S.P. CHOPRA & CO.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARE RISK SOLUTIONS PRIVATE LIMITED (Formerly known as CARE Kalypto Risk Technologies and Advisory Services Pvt. Ltd.)

Opinion

We have audited the financial statements of **CARE Risk Solutions Private Limited** (Formerly known as CARE Kalypto Risk Technologies and Advisory Services Pvt. Ltd.) (the 'Company'), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

Auditor's Responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the

a) 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

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:

b) 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;

c) in our opinion, proper books of accounts have been kept by the Company so far as appears from our examination of those books;

d) 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.

e) 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.

f) on the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

g) 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"**.

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

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS

(Vipan Kumar)
Partner
Membership No. 081859

Place : Mumbai
Dated: 03rd May, 2019

ANNEXURE-'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph under `Report on Other Legal and Regulatory Requirements' section of the Independent Auditors' Report of even date on financial statements of CARE Risk Solutions Private Limited (Formerly known as CARE Kalypto Risk Technologies and Advisory Services Pvt. Ltd.) for the year ended 31st March, 2019)

(i) In respect of its property, plant and equipments;

a. The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments.

b. As explained to us, the property, plant and equipments are physically verified by the management once in a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its property, plant and equipments. No material discrepancies were noticed on such physical verification.

c. The Company does not hold any immovable property hence this clause is not applicable.

(ii) The Company does not hold any inventory or securities as stock in trade, hence this clause is not applicable.

(iii) The Company had not granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013, hence this clause is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company in respect of loans, investments, guarantees, and security has complied with the provisions of section 185 and 186 of the Act.

(v) The Company has not accepted any deposits from the public within the meanings of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified, hence this clause is not applicable.

(vi) Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under sub-section (1) of Section 148 of the Act in respect of its products.

(vii) In respect of statutory dues:

a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.

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b. According to the information and explanation given to us, there is no amount payable in respect of income tax, service tax, value added tax and other material statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

(viii) Based on the audit procedures and according to the information and explanations given to us, the Company has not taken loans or borrowings from financial institution, banks and Government, hence this clause is not applicable

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or material fraud on the Company by its officers / employees has been noticed or reported during the course of our audit.

(xi) The managerial remuneration paid/ provided is within the limit and in compliance of the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company hence the requirement of this clause is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable. The details of such transcations have been disclosed in the financial statements, as required by the Ind AS 24 – Related Party Disclosures.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them.

(xvi) As explained to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS

Vipan Kumar
Partner
Membership No. 081859

Place : Mumbai
Dated: 03rd May, 2019

ANNEXURE-'B' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph under `Report on Other Legal and Regulatory Requirements' section of the Independent Auditors' Report of even date on the financial statements of CARE Risk Solutions Private Limited (Formerly known as CARE Kalypto Risk Technologies and Advisory Services Pvt. Ltd.) for the year ended 31st March, 2019)

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

We have audited the internal financial controls over financial reporting of **CARE Risk Solutions Private Limited** (Formerly known as CARE Kalypto Risk Technologies and Advisory Services Pvt. Ltd.) ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS

Vipan Kumar
Partner
Membership No. 081859

Place : Mumbai
Dated: 03rd May, 2019

CARE Risk Solutions Private Limited
(Formerly known as CARE Kalypto Risk Technologies and Advvisory Services Pvt Ltd)
CIN No : U74210 MH1999PTC118349
Statement of Profit & Loss for the year ended 31 March, 2019

(Amount in Rs.)

Particulars		Note No.	Year Ended 31 March 2019	Year Ended 31 March 2018
Income				
Revenue From Operations		20	15,49,10,967	9,89,12,135
Other Income		21	25,98,791	8,71,773
Total Income			**15,75,09,758**	**9,97,83,908**
Expenses				
Employee Benefits Expense		22	6,06,07,422	4,95,14,381
Finance Cost		23	78,10,581	58,21,214
Depreciation and Amortisation Expense		2	22,28,586	17,28,201
Other Expenses		24	7,16,90,323	4,00,67,670
Total Expenses			**14,23,36,913**	**9,71,31,466**
Profit before Tax			**1,51,72,845**	**26,52,442**
Tax Expense				
Current Tax			-	-
Deferred Tax			22,08,737	(10,12,567)
Total Tax Expense			22,08,737	(10,12,567)
Surplus for the year			**1,29,64,108**	**36,65,009**
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit & Loss				
Acturial Gain/(Loss) on Defined Benefit Obligation			(2,45,410)	2,77,236
(ii) Income tax relating to items that will not be reclassified to profit or loss			68,273	-77,127
B (i) Items that will be reclassified to profit & Loss				-
(ii) Income tax relating to items that will be reclassified to profit or loss				-
Other Comprehensive Income for the year			**(1,77,137)**	**2,00,109**
Total Comprehensive Income for the year			**1,27,86,971**	**38,65,118**
Earning Per Share (Face Value Rs.10/- each)				
- Basic			**1.62**	**0.46**
- Diluted			**1.62**	**0.46**

Significant Accounting Policies and Notes 1 to 25 form an integral part of the financial statements

As per our Report of even date attached

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

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

Vipan Kumar
Partner
Membership No. 081859

Mehul Pandya
Director
DIN No-07610232

Rajesh Mokashi
Director
DIN No-02781355

Lalit Phophale
Director
DIN No-05240078

Umesh Ikhe
Chief Executive Officer

Nitesh Poojari
Chief Financial Officer
M.No. 134346

Manoj Dhondge
Company Secretary
ACS 55592

Place: Mumbai
Date: 03 May 2019

CARE Risk Solutions Private Limited
(Formerly known as CARE Kalypto Risk Technologies and Advvisory Services Pvt Ltd)
CIN No : U74210 MH1999PTC118349

Balance Sheet as at 31 March 2019

(Amount in Rs.)

Particulars		Note No.	As on 31 March 2019	As on 31 March 2018
ASSETS				
Non Current Assets				
Property Plant and Equipment		2	28,78,150	18,68,327
Other Intangible Assets		2	7,48,773	18,47,782
Financial Assets				
Loans		3	24,57,681	10,50,000
Other Non Current Financial Assets				
Deferred Tax Assets (Net)		4	70,52,965	91,93,429
Total Non-Current Assets			**1,31,37,569**	**1,39,59,538**
Current Assets				
Financial Assets				
Investments		5	5,14,926	25,03,198
Trade Receivables		6	3,95,16,812	1,71,61,650
Cash and Cash Equivalents		7	18,91,343	18,14,673
Bank Balances other than Cash and Cash Equivalents		8	98,60,000	9,27,000
Loans		9	-	1,25,000
Other Current Financial Assets		10	4,96,24,391	3,81,94,545
Current Tax Assets (Net)		11	1,03,04,457	46,32,450
Other Current Assets		12	87,76,680	66,13,593
Total Current Assets			**12,04,88,609**	**7,19,72,109**
Total Assets			**13,36,26,178**	**8,59,31,647**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		13	8,01,35,000	8,01,35,000
Other Equity		14	(6,11,78,006)	(7,38,25,520)
Total Equity			**1,89,56,994**	**63,09,480**
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings		15	7,13,43,975	5,42,81,330
Provisions		16	31,06,623	23,26,545
Total Non-Current Liabilities			**7,44,50,598**	**5,66,07,875**
Current Liabilities				
Financial Liabilities				
Other Financial Liabilities		17	47,63,397	23,24,320
Other Current Liabilities		18	3,50,17,159	2,01,52,387
Provisions		19	4,38,030	5,37,585
Total Current Liabilities			**4,02,18,586**	**2,30,14,292**
Total Equity and Liabilities			**13,36,26,178**	**8,59,31,647**

Significant Accounting Policies and Notes 1 to 25 form an integral part of the financial statements

As per our Report of even date attached

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

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

Vipan Kumar
Partner
Membership No. 081859

Mehul Pandya
Director
DIN No-07610232

Rajesh Mokashi
Director
DIN No-02781355

Lalit Phophale
Director
DIN No-05240078

Umesh Ikhe
Chief Executive Officer

Nitesh Poojari
Chief Financial Officer
M.No. 134346

Manoj Dhondge
Company Secretary
ACS 55592

Place: Mumbai
Date: 03 May 2019

CARE Risk Solutions Private Limited
(Formerly known as CARE Kalypto Risk Technologies and Advisory Services Pvt Ltd)
CIN No : U74210 MH1999PTC118349

Statement of Cash flows for the year ended March 31, 2019

(All amounts in Rupees, unless otherwise stated)	**For the Year ended March 31, 2019**	**For the Year ended March 31, 2018**
(A) Cash flow from Operating Activities		
Profit before tax	1,51,72,845	26,52,442
Adjustments for		
Other Comprehensive Income	(2,45,410)	-
Interest Income on Fixed Deposit	(5,27,825)	(1,52,467)
Interest on loan	(13,775)	-
Income from Investments	(32,015)	(2,01,810)
Unrealised Foreign Exchange (Gain) / Loss	(76,475)	2,39,829
Provision for Compensated Absence	(81,001)	(4,02,124)
Provision for Gratuity	(1,77,137)	4,66,043
Provision for Bad Debts	7,93,215	-
Finance Expenses	78,10,581	58,21,214
Depreciation and Amortization Expense	22,28,586	17,28,201
Operating Profit before working capital changes	**2,48,51,589**	**1,01,51,328**
Movements in working capital		
Decrease/(Increase) in Trade Receivables	(2,31,48,377)	39,24,082
Decrease/(Increase) in Other Current Financial Assets	(1,14,29,846)	(1,57,45,276)
Decrease/(Increase) in Other Current Assets	(21,63,087)	(3,72,324)
Increase/(Decrease) in Provisions for Non Current Liabilities	10,25,488	-
Decrease/(Increase) in Other Current Financial Liabilities	24,39,077	(32,20,161)
Decrease/(Increase) in Other Current Liabilities	1,48,64,773	4,70,654
Increase/(Decrease) in Provisions for Current Liabilities	(18,554)	-
Total Movements in working capital	**(1,84,30,527)**	**(1,48,33,719)**
Taxes paid	(57,40,280)	(9,17,937)
Net cash from operating activities	**6,80,782**	**(56,00,328)**
(B) Cash flow from Investing Activities		
Income from investments	5,59,840	3,54,276
Fixed Deposit	(89,33,000)	-
Purchase of fixed assets	(21,39,400)	(20,96,056)
Purchase of investments	(25,14,926)	(97,01,810)
Sale of investments	45,03,199	1,52,00,000
Net cash from investing activities	**(85,24,286)**	**37,56,411**
(C) Cash flow ffrom financing activities		
Proceeds from issue of preference shares		-
Paid as security deposit	(14,07,683)	
Amounts borrowed	1,00,00,000	-
Amounts repaid	1,25,000	-
Interest on loan	(7,34,161)	-
Dividend and Dividend Tax paid	(62,982)	-
Interim Dividend and Dividend Tax paid	-	-
Net cash from financing activities	**79,20,174**	**-**
Effects of Unrealised Exchange gain on Cash & Cash Equivalents	-	-
Net increase / (decrease) in cash and cash equivalents	**76,670**	**(18,43,917)**
Cash And Cash Equivalents At The Beginning	**18,14,673**	**36,58,590**
Cash And Cash Equivalents At The End	**18,91,343**	**18,14,673**
Cash and cash equivalents comprise of: (Refer Note 7)		
Cash on hand	344	3,961
Other Bank balances		
On Current Account	14,87,894	10,29,011
Deposit Accounts	4,03,106	7,81,701
Total	**18,91,343**	**18,14,673**
	-	-

Significant Accounting Policies and Notes 1 to 25 form an integral part of the financial statements

As per our Report of even date attached

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

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

Vipan Kumar	**Mehul Pandya**	**Rajesh Mokashi**	**Lalit Pophale**
Partner	**Director**	**Director**	**Director**
Membership No. 081859	**DIN No-07610232**	**DIN No-02781355**	**DIN No-05240078**
	Umesh Ikhe	**Nitesh Poojari**	**Manoj Dhondge**
Place: Mumbai	**Chief Executive Officer**	**Chief Financial Officer**	**Company Secretary**
Date: 03 May 2019		**M.No. 134346**	**ACS 55592**

CARE Risk Solutions Private Limited
(Formerly known as CARE Kalypto Risk Technologies and Advvisory Services Pvt Ltd)
CIN No : U74210 MH1999PTC118349
Standalone Balance Sheet as at 31 March, 2019

Statement of Changes in Equity

A. Equity Share Capital

For the year ended 31 March, 2019

(Amount Rs.)

Balance as at April, 01, 2018	Changes in Equity Share Capital during the year	Balance as at 31 March, 2019
8,01,35,000	-	8,01,35,000

For the year ended March 31, 2018

(Amount Rs.)

Balance as at April, 01, 2017	Changes in Equity Share Capital during the year	Balance as at 31 March, 2018
8,01,35,000	-	8,01,35,000

B. Other Equity

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

Particulars	Reserves & Suplus		Total Equity
	Equity Component of Compound financial Instrument	Retained Earnings	
Balance as at 01 April, 2018	**15,35,265**	**(7,53,60,785)**	**(7,38,25,520)**
Transfer (to) / from Retained Earnings		(1,39,457)	**(1,39,457)**
Other Comprehensive Income/(loss) for the year			
Profit for the year (1)	-	1,29,64,108	**1,29,64,108**
Remeasurement gain/(loss) on defined benefit plan (2)	-	(1,77,137)	**(1,77,137)**
Other Comprehensive Income/(loss) for the year (3)	-	-	**-**
Total Other Comprehensive Income/(loss) for the year (1+2+3)	**-**	**1,27,86,971**	**1,27,86,971**
Balance as at 31 March, 2019	**15,35,265**	**(6,27,13,271)**	**(6,11,78,006)**

Particulars	Reserves & Suplus		Total Equity
	Equity Component of Compound financial Instrument	Retained Earnings	
Balance as at 01 April, 2017	**15,35,265**	**(7,92,25,905)**	**(7,76,90,640)**
Other Comprehensive Income/(loss) for the year			
Profit for the year (1)	-	35,87,884	**35,87,884**
Remeasurement gain/(loss) on defined benefit plan (2)	-	2,77,236	**2,77,236**
Other Comprehensive Income/(loss) for the year (3)	-		**-**
Total Other Comprehensive Income/(loss) for the year (1+2+3)	**-**	**38,65,120**	**38,65,120**
Balance ast at 31 March, 2018	**15,35,265**	**(7,53,60,785)**	**(7,38,25,520)**

Significant Accounting Policies and Notes 1 to 25 form an integral part of the financial statements

As per our Report of even date attached

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

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

Vipan Kumar
Partner
Membership No. 081859

Mehul Pandya
Director
DIN No-07610232

Rajesh Mokashi
Director
DIN No-02781355

Lalit Pophale
Director
DIN No-05240078

Umesh Ikhe
Chief Executive Officer

Nitesh Poojari
Chief Financial Officer
M.No. 134346

Manoj Dhondge
Company Secretary
ACS 55592

Place: Mumbai
Date: 03 May 2019

CARE Risk Solutions Private Limited
(Formerly known as CARE Kalypto Risk Technologies and Advvisory Services Pvt Ltd)
CIN No : U74210 MH1999PTC118349

Notes to the financial statements for the year ended 31 March, 2019

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

Company Overview:

CARE Risk Solutions Private Limited (formerly known as CARE Kalypto Risk Technologies and Advisory 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 (formerly known as Credit Analysis and Research Limited.)

Summary of Significant Accounting Policies:

a) **Statement of Compliance**

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from

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

b) **Basis of preparation of Accounts**

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

i Certain financial assets and liabilities measured at fair value
ii Employee's Defined Benefit Plan as per actuarial valuation;

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.

c) **Functional and Presentation Currency:**

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

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

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

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

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

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

All other liabilities are classified as non-current.

d) **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.

e) **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.

f) **Depreciation**

Depreciation / amortisation is provided on all Property, Plant & Equipments on written down value method, at rates at which 95% of the cost of the assets is written over the balance useful life of the assets 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.

g) **Intangible Assets and Amortization**

Intangible assets are accounted at fair value based on evaluation reports of experts less accumulated amortization and accumulated impairment losses thereon, if any. An intangible asset is recognized, where it is probable that the future economic benefit attributable to the assets will flow to the enterprise and where its costs can be reliably measured.

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

h) **Impairment of Non-Financial Assets – Property, Plant and Equipment & Intangible Assets**

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, 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.

i) **Financial Instruments**

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

Initial Recognition:

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

Notes to the financial statements for the year ended 31 March, 2019

Note 1 (A):

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.

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

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

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

Classification and Subsequent Measurement: Financial Liabilities
Financial liabilities are classified as either financial liabilities at FVTPL or 'Other Financial Liabilities'.

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

Other Financial Liabilities:
Other financial liabilities 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.

j) 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.

k) 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.

l) 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.

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.

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

Operating Lease: Lease rentals are charged or recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

Finance Lease: Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

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

Notes to the financial statements for the year ended 31 March, 2019

Note 1 (A):

o) Employee benefit expense
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 liability in respect of gratuity and other post-employment benefits 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 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.

Other Employee Benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

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

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

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

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 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 diffference 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.

q) 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.

r) 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessement of time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

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

s) Segment Reporting - Identification of Segments:
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.

Notes to the financial statements for the year ended March 31, 2019

Note 1(B): Use of Estimates and Judgements

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 period 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:

a) 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.

b) Expected Credit Losses on Financial Assets

The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. 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.

c) Revenue
Revenue is recognised using the percentage of the completion method. The percentage of completion is estimated based on the proportions of the costs incurred to date & total estimated cost to complete the project.

d) Defined benefit plans
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation and other employment benefits 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.

CARE Risk Solutions Private Limited
(Formerly known as CARE Kalypto Risk Technologies and Advvisory Services Pvt Ltd)
CIN No : U74210 MH1999PTC118349

Note 2
Property Plant and Equipment and Intangible Assets

(Amount Rs.)

Description of Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1-Apr-18	Additions during the year	Sales/disposal/adjustments during the year	As at 31- March-19	As at 1-Apr-18	For the period	Sales/disposal/adjustments during the year	As at 31- March-19	As at 31- March-19	As at 31- March-18
Tangible Assets										
Leasehold improvements	5,40,524			5,40,524	3,80,351	72,981	-	4,53,332	87,192	1,60,173
Computers	10,88,528	20,06,359		30,94,887	7,51,493	5,79,851	-	13,31,345	17,63,542	3,37,035
Furniture and fixtures	13,01,468			13,01,468	5,84,589	1,85,751	-	7,70,340	5,31,128	7,16,879
Office equipments	6,24,580	57,741		6,82,321	4,13,958	1,00,856	-	5,14,814	1,67,508	2,10,622
Electrical Installations	8,07,612			8,07,612	3,63,993	1,14,837	-	4,78,831	3,28,781	4,43,619
Total Tangible	**43,62,712**	**20,64,100**	**-**	**64,26,812**	**24,94,385**	**10,54,277**	**-**	**35,48,662**	**28,78,150**	**18,68,327**
Intangible Assets										
Computer Software	16,82,241	75,300	-	17,57,541	14,20,395	1,72,637	-	15,93,033	1,64,509	2,61,846
Software development	18,63,780		-	18,63,780	2,77,844	10,01,672	-	12,79,516	5,84,264	15,85,936
Total Intangible	**35,46,021**	**75,300**	**-**	**36,21,321**	**16,98,239**	**11,74,309**	**-**	**28,72,549**	**7,48,773**	**18,47,782**
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Total	**79,08,733**	**21,39,400**	**-**	**1,00,48,134**	**41,92,625**	**22,28,586**	**-**	**64,21,211**	**36,26,923**	**37,16,109**

Description of Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1-Apr-17	Additions during the year	Sales/disposal/adjustments during the year	As at 31-Mar-18	As at 1-Apr-17	For the year	Sales/disposal/adjustments during the year	As at 31-Mar-18	As at 31-Mar-18	As at 31-Mar-17
Tangible Assets										
Leasehold improvements	5,40,524	-	-	5,40,524	2,46,284	1,34,067	-	3,80,351	1,60,173	2,94,240
Computers	9,41,315	1,47,213	-	10,88,528	4,93,857	2,57,636	-	7,51,493	3,37,035	4,47,458
Furniture and fixtures	13,01,468	-	-	13,01,468	3,35,752	2,48,837	-	5,84,589	7,16,879	9,65,716
Office equipments	5,71,454	53,126	-	6,24,580	2,56,601	1,57,357	-	4,13,958	2,10,622	3,14,853
Electrical Installations	8,07,612	-	-	8,07,612	2,09,055	1,54,938	-	3,63,993	4,43,619	5,98,556
				-				-	-	
Total Tangible	**41,62,373**	**2,00,339**	**-**	**43,62,712**	**15,41,550**	**9,52,836**	**-**	**24,94,385**	**18,68,327**	**26,20,823**
Intangible Assets										
Computer Software	16,50,304	31,937	-	16,82,241	9,22,874	4,97,521	-	14,20,395	2,61,846	7,27,430
Software development	-	18,63,780	-	18,63,780	-	2,77,844	-	2,77,844	15,85,936	-
Total Intangible	**16,50,304**	**18,95,717**	**-**	**35,46,021**	**9,22,874**	**7,75,365**	**-**	**16,98,239**	**18,47,782**	**7,27,430**
Capital Work in Progress	-	-	-	-	-	-	-	-	-	
Total	**58,12,677**	**20,96,056**	**-**	**79,08,733**	**24,64,424**	**17,28,201**	**-**	**41,92,625**	**37,16,109**	**33,48,253**

CARE Risk Solutions Private Limited
(Formerly known as CARE Kalypto Risk Technologies and Advvisory Services Pvt Ltd)
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Note 13
Equity Share Capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised				
Equity Shares of Rs.10 each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued, subscribed and fully paid up				
Equity Shares of Rs.10 each	80,13,500	8,01,35,000	80,13,500	8,01,35,000
Total		**8,01,35,000**		**8,01,35,000**

13(a): List of shareholders holding more than 5% of Paid Up Equity Share Capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Nos.	% Holding	Nos.	% Holding
CARE Ratings Ltd (formerly known as Credit Analysis and Research Limited)	80,13,500	100.00%	80,13,500	100.00%

13(b): The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31-Mar-19 Nos.		As at 31-Mar-18 Nos.
Equity Shares at the beginning of the year	80,13,500		80,13,500
Issued during the year			
Equity Shares at the end of the year	**80,13,500**		**80,13,500**

13(c): Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.
All Equity shares are held by CARE Ratings Ltd (formerly known as Credit Analysis and Research Limited), a holding company along with its nominees.

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

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except incase of Interim Dividend.

Note 14
Other Equity

(Amount Rs.)

Particulars	As at 31 March 2019		As at 31 March 2018
Surplus in the statement of profit and loss	(6,27,13,271)		(7,53,60,785)
Equity Component of Compound Financial Instrument	15,35,265		15,35,265
Total Other Equity	**(6,11,78,006)**		**(7,38,25,520)**

Description of Other Equity:
Equity Component of Compound Financial Instrument (Refer Note 40)
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.

CARE Risk Solutions Private Limited
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Note 3
Loans - Non - Current

Particulars	As on March 31, 2019	As on March 31, 2018
Unsecured and Considered Good		
Loan to Employees	-	-
Security Deposits	24,57,681	10,50,000
Total	**24,57,681**	**10,50,000**

Note 4
Deferred Tax Asset

Particulars	As on March 31, 2019	As on March 31, 2018
Deferred Tax Asset		
MAT Credit Entitlement	52,18,700	52,18,700
Depreciation on Property Plant & Equipments	2,59,270	15,49,285
Expenditture allowed under tax on payment basis	15,74,995	24,25,444
Total	**70,52,965**	**91,93,429**

Note 5
Investments - Current

Particulars	As on March 31, 2019	As on March 31, 2018
(Valued at Fair value through Statement of Profit & Loss)		
Investment in Mutual Funds - Unquoted		
Investment in Various Open - Ended Debt Mutual Funds	5,14,926	25,03,198
Total Current Invetsments	**5,14,926**	**25,03,198**

Note 6
Trade Receivables

Particulars	As on March 31, 2019	As on March 31, 2018
Unsecured, Considered Good (Refer Note 6.1)		
- Debts outstanding for a period exceeding six months	1,12,61,881	19,04,068
- Other Debts	2,82,54,931	1,52,57,582
Total Debtors (Considered Good)	3,95,16,812	1,71,61,650
Unsecured, Considered Doubtful		
- Debts o/s for a period exceeding six months	35,76,220	41,44,203
-Other Debts		-
Total Debtors (Considered Doubtful)	**35,76,220**	**41,44,203**
Total Debtors	**4,30,93,032**	**2,13,05,853**
Less: Allowances for Credit Losses	35,76,220	41,44,203
Total	**3,95,16,812**	**1,71,61,650**

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

Note 7
Cash and Cash Equivalents

Particulars	As on March 31, 2019	As on March 31, 2018
Cash and cash equivalents		
Cash on hand	344	3,961
Balances with Banks		
-On Current Account	14,87,894	10,29,011
Other Bank Balances		
- Deposit Accounts	4,03,106	7,81,701
Total	**18,91,343**	**18,14,673**

Note 8
Bank Balances other than Cash and Cash Equivalents

Particulars	As on March 31, 2019	As on March 31, 2018
Lienmarked Deposit	98,60,000	9,27,000
Total	**98,60,000**	**9,27,000**

Note 9
Loans - Current

Particulars	As on March 31, 2019	As on March 31, 2018
Unsecured and Considered Good		
Loans to Employees	-	1,25,000
Total	**-**	**1,25,000**

Note 10
Other Current Financial Assets

Particulars	As on March 31, 2019	As on March 31, 2018
Interest Accrued on Investments	4,19,593	22,575
Others	-	2,65,176
Unbilled Revenue	4,92,04,798	3,79,06,795
Total	**4,96,24,391**	**3,81,94,545**

Note 11
Current Tax Assets - Net

Particulars	As on March 31, 2019	As on March 31, 2018
Advance taxes & TDS (Net of Provisions)	1,03,04,457	46,32,450
Total	**1,03,04,457**	**46,32,450**

Note 12
Other Current Assets

Particulars	As on March 31, 2019	As on March 31, 2018
Interest Accrued on Loans to Employees	-	-
Other Receivables	(53,598)	-
Prepaid Expenses	20,55,140	12,50,748
GST, Other taxes and Statutory Deposits	44,78,598	49,26,290
Other Advances	22,96,540	4,36,555
Total	**87,76,680**	**66,13,593**

Note 15
Borrowings

Particulars	As on March 31, 2019	As at March 31, 2018
Borrowing	6,13,43,975	5,42,81,330
Interest componenet Rs. 1.28cr (Refer Note 25.15)		
Unsecured Loan	1,00,00,000	-
Total	**7,13,43,975**	**5,42,81,330**

Note 16
Provisions

Particulars	As on March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Provision for Gratuity	31,06,623	23,26,545
Total	**31,06,623**	**23,26,545**

Note 17
Other Current Financial Liabilities

Particulars	As on March 31, 2019	As at March 31, 2018
Provision for Salary, Performance Related Pay & Commission	27,55,080	21,33,581
Sundry Creditors for Expenses	19,20,906	1,40,328
Other Liabilities	87,411	50,411
Total	**47,63,397**	**23,24,320**

Refer Note 25.12 for due to Micro, Small and Medium Enterprises.

Note 18
Other Current Liabilities

Particulars	As on March 31, 2019	As at March 31, 2018
Unearned Revenue	2,09,06,664	1,09,30,114
Advance from customers	1,12,547	6,74,450
Statutory Dues	18,65,629	7,83,347
Provision for Expenses	1,21,32,320	77,64,476
Total	**3,50,17,159**	**2,01,52,387**

Note 19
Provisions

Particulars	As on March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Provision for Compensated Absence	3,46,430	4,27,431
Provision for Gratuity - Current Liability	91,600	1,10,154
Total	**4,38,030**	**5,37,585**

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Note 20
Revenue From Operations

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of Services		
Sale of Licences and services	15,11,98,445	9,54,59,305
Fee for Consultancy Services	36,75,857	34,03,419
Other Operating Revenue	36,665	49,411
Total	**15,49,10,967**	**9,89,12,135**

Note 21
Other Income

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Income from Investments	32,015	2,01,810
Interest income on deposit with banks	5,27,825	1,52,467
Notional Income on Fair Value of Security Deposits	32,850	-
Foreign Exchange Gain	16,64,299	2,23,525
Miscellaneous Income	3,41,802	2,93,971
Total	**25,98,791**	**8,71,773**

Note 22
Employee Benefits Expense

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries and Other Allowances	5,64,47,154	4,60,47,216
Contribution to Provident, Gratuity & Other Funds (Refer Note 25.3)	36,77,714	32,21,094
Staff Welfare Expenses	4,82,554	2,46,071
Total	**6,06,07,422**	**4,95,14,381**

Note 23
Finance Cost

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest on borrowings	78,10,581	58,21,214
Interest on borrowings - Rs. 70,62,645/- (Refer Note 25.15)		
Interest on unsecured loan - Rs.7,47,936/-		
Total	**78,10,581**	**58,21,214**

Note 24
Other Expenses

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Electricity Charges	5,89,130	5,53,940
Telephone, Postage and courier	7,80,305	7,73,952
Rent	31,86,407	26,82,831
Amortisation of Deferred Lease Expenses	41,039	-
Travelling & Conveyance Expenses	1,93,06,615	1,31,66,889
Directors' Sitting Fees	50,000	40,050
Insurance Premium	27,451	1,63,907
Legal Expenses	10,112	20,530
Professional Fees	66,18,596	25,64,663
Rates & Taxes	2,32,700	36,08,137
Repairs & Maintenance	7,97,305	4,68,199
Commission	3,62,00,554	1,27,43,760
Advertisement Expenses	1,95,000	-
Security, Housekeeping & Office Supplies	6,73,869	5,45,550
Provision for Bad and Doubtful Debts	7,93,215	4,58,723
- Audit Fees	5,00,000	5,00,000
- Tax Audit Fees	50,000	-
Miscellaneous Expenses	16,38,025	17,76,539
Total	**7,16,90,323**	**4,00,67,670**

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Note 25.1: Contingent Liabilities (Ind AS 37)

a. Claims against the Company not acknowledged as debts:

Particulars	As at March 31, 2019	As at March 31, 2018
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 on behalf of the Company in resect oRs. 98,60,000/- (March 31, 2018 - Rs. 8,31,091)

Note 25.2: Capital and other commitments
Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) is ₹ Nil (March 31, 2018 - 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 25.3: 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 acutarial 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 coporoate/government bonds and hence the valuation of liabiity 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, 2019:

(Amount Rs.)

Particulars	Gratuity (Non Funded)
Defined Benefit Obligation	31,98,223.00
Fair Value of Assets	-

Particulars	Gratuity (Non Funded) As at March 31, 2019	As at March 31, 2018
(i) Change in Present value of Obligations:		
Opening Defined Benefit Obligation	24,36,698	19,70,656
Current Service Cost	7,19,698	6,88,855
Interest Cost	1,74,856	1,52,046
Actuarial (Gain)/Loss	2,45,360	(2,77,936)
Benefits Paid	(3,78,389)	(96,923)
Closing Defined Benefit Obligations	**31,98,223**	**24,36,698**
(ii) Change in Fair Value of Plan Assets:		
Opening Fair Value of the Plan Assets	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by the Employer	3,78,389	96,923
Benefits Paid	(3,78,389)	96,923
Closing Fair Value of the Plan Assets	-	-
(iii) Net Asset / (Liability) recognized in the Balance Sheet		
Present value of the defined benefit obligation at the end of	31,98,223	24,36,698
Fair Value of Plan Assets	-	-
Net Asset / (Liability)	**31,98,223**	**24,36,698**
(iv) Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	7,19,698	6,88,855
Interest on Defined Benefit	-	-
Expected Return on Plan Assets	-	-
Amount recognized in Statement of Profit and Loss	**7,19,698**	**6,88,855**
(v) Re-measurements recognized in Other Comprehensive Income (OCI):		
Changes in Financial Assumptions	3,81,006	(1,71,657)
Changes in Demographic		-
Experience Adjustments	(77,993)	(1,06,278)
Expected Return on Plan Assets		
Amount recognized in Other Comprehensive Income(OCI)	3,03,013	(2,77,935)
(vi) Maturity Profile of Defined Benefit Obligation:		
Within the next 12 months	91,600	1,10,154
Between 1 and 5 years	2,80,415	4,02,794
Between 5 and 10 years	4,57,942	5,05,850
10 Years and above	23,68,266	14,46,899
(vii) Sensitivity analysis for significant assumptions:*		
Increase/(Decrease) on present value of defined benefits		
1% increase in discount rate	27,97,200	21,87,417
1% decrease in discount rate	36,83,503	27,33,417
1% increase in salary escalation rate	35,44,908	26,86,265
1% decrease in salary escalation rate	28,66,053	21,93,439
1% increase in employee turnover	31,98,445	24,57,160
1% decrease in employee turnover	31,95,146	24,10,877
(viii) The major categories of plan assets as a percentage of total plan:		-
(ix) Actuarial Assumptions:		
Discount Rate (p.a.)	7.78%	7.91%
Expected Return on Plan Assets	-	-
Turnover Rate	5%	5%
Mortality tables	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)
Salary Escalation Rate (p.a.)	7%	6%
Retirement age	58	60
(x) Weighted Average duration of Defined benefit obligation	**18.09**	**14.49**

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The Sensitivities Analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date.

Salary Escalation Rate:
Salary Escalation rate takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(B). Compensated Absences:

The compensated absences cover the Company's liability in respect of leaves to the extent which employee are allowed to carry forward. The liability is provided based on actuals.

(C) Defined Contribution Plans:
Amount recognized as an expense and included in Note 22 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is ₹ 36,77,714/- (Previous Year ₹ 29,43,858/-)

Note 25.4: Related Party Disclosures (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, 2019	As at March 31, 2018
Ultimate Holding Company:			
CARE Ratings Limited	Holding Company	100%	100%

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

Name of Related Parties	Nature of Relationship
Key Management Personnel:	
Rajesh Mokashi	Chairman
Mehul Pandya	Director
Lalit Pophale	Director
Umesh Ikkhe	Chief Executive Officer
Nitesh Poojari	Chief Financial Officer
Manoj Dhondge	Company Secretary

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

Name of the Company	Relationship	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
CARE Ratings Limited **(formerly known as Credit Analysis and Research Limited)**	Holding Company	Income from Services	90,57,552	49,54,392
		Reimbursement of expenses	1,57,520	4,98,701
		Advance received and repaid during the year	-	-
		Loan received and repaid during the year	-	-
		Interest incurred on Loan	7,47,936	-
		Professional fees received	-	-
		Investment in Preference Shares	-	-
Umesh Ikhe	Chief Executive Officer from 13-05-2017	Managerial Remuneration	66,23,462	49,72,803
		Reimbursement of Expenses	8,32,706	5,42,780

(D) Outstanding balances:

Name of the Company	Relationship	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
CARE Ratings Limited (formerly known as Credit Analysis and Research Limited)	Holding Company	Receivable towards consultancy Services	11,04,775	15,48,180
		Payable towards reimbursement	-	-
		Equity Shares	-	-
		Borrowings	1,00,00,000	-
		Preference shares	6,13,43,975	5,42,81,330

No amount in respect of the related parties have been written off/back are provided for during the year. Related party relationship have been identified by the management and relied upon by the auditors.

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

Nature of Transaction/Relationship	As at March 31, 2019	As at March 31, 2018
Short Term Employee Benefits	66,23,462	49,72,803
Other Long Terms Benefits	-	-
Directors Sitting fees	40,000	40,050
Total Compensation	**66,63,462**	**50,12,853**

Remuneration does not include provision made for compensated absence, leave travel allowance, gratuity since the same is provided for the company as a whole based on independent actuarial valuation except to the extent of amount paid.

Note 25.5: Earnings per Share (EPS) (Ind AS 33):

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
A) Basic EPS		
(i) Net Profit attributable to Equity Shareholders (Amount Rs.)	1,29,64,108	35,87,882
(ii) Weighted average number of Equity shares outstanding (Nos.)	80,13,500	80,13,500
Basic Earnings Per Share (i)/(ii)	**1.62**	**0.45**
B) Diluted EPS		
(i) Weighted average number of Equity shares outstanding (Nos.)	80,13,500	80,13,500
(ii) Add: Potential Equity Shares on exercise of option (Nos.)	-	-
(iii) Weighted average number of Equity Shares Outstanding for	80,13,500	80,13,500
Diluted EPS {(A)(i)/(B)(iii)}	**1.62**	**0.45**

<u>Note 25.6: Finanical Instruments: Disclosure (Ind AS 107):</u>

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

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at Amortized cost:		
Loans (Non Current)	24,57,681	10,50,000
Loans (Current)	-	1,25,000
Trade Receivables	3,95,16,812	1,71,61,650
Cash and Cash Equivalents	18,91,343	18,14,673
Bank Balances other than cash Equivalents	98,60,000	9,27,000
Other Current Financial Assets	4,96,24,391	3,81,94,545
Financial assets at Fair Value through P&L:		
Investment (Current)	5,14,926	25,03,198
Total	**10,38,65,153**	**6,17,76,067**
Financial liabilities at Amortized cost:		
Borrowings	7,13,43,975	5,42,81,330
Other Current Financial Liabilities	47,63,397	23,24,320
Total	**7,61,07,372**	**5,66,05,650**

<u>Note 25.7: Fair Value measurement (Ind AS 113):</u>

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

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

Level 1:
This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The company does not have any such asset or liabilities.

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

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

Particulars	Level 1	Level 2	Level 3
As at March 31, 2019			
Investments measured at			
Fair Value through Profit and Loss:			
Units of Debt schemes of Various Mutual Funds	-	5,14,926	-
As at March 31, 2018			
Investments measured at			
Fair Value through Profit and Loss:			
Units of Debt schemes of Various Mutual Funds	-	25,03,198	-

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.

Note 25.8: 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 finanical and non finanical market factors. The financial instruments affected by market risk include the investment in Mutual Funds and investment in Equity Shares of oompanies incorporated and operating outside India.

The investment in mutual funds are fair valued using the closing Net Asset Value based on the mutual fund statements received by the company at the end of each reporting period.

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 = 69.1713 INR; 1 LKR = 0.3912 INR.

Description	Currency	As at March 31, 2019		As at March 31, 2018	
		Amount in FC	Amount Rs.	Amount in FC	Amount Rs.
Sundry Debtors	USD	5,42,915	3,75,54,133	1,72,493	1,12,19,620
Sundry Debtors	LKR	89,58,352	35,04,597	98,85,233	41,03,360
Unbilled Revenue	USD	6,86,285	4,75,48,729	3,54,979	2,31,39,513
Unbilled Revenue	LKR	5,18,706	13,25,935	3,55,39,852	1,47,67,164
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:

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
USD	8,51,029	3,46,520
LKR	48,305	1,88,705

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 from its operarting (primarily Trade Receivables), investing and financing activities including Mutual Fund Investments, Investment in Debt Securities, Bank Balance, Deposits with Bank, Security Deposits, Loans to Employees and other financial instruments.

The Company measures and manages its Credit Risk by diversifcation of its surplus funds into various mutual fund schemes based on its investment policy. The Company restricts its exposure in equity market.

Total Trade receivable as on March 31, 2019 is ₹ 3,95,16,812 (March 31, 2018 ₹ 1,71,61,650 /-)

The Company has higher concentration of credit risks to a single customer. Refer the below table.
As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk

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

Particulars	Total	Bank of Ceylon	Concentration
Gross debtors	4,30,93,033	1,94,26,101	45%
Less: Provisions	-35,76,220	-1,61,880	
Net Debtors	3,95,16,812	1,92,64,221	49%

Provision movement during the year:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Provision	**41,44,203**	**36,78,044**
Add: Provided during the Year	7,93,184	4,66,159
Less: Utilised during the Year	(13,61,166)	-
Closing Provision	**35,76,220**	**41,44,203**

Investments, Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only based on Investment Policy of the Company. Investments primarily include investment in units of mutual funds, Bonds issued by Government/ Semi Government Agencies/ PSU etc. These Mutual Funds and Counterparties have low credit risk.

c. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The cash flows and liquidity of Company is monitored under the control of the management. The objective is to ensure that Company's surplus fund are not kept idle and invested in the financial instruments only after adequate review of such instrument and approval of the management.

The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecasted and actual periodic cash requirement and matching the maturity profiles of financial assets and liabilities.

The Company generally has investments and liquids funds more than its forecaseted and current liabilities and has not faced shortage of funds at any point of time. The Liquidity risk on the Company is very less.

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

As at March 31, 2019	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings	-	7,13,43,975		7,13,43,975
Other Current Financial Liabilities	47,63,397			47,63,397
Total	**47,63,397**	**7,13,43,975**	**-**	**7,61,07,372**
Investments in Mutual Funds	5,14,926			5,14,926
Deposits with Banks	4,03,106			4,03,106
Total	**9,18,031**	**-**	**-**	**9,18,031**

As at March 31, 2018	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings	-	5,42,81,330		5,42,81,330
Other Financial Liabilities	23,24,320			23,24,320
Total	**23,24,320**	**5,42,81,330**	**-**	**5,66,05,650**
Investments in Mutual Funds	25,03,198			25,03,198
Deposits with Banks	7,81,701			7,81,701
Total	**32,84,899**	**-**	**-**	**32,84,899**

Note 25.9: Distribution made and proposed (Ind AS 1):

The Company has declared preference dividend during any of the reporting period amouniting to 62,982 (PY: NIL)

Note 25.10: Capital Management (Ind AS 1):

The Company has a share capital worth 8,01,35,000 along with total borrowings of 7,13,43,975 which comprises of Unsecured loan from Care Ratings Limited worth 1 crore and Preference shares worth 6,13,43,975 as on 31 March 2019. 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 availaibility of capital for operations.Investment objective is to provide safety and adequate return on surplus funds.

Note 25.11 : Operating Leases (Ind AS 17):

a. With respect to offices taken on lease, there are no Future minimum rental payables under non-cancellable operating lease.

b. With respect to office given on lease, operating lease income recognized in the Statement of Profit and Lss.

c. General Description of Leasing Agreements:
- Assets taken on leaseMahape
- Future lease rental income are determined on basis of agreed terms
- At expiry of lease terms, the Company has the right to extend the term of agreement
- Lease agreements are generally cancellable by giving 1 months notice period and are renewable by mutual consent on mutually agreed terms

The future minimum lease payments under non-cancelable operating lease is given below:

Lease payments	For the year ended March 31,2019	For the year ended March 31,2018
Not later than one year	-	-
Later than one year but not later than 3 years	-	-

Note 25.12: Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount and interest due thereon remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') , along with the amount of the payment made to the supplier beyond the	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

There is no principal amount and interest overdue to Micro and Small Enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

CARE Risk Solutions Private Limited
(Formerly known as CARE Kalypto Risk Technologies and Advvisory Services Pvt Ltd)

Note 25.13: 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

(A) Primary Segment Information

Particulars	For the year Ended March 31, 2019			
	Risk Solutions	Advisory	Unallocable	Total
Segment Revenue				
Revenue from Services	15,28,54,313	20,56,654	-	15,49,10,967
Total Revenue (A)	15,28,54,313	20,56,654	-	15,49,10,967
Less: Inter Segment Revenue if any (B)	-	-	-	-
Total Segment Revenue (C = A-B)	15,28,54,313	20,56,654	-	15,49,10,967
Segment Results (Profit Before Interest, Depreciation & Tax)	2,20,95,381	5,17,840		2,26,13,221
Less: Depreciation & Amortization	22,28,586	-	-	22,28,586
Total Segment Result (D)	1,98,66,795	5,17,840	-	2,03,84,635
Less: Finance Costs	-	-	78,10,581	78,10,581
Add: Other Unallocable Income - Net	-	-	25,98,791	25,98,791
Profit Before Exceptional Item & Tax	1,98,66,795	5,17,840	(52,11,790)	1,51,72,845
Exceptional Items - Income/Expenses	-	-	-	-
Profit Before Tax	1,98,66,795	5,17,840	(52,11,790)	1,51,72,845
Tax Expenses	-	-	22,08,737	22,08,737
- Current Tax	-	-	-	-
- Deferred Tax Charge/(Credit)	-	-	22,08,737	22,08,737
Profit for the year	1,98,66,795	5,17,840	(74,20,527)	1,29,64,108
Segment Assets	11,36,94,358	2,63,462	-	11,39,57,820
Unallocable Assets	-	-	1,96,68,357	1,96,68,357
Total Assets	11,36,94,358	2,63,462	1,96,68,357	13,36,26,178
Segment Liabilities	3,73,00,034	53,979	-	3,73,54,013
Unallocable Liabilities	-	-	7,73,15,171	7,73,15,171
Total Liabilities	3,73,00,034	53,979	7,73,15,171	11,46,69,184
Capital Employed	-	-	-	9,03,00,969
Capital Expenditure	21,39,400	-	-	21,39,400

Particulars	For the year Ended March 31, 2018			
	Risk Solutions	Advisory	Unallocable	Total
Segment Revenue				
Revenue from Services	7,96,31,839	65,36,536	-	8,61,68,375
Total Revenue (A)	**7,96,31,839**	**65,36,536**	**-**	**8,61,68,375**
Less: Inter Segment Revenue if any (B)	-	-	**-**	**-**
Total Segment Revenue (C = A-B)	7,96,31,839	65,36,536	**-**	8,61,68,375
Segment Results (Profit Before Interest, Depreciation & Tax)	74,87,628	27,14,229	-	**1,02,01,857**
Less: Depreciation & Amortization	17,28,201	-	-	**17,28,201**
Total Segment Result (D)	57,59,427	27,14,229	-	**84,73,656**
Less: Finance Costs	-	-	58,21,214	**58,21,214**
Add: Other Unallocable Income - Net	-	-	8,71,773	**8,71,773**
Profit Before Exceptional Item & Tax	**57,59,427**	**27,14,229**	**(49,49,441)**	**35,24,215**
Exceptional Items - Income/Expenses	-	-	-	**-**
Profit Before Tax	**57,59,427**	**27,14,229**	**(49,49,441)**	**35,24,215**
Tax Expenses				
- Current Tax	-	-	-	**-**
- Deferred Tax Charge/(Credit)	-	-	(9,35,440)	**(9,35,440)**
Profit for the year	**57,59,427**	**27,14,229**	**(40,14,001)**	**44,59,655**
Segment Assets	6,74,48,755	18,66,065	-	**6,93,14,820**
Unallocable Assets	-	-	1,66,16,827	**1,66,16,827**
Total Assets	**6,74,48,755**	**18,66,065**	**1,66,16,827**	**8,59,31,647**
Segment Liabilities	2,43,26,149	9,64,277	-	**2,52,90,426**
Unallocable Liabilities	-	-	5,43,31,741	**5,43,31,741**
Total Liabilities	**2,43,26,149**	**9,64,277**	**5,43,31,741**	**7,96,22,167**
Capital Employed				**6,05,90,810**
Capital Expenditure	20,96,056	-	-	**20,96,056**

(B) Secondary Segment Information

Particulars	For the year ended March 31,2019				
	India	UAE & Africa	Srilanka	Far East	Total
Revenue from Operations	1,48,10,765	62,72,360	12,13,35,357	1,24,92,485	15,49,10,967
Unallocated Revenue	-	-	-	-	-
Total Revenue from Operations	1,48,10,765	62,72,360	12,13,35,357	1,24,92,485	15,49,10,967
Sundry Debtors	19,87,177	53,18,547	3,16,23,133	5,87,956	3,95,16,812
Unbilled Revenue	-	-	4,88,47,413	3,57,386	4,92,04,798
Unallocated Assets	-	-	-	-	4,49,04,567
Total Assets	**19,87,177**	**53,18,547**	**8,04,70,546**	**9,45,342**	**13,36,26,178**

Particulars	For the year ended March 31,2018				
	India	UAE & Africa	Srilanka	Far East	Total
Revenue from Operations	2,49,52,275	3,15,96,271	2,82,77,531	12,92,886	8,61,18,964
Unallocated Revenue	-	-	-	-	49,411
Total Revenue from Operations	**2,49,52,275**	**3,15,96,271**	**2,82,77,531**	**12,92,886**	**8,61,68,375**
Sundry Debtors	60,14,563	31,90,867	79,56,220		1,71,61,650
Unbilled Revenue	24,000	34,81,290	3,44,01,504		3,79,06,795
Unallocated Assets					3,08,63,202
Total Assets	**60,38,563**	**66,72,157**	**4,23,57,725**	**-**	**8,59,31,647**

Note 25.14: Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 18 'Revenue'. Based on the preliminary assessment carried out by the management, except for the disclosure requirements, the application of new standard may not have any significant impact the Company's financial statements. The amendment will come into force from April 01, 2018.

Note 25.15: Compounded Financial Instruments (Ind AS 32)

The company has issued 50,00,000 0.1% Optionally Convertible Cumulative Redeemable Preference (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 14 'Other Equity' and Liability Component is shown under Note 15 'Borrowings'.

Note 25.16: Income Taxes (Ind AS 12)

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

Particulars	As at March 2019	As at March 2018
Current Tax	-	-
Defered Tax	22,08,737	-10,12,567
Total	**22,08,737**	**-10,12,567**

(B) Reconciliation of effective tax expenses

Particulars	As at March 2019	As at March 2018
Applicable Tax rate	27.82%	27.82%
Tax effect of Exempt Income	3.15%	0.00%
Tax effect of Non Deductible expenses	-16.42%	-65.99%
Effective Tax rate	**14.55%**	**-38.17%**

25.17: Accounting Policy on Revenue Contracts as per Ind AS 115

The Company derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software related services").

Effective April1,2018, the Company adopted IndAS115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April1,2018. In accordance with the cumulative catchup transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note1 "SignificantAccountingPolicies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Arrangements with customers for software related services are on a fixed-price or on fixed-time frame basis.

Arrangements with customers for software related services are either on a fixed-price or on fixed-timeframe.

Revenue from fixed-price & fixed-timeframe contracts, where the performance obligations are satisfied overtime and where there is no uncertainty as to measurement or collectability of consideration,is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input andproductivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in IndAS115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation.The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price.The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price,the company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Maintenance Contracts (AMC). The company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. AMC revenue is recognized ratably over the contract period in which the services are rendered.

The Company presents revenues net of indirect taxes in its condensed statement of Profit and loss.

Revenue from operations for the three months and year ended March 31, 2019 and March 31, 2018 is as follows:

Particulars	**Three months ended March 31,**		**Year Ended ended March 31,**	
	2019	**2018**	**2019**	**2018**
Sale of Licences and services	5,86,26,551	5,11,40,698	15,11,98,445	9,54,59,305
Fee for Consultancy Services	8,70,357	-41,27,961	36,75,857	34,03,419
Other Operating Revenue	-4,218	-1	36,665	49,411
Total	**5,94,92,690**	**4,70,12,736**	**15,49,10,967**	**9,89,12,135**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the three months and year ended March 31, 2019 by offerings and contract-type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Revenue by offerings	**Three months ended March 31, 2019**	**Year Ended ended March 31, 2019**
Product Implementation	5,61,80,638	14,58,53,415
Digitalisation/Automation	33,12,052	90,57,552
Total	**5,94,92,690**	**15,49,10,967**

Revenue by contract type	**Three months ended March 31, 2019**	**Year Ended ended March 31, 2019**
Fixed Price	5,27,95,722	12,76,71,697
Fixed time frame contracts	66,96,968	2,72,39,270
Total	**5,94,92,690**	**15,49,10,967**

Trade receivables and Contract Balances
The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended March 31, 2019 , Rs.2.16 crore of unbilled revenue pertaining to fixed price development contracts as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Remaining performance obligations
The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019 ie. unearned revenue, is Rs.2.09 crore. Out of this, the Company expects to recognize revenue of around 60% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the three months and year ended and as at March 31, 2019 is insignificant.

Significant Accounting Policies and Notes 1 to 25 form an integral part of the financial statements

As per our Report of even date attached

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

For **S.P. Chopra & Co.**
Chartered Accountants
Firm Regd.

Vipan Kumar	**Mehul Pandya**	**Rajesh Mokashi**	**Lalit Phophale**
Partner	**Director**	**Director**	**Director**
Membership No. 081859	**DIN No-07610232**	**DIN No-02781355**	**DIN No-05240078**

	Umesh Ikhe	**Nitesh Poojari**	**Manoj Dhondge**
Place: Mumbai	**Chief Executive Officer**	**Chief Financial Officer**	**Company Secretary**
Date: 03 May 2019		**M.No. 134346**	**ACS 55592**