SecUR Credentials
Now it's safe
India's first background screening company listed on NSE Emerge

22nd September, 2020

To,
The Manager – Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, block G,
Bandra Kurla Complex,
Bandra East
Mumbai – 400051

Ref : Secur Credentials Limited, Scrip : SECURCRED

Respected Sir/Madam,

Subject : Submission of documents on below mentioned point regarding Financial Results submitted by the Company for the half year and Year ended March 31, 2020;

1) **The company has not submitted the Statement of Modified Opinion or in case of unmodified opinion(s), a declaration to that effect to the Stock Exchange.**

   Please find enclosed herewith a declaration to the statement on impact of Audit qualifications for Modified opinion of Auditors – **Annexure - I**

2) **Financial results submitted is not as per format prescribed by SEBI**

   Please find Financial results as per format prescribed by SEBI

I request you to take above documents on your record and consider it as a part of the financial statements submitted by the Company for the half year and year ended March 31, 2020 pursuant to Regulation 33 of SEBI(LODR) Regulations, 2015.

Thanking you,

For Secur Credentials Limited

Rahul Belwalkar
Managing Director
DIN : 02497535

SecUR Credentials Ltd. SecUR Credentials Now it's safe Mumbai

SecUR Credentials
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ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - *(Standalone and Consolidated separately)*

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs.in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs.in Lakhs
	1.	Turnover / Total income	5496.31	5496.31
	2.	Total Expenditure	5392.45	5392.45
	3.	Net Profit/(Loss)	35.85	35.85
	4.	Earnings Per Share	0.73	0.73
	5.	Total Assets	9237.45	9237.45
	6.	Total Liabilities	9237.45	9237.45
	7.	Net Worth	4385.91	4385.91
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification (each audit qualification separately):**			
	a.	**Details of Audit Qualification: -As per Annexure -A**		
	b.	**Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~		
	c.	**Frequency of qualification:** Whether appeared first time ~~/ repetitive / since how long continuing~~		
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per Annexure -A**		
	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:**		
		(i) **Management's estimation on the impact of audit qualification:**		
		(ii) **If management is unable to estimate the impact, reasons for the same:**		
		(iii) **Auditors' Comments on (i) or (ii) above:**		
III.	**Signatories:**			
	•	**CEO/Managing Director**		
	•	**CFO**		
	•	**Audit Committee Chairman**		
	•	**Statutory Auditor**		
	Place: Mumbai			
	Date: 22/09/2020			

SecUR Credentials Ltd. Mumbai

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Annexure – A

20th August 2020.

To,
The Manager,
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex, Bandra (E),
Mumbai 400 051.

Dear Sir,
Ref: Scrip: SECURCRED
Subject: Explanation related to qualifications made by Independent Auditor, related to Annual Financial Results for the Financial Year 2019-20

Pursuant to the qualifications pointed out by the Independent Auditor, please find below our detailed explanation regarding reasons for the same.

1. **As per Independent Auditor,** *"The CSR amount required to be spent as per Section 135 of the companies Act, 2013 read with Schedule VII thereof by the company during the year. The Company had made the provision towards CSR expenditure; however the CSR Expenses have not been incurred during the year."*

Explanation: We were in the process of identifying a charitable cause which would meet both the CSR criteria, as well as being aligned to the internal vision and values of the Company. This process had been completed and we were in the process of transferring the CSR payments to different causes as identified. However, due to the COVID related lockdown commencing 20th March, we were not able to complete the CSR payment process. Subsequently, the provided for CSR expenditure has been completed in the month of July 2020, as the lockdown started getting lifted.

2. **As per Independent Auditor,** *"The Company has delayed in the payment of total statutory liabilities and has unpaid dues amounting to Rs.6,80,46,034/- to be paid as on 31/03/2020. Refer to clause no.41 to Notes to Accounts for additional details"*

Explanation: The COVID related economic slowdown, which had already started impacting the economy from early 2020, and the subsequent lockdown beginning March, had severely affected us, like many others in the MSME sectors. Most of our clients were not working, and this resulted in our payment collection from clients getting severely affected. As a result, we were not able to complete payment of certain statutory dues, before completion of the Financial Year, as we had planned.

3. **As per Independent Auditor,** "The Company is not regular in repayment of borrowings towards outstanding dues of principal repayable to banks and interest payable to banks and also the company has

availed Moratorium for repayment of Principal & Interest as per the RBI guidelines. Refer to clause no.26 & 27 to notes to accounts for additional details"

Explanation: There have been some delays in repayment of borrowings during the year as our cash flows are dependent on client payments, and these have tended to be erratic the last Financial Year. However, our borrowings with all our lenders have always been classified as Standard. The moratorium was announced by the RBI to protect MSME companies like us from the tsunami of the COVID lockdown. We have availed this moratorium period to ensure that we are able to manage our cash flows in a manner to best protect the long term interests of the business.

We hope the above will clarify the points raised by the Independent Auditors, and we would like to assure the Exchange that our constant endeavour will be to ensure there are no qualifications in the Audit Report in future.
Thank you.

Yours sincerely.

For SecUR Credentials Limited

Rahul Belwalkar
Managing Director
DIN: 02497535

SecUR Credentials Limited

(formerly known as Secur Credentials Pvt. Ltd.)

CIN:L74110MH2001PLC133050

Registered Office: Plot no. G-4, MIDC Cross Road A, Andheri (East), Mumbai - 400093

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

Rs in lakhs

	Particulars	Half year ended on 31/03/2020	Half year ended on 30/09/2019	Half year ended on 31/03/2019	Year ended on 31/03/2020	Year ended on 31/03/2019
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from operations	2,766.79	2,706.92	3,530.99	5,473.71	6,004.40
II	Other income	16.57	6.03	14.13	22.60	28.94
III	**Total Revenue (I + II)**	**2,783.36**	**2,712.95**	**3,545.12**	**5,496.31**	**6,033.34**
IV	**Expenses:**					
	Cost of materials consumed	-	-	-	-	-
	Purchases of Stock-in-Trade	-	-	-	-	-
	Changes in inventories of finished goods	-	-	-	-	-
	work-in-progress and Stock-in-Trade	-	-	-	-	-
	Employee benefits expense	326.88	462.66	693.78	789.54	1,234.74
	Finance costs	197.75	191.72	153.68	389.47	196.52
	Depreciation and amortisation expense	152.17	153.33	109.88	305.50	204.40
	Other expenses	2,218.85	1,689.09	2,011.10	3,907.94	3,593.54
	Total expenses	**2,895.65**	**2,496.80**	**2,968.44**	**5,392.45**	**5,229.20**
V	**Profit before exceptional and extraordinary items and tax (III - IV)**	**(112.29)**	**216.15**	**576.68**	**103.86**	**804.14**
VI	Exceptional items	-	-	-	-	-
VII	**Profit before extraordinary items and tax (V - VI)**	**(112.29)**	**216.15**	**576.68**	**103.86**	**804.14**
VIII	Extraordinary items	-	-	-	-	-
IX	**Profit before tax (VII- VIII)**	**(112.29)**	**216.15**	**576.68**	**103.86**	**804.14**
X	Tax expense:					
	(1) Current tax	(6.33)	25.54	121.82	19.21	166.00
	(2) Deferred tax	23.97	24.83	53.24	48.80	73.50
XI	**Profit (Loss) for the period from continuing operations (IX-X)**	**(129.93)**	**165.78**	**401.62**	**35.85**	**564.64**
XII	**Profit/(loss) from discontinuing operations**	-	-	-	-	-
XIII	**Tax expense of discontinuing operations**	-	-	-	-	-
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**	-	-	-	-	-
XV	**Profit (Loss) for the period (XI + XIV)**	**(129.93)**	**165.78**	**401.62**	**35.85**	**564.64**
XVI	**Earnings per equity share:**					
	(1) Basic	**(2.66)**	**3.39**	**8.22**	**0.73**	**11.55**
	(2) Diluted	**(2.66)**	**3.39**	**8.22**	**0.73**	**11.55**
XVII	Paid up Equity Share Capital (Face value Rs.10/-each)	**488.84**	**488.84**	**488.84**	**488.84**	**488.84**
XVIII	Reserves excluding revaluation reserves as per the Balance sheet of previous accounting year				**3,897.07**	**3,930.49**

SecUR Credentials Ltd. Mumbai

STATEMENT OF ASSETS & LIABILITIES

Rs. In Lakhs

	Particulars	As at 31/03/2020	As at 31/03/2019
	I. EQUITY AND LIABILITIES		
	(1) Shareholders' funds		
	(a) Share capital	488.84	488.84
	(b) Reserves and surplus	3,897.07	3,930.49
	(c) Money received against share warrants	-	-
	(2) Share application money pending allotment		
	(3) Non-current liabilities		
	(a) Long-term borrowings	979.26	1,188.78
	(b) Deferred tax liabilities (Net)	-	113.76
	(c) Other Long term liabilities	6.15	4.81
	(d) Long-term provisions	-	-
	(4) Current liabilities		
	(a) Short-term borrowings	1,690.15	1,504.54
	(b) Trade Payables:-		
	(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises."	228.01	190.75
	(c) Other current liabilities	1,587.59	1,132.07
	(d) Short-term provisions	360.38	329.50
	TOTAL	**9,237.45**	**8,883.54**
	II. ASSETS		
	Non-current assets		
	(1) (a) Fixed assets		
	(i) Tangible assets	1,778.80	1,901.11
	(ii) Intangible assets	1,308.99	1,466.08
	(iii) Capital work-in-progress	-	-
	(iv) Intangible assets under development	8.00	6.00
	(b) Non-current investments	0.37	0.37
	(c) Deferred tax assets (net)	125.64	-
	(d) Long-term loans and advances	714.17	710.57
	(e) Other non-current assets	46.45	69.67
	(2) Current assets		
	(a) Current investments	-	-
	(b) Unbilled Revenue	1,496.71	497.43
	(c) Trade receivables	2,461.37	2,336.87
	(d) Cash and cash equivalents	794.65	788.08
	(e) Short-term loans and advances	502.30	1,107.36
	(f) Other current assets	-	-
	TOTAL	**9,237.45**	**8,883.54**

Notes:

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 20th August 2020

2 The Company is engaged in the business of Background Screening (also known as BGC - Background Check) and therefore, our Company's business falls within a single business segment of 'Background Screening Services. Therefore, Disclosure under As-17 (Segment Reporting) is not required.

3 Pursuant to regulation 33(b)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company opts to submit Standalone financial results for the year ended 31st March, 2020. There is no operation carried out in Subsidiary companies, hence, consolidated financial results have not been perpared and submitted along with this standalone results.

4 Figures of the half year ended 31st March 2020 are the balancing figures between audited figures in respect of the full financial year 2019-20 and the published figures upto the half year ended 30 th September 2019.

5 Figures are regrouped/rearranged wherever necessary.

For SecUR Credentials Limited

Rahul Belwalkar
Managing Director
DIN 02497535

Date: 20/08/2020
Place: Mumbai

SECUR CREDENTIALS LIMITED

(formerly known as Secur Credentials Pvt. Ltd.)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2020 (Rs. in lakhs)

	Particulars	Amount in Rs. 31-Mar-20	Amount in Rs. 31-Mar-19
A	**Cash Flow from Operating Activities**		
	Net Profit/(loss) before tax	103.86	804.15
	Adjustments for	-	-
	Depreciation and Amortisation Expense	305.50	204.40
	Interest Expense	376.53	154.51
	Provision for gratuity	1.34	(3.69)
	Unrealized Foreign Exchange Difference Loss / (Gain)	(0.32)	0.59
	Misc Expenditure W.off	23.22	23.22
	Operating Income before working capital changes	810.14	1,183.17
	Adjustments for:		
	Decrease/(Increase) in Trade Receivables	(124.18)	(805.95)
	Decrease/(Increase) in Unbilled Revenue	(999.28)	(351.54)
	Decrease/(Increase) in other Receivables	469.49	(315.86)
	Increase/(decrease) in Trade Payables	37.26	157.34
	Increase/(decrease) in Other Payables	415.10	797.79
	Cash Generated from Operations	**608.53**	**664.95**
	Direct Taxes (Net)	(180.76)	(196.84)
	Net Cash out flow from Operating Activities	**427.77**	**468.11**
B	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	(28.10)	(1,776.26)
	Fixed deposit	(9.45)	(8.90)
	Net Cash used for Investing Activities	**(37.54)**	**(1,785.17)**
C	**Cash Flow from Financing Activities**		
	- Share Capital	-	-
	- Share Premium	-	-
	Dividend and Dividend Tax	(29.47)	-
	Change in the Borrowings	-	-
	- Long Term	(209.53)	1,155.42
	- Short Term	185.61	1,140.77
	Deposit with vendor / Authorities	(3.60)	56.36
	Advance against Property	-	(700.00)
	Interest Paid	(336.11)	2.75
	Net Cash Flow from Financing Activities	**(393.10)**	**1,655.30**
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**(2.88)**	**338.24**
	Cash & Cash Equivalents at Beginning of the Year	**635.00**	**451.86**
	Cash & Cash Equivalents at End of the Year (Note no. 17 - a)	**632.12**	**635.00**

SecUR Credentials Limited

Rahul Belwalkar
Director
Din No : 02497535

Date: 20/08/2020
Place: Mumbai