



SecUR Credentials

Now it's safe

India's first background screening company listed on NSE Emerge

20<sup>th</sup> 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

Sub: Audited Financial results for the half year/year ended 31<sup>st</sup> March, 2020

Pursuant to Regulation 33(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Audited financial results for the half year / year ended 31<sup>st</sup> March, 2020 along with Auditors' report thereon in the prescribed format. The said results have been approved by the Board of Directors in their meeting held on today i.e. 20<sup>th</sup> August, 2020.

Further, explanation to the observation of the auditor with respect to the audited financial results for the financial year ended 31<sup>st</sup> March, 2020 is also enclosed herewith as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meeting commenced at 04:00 p.m. and concluded at 11:10 p.m.

You are requested to take the same on record.

Thanking you,

For SecUR Credentials Limited.

Rahul Belwalkar  
Managing Director  
DIN: 02497535



SecUR Credentials Private Limited

SecUR House, G - 4 MIDC Cross Road A, Andheri East, Mumbai 400093. +91 22 2921 7100 www.secur.co.in

CIN : U74110MH2001PTC133050

**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**

	Particulars	Half year	Half year	Year ended on	Year ended on
		ended on 31/03/2020	ended on 30/09/2019	31/03/2020	31/03/2019
		Audited	Unaudited	Audited	Audited
I	Revenue from operations	2,766.79	2,706.92	5,473.71	6,004.40
II	Other income	16.57	6.03	22.60	28.94
III	<b>Total Revenue (I + II)</b>	<b>2,783.36</b>	<b>2,712.95</b>	<b>5,496.31</b>	<b>6,033.34</b>
IV	<b>Expenses:</b>				
	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	789.54	1,234.74
	Finance costs	197.75	191.72	389.47	196.52
	Depreciation and amortisation expense	152.17	153.33	305.50	204.40
	Other expenses	2,218.85	1,689.09	3,907.94	3,593.54
	<b>Total expenses</b>	<b>2,895.65</b>	<b>2,496.80</b>	<b>5,392.45</b>	<b>5,229.20</b>
V	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>	<b>(112.29)</b>	<b>216.15</b>	<b>103.86</b>	<b>804.14</b>
VI	Exceptional items	-	-	-	-
VII	<b>Profit before extraordinary items and tax (V - VI)</b>	<b>(112.29)</b>	<b>216.15</b>	<b>103.86</b>	<b>804.14</b>
VIII	Extraordinary items	-	-	-	-
IX	<b>Profit before tax (VII- VIII)</b>	<b>(112.29)</b>	<b>216.15</b>	<b>103.86</b>	<b>804.14</b>
X	Tax expense:				
	(1) Current tax	(6.33)	25.54	19.21	166.00
	(2) Deferred tax	23.97	24.83	48.80	73.50
XI	<b>Profit (Loss) for the period from continuing operations (IX-X)</b>	<b>(129.93)</b>	<b>165.78</b>	<b>35.85</b>	<b>564.64</b>
XII	Profit/(loss) from discontinuing operations	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-
XIV	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XV	<b>Profit (Loss) for the period (XI + XIV)</b>	<b>(129.93)</b>	<b>165.78</b>	<b>35.85</b>	<b>564.64</b>
XVI	<b>Earnings per equity share:</b>				
	(1) Basic	(2.66)	3.39	0.73	14.51
	(2) Diluted	(2.66)	3.39	0.73	14.51
XVII	Paid up Equity Share Capital (Face value Rs. 10/-each)	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



**STATEMENT OF ASSETS & LIABILITIES**

Particulars	Rs. In Lakhs	
	As at 31/03/2020	As at 31/03/2019
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders' funds</b>		
(a) Share capital		
(b) Reserves and surplus	488.84	488.84
(c) Money received against share warrants	3,897.07	3,930.49
<b>(2) Share application money pending allotment</b>		
<b>(3) Non-current liabilities</b>		
(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		
<b>(4) Current liabilities</b>		
(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
<b>TOTAL</b>	<b>9,237.45</b>	<b>8,883.54</b>
<b>II. ASSETS</b>		
<b>Non-current assets</b>		
<b>(1) (a) Fixed assets</b>		
(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
<b>(2) Current assets</b>		
(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		
<b>TOTAL</b>	<b>9,237.45</b>	<b>8,883.54</b>

**Notes:**

- 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
- 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.
- 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 prepared and submitted along with this standalone results.
- 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 up to the half year ended 30th September, 2019.
- Figures are regrouped/rearranged wherever necessary.

Date: 20/08/2020  
Place: Mumbai

For SecUR Credentials Limited

*Rahul Belwalkar*  
Rahul Belwalkar  
Managing Director



## SECUR CREDENTIALS LIMITED

(formerly known as Secur Credentials Pvt. Ltd.)

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Rs. In Lakhs

Amount

Amount

31-Mar-20

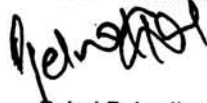
31-Mar-19

Particulars	Rs. In Lakhs	
	Amount 31-Mar-20	Amount 31-Mar-19
<b>A Cash Flow from Operating Activities</b>		
Net Profit/(loss) before tax	103.86	804.15
<b>Adjustments for</b>		
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
<b>Operating Income before working capital changes</b>	<b>810.14</b>	<b>1,183.17</b>
<b>Adjustments for:</b>		
Decrease/(Increase) in Trade Receivables	(124.18)	(806.54)
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
<b>Cash Generated from Operations</b>	<b>608.53</b>	<b>664.36</b>
Direct Taxes (Net)	(180.76)	(196.84)
<b>Net Cash out flow from Operating Activities</b>	<b>427.77</b>	<b>467.52</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(28.10)	(1,776.26)
Fixed deposit	(9.45)	(8.90)
<b>Net Cash used for Investing Activities</b>	<b>(37.54)</b>	<b>(1,785.17)</b>
<b>C Cash Flow from Financing Activities</b>		
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)	(151.76)
<b>Net Cash Flow from Financing Activities</b>	<b>(393.10)</b>	<b>1,500.79</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(2.88)</b>	<b>183.14</b>
<b>Cash &amp; Cash Equivalents at Beginning of the Year</b>	<b>635.00</b>	<b>451.86</b>
<b>Cash &amp; Cash Equivalents at End of the Year (Note no. 17 - a)</b>	<b>632.12</b>	<b>635.00</b>

Date: 20/08/2020

Place: Mumbai

SecUR Credentials Limited



Rahul Belwalkar

Director

Din No : 02497535



**M/s. B M Parekh & Co.,**  
**Chartered Accountants**

**B M Parekh (FCA)**  
Tel No.022-23073126

**Bhavin Parekh(FCA)**  
Mobile :-9322286981

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**Independent Auditor's Report on Half yearly and Annual Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To the Board of Directors of

**SECUR CREDENTIALS LIMITED (Formerly known as SECUR CREDENTIALS PRIVATE LIMITED)**

**Opinion**

We have audited the accompanying standalone half yearly financial results of **SECUR CREDENTIALS LIMITED** ('the Company') for the half year ended March 31, 2020 and the year to date results for the period from April 01, 2019 to March 31, 2020 prepared and being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results as well as year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other financial information for the half year ended March 31, 2020 and as well as year to date results for the period from April 01, 2019 to March 31, 2020.

**Basis for Qualified Opinion**

- 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.
- 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.

**Reg: - 3/203, Navjivan Society, Lamington Road, Mumbai Central, Mumbai-400008**  
**Website: - www.bmparekh.com**

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**M/s. B M Parekh & Co.,**  
**Chartered Accountants**

**B M Parekh (FCA)**  
Tel No.022-23073126

**Bhavin Parekh(FCA)**  
Mobile :-9322286981

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- 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.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 audit opinion on the standalone financial results

**Management's Responsibilities for the Standalone Financial Results**

These standalone financial results have been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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**M/s. B M Parekh & Co.,**  
**Chartered Accountants**

**B M Parekh (FCA)**  
Tel No.022-23073126

**Bhavin Parekh(FCA)**  
Mobile :-9322286981

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**Auditor's Responsibilities for audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 standalone financial results.

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 standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 appropriateness of this assumption. 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 standalone financial results 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 standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

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**M/s. B M Parekh & Co.,**  
**Chartered Accountants**

**B M Parekh (FCA)**  
Tel No.022-23073126

**Bhavin Parekh(FCA)**  
Mobile :-9322286981

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Results.

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

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

**Other Matters**

The standalone financial results include the results for the half year ended March 31, 2020 being the balancing figure between the audited figures in respect of full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the half year ended on September 30, 2019 which were subject to limited review by us, as required under the Listing Regulations.

Our opinions is not modified in respect of the above matters.

**For B M PAREKH & CO.**  
Chartered Accountants  
(Firm's Registration No.107448W)

BHUPATRAI Digitally signed by  
BHUPATRAI  
MONDAS PAREKH  
Date: 2020.08.20  
21:09:32 +05'30'

**B. M. Parekh**  
Partner  
(Membership No. 012651)  
UDIN: 20012651AAAAAI7144  
Mumbai, 20th August, 2020

**Reg: - 3/203, Navjivan Society, Lamington Road, Mumbai Central, Mumbai-400008**  
**Website: - www.bmparekh.com**





SecUR Credentials

Now it's safe

India's first background screening company listed on NSE, BSE

20<sup>th</sup> 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 20<sup>th</sup> 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"*

SecUR Credentials Limited

SecUR House, G - 4 MIDC Cross Road A, Andheri East, Mumbai 400093. +91 22 2921 7100 [www.secur.co.in](http://www.secur.co.in)

CIN : L74110MH2001PLC133050

**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

