

Date: August 03, 2021

SE/2021-22/26

To,

The General Manager Corporate Relation Department BSE Limited Phiroza Jeejeebhoy Towers 14 th Floor, Dalal Street Mumbai 400 001 Scrip Code: 534804	The National Stock Exchange India Ltd. Listing Department Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051 Scrip Code: CARERATING
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Dear Sir/ Madam,

Sub: Outcome of the board meeting of CARE Ratings Limited ('Company') held on August 03, 2021

Pursuant to Regulation 30 and Para A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), kindly note that the Board of Directors of the Company at its meeting held on Tuesday, August 03, 2021 have *interalia* considered and approved the Un-audited Standalone & Consolidated Financial Results (**Un-audited Financial Results**) for the quarter ended June 30, 2021 along with Limited Review Report issued by M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, (ICAI FRN: 105146W), the Statutory Auditors of the Company. A copy of the Un-audited Financial Results together with the Limited Review Report on the said results, has been herewith enclosed.

The meeting of the Board of Directors of the Company commenced at 3:00 pm IST and concluded at 7:55 pm IST.

The above information is also being made available on the Company's website i.e. www.careratings.com.

Please take note of the above.

Thanking you,

Yours faithfully,
For CARE Ratings Limited

Nehal Shah



Nehal Shah
Company Secretary & Compliance Officer
Encl: As Above

CARE Ratings Ltd.

CARE Ratings Limited



CIN-L67190MH1993PLC071691

Regd. Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai – 400 022.
Website : www.careratings.com | Email: investor.relations@careratings.com

Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2021

SN.	Particulars	Quarter Ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		Unaudited	Audited (Refer Note 8)	Unaudited	Audited
I	Revenue from Operations	4,919.96	7,958.65	3,737.90	24,844.69
II	Other Income	732.22	566.61	951.41	3,129.36
III	TOTAL INCOME (I +II)	5,652.18	8,525.26	4,689.31	27,974.05
IV	EXPENSES				
	Employee Benefits Expense	3,259.23	3,487.78	2,632.53	11,986.14
	Depreciation and Amortisation Expense	185.28	173.11	201.23	780.22
	Finance cost	12.96	4.65	20.40	61.75
	Other Expenses	797.10	1,415.96	600.72	3,281.24
	TOTAL EXPENSES (IV)	4,254.57	5,081.50	3,454.88	16,109.35
V	Profit before Exceptional Items and Tax (III)-(IV)	1,397.61	3,443.76	1,234.43	11,864.70
VI	Exceptional Items	-	-	-	-
VII	Profit before Tax Expenses (V - VI)	1,397.61	3,443.76	1,234.43	11,864.70
VIII	Tax Expenses:				
	Current Tax	745.07	598.37	224.85	2,427.42
	Deferred Tax	(502.31)	196.66	40.00	340.71
	Total Tax Expense	242.76	795.03	264.85	2,768.13
IX	Net Profit for the period (VII - VIII)	1,154.85	2,648.73	969.58	9,096.57
	Profit for the period attributable to:				
	Non-Controlling interest	50.62	41.56	34.77	144.99
	Owners of the Parent	1,104.23	2,607.17	934.81	8,951.58
X	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit & Loss	(89.45)	169.16	(29.52)	290.46
	(ii) Income tax relating to items that will not be reclassified to profit or loss	22.46	(42.76)	7.49	(73.10)
	B (i) Items that will be reclassified to profit & Loss	(9.16)	(4.95)	(7.88)	(1.19)
	(ii) Income tax relating to items that will be reclassified to profit or loss	2.31	1.25	1.98	0.30
	Other Comprehensive Income for the period	(73.84)	122.70	(27.93)	216.47
	Other Comprehensive Income for the period attributable to:				
	Non-Controlling interest	(1.51)	(0.81)	(1.30)	(0.20)
	Owners of the Parent	(72.33)	123.51	(26.63)	216.67
XI	Total Comprehensive Income for the period (IX + X)	1,081.01	2,771.43	941.65	9,313.04
	Total Comprehensive Income for the period attributable to:				
	Non-Controlling interest	49.11	40.75	33.47	144.80
	Owners of the Parent	1,031.90	2,730.68	908.18	9,168.24
	Paid up Equity Share Capital (Face Value ₹ 10 per share)	2,946.12	2,946.12	2,946.12	2,946.12
	Other Equity				55,935.97
	Earnings Per Equity Share (Face Value ₹ 10 each) (Not Annualised)				
	Basic (₹)	3.75	8.85	3.17	30.38
	Diluted (₹)	3.65	8.75	3.17	30.33



Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2021

('₹ in Lakhs)

SN	Particulars	Standalone			
		Quarter Ended		Year ended	
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		Unaudited	Audited (Refer Note 8)	Unaudited	Audited
I	Revenue from Operations	4,177.40	6,871.84	3,304.31	21,966.45
II	Other Income	764.98	609.69	944.26	3,211.57
III	TOTAL INCOME (I +II)	4,942.38	7,481.53	4,248.57	25,178.02
IV	EXPENSES				
	Employee Benefits Expense	2,767.45	3,036.60	2,283.24	10,323.88
	Depreciation and Amortisation Expense	166.07	171.43	179.04	708.90
	Finance cost	11.40	12.50	15.84	56.68
	Other Expenses	698.50	1,304.96	530.77	2,815.47
	TOTAL EXPENSES (IV)	3,643.42	4,525.49	3,008.89	13,904.93
V	Profit before Exceptional Items and Tax (III)-(IV)	1,298.96	2,956.04	1,239.68	11,273.09
VI	Exceptional Items	-	-	-	-
VII	Profit before Tax Expenses (V - VI)	1,298.96	2,956.04	1,239.68	11,273.09
VIII	Tax Expenses:				
	Current Tax	707.49	568.57	200.62	2,318.45
	Deferred Tax	(497.94)	178.53	46.18	371.93
	Total Tax Expense	209.55	747.10	246.80	2,690.38
IX	Net Profit for the period (VII - VIII)	1,089.41	2,208.94	992.87	8,582.71
X	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit & Loss	(90.88)	144.33	(27.15)	272.74
	(ii) Income tax relating to items that will not be reclassified to profit or loss	22.87	(36.32)	6.83	(68.64)
	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 period	(68.01)	108.01	(20.32)	204.10
XI	Total Comprehensive Income for the period (IX + X)	1,021.40	2,316.95	972.56	8,786.81
	Paid up Equity Share Capital (Face Value ₹ 10 per share)	2,946.12	2,946.12	2,946.12	2,946.12
	Other Equity				55,381.51
	Earnings Per Equity Share (Face Value ₹ 10 each) (Not Annualised)				
	Basic (₹)	3.70	7.50	3.37	29.13
	Diluted (₹)	3.61	7.41	3.37	29.08



Notes:-

- 1 The above results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at its meeting held on August 03, 2021 and have been subjected to limited review by the statutory auditors of the Company.
- 2 The consolidated financial results include results of CARE Ratings Limited and its subsidiaries namely CARE Risk Solutions Private Limited, CARE Advisory Research and Training Limited, CARE Ratings (Africa) Private Limited and CARE Ratings Nepal Limited.
- 3 The accompanying financial results have been prepared as per the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
- 4 Based on legal advice, on the outcome of adjudication proceedings initiated by SEBI pertaining to certain Credit ratings assigned by the Company to its clients, the Company has filed appeals with SAT.
- 5 The financial results have been prepared in accordance with the applicable accounting standards, as modified under the Companies (Indian Accounting Standards) Rules, 2015 and as specified in section 133 of the Companies Act.
- 6 The Company has granted 5,37,908 options on September 01, 2017, to the eligible employees as the Company's Employees Stock Option Scheme (ESOS) 2017.

The Company has granted 5,00,000 options on October 13, 2020 and 3,22,000 options on December 01, 2020 to the eligible employees as the Company's Employees Stock Option Scheme (ESOS) 2020 duly approved by shareholders in AGM and Nomination and Remuneration Committee. As per Ind AS 102 - Share Based Payment, total cost of ESOS 2020 will be charged over vesting period, accordingly the Employee Benefit Expenses includes ESOP charge under respective periods as under:

Particulars	Quarter Ended			(₹ in Lakhs)
	Year ended			
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Unaudited	Audited	Unaudited	Audited
ESOP Charge	172.05	226.86	-	356.91



7 Segment Information based on Consolidated Financial results of the Group is as follows:

		(₹ in Lakhs)			
	Particulars	Quarter Ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		Unaudited	Audited (Refer Note 8)	Unaudited	Audited
a	Segment Revenue				
	Ratings and related services	4,469.69	7,107.87	3,487.63	22,820.20
	Others	484.35	737.02	277.72	2,148.71
	Total Segmental Revenue	4,954.04	7,844.89	3,765.35	24,968.91
	Less: Inter Segment Revenue	(34.08)	113.77	(27.45)	(124.23)
	Total Revenue from Operations (Net)	4,919.96	7,958.66	3,737.90	24,844.68
b	Segment Results (Profit before Finance Costs and Tax)				
	Ratings and related services	763.36	2,521.94	443.00	8,664.49
	Others	(85.01)	359.87	(139.58)	132.60
	Total Segment Result	678.35	2,881.81	303.42	8,797.09
	Less: Finance Costs	12.96	4.65	20.40	61.75
	Add: Other Un-allocable Income - net	732.22	566.61	951.41	3,129.36
	Profit before Tax	1,397.61	3,443.77	1,234.43	11,864.70

		(₹ in Lakhs)			
	Particulars	As on	As on	As on	As on
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
c	Segment Assets				
	Ratings and related services	57,217.72	39,503.41	28,587.34	39,503.41
	Others	3,071.44	2,993.26	2,593.81	2,993.26
	Unallocated Assets	6,992.67	24,680.56	31,164.70	24,680.56
	Total	67,281.83	67,177.23	62,345.85	67,177.23
d	Segment Liabilities				
	Ratings and related services	5,876.54	7,021.50	7,009.48	7,021.50
	Others	905.95	851.86	765.66	851.86
	Unallocated	-	-	-	-
	Total	6,782.49	7,873.36	7,775.14	7,873.36
e	Capital Employed				
	Ratings and related services	51,341.18	32,481.91	21,577.86	32,481.91
	Others	2,165.49	2,141.40	1,828.15	2,141.40
	Unallocated	6,992.67	24,680.56	31,164.70	24,680.56
	Total	60,499.34	59,303.87	54,570.71	59,303.87



- 8 The figure for 3 months ended March 31, 2021 are arrived at as a difference between year to date figures of that financial year and the published figures upto the end of the third quarter of that financial year.
- 9 The Company has assessed the impact of COVID-19 pandemic on its financial results based on the internal and external information upto the date of approval of these financial results and the Company expects to recover the carrying amounts of its investments, intangible assets, trade receivables & other assets. The Company will continue to closely monitor the future economic conditions and assess its impact on its financial results. Considering the Company's nature of business, management does not anticipate any serious challenges/ significant impact on continuity of its business.
- 10 Previous year's/period's figures have been regrouped / rearranged wherever necessary to conform to the figures of the current period.

For and behalf of the Board of Directors
CARE Ratings Limited



Ajay Mahajan
Managing Director & CEO
DIN: 05108777
Mumbai, August 03, 2021



Limited review report on unaudited consolidated quarterly financial results and consolidated year-to-date financial results of CARE Ratings Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
CARE Ratings Limited

Introduction

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of **CARE Ratings Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit/ (loss) after tax for the quarter ended June 30, 2021 ("the Statement"), attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Attention is drawn to the fact that the figures for the quarter ended March 31, 2021 as reported in the Statement are the balancing figures between audited figures in respect of full previous financial year and the published year to date figures up to the end of third quarter of the previous financial year. The figures upto the end of third quarter of the previous financial year had only been reviewed and not subject to audit.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular Issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.



4. The Statement includes the result of the following entities:

Name of the Entity	Relationship
CARE Risk Solutions Private Limited	Wholly Owned Subsidiary
CARE Advisory Research and Training Limited	Wholly Owned Subsidiary
CARE Ratings (Nepal) Limited	Subsidiary
CARE Ratings (Africa) Private Limited	Subsidiary

Conclusion

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

6. Attention is drawn to Note no. 09 of the Statement which describes the impacts of COVID-19 Pandemic on the unaudited consolidated financial results as also on business operations of the Company, the assessment thereof by the management of the Company based on its internal, external and macro factors, involving certain estimation uncertainties. Our conclusion on the statement is not modified in respect of this matter.

Other Matter

7. To restrict the spread of COVID19, the processes of quarterly limited review were carried out from remote locations i.e. from other than the Office of the Company, based on the data/details made available and based on financial information/records remitted by the management through digital medium. Our report is not modified in respect of this matter.
8. We did not review the financial results of CARE Risk Solutions Private Limited and CARE Advisory Research and Training Limited, subsidiary companies included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs. 352.43 Lakhs and Rs. 155.33 Lakhs, total net profit/(loss) after tax of Rs. (20.20) Lakhs and Rs. (40.63) Lakhs and total comprehensive Income/(loss) of Rs. (18.64) Lakhs and Rs. (41.17) Lakhs for the three months ended June 30, 2021 respectively as considered in the Statement as considered in the unaudited consolidated financial results. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

We did not review the financial results of CARE Ratings (Africa) Private Limited and CARE Ratings (Nepal) Limited, subsidiary companies incorporated in Mauritius & Nepal respectively, whose financial results reflect total revenues of Rs. 223.04 Lakhs and Rs. 113.90 Lakhs, total profit/(loss) after tax of Rs. 119.73 Lakhs and Rs. 49.55 Lakhs and total comprehensive income/(loss) (after tax) of Rs. 119.73 Lakhs and Rs.



Khimji Kunverji & Co LLP

Chartered Accountants

49.55 Lakhs for the three months ended June 30, 2021 respectively as considered in the unaudited consolidated financial results. These financial results have been reviewed/ audited by the other auditor as per the requirement of the applicable accounting standards of the respective countries and have been converted as per the requirements of Ind AS by the management. Our report on the Statement, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors and management certified Ind AS financial results and adjustments thereto.

Our conclusion on the Statement is not modified in respect of the above matters.

For Khimji Kunverji & Co LLP

Chartered Accountants

FRN: 105146W/W100621



Hasmukh B Dedhia

Partner

Membership No: 033494

UDIN: 21033494AAAAA4040

Place: Mumbai

Date: August 3, 2021

Limited review report on unaudited standalone quarterly financial results of CARE Ratings Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
CARE Ratings Limited

Introduction

1. We have reviewed the accompanying Statement of unaudited standalone financial results of CARE Ratings Limited ("the Company") for the quarter ended June 30, 2021 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Attention is drawn to the fact that the figures for the quarter ended March 31, 2021 as reported in this Statement are the balancing figures between audited figures in respect of full previous financial year and the published year to date figures up to the end of third quarter of the previous financial year. The figures up to the end of third quarter of the previous financial year had only reviewed and not subject to audit.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Emphasis of Matter

5. Attention is drawn to Note no. 09 of the Statement which describes the impacts of COVID-19 Pandemic on the unaudited standalone financial results as also on business operations of the Company, the assessment thereof by the management of the Company based on its internal, external and macro factors, involving certain estimation uncertainties. Our conclusion on the statement is not modified in respect of this matter.

Other Matter

6. To restrict the spread of COVID19, the processes of quarterly limited review were carried out from remote locations i.e. from other than the Office of the Company, based on the data/details made available and based on financial information/records remitted by the management through digital medium. Our report is not modified in respect of this matter.

For Khimji Kunverji & Co LLP

Chartered Accountants

FRN: 105146W/W100621



Hasmukh B Dedhia

Partner

ICAI Membership no: 033494

UDIN: 21033494AAAAKZ6748

Place: Mumbai

Date: August 3, 2021

