auditors remain present at the Meetings. Mr. Manoj Dhondge, Company Secretary acts as Secretary to the Committee Meetings. The Audit Committee invites such of the executives, professionals and other persons, as it deem necessary for its functioning. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

#### **Name of the Directors**

- Shri Lalit Pophale
- Shri Mehul Pandya
- Shri T. N. Arun Kumar

Pursuant to the notification issued by the Ministry of Corporate Affairs on the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2017 dated July 13, 2017, the Board of Directors of the Company at its Meeting held on August 06, 2020 have dissolved the Audit Committee of Board of Directors with immediate effect.

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

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

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

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

During the financial year 2019-2020 your 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 CARE Ratings Ltd., and the employees at all levels.

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

**Place** : Mumbai  
**Dated** : 06.08.2020

**Ajay Mahajan**  
**Chairman**  
**DIN: 05108777**



**ANNEXURE-1****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31, 2020**

[Pursuant to section 92(3) of the Companies Act, 2013 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 RISK SOLUTIONS PRIVATE LIMITED
iv.	Category / Sub-Category of the Company	Indian Non-Government Company
v.	Address of the Registered office and contact details	Unit No. 602, 6th Floor, "RUPA SOLITAIRE", Plot No. MBP-2, Millennium Business Park, Sector 1, T.T.C. Industrial Area, Mahape, Navi Mumbai – 400 710. Tel: 022 – 61748900
vi.	Whether listed company (Yes / No)	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

**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	95.81
2.	Advisory	74140	4.19

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/Associate	% of shares held	Applicable Section
1.	CARE Ratings Limited Address: 4 <sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off. Eastern Express Highway, Sion (East), Mumbai – 400 022.	L67190MH1993PLC071691	Holding	100%	2(46)

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

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters &amp; Promoter Group</b>									
<b>(1) Indian</b>									
Individual/HUF	0	9	9	0.00	0	8	8	0.00	0.00
Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp.	0	80,13,491	80,13,491	100.00	0	80,13,492	80,13,492	100.00	100.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1)</b>	<b>0</b>	<b>80,13,500</b>	<b>80,13,500</b>	<b>100.00</b>	<b>0</b>	<b>80,13,500</b>	<b>80,13,500</b>	<b>100.00</b>	<b>100.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>80,13,500</b>	<b>80,13,500</b>	<b>100.00</b>	<b>0</b>	<b>80,13,500</b>	<b>80,13,500</b>	<b>100.00</b>	<b>100.00</b>

<b>B. Public Shareholding</b>									
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
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	0	0	0	0.00	0	0	0	0	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	0	0	0	0.00	0	0	0	0.00	0.00

shareholders holding nominal share capital up to Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
Trust	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>80,13,500</b>	<b>80,13,500</b>	<b>100.00</b>	<b>0</b>	<b>80,13,500</b>	<b>80,13,500</b>	<b>100.00</b>	<b>100.00</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% 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	CARE Ratings Limited	13,01,35,991	100.00	0.00	13,01,35,991	100.00	0.00	0.00
2	Shri Rajesh Mokashi jointly with CARE Ratings Limited	1	0.00	0.00	-	-	-	-
3	Smt. Revati Kasture jointly with CARE Ratings Limited	1	0.00	0.00	1	0.00	0.00	0.00
4	Shri T. N. Arun Kumar jointly with CARE Ratings Limited	1	0.00	0.00	1	0.00	0.00	0.00
5	Shri Milind Gadkari jointly with CARE Ratings Limited	1	0.00	0.00	1	0.00	0.00	0.00
6	Shri Umesh Ikhe jointly with CARE Ratings Limited	1	0.00	0.00	1	0.00	0.00	0.00
7	Shri Sanjay Agarwal jointly with CARE Ratings Limited	1	0.00	0.00	1	0.00	0.00	0.00
8	Shri Mehul Pandya jointly with CARE Ratings Limited	1	0.00	0.00	1	0.00	0.00	0.00
9	Shri Milind Raje jointly with CARE Ratings Limited	1	0.00	0.00	1	0.00	0.00	0.00
10	Shri Madan Sabnavis jointly with CARE Ratings Limited	1	0.00	0.00	1	0.00	0.00	0.00
11	CARE Advisory Research and Training Limited jointly with CARE Ratings Limited	-	-	-	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 01.04.2019)		Cumulative Shareholding during the year (As on 31.03.2020)		% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% change in shareholding during the year	% of total Shares of the Company	
1	<b>CARE Ratings Limited</b>					
	At the beginning of the year	80,13,491	100.00			
	Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/decrease (eg. Allotment /transfer/bonus/sweat equity etc)			0	0.00	
	At the end of the year			80,13,491	100.00	0.00
2	<b>Shri Rajesh Mokashi jointly with CARE Ratings Limited</b>					
	At the beginning of the year	1	0.00			
	Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/decrease (eg. Allotment /transfer/bonus/sweat equity etc)			1	0.00	
	At the end of the year			-	-	-
3	<b>Ms. Revati Kasture jointly with CARE Ratings Limited</b>					
	At the beginning of the year	1	0.00			
	Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/decrease (eg. Allotment /transfer/bonus/sweat equity etc)			0	0.00	0.00
	At the end of the year			1	0.00	0.00

4	<b>Shri T. N. Arun Kumar jointly with CARE Ratings Limited</b>					
	At the beginning of the year	1	0.00			
	Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/decrease (eg. Allotment /transfer/bonus/sweat equity etc)			0	0.00	0.00
	At the end of the year			1	0.00	0.00
5	<b>Shri Milind Gadkari jointly with CARE Ratings Limited</b>					
	At the beginning of the year	1	0.00			
	Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/decrease (eg. Allotment /transfer/bonus/sweat equity etc)			0	0.00	0.00
	At the end of the year			1	0.00	0.00
6	<b>Shri Umesh Ikhe jointly with CARE Ratings Limited</b>					
	At the beginning of the year	1	0.00			
	Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/decrease (eg. allotment /transfer /bonus /sweat equity etc)			0	0.00	0.00
	At the end of the year			1	0.00	0.00
7	<b>Shri Sanjay Agarwal jointly with CARE Ratings Limited</b>					
	At the beginning of the year	1	0.00			
	Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/decrease (eg. Allotment /transfer/bonus/sweat			0	0.00	0.00

	equity etc)					
	At the end of the year			1	0.00	0.00
8	<b>Shri Mehul Pandya jointly CARE Ratings Limited</b>					
	At the beginning of the year	1	0.00			
	Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/decrease (eg. Allotment /transfer/bonus/sweat equity etc)			0	0.00	0.00
	At the end of the year			1	0.00	0.00
9	<b>Shri Milind Raje jointly CARE Ratings Limited</b>					
	At the beginning of the year	1	0.00			
	Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/decrease (eg. Allotment /transfer/bonus/sweat equity etc)			0	0.00	0.00
	At the end of the year			1	1.00	0.00
10	<b>Shri Madan Sabnavis jointly CARE Ratings Limited</b>					
	At the beginning of the year	1	0.00			
	Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/decrease (eg. Allotment /transfer/bonus/sweat equity etc)			0	0.00	0.00
	At the end of the year			1	1.00	0.00



11	<b>CARE Advisory Research and Training Limited jointly CARE Ratings Limited</b>					
	At the beginning of the year	-	-			
	Date wise Increase/Decrease in Promoters shareholding during the year, specifying the reasons for increase/decrease (eg. Allotment /transfer/bonus/sweat equity etc)			1 Transferred from Shri Rajesh Mokashi jointly with CARE Ratings Limited	0.00	0.00
	At the end of the year	-	-	1	1.00	0.00

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the 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
NIL					

**(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 01.04.2019)		Cumulative Shareholding during the year (As on 31.03.2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shri Rajesh Mokashi jointly with CARE Ratings Limited	1	0.00	-	-
2	Shri Mehul Pandya jointly with CARE Ratings Limited	1	0.00	1	0.00
3	Shri T. N. Arun Kumar jointly with CARE Ratings Limited	1	0.00	1	0.00
4	Shri Umesh Ikhe 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.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	00	1,00,00,000	00	1,00,00,000
ii) Interest due but not paid	00	00	00	00
iii) Interest accrued but not due	00	00	00	00
<b>Total (i+ii+iii)</b>	<b>00</b>	<b>1,00,00,000</b>	<b>00</b>	<b>1,00,00,000</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	00	3,00,00,000	00	3,00,00,000
Reduction	00	00	00	00
Net Change	00	3,00,00,000	00	3,00,00,000
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	00	4,00,00,000	00	4,00,00,000
ii) Interest due but not paid	00	20,01,000	00	20,01,000
iii) Interest accrued but not due	00	00	00	00
<b>Total (i+ii+iii)</b>	<b>00</b>	<b>4,20,01,000</b>	<b>00</b>	<b>4,20,01,000</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

4.	Commission - as % of profit - others, specify...	00	00	00
5.	Others, please specify (Reimbursement of Expenses)	00	00	00
	Total (A)	00	00	00

**B. REMUNERATION TO OTHER DIRECTORS:**

Sr. No.	Particulars of Remuneration	Name of Director – Mr. Lalit Pophale	Total Amount
<b>1.</b>	<b>Independent Directors</b>		
	Fee for attending board / committee meetings (Rs.)	40,000	40,000
	Commission (Rs.)	00	00
	Others - Conveyance (Rs.)	6,000	6,000
	<b>Total (1) (Rs.)</b>	00	00
<b>2.</b>	<b>Other Non-Executive Directors</b>	<b>46,000</b>	<b>46,000</b>
	Fee for attending board / committee meetings (Rs.)	00	00
	Commission (Rs.)	00	00
	Others, please specify (Rs.)	00	00
	<b>Total (2) (Rs.)</b>	00	00
	<b>Total Managerial Remuneration (Rs.)</b>	<b>46,000</b>	<b>46,000</b>

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Shri Umesh Ikhe, Chief Executive Officer	Shri Manoj Dhondge, Company Secretary	Mr. Nitesh Poojari, Chief Financial Officer upto 06.12.2019	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	64,53,705.00	6,90,000.00	0	71,43,705.00
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0

5.	Others, please specify (Reimbursement of Expenses)	Mobile – Rs. 24,674.34 Leave Encashment – Rs. 4,82,626.00 Performance related pay – Rs. 4,00,000.00 Reimbursement of Expenses – Rs. 1,34,034.08	0	0	10,41,334.42
	Total	<b>74,95,039.42</b>	<b>6,90,000.00</b>	<b>0</b>	<b>81,85,039.42</b>

**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)
<b>A. COMPANY</b>					
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>B. DIRECTORS</b>					
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>C. OTHER OFFICERS IN DEFAULT</b>					
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

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

Place : Mumbai  
Dated : 06.08.2020

Ajay Mahajan  
Chairman  
DIN: 05108777

## **S.P. CHOPRA & CO.**

Chartered Accountants

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New Delhi- 110 001  
Tel: 91-11-23313495-6-7  
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ICAI Regn.No. 000346N  
Web Site: [www.spchopra.in](http://www.spchopra.in)  
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### **INDEPENDENT AUDITOR'S REPORT** **TO THE MEMBERS OF CARE RISK SOLUTIONS PRIVATE LIMITED**

#### **Opinion**

We have audited the financial statements of **CARE Risk Solutions Private Limited** (the 'Company'), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

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

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

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

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

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

### **Auditor's Responsibilities for the audit of the Financial Statements**

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

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

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

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

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

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

  
**(Vipin Kumar)  
Partner**

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

**Membership No. 081859  
UDIN 20081859AAAAAD7777**



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

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

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

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

  
**Vipin Kumar  
Partner**

**Membership No. 081859  
UDIN 20081859AAAAAD7777**

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



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

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

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

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
Vipin Kumar  
Partner

Membership No. 081859  
UDIN 20081859AAAAAD7777

Place : Mumbai  
Dated: June 15, 2020



CARE Risk Solutions Private Limited  
CIN No : U74210 MH1999PTC118349  
Balance Sheet as at March 31, 2020

(Amount in Rs.'000)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property Plant and Equipment	2	2,016	2,878
Right-of-use Assets	2	13,507	-
Other Intangible Assets	2	953	749
Capital work in Progress	2	4,969	-
<b>Financial Assets</b>			
- Loans	3	2,228	2,458
Deferred Tax Assets (Net)	4	9,812	7,053
<b>Current Assets</b>			
<b>Financial Assets</b>			
- Investments	5	-	515
- Trade Receivables	6	46,493	39,517
- Cash and Cash Equivalents	7	3,374	1,891
- Bank Balances other than Cash and Cash Equivalents	8	15,850	9,860
- Other Current Financial Assets	9	85,080	49,624
Current Tax Assets (Net)	10	8,931	10,304
Other Current Assets	11	6,916	8,830
<b>Total Assets</b>		<b>2,00,130</b>	<b>1,33,680</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	12	80,135	80,135
Other Equity	13	(59,094)	(61,178)
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	1,10,520	71,344
Lease liability	24.10	11,780	-
Provisions	15	6,425	3,107
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Lease liability	24.10	2,881	-
Other Financial Liabilities	16	45,438	37,856
Other Current Liabilities	17	1,856	1,978
Provisions	18	187	438
<b>Total Equity and Liabilities</b>		<b>2,00,130</b>	<b>1,33,680</b>

Significant Accounting Policies and Notes 1 to 24 form an integral part of the financial statements

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

Vipan Kumar  
Partner  
Membership No. 081859

Place: Mumbai  
Date: June 15, 2020



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

Ajay Mahajan  
Chairman  
DIN No.05108777

Navin Kumar Jain  
Director  
DIN No. 07763257

Lalit Pophale  
Director  
DIN No. 05240078

Umesh Ikhe  
Chief Executive Officer

Manoj Dhondge  
Company Secretary  
ACS 55592



CARE Risk Solutions Private Limited  
 CIN No : U74210 MH1999PTC118349  
 Statement of Profit & Loss for the year ended March 31, 2020

(Amount in Rs.'000)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue From Operations	19	1,55,308	1,54,911
Other Income	20	8,342	2,599
<b>Total Income</b>		<b>1,63,650</b>	<b>1,57,510</b>
<b>Expenses</b>			
Employee Benefits Expense	21	76,226	60,607
Finance Cost	22	11,189	7,811
Depreciation and Amortisation Expense	2	5,598	2,229
Other Expenses	23	66,547	71,690
<b>Total Expenses</b>		<b>1,59,560</b>	<b>1,42,337</b>
<b>Profit before Tax</b>		<b>4,090</b>	<b>15,173</b>
<b>Tax Expense</b>			
Current Tax		3,800	-
Deferred Tax		(2,759)	2,209
<b>Total Tax Expense</b>		<b>1,041</b>	<b>2,209</b>
<b>Profit after tax</b>		<b>3,050</b>	<b>12,964</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit & Loss			
- Actuarial Loss on Defined Benefit Obligation		(949)	(245)
(ii) Income tax relating to items that will not be reclassified to profit or loss		264	68
<b>Other Comprehensive loss for the year</b>		<b>(685)</b>	<b>(177)</b>
<b>Total Comprehensive Income for the year</b>		<b>2,365</b>	<b>12,787</b>
<b>Earning Per Share (Face Value Rs.10/- each) (in Rs.)</b>			
- Basic	24.6	0.38	1.62
- Diluted		0.38	1.62

Significant Accounting Policies and Notes 1 to 24 form an integral part of the financial statements

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

Vipan Kumar  
 Partner  
 Membership No. 081859

Place: Mumbai  
 Date: June 15, 2020



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

Ajay Mahajan Chairman  
 Director  
 DIN No.05108777

Navin Kumar Jain  
 Director  
 DIN No. 07763257

Lalit Pophale  
 Director  
 DIN No. 05240078

Umesh Ikhe  
 Chief Executive Officer

Manoj Dhondge  
 Company Secretary  
 ACS 55592



Statement of Cash flows for the year ended March 31, 2020

(Amount in Rs.'000)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax		4,090	15,173
<b>(A) Cash flow from Operating Activities</b>			
<b>Adjustments for</b>			
Other Comprehensive Income		(949)	0
Interest Income on Fixed Deposit		(1,030)	(528)
Interest on loan		(13)	(14)
Income from Investments		(3)	(32)
Unrealised Foreign Exchange (Gain) / Loss		(979)	(76)
Provision for Compensated Absence		(300)	(81)
Provision for Gratuity		2,576	(177)
Provision for Bad Debts		5,706	793
Bad Debts written off		2,463	-
Finance Expenses		11,189	7,811
Depreciation and Amortization Expense		5,598	2,229
<b>Operating Profit before working capital changes</b>		<b>28,348</b>	<b>24,852</b>
<b>Movements in working capital</b>			
Decrease/(Increase) in Trade Receivables		(20,628)	(23,148)
Decrease/(Increase) in Other Current Financial Assets		(35,456)	(11,430)
Decrease/(Increase) in Other Current Assets		1,915	(2,163)
Increase/(Decrease) in Provisions for Non Current Liabilities		4,267	1,025
Decrease/(Increase) in Other Current Financial Liabilities		7,582	2,439
Decrease/(Increase) in Other Current Liabilities		(122)	14,865
Increase/(Decrease) in Provisions for Current Liabilities		50	(19)
<b>Total Movements in working capital</b>		<b>(42,393)</b>	<b>(18,431)</b>
Taxes paid		(2,163)	(5,740)
<b>Net cash from operating activities</b>		<b>(16,207)</b>	<b>681</b>
<b>(B) Cash flow from Investing Activities</b>			
Income from investments		1,032	560
Fixed Deposit		(5,990)	(8,933)
Purchase of property, plant and equipment		(6,307)	(2,139)
Recognition of ROU assets on adoption of Ind AS 116		(17,109)	-
Purchase of investments		-	(2,515)
Sale of investments		515	4,503
<b>Net cash from investing activities</b>		<b>(27,860)</b>	<b>(8,524)</b>
<b>(C) Cash flow from financing activities</b>			
(Paid)/received as security deposit		230	(1,408)
Lease Liability		17,379	-
Amounts borrowed		32,001	10,000
Amounts repaid to employees		-	125
Interest on loan		(2,581)	(734)
Interest on Lease Liability		(1,419)	-
Dividend and Dividend Tax paid		(60)	(63)
<b>Net cash from financing activities</b>		<b>45,550</b>	<b>7,920</b>
<b>Net Increase in cash and cash equivalents</b>		<b>1,483</b>	<b>77</b>
<b>Cash And Cash Equivalents At The Beginning</b>		<b>1,891</b>	<b>1,815</b>
<b>Cash And Cash Equivalents At The End</b>		<b>3,374</b>	<b>1,891</b>
<b>Cash and cash equivalents comprise of:</b>			
Cash on hand	7	1	-
Balances with Bank - on current accounts		3,295	1,488
Deposits with Banks with original maturity of less than 3 months		77	403
<b>Total</b>		<b>3,374</b>	<b>1,891</b>

Significant Accounting Policies and Notes 1 to 24 form an integral part of the financial statements

As per our Report of even date attached

For S.P. Chopra & Co.  
Chartered Accountants  
Firm Regd.No.000346N

Vipin Kumar  
Partner  
Membership No. 081859

Place: Mumbai  
Date: June 15, 2020



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

Ajay Mahajan  
Chairman  
DIN No.05108777

Lalit Pophale  
Director  
DIN No: 05240078

Navin Kumar Jain  
Director  
DIN No: 07763257

Umesh Ikhe  
Chief Executive Officer

Manoj Dhondge  
Company Secretary  
ACS 55592



CARE Risk Solutions Private Limited  
CIN No : U74210 MH1999PTC118349  
Standalone Balance Sheet as at March 31, 2020

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

**A. Equity Share Capital**

For the year ended 31 March, 2020

(Amount in Rs.'000)

Balance as at April 01, 2019	Changes in Equity Share Capital during the year	Balance as at March 31, 2020
80,135	-	80,135

For the year ended March 31, 2019

(Amount in Rs.'000)

Balance as at April 01, 2018	Changes in Equity Share Capital during the year	Balance as at March 31, 2019
80,135	-	80,135

**B. Other Equity**

For the year ended March 31, 2020

(Amount in Rs.'000)

Particulars	Reserves & Surplus		Total Equity
	Equity Component of Compound financial Instrument	Retained Earnings	
Balance as at April 01, 2019	1,535	(62,713)	(61,178)
Transfer (to) / from Retained Earnings	-	-	-
<b>Other Comprehensive Income/(loss) for the year</b>			
Profit for the year	-	3,050	3,050
Remeasurement gain/(loss) on defined benefit plan	-	(685)	(685)
Adjustment as per Ind AS 116 as at 1st April, 2019	-	(270)	(270)
Preference dividend net	-	(10)	(10)
<b>Total Other Comprehensive Income/ (loss) for the year</b>	-	2,084	2,084
<b>Balance as at March 31, 2020</b>	<b>1,535</b>	<b>(60,629)</b>	<b>(59,094)</b>

For the year ended March 31, 2019

(Amount in Rs.'000)

Particulars	Reserves & Surplus		Total Equity
	Equity Component of Compound financial Instrument	Retained Earnings	
Balance as at April 01, 2018	1,535	(75,361)	(73,826)
Transfer (to) / from Retained Earnings	-	(139)	(139)
<b>Other Comprehensive Income/(loss) for the year</b>			
Profit for the year	-	12,964	12,964
Remeasurement gain/(loss) on defined benefit plan	-	(177)	(177)
<b>Total Other Comprehensive Income/(loss) for the year</b>	-	12,787	12,787
<b>Balance as at March 31, 2019</b>	<b>1,535</b>	<b>(62,713)</b>	<b>(61,178)</b>

Significant Accounting Policies and Notes 1 to 24 form an integral part of the financial statements

As per our Report of even date attached

For S.P. Chopra & Co.

Chartered Accountants

Firm Regd.No.000346N

Vipin Kumar

Partner

Membership No. 081859



Place: Mumbai

Date: June 15, 2020

For and on behalf of the Board of Directors

CARE Risk Solutions Private Limited

Ajay Mahajan

Chairman

DIN No.05108777

Navin Kumar Jain

Director

DIN No. 07763257

Lalit Pophale

Director

DIN No. 05240078

Umesh Jkhe

Chief Executive Officer

Manoj Dhondge

Company Secretary

ACS 55592





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

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 were approved for issue by the Board of Directors on June 15, 2020

**1.2.2 Basis of preparation of Accounts**

**a) Basis of preparation**

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

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

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

**b) Functional and Presentation Currency:**

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

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

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

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

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

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

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

All other liabilities are classified as non-current.

**d) Use of Estimates and Judgments**

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

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



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

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 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 / 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.

**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.



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

**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'.

**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.



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

**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.

**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.

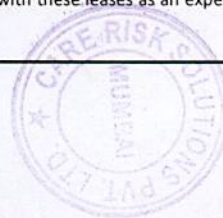
For new lease contracts, the Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the balance sheet. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement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



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

**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.

**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.

**1.2.15 Taxation:**

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

**a) Current tax**

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

**b) Deferred tax**

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

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

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

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



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

**1.2.16 Earnings Per Share**

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

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

**1.2.17 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

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

**1.2.18 Segment Reporting**

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

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



CARE Risk Solutions Private Limited  
CIN No : U74210 MH1999PTC118349  
Notes to the financial statements as at March 31, 2020

Note 2  
Property Plant and Equipment, Right-of-use Assets and Intangible Assets as at March 31, 2020

Description of Assets	Gross Block					Depreciation/Amortisation				Net Block	
	As at April 01, 2019	Adjustment as per Ind AS 116 as at 1st April, 2019	Additions during the year	Sales/ disposal/ adjustments during the year	As at March 31, 2020	As at April 01, 2019	For the year	Sales/ disposal/ adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
	<b>Tangible Assets</b>										
Leasehold improvements	541	-	-	-	541	453	30	0	483	57	87
Computers	3,095	-	566	-	3,661	1,331	1,135	0	2,467	1,194	1,764
Furniture and fixtures	1,301	-	-	-	1,301	770	138	0	908	393	531
Office equipments	682	-	33	-	715	515	72	0	587	128	168
Electrical installations	808	-	-	-	808	479	85	0	564	243	329
<b>Total Tangible</b>	<b>6,427</b>	<b>-</b>	<b>599</b>	<b>-</b>	<b>7,026</b>	<b>3,549</b>	<b>1,461</b>	<b>-</b>	<b>5,010</b>	<b>2,016</b>	<b>2,878</b>
<b>Right-of-use Assets</b>											
Building Premises	-	17,109	-	-	17,109	-	3,602	-	3,602	13,507	-
<b>Total Right-of-use Assets</b>	<b>-</b>	<b>17,109</b>	<b>-</b>	<b>-</b>	<b>17,109</b>	<b>-</b>	<b>3,602</b>	<b>-</b>	<b>3,602</b>	<b>13,507</b>	<b>-</b>
<b>Intangible Assets</b>											
Computer Software	1,758	-	740	-	2,497	1,593	165	-	1,758	739	165
Software development	1,864	-	-	-	1,864	1,280	370	-	1,650	214	584
<b>Total Intangible</b>	<b>3,621</b>	<b>-</b>	<b>740</b>	<b>-</b>	<b>4,361</b>	<b>2,873</b>	<b>535</b>	<b>-</b>	<b>3,408</b>	<b>953</b>	<b>749</b>
Capital Work in Progress	-	-	4,969	-	4,969	-	-	-	-	4,969	-
<b>Total Capital WIP</b>	<b>-</b>	<b>-</b>	<b>4,969</b>	<b>-</b>	<b>4,969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,969</b>	<b>-</b>
<b>Total</b>	<b>10,048</b>	<b>17,109</b>	<b>6,307</b>	<b>-</b>	<b>33,464</b>	<b>6,421</b>	<b>5,598</b>	<b>-</b>	<b>12,019</b>	<b>21,445</b>	<b>3,627</b>

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, 2019

Description of Assets	Gross Block					Depreciation/Amortisation				Net Block	
	As at April 01, 2018	Adjustment as per Ind AS 116 as at 1st April, 2019	Additions during the year	Sales/ disposal/ adjustments during the year	As at March 31, 2019	As at April 01, 2018	For the year	Sales/ disposal/ adjustments during the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
	<b>Tangible Assets</b>										
Leasehold improvements	541	-	-	-	541	380	73	-	453	87	160
Computers	1,089	-	2,006	-	3,095	751	580	-	1,331	1,764	337
Furniture and fixtures	1,301	-	-	-	1,301	585	186	-	770	531	717
Office equipments	625	-	58	-	682	414	101	-	515	168	211
Electrical installations	808	-	-	-	808	364	115	-	479	329	444
<b>Total Tangible</b>	<b>4,363</b>	<b>-</b>	<b>2,064</b>	<b>-</b>	<b>6,427</b>	<b>2,494</b>	<b>1,054</b>	<b>-</b>	<b>3,549</b>	<b>2,878</b>	<b>1,868</b>
<b>Intangible Assets</b>											
Computer Software	1,682	-	75	-	1,758	1,420	173	-	1,593	165	262
Software development	1,864	-	-	-	1,864	278	1,002	-	1,280	584	1,586
<b>Total Intangible</b>	<b>3,546</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>3,621</b>	<b>1,698</b>	<b>1,174</b>	<b>-</b>	<b>2,873</b>	<b>749</b>	<b>1,848</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital WIP</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7,909</b>	<b>-</b>	<b>2,139</b>	<b>-</b>	<b>10,048</b>	<b>4,193</b>	<b>2,229</b>	<b>-</b>	<b>6,421</b>	<b>3,627</b>	<b>3,716</b>



**Note 3**  
**Loans**

(Amount in Rs.'000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured, Considered Good)</b>		
Security Deposits	2,228	2,458
<b>Total</b>	<b>2,228</b>	<b>2,458</b>

**Note 4**  
**Deferred Tax Asset (Net)**

(Amount in Rs.'000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax Assets</b>		
<u>a. MAT Credit Entitlement</u>		
Opening balance	5,219	5,219
Addition/(Deletion) during the year	-	-
Closing balance	5,219	5,219
<u>b. Expenses allowed in Income Tax on payment basis</u>		
Opening balance	1,575	2,425
Addition/(Deletion) during the year	5,384	(850)
Closing balance	6,959	1,575
<u>c. Depreciation on Property, Plant and Equipments</u>		
Opening balance	-	1,549
Addition/(Deletion) during the year	-	(1,290)
Closing balance	-	259
<b>Total Deferred Tax Assets (a+b+c)</b>	<b>12,178</b>	<b>7,053</b>
<b>Deferred Tax Liabilities</b>		
<u>a. Depreciation/ Amortisation on Property, Plant and Equipments</u>		
Opening balance	259	-
Addition/(Deletion) during the year	(2,624)	-
Closing balance	(2,365)	-
<b>Deferred Tax Assets (Net)</b>	<b>9,812</b>	<b>7,053</b>

**Note 5**  
**Investments**

(Amount in Rs.'000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(Carried at Fair value through Statement of Profit &amp; Loss)</b>		
<b>Investment in Mutual Funds - Unquoted</b>		
Investment in Various Open - Ended Debt Mutual Funds	-	515
<b>Total</b>	<b>-</b>	<b>515</b>
Aggregate amount of Quoted investments and market value thereof	-	-
Aggregate amount of Unquoted investments	-	515
Aggregate amount of impairment on value of investments	-	-





<b>Note 6</b>		
<b>Trade Receivables</b>		
(Amount in Rs.'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good (Refer Note 6.1)	46,493	39,517
Unsecured, Considered Doubtful	9,282	3,576
(Less): Allowance for bad and doubtful debts	(9,282)	(3,576)
<b>Total</b>	<b>46,493</b>	<b>39,517</b>
6.1 Due to short-term nature of current receivables, their carrying amount is assumed to be same as their fair value.		
6.2 Refer Note 24.7 on information of credit and market risk of trade receivables.		
<b>Note 7</b>		
<b>Cash and Cash Equivalents</b>		
(Amount in Rs.'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	1	0
Balances with Bank - on current accounts	3,295	1,488
Deposits with Banks with original maturity of less than 3 months	77	403
<b>Total</b>	<b>3,374</b>	<b>1,891</b>
7.1 There are no restrictions on Cash and Cash equivalents as at the end of the reporting period and prior periods		
<b>Note 8</b>		
<b>Bank Balances other than Cash and Cash Equivalents</b>		
(Amount in Rs.'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Lienmarked Deposit	15,850	9,860
<b>Total</b>	<b>15,850</b>	<b>9,860</b>
8.1 Bank deposits given against bank guarantees issued by bank		
<b>Note 9</b>		
<b>Other Current Financial Assets</b>		
(Amount in Rs.'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on bank deposits	1,300	420
Unbilled Revenue	83,780	49,205
<b>Total</b>	<b>85,080</b>	<b>49,624</b>
<b>Note 10</b>		
<b>Current Tax Assets (Net)</b>		
(Amount in Rs.'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Advance tax & TDS	8,931	10,304
(Net of Provisions for tax of Rs. 3,800 (Previous year : Rs. NIL )		
<b>Total</b>	<b>8,931</b>	<b>10,304</b>
<b>Note 11</b>		
<b>Other Current Assets</b>		
(Amount in Rs.'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured, Considered Good)</b>		
Prepaid Expenses	302	2,055
Balances with Government Authorities - GST	4,109	4,479
Other Advances	2,505	2,297
<b>Total</b>	<b>6,916</b>	<b>8,830</b>



Note 12  
Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)
	(Amount in Rs.'000)			
Authorised Equity Shares of Rs.10/- each	1,00,00,000	1,00,000	1,00,00,000	1,00,000
Issued, subscribed and fully paid up Equity Shares of Rs.10/- each	80,13,500	80,135	80,13,500	80,135
<b>Total</b>		<b>80,135</b>		<b>80,135</b>

12.1: Reconciliation of shares outstanding

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	Amount	Nos.	Amount
	(Amount in Rs.'000)			
At the beginning of the year	80,13,500	80,135	80,13,500	80,135
<b>At the end of the year</b>	<b>80,13,500</b>	<b>80,135</b>	<b>80,13,500</b>	<b>80,135</b>

12.2: 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.

12.3: Details of shareholder holding more than 5% Shares

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	Nos.	% age	Nos.	% age
	(Amount in Rs.'000)			
CARE Ratings Ltd (formerly known as Credit Analysis and Research Limited)	80,13,500	100.00%	80,13,500	100.00%

12.4 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 13  
Other Equity

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amount	%	Amount	%
(Amount in Rs.'000)				
<b>Surplus in the statement of profit and loss</b>				
As per the last account	(62,806)		(75,630)	
Opening adjustments on account of exchange fluctuation of earlier periods	-		(76)	
Adjustment as per Ind AS 116 as at 1st April, 2019	(270)		-	
Net Profit for the year	3,050		12,964	
Less :				
Preference Dividend	10		63	
Transfer to General Reserve	-		-	
Transfer to OCI	-		-	
		(60,036)		(62,806)
<b>Other Comprehensive Income</b>				
Remeasurement of defined benefit plans (Net of tax)				
As per the last account	92		269	
Addition/(Deletion for the year)	(685)		(177)	
		(593)		92
<b>Equity Component of Compound Financial Instrument</b>				
As per the last account		1,535		1,535
<b>Total</b>		<b>(59,094)</b>		<b>(61,178)</b>

Description of Other Equity:

Equity Component of Compound Financial Instrument (Refer Note 24.13)

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.



<b>Note 14</b>		
<b>Borrowings</b>		
(Amount in Rs.'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
50,00,000 (Previous year : 50,00,000 ) 0.1% Optionally convertible cumulative redeemable preference shares - CARE Ratings Ltd (Holding Company) (Refer note no. 14.2 & 24.13)	68,519	61,344
Unsecured Loans from CARE Ratings Ltd (Holding Company) (Refer note no. 14.1)	42,001	10,000
<b>Total</b>	<b>1,10,520</b>	<b>71,344</b>
14.1 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.		
14.2 Includes interest component of Rs. 19,606 (Previous year Rs.:12,381) in '000		
<b>Note 15</b>		
<b>Provisions</b>		
(Amount in Rs.'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employee Benefits (Refer Note - 24.3 )</b>		
Provision for Gratuity	6,425	3,107
<b>Total</b>	<b>6,425</b>	<b>3,107</b>
<b>Note 16</b>		
<b>Other Current Financial Liabilities</b>		
(Amount in Rs.'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Creditors for Expenses (Refer Note 24.11 for dues to MSME Creditors)	7,744	1,921
Unearned Revenue	20,109	20,907
Accrued Expenses	17,535	14,887
Other Liabilities	50	141
<b>Total</b>	<b>45,438</b>	<b>37,856</b>
<b>Note 17</b>		
<b>Other Current Liabilities</b>		
(Amount in Rs.'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customers	-	113
Statutory Liabilities	1,856	1,866
<b>Total</b>	<b>1,856</b>	<b>1,978</b>
<b>Note 18</b>		
<b>Provisions</b>		
(Amount in Rs.'000)		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employee Benefits (Refer Note No. - 24.3)</b>		
Provision for Compensated Absence	46	346
Provision for Gratuity - Current Liability	141	92
<b>Total</b>	<b>187</b>	<b>438</b>



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**Note 19**  
**Revenue From Operations**

Particulars	(Amount in Rs.'000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Sale of Services</b>		
Sale of Licenses and services	1,48,808	1,51,198
Fee for Consultancy Services	6,500	3,676
Other Operating Revenue	-	37
<b>Total</b>	<b>1,55,308</b>	<b>1,54,911</b>

**Note 20**  
**Other Income**

Particulars	(Amount in Rs.'000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from Investments	3	32
Interest income on deposit with banks	1,030	528
Gain on Fair Value of Security Deposits through Profit and Loss	130	33
Foreign Exchange Gain	6,158	1,664
Miscellaneous Income	1,023	342
<b>Total</b>	<b>8,342</b>	<b>2,599</b>

**Note 21**  
**Employee Benefits Expense**

Particulars	(Amount in Rs.'000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, incentives, gratuity, compensated absences and allowances etc.	71,595	57,342
Contribution to Provident Funds	4,094	2,783
Staff Welfare Expenses	537	483
<b>Total</b>	<b>76,226</b>	<b>60,607</b>

**Note 22**  
**Finance Cost**

Particulars	(Amount in Rs.'000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Preference Shares	7,225	7,063
Interest on Unsecured Loan	2,545	748
Interest expense on Lease Liability	1,419	-
<b>Total</b>	<b>11,189</b>	<b>7,811</b>

**Note 23**  
**Other Expenses**

Particulars	(Amount in Rs.'000)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Electricity Charges	465	589
Postage and telephone charges	998	780
Rent	63	3,186
Amortisation of Deferred Lease Expenses	154	41
Travelling & Conveyance Expenses	20,934	19,307
Directors' Sitting Fees	39	50
Insurance	52	27
Legal Expenses	49	10
Professional Fees	13,181	6,669
Rates & Taxes	45	233
Repairs & Maintenance	1,375	797
Commission	15,539	36,201
Advertisement Expenses	1,294	195
Security, Housekeeping & Office Supplies	921	674
Provision for Bad and Doubtful Debts	5,706	793
Bad Debts written off	2,463	-
Auditors Remuneration		
- Audit Fees	300	300
- Tax Audit Fees	50	50
- Certification fees	150	150
Miscellaneous Expenses	2,770	1,638
<b>Total</b>	<b>66,547</b>	<b>71,690</b>



**Note 24: Other Notes**

**Note 24.1: Contingent Liabilities (Ind AS 37)**

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

Particulars	(Amount in Rs.'000)	
	As at March 31, 2020	As at March 31, 2019
Contingent Liability on account of Income Tax	-	-

The Company's pending litigations comprise of proceedings pending with Income Tax authorities. The Company has reviewed all 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

**b. Guarantees given by Bank of behalf of the Company in respect of Rs. 1,58,50,375/- (March 31, 2019 - Rs. 98,60,000/-)**

**Note 24.2: 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 24.3: 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, 2020:**

Particulars	(Amount in Rs.'000)
	Gratuity (Non Funded)
Defined Benefit Obligation	6,566
Fair Value of Assets	-

Particulars	(Amount in Rs.'000)	
	Gratuity (Non Funded)	
	As at March 31, 2020	As at March 31, 2019
<b>(i) Change in Present value of Obligations:</b>		
Opening Defined Benefit Obligation	3198	2437
Current Service Cost	2363	720
Interest Cost	213	175
Actuarial (Gain)/Loss	949	245
Benefits Paid	(158)	(378)
<b>Closing Defined Benefit Obligations</b>	<b>6566</b>	<b>3198</b>
<b>(ii) Change in Fair Value of Plan Assets:</b>		
Opening Fair Value of the Plan Assets	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by the Employer	158	378
Benefits Paid	(158)	(378)
<b>Closing Fair Value of the Plan Assets</b>	<b>-</b>	<b>-</b>
<b>(iii) Net Asset / (Liability) recognized in the Balance Sheet</b>		
Present value of the defined benefit obligation at the end of the period	6566	3198
Fair Value of Plan Assets	-	-
<b>Net Asset / (Liability)</b>	<b>6566</b>	<b>3198</b>
<b>(iv) Expenses recognized in the Statement of Profit &amp; Loss</b>		
Current Service Cost	2363	720
Interest on Defined Benefit Obligations	213	175
Expected Return on Plan Assets	-	-
<b>Amount recognized in Statement of Profit and Loss</b>	<b>2576</b>	<b>895</b>
<b>(v) Re-measurements recognized in Other Comprehensive Income (OCI):</b>		
Changes in Financial Assumptions	852	381
Changes in Demographic Assumptions	4	(58)
Experience Adjustments	92	(78)
Expected Return on Plan Assets	-	-
<b>Amount recognized in Other Comprehensive Income (OCI)</b>	<b>949</b>	<b>245</b>



<b>(vi) Maturity Profile of Defined Benefit Obligation:</b>			
Within the next 12 months		141	92
Between 1 and 5 years		460	280
Between 5 and 10 years		929	458
10 Years and above		5036	2368
<b>(vii) Sensitivity analysis for significant assumptions:*</b>			
Increase/(Decrease) on present value of defined benefits obligation at the end of the year			
1% increase in discount rate		5666	2797
1% decrease in discount rate		7673	3684
1% increase in salary escalation rate		7405	3545
1% decrease in salary escalation rate		5816	2866
1% increase in employee turnover rate		6477	3198
1% decrease in employee turnover rate		6656	3195
<b>(viii) The major categories of plan assets as a percentage of total plan:</b>			
-			
<b>(ix) Actuarial Assumptions:</b>			
Discount Rate (p.a.)		6.83%	7.78%
Expected Return on Plan Assets (p.a.)		-	-
Turnover Rate		5%	5%
Mortality tables		Indian Assured Lives Mortality(2012-14)	Indian Assured Lives Mortality(2006-08)
Salary Escalation Rate (p.a.)		7%	7%
Retirement age		60	58
<b>(x) Weighted Average duration of Defined benefit obligation</b>			
		<b>20.29</b>	<b>18.09</b>

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

**(xi) Basis used to determine Expected Rate of Return on Plan Assets:**

Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**(xii) Salary Escalation Rate:**

Salary escalation rates are determined taking into account seniority, promotion, inflation and other relevant factors.

**(xiii) Asset Liability Matching (ALM) strategy:**

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**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.

**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 22 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is ₹ 25,76,412/- (Previous Year ₹ 29,43,858/-)

**Note 24.4: Segment Reporting (Ind AS 108):**

The Company has following business segments, which are its reportable segments. Operating segment disclosures are consistent with the information provided to and reviewed by the Chief Operating Decision Maker.

**(A) Primary Segment Information**

(Amount in Rs.'000)

Particulars	For the year Ended March 31, 2020			
	Risk Solutions	Advisory	Unallocable	Total
<b>Segment Revenue</b>				
Revenue from Services	155308	-	-	155308
<b>Total Revenue (A)</b>	<b>155308</b>	<b>-</b>	<b>-</b>	<b>155308</b>
Less: Inter Segment Revenue if any (B)	-	-	-	-
<b>Total Segment Revenue (C = A-B)</b>	<b>155308</b>	<b>-</b>	<b>-</b>	<b>155308</b>
<b>Segment Results (Profit Before Interest, Depreciation &amp; Tax)</b>	<b>12535</b>	<b>-</b>	<b>-</b>	<b>12535</b>
Less: Depreciation & Amortization	5598	-	-	5598
<b>Total Segment Result (D)</b>	<b>6937</b>	<b>-</b>	<b>-</b>	<b>6937</b>
Less: Finance Costs	-	-	11189	11189
Add: Other Unallocable Income - Net	-	-	8342	8342
<b>Profit Before Exceptional Item &amp; Tax</b>	<b>6937</b>	<b>-</b>	<b>(2847)</b>	<b>4090</b>
Exceptional Items - Income/Expenses	-	-	-	-
<b>Profit Before Tax</b>	<b>6937</b>	<b>-</b>	<b>(2847)</b>	<b>4090</b>
<b>Tax Expenses</b>	<b>-</b>	<b>-</b>	<b>(2759)</b>	<b>(2759)</b>
- Current Tax	-	-	-	-
- Deferred Tax Charge/(Credit)	-	-	(2759)	(2759)
<b>Profit for the year</b>	<b>6937</b>	<b>-</b>	<b>(87)</b>	<b>6850</b>
<b>Segment Assets</b>	<b>68222</b>	<b>118400</b>	<b>-</b>	<b>186623</b>
Unallocable Assets	-	-	-	-
<b>Total Assets</b>	<b>68222</b>	<b>118400</b>	<b>-</b>	<b>186623</b>
<b>Segment Liabilities</b>	<b>164426</b>	<b>-</b>	<b>-</b>	<b>164426</b>
Unallocable Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>164426</b>	<b>-</b>	<b>-</b>	<b>164426</b>
<b>Capital Employed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90301</b>
<b>Capital Expenditure</b>	<b>6307</b>	<b>-</b>	<b>-</b>	<b>6307</b>



(Amount in Rs.'000)

Particulars	For the year Ended March 31, 2019			
	Risk Solutions	Advisory	Unallocable	Total
<b>Segment Revenue</b>				
Revenue from Services	105177	-	-	105177
<b>Total Revenue (A)</b>	<b>105177</b>	-	-	<b>105177</b>
Less: Inter Segment Revenue if any (B)	-	-	-	-
<b>Total Segment Revenue (C = A-B)</b>	<b>105177</b>	-	-	<b>105177</b>
<b>Segment Results (Profit Before Interest, Depreciation &amp; Tax)</b>	<b>6131</b>	-	-	<b>6131</b>
Less: Depreciation & Amortization	5598	-	-	5598
<b>Total Segment Result (D)</b>	<b>533</b>	-	-	<b>533</b>
Less: Finance Costs	-	-	7652	7652
Add: Other Unallocable Income - Net	-	-	3011	3011
<b>Profit Before Exceptional Item &amp; Tax</b>	<b>533</b>	-	<b>(4640)</b>	<b>(4107)</b>
Exceptional Items - Income/Expenses	-	-	-	-
<b>Profit Before Tax</b>	<b>533</b>	-	<b>(4640)</b>	<b>(4107)</b>
<b>Tax Expenses</b>	-	-	<b>(701)</b>	<b>(701)</b>
- Current Tax	-	-	-	-
- Deferred Tax Charge/(Credit)	-	-	(701)	(701)
<b>Profit for the year</b>	<b>533</b>	-	<b>(3939)</b>	<b>(3406)</b>
<b>Segment Assets</b>	<b>203280</b>	<b>263</b>	-	<b>203543</b>
Unallocable Assets	-	-	-	-
<b>Total Assets</b>	<b>203280</b>	<b>263</b>	-	<b>203543</b>
<b>Segment Liabilities</b>	<b>187888</b>	-	-	<b>187888</b>
Unallocable Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>187888</b>	-	-	<b>187888</b>
<b>Capital Employed</b>	-	-	-	<b>90301</b>
<b>Capital Expenditure</b>	<b>21463</b>	-	-	<b>21463</b>

(B) Secondary Segment Information

(Amount in Rs.'000)

Particulars	For the year ended March 31, 2020				
	India	UAE & Africa	Srilanka	Far East	Total
Revenue from Operations	72,398	10,406	53,239	19,265	1,55,308
Unallocated Revenue	-	-	-	-	-
<b>Total Revenue from Operations</b>	<b>72,398</b>	<b>10,406</b>	<b>53,239</b>	<b>19,265</b>	<b>1,55,308</b>
Sundry Debtors	20,913	6,596	21,718	-	49,227
Unbilled Revenue	15,497	441	63,292	4,549	83,780
Unallocated Assets	-	-	-	-	53,615
<b>Total Assets</b>	<b>36,409</b>	<b>7,038</b>	<b>85,011</b>	<b>4,549</b>	<b>1,86,623</b>

(Amount in Rs.'000)

Particulars	For the year ended March 31, 2019				
	India	UAE & Africa	Srilanka	Far East	Total
Revenue from Operations	14,811	6,272	1,21,335	12,492	1,54,911
Unallocated Revenue	-	-	-	-	-
<b>Total Revenue from Operations</b>	<b>14,811</b>	<b>6,272</b>	<b>1,21,335</b>	<b>12,492</b>	<b>1,54,911</b>
Sundry Debtors	1,987	5,319	31,623	588	39,517
Unbilled Revenue	-	-	48,847	357	49,205
Unallocated Assets	-	-	-	-	1,14,822
<b>Total Assets</b>	<b>1,987</b>	<b>5,319</b>	<b>80,471</b>	<b>945</b>	<b>2,03,543</b>

Note 24.5: 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, 2020	As at March 31, 2019
<b>Holding Company:</b>			
CARE Ratings Limited (formerly known as Credit Analysis and Research Limited)	Holding Company	100%	100%

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

Name of Related Parties	Nature of Relationship
<b>Key Management Personnel:</b>	
Rajesh Mokashi	Chairman upto December 20, 2019
Ajay Mahajan	Chairman w.e.f. May 26, 2020
Mehul Pandya	Director
Lalit Pophale	Director
T. N. Arun Kumar	Director w.e.f. December 24, 2019
Navin Kumar Jain	Director w.e.f. December 24, 2019
Umesh Ikkhe	Chief Executive Officer
Nitesh Poojari	Chief Financial Officer upto December 06, 2019
Manoj Dhondge	Company Secretary



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(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, 2020	As at March 31, 2019
CARE Ratings Limited (formerly known as Credit Analysis and Research Limited)	Holding Company	Income from Services	11,491	9,058
		Reimbursement of expenses	40	158
		Interest on Borrowings	2,544	748
		Professional service received	331	-
Umesh Ikhe	Chief Executive Officer from 13-05-2017	Managerial Remuneration	6,454	6,623
		Reimbursement of Expenses	883	833

(D) Outstanding balances:

(Amount in Rs.'000)

Name of the Related Party	Relationship	Nature of Transactions	As at March 31, 2020	As at March 31, 2019
CARE Ratings Limited (formerly known as Credit Analysis and Research Limited)	Holding Company	Receivable towards consultancy Services	1,769	1,105
		Amount Payable	374	-
		Borrowings	42,001	10,000
		Preference shares	68,519	61,344

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

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

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

(Amount in Rs.'000)

Nature of Transaction/Relationship	As at March 31, 2020	As at March 31, 2019
Short Term Employee Benefits	6,454	6,623
Other Long Terms Benefits	-	-
Directors Sitting fees	46	40
<b>Total Compensation</b>	<b>6,500</b>	<b>6,663</b>

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

(Amount in Rs.'000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit After Tax (A)	3,050	12,964
Weighted average number for shares for computation of Basic Earnings Per Share (B)	8,014	8,014
<b>Basic Earnings Per Share (A/B)</b>	<b>0.38</b>	<b>1.62</b>
Weighted average number for shares for computation of Diluted Earnings Per Share (C)	8,014	8,014
<b>Diluted Earnings Per Share (A/C)</b>	<b>0.38</b>	<b>1.62</b>

Note 24.7: Financial Instruments: Disclosure (Ind AS 107):

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

(Amount in Rs.'000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Financial assets at Amortized cost:</b>		
Loans	2,228	2,458
Trade Receivables	46,493	39,517
Cash and Cash Equivalents	3,374	1,891
Bank Balances other than cash Equivalents	15,850	9,860
Other Current Financial Assets	85,080	49,624
<b>Financial assets at Fair Value through P&amp;L:</b>		
Investment (Current)	-	515
<b>Total</b>	<b>1,53,025</b>	<b>1,03,865</b>
<b>Financial liabilities at Amortized cost:</b>		
Borrowings	1,10,520	71,344
Lease liability	11,780	-
Other Financial Liabilities	45,438	37,856
<b>Total</b>	<b>1,67,739</b>	<b>1,09,200</b>

b) Fair Value measurement (Ind AS 113):

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

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

**Level 1:**

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

**Level 2:**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The investment in mutual funds are valued using the closing Net Asset Value based on the mutual fund statements received by the company. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:**

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(Amount in Rs.'000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Financial Asset at Fair Value through OCI: FVTPL</b>		
Investments – Level 2	-	515

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





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

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

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

The Company does not see any Interest rate risk since the Company hold those financial instrument whose fair value or future cash flows will not fluctuate much 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 = 75.3859 INR; 1 LKR = 0.38646 INR.

Description	Currency	(Amount in Rs.'000)			
		As at March 31, 2020		As at March 31, 2019	
		Amount in FC	Amount Rs.	Amount in FC	Amount Rs.
Sundry Debtors	USD	658	49,608	543	37,554
Sundry Debtors	LKR	8,958	3,462	8,958	3,505
Unbilled Revenue	USD	888	66,942	686	47,549
Unbilled Revenue	LKR	519	200	519	1,326
Cash in hand	USD	-	-	-	-
Bank Balance in current account	USD	-	-	-	-

**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, 2020	As at March 31, 2019
USD	1,154	851
LKR	48	48

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, 2020 is ₹ 4,64,93,048 (March 31, 2019 ₹ 3,95,16,812 /-)

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 off at a higher rate with reasons whenever felt necessary.

Particulars	Total	Bank of Ceylon	(Amount in Rs.'000)
			Concentration
Gross debtors	55,775	19,732	35%
Less: Provisions	9,282	4,172	
Net Debtors	46,493	15,560	33%

**Provision movement during the year:**

Particulars	(Amount in Rs.'000)	
	As at March 31, 2020	As at March 31, 2019
Opening Provision	3,576	4,144
Add: Provided during the Year	7,626	793
Less: Utilised during the Year	(1,921)	(1,361)
Closing Provision	9,282	3,576

**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, 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	-	1,10,520	-	1,10,520
Other Current Financial Liabilities	45,438	-	-	45,438
Investments in Mutual Funds	-	-	-	-
Deposits with Banks	77	-	-	77
<b>Total</b>	<b>45,516</b>	<b>1,10,520</b>	<b>-</b>	<b>1,56,036</b>
(Amount in Rs.'000)				
As at March 31, 2019	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	-	71,344	-	71,344
Other Financial Liabilities	4,763	-	-	4,763
Investments in Mutual Funds	515	-	-	515
Deposits with Banks	403	-	-	403
<b>Total</b>	<b>5,681</b>	<b>71,344</b>	<b>-</b>	<b>77,025</b>

**Note 24.8: Distribution made and proposed (Ind AS 1):**

The Company has declared preference dividend during any of the reporting period amounting to Rs. 49,726/- (Previous year: Rs. 62,982/-)

**Note 24.9: Capital Management (Ind AS 1):**

The Company has a share capital worth Rs. 8,01,35,000/- along with total borrowings of Rs. 11,05,20,216/- which comprises of Unsecured loan from Care Ratings Limited worth Rs. 4,20,00,778/- and Preference shares worth 6,85,19,438/- as at 31 March 2020. The Company is not exposed to any regulatory imposed capital requirements.

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

**Note 24.10: Operating Leases (Ind AS 17):**

The Company has taken office premises on Operating 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.

Particulars	(Amount in Rs.'000)	
	For the year ended	
	March 31, 2020	
Interest expense on lease liability	1,419	
Amortization of Right-of-use assets	3,602	

ii. Amount recognized in Balance Sheet.

Particulars	(Amount in Rs.'000)			
	As at	Adjustment on adoption of Ind AS 116	Addition / (Deletion) during the year	As at
	March 31, 2019 (Refer 'iii' below)	(Refer 'iii' below)		March 31, 2020
Lease liabilities	17379	(270)	(2447)	14662
Property, Plant and Equipment - Right-of-use assets (Refer Note 2)	-	17109	(3602)	13507
Retained Earnings (net of tax)	-	(270)	(873)	(1143)
Deferred tax assets	-	-	-	(3090)

iii. The Company has adopted Ind AS 116 – Leases from 1<sup>st</sup> April, 2019, and as permitted by its transitional provisions, the cumulative effect of its initial application has been applied as an adjustment to opening Retained Earnings at the date of initial application i.e. on 1<sup>st</sup> April, 2019, instead of restating the comparative information.

**Note 24.11: 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, 2020	As at March 31, 2019
Principal amount and interest due thereon remaining unpaid to any suppliers covered under MSMED Act as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises	-	-
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.



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

**Note 24.13: 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'.

**Note 24.14: Income Taxes (Ind AS 12)**

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

Particulars	(Amount in Rs.'000)	
	As at March 31, 2020	As at March 31, 2019
Current Tax	3,800	0
Deferred Tax	(2,759)	2,209
<b>Total</b>	<b>1,041</b>	<b>2,209</b>

**(B) Income tax recognized in Other Comprehensive Income:**

Particulars	(Amount in Rs.'000)	
	As at March 31, 2020	As at March 31, 2019
Deferred Tax Income/ (Expense) on Actuarial gain/loss and changes in fair value of Investments recognized in Other Comprehensive Income	264	68
<b>Total</b>	<b>264</b>	<b>68</b>

**(C) Reconciliation of effective tax expenses**


Particulars	As at	
	March 31, 2020	March 31, 2019
Applicable Tax rate	27.82%	27.82%
Tax effect of Exempt Income	3.15%	3.15%
Tax effect of Non Deductible expenses	-16.42%	-16.42%
<b>Effective Tax rate</b>	<b>14.55%</b>	<b>14.55%</b>

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

Notes 1 to 24 form an integral part of the financial statements

As per our Report of even date attached


For S.P. Chopra & Co.  
Chartered Accountants  
Firm Regd.No.000346N

  
Vipin Kumar  
Partner  
Membership No. 081859

Place: Mumbai  
Date: June 15, 2020



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

  
Ajay Mahajan  
Chairman  
DIN No.05108777

  
Lalit Pophale  
Director  
DIN No-05240078

  
Navin Kumar Jain  
Director  
DIN No: 07763257

  
Umesh Katre  
Chief Executive Officer

  
Manoj Dhondge  
Company Secretary  
ACS 55592

