

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditor's Report

### To the Board of Directors of CARE Ratings Limited

### Report on the audit of the Consolidated Annual Financial Results

#### Opinion

We have audited the accompanying consolidated annual financial results of CARE Ratings Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the entities mentioned below to the aforesaid consolidated annual financial results:

List of entities included in consolidated annual financial results:

Sr. No	Name of the Company	Relationship
1	CARE Ratings Limited	Parent
2	CARE Risk Solutions Private Limited	Subsidiary
3	CARE Advisory Research and Training Limited	Subsidiary
4	CARE Ratings (Africa) Private Limited	Subsidiary
5	CARE Ratings (Nepal) Limited	Subsidiary

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2022.

#### Basis for Opinion

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 Consolidated Annual Financial Results* section of our report. We are independent of the Group, 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

Registered Office:

## Independent Auditor's Report (*Continued*)

### CARE Ratings Limited

that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in sub paragraph no. a) and b) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

#### Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group 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. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

#### Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual 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 consolidated annual 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 consolidated annual 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

**Independent Auditor's Report (Continued)**  
**CARE Ratings Limited**

estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and 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 consolidated annual 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph no. a) and b) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

#### **Other Matters**

- a. The consolidated annual financial results of the Group for the year ended 31 March 2021 were audited by the predecessor auditor.  
The predecessor auditor had expressed an unmodified opinion on 12 June 2021 (predecessor audit report date).
- b. The consolidated annual financial results include the audited financial results of 2 subsidiaries, whose financial statements reflect Group's share of total assets of Rs. 1,848.30 lakhs as at 31 March 2022, Group's share of total revenue of Rs. 1,147.81 lakhs, Group's share of total net profit after tax of Rs. 506.83 lakhs and Group's share of net cash flows of Rs. 106.7 lakhs for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on financial statements of these entities have been furnished to us by the management.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

These subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which

**Independent Auditor's Report (Continued)**

**CARE Ratings Limited**

have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- c. The consolidated annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

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VISWANATH

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**Ajit Viswanath**

*Partner*

Mumbai

28 May 2022

Membership No.: 067114

UDIN:22067114AJUHUX7017

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## Independent Auditor's Report

### To the Board of Directors of CARE Ratings Limited

### Report on the audit of the Standalone Annual Financial Results

#### Opinion

We have audited the accompanying standalone annual financial results of CARE Ratings Limited (hereinafter referred to as the "Company") for the year ended 31 March 2022, attached herewith, 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, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2022.

#### Basis for Opinion

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 Annual 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

#### Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income 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 annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Registered Office:

## Independent Auditor's Report (*Continued*)

### CARE Ratings Limited

In preparing the standalone annual financial results, the Management and 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.

#### Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual 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 annual 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 annual 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 annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and 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 annual 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 annual financial results, including the disclosures, and whether the standalone annual financial results 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.

**Independent Auditor's Report (Continued)**  
**CARE Ratings Limited**

**Other Matter(s)**

- a. The standalone annual financial results of the Company for the year ended 31 March 2021 were audited by the predecessor auditor.  
The predecessor auditor had expressed an unmodified opinion on 12 June 2021 (predecessor audit report date).
- b. The standalone annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

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**Ajit Viswanath**

*Partner*

Mumbai  
28 May 2022

Membership No.: 067114  
UDIN:22067114AJUHSM3615

CARE Ratings Limited



CIN-L67190MH1993PLC071691

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Statement of Consolidated Audited Financial Results for the quarter and year ended March 31, 2022

(₹ in Lakhs)

SN.	Particulars	Quarter Ended			Year ended	
		March, 31 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Refer note 14	Unaudited	Refer note 13	Audited	Audited
	<b>INCOME</b>					
I	Revenue from operations	6,588.13	5,616.59	7,958.65	24,763.28	24,844.69
II	Other income	717.66	679.28	566.61	2,719.11	3,129.36
III	<b>TOTAL INCOME (I + II)</b>	<b>7,305.79</b>	<b>6,295.87</b>	<b>8,525.26</b>	<b>27,482.39</b>	<b>27,974.05</b>
	<b>EXPENSES</b>					
IV	Employee benefit expenses	2,964.30	3,234.95	3,487.78	12,641.27	11,986.14
	Depreciation and amortisation expenses	213.33	189.33	173.11	770.59	780.22
	Impairment loss on intangible assets	21.29	-	-	21.29	-
	Finance costs	11.96	10.15	4.65	46.38	61.75
	Other expenses	1,355.43	884.77	1,415.96	4,139.86	3,281.24
	<b>TOTAL EXPENSES (IV)</b>	<b>4,566.31</b>	<b>4,319.20</b>	<b>5,081.50</b>	<b>17,619.39</b>	<b>16,109.35</b>
V	<b>Profit before exceptional items and tax (III)-(IV)</b>	<b>2,739.48</b>	<b>1,976.67</b>	<b>3,443.76</b>	<b>9,863.00</b>	<b>11,864.70</b>
VI	Exceptional items	-	-	-	-	-
VII	<b>Profit before tax expenses (V - VI)</b>	<b>2,739.48</b>	<b>1,976.67</b>	<b>3,443.76</b>	<b>9,863.00</b>	<b>11,864.70</b>
VIII	Tax expenses:					
	Current tax	589.23	542.79	598.37	2,932.09	2,427.42
	Deferred tax	(180.68)	(56.11)	196.66	(751.99)	340.71
	<b>Total tax expense</b>	<b>408.55</b>	<b>486.68</b>	<b>795.03</b>	<b>2,180.10</b>	<b>2,768.13</b>
IX	<b>Net Profit for the period/year (VII - VIII)</b>	<b>2,330.93</b>	<b>1,489.99</b>	<b>2,648.73</b>	<b>7,682.90</b>	<b>9,096.57</b>
	<b>Profit for the period/year attributable to:</b>					
	Non-controlling interest	40.94	35.21	41.56	172.11	144.99
	Owners of the parent	2,289.99	1,454.78	2,607.17	7,510.79	8,951.58
X	<b>Other Comprehensive Income</b>					
	A (i) Items that will not be reclassified to profit or Loss	1,004.53	1.42	169.16	936.69	290.46
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(157.73)	(0.54)	(42.76)	(140.93)	(73.10)
	B (i) Items that will be reclassified to profit & Loss	(2.40)	(5.04)	(4.95)	(16.42)	(1.19)
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.60	1.27	1.25	4.13	0.30
	<b>Other comprehensive income for the period/year</b>	<b>845.01</b>	<b>(2.89)</b>	<b>122.70</b>	<b>783.47</b>	<b>216.47</b>
	<b>Other comprehensive income for the period/year attributable to:</b>					
	Non-controlling interest	(0.39)	(0.84)	(0.81)	(2.70)	(0.20)
	Owners of the parent	845.40	(2.05)	123.51	786.17	216.67
XI	<b>Total comprehensive income for the period/year (IX + X)</b>	<b>3,175.94</b>	<b>1,487.10</b>	<b>2,771.43</b>	<b>8,466.37</b>	<b>9,313.04</b>
	<b>Total comprehensive income for the period/year attributable to:</b>					
	Non-controlling interest	38.23	34.38	40.75	169.41	144.80
	Owners of the parent	3,137.70	1,452.72	2,730.68	8,296.96	9,168.24
	Paid up equity share capital (Face value ₹ 10 per share)	<b>2,964.65</b>	<b>2,963.65</b>	<b>2,946.12</b>	<b>2,964.65</b>	<b>2,946.12</b>
	Other equity				<b>61,784.81</b>	<b>55,935.97</b>
	<b>Earnings Per equity share (face value ₹ 10 each) (not annualised for the quarters)</b>					
	Basic (₹)	7.72	4.93	8.85	25.45	30.38
	Diluted (₹)	7.68	4.74	8.75	25.31	30.33





**Statement of Assets & Liabilities (Consolidated)**

(₹ in Lakhs)

SN.	Particulars	As at	As at
		March 31, 2022	March 31, 2021
		(Audited)	(Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non Current Assets</b>		
	Property plant and equipment	7,879.60	7,021.24
	Right-of-use assets	849.51	657.42
	Goodwill on consolidation	795.03	795.03
	Other intangible assets	37.66	33.09
	Intangible assets under development	818.66	315.07
	<b>Financial Assets</b>		
	Investments (non current)	4,399.89	3,522.83
	Loans	24.68	40.35
	Other financial assets	1,266.41	87.52
	Deferred tax assets (net)	234.20	121.92
	Other assets	36.99	8.28
	<b>Total Non-current assets</b>	<b>16,342.63</b>	<b>12,602.75</b>
<b>2</b>	<b>Current Assets</b>		
	<b>Financial Assets</b>		
	Investments	-	20,454.61
	Trade receivables	1,664.11	2,135.57
	Cash and cash equivalents	1,763.26	1,208.55
	Bank balances other than cash and cash equivalents	6,453.09	27,822.66
	Loans	21.91	35.59
	Other financial assets	44,255.11	110.07
	Contract assets	678.95	1,272.21
	Current tax asset (net)	1,151.94	1,143.81
	Other current assets	409.69	391.41
	<b>Total current assets</b>	<b>56,398.07</b>	<b>54,574.48</b>
	<b>Total assets</b>	<b>72,740.70</b>	<b>67,177.23</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>I</b>	<b>EQUITY</b>		
	Equity share capital	2,964.65	2,946.12
	Other equity	61,784.81	55,935.96
	Non-controlling interest	531.42	421.79
<b>II</b>	<b>LIABILITIES</b>		
<b>1</b>	<b>Non-Current Liabilities</b>		
	<b>Financial liabilities</b>		
	Lease liabilities	564.08	448.10
	Provisions	1,166.33	1,086.82
	Deferred tax liabilities (Net)	606.20	1,049.54
	<b>Total Equity and Non-Current Liabilities</b>	<b>67,617.49</b>	<b>61,888.33</b>
<b>2</b>	<b>Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	Lease liabilities	327.24	274.51
	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	0.70	4.30
	Total outstanding dues of other than micro enterprises and small enterprises	512.74	373.05
	Other financial liabilities	1,848.65	1,396.58
	Contract liabilities	1,619.79	2,077.94
	Other current liabilities	500.96	660.66
	Provisions	291.83	488.00
	Current tax liability (net)	21.30	13.86
	<b>Total Current Liabilities</b>	<b>5,123.21</b>	<b>5,288.90</b>
	<b>Total Equity and Liabilities (I &amp; II)</b>	<b>72,740.70</b>	<b>67,177.23</b>

See accompanying notes to the financial results



## Statement of Cash Flows (Consolidated)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flows from Operating Activities</b>		
Profit before tax	9,863.02	11,864.70
<b>Adjustments for</b>		
Interest income	(2,477.31)	(1,571.34)
Notional Income on fair value of security deposits	(9.71)	(20.08)
Dividend received	(70.89)	(100.71)
Unrealised foreign exchange (gain)/ loss	(57.98)	-
Unrealized Gain on Fair Valuation of Investments through Profit and Loss	(59.01)	(1,323.54)
Provision for Doubtful Debts	640.53	-924.94
Bad Debts written off	37.83	460.75
Loss/(Gain) on Sale of Fixed Assets	1.98	5.76
Share based payment Expenses	652.81	356.91
Impairment loss on intangible assets	21.29	-
Amortization of Premium	-	17.04
Finance cost on Lease Liabilities	46.38	61.75
Depreciation and Amortization Expenses	770.59	798.79
<b>Operating Profit before working capital changes</b>	<b>9,359.52</b>	<b>9,625.09</b>
<b>Movements in working capital</b>		
Decrease/(Increase) in Trade Receivables	471.46	2,542.35
Decrease/(Increase) in Non Financial Assets	(46.99)	(155.87)
Decrease/(Increase) in Financial Assets	620.62	(388.92)
Decrease/(Increase) in Non Current Financial Assets	(53.27)	-
(Decrease)/Increase in Non Financial Liabilities	(574.80)	(844.35)
(Decrease)/Increase in Financial Liabilities	116.29	174.31
Decrease/(Increase) in Other Liabilities	(159.71)	(37.83)
<b>Total Movements in working capital</b>	<b>373.61</b>	<b>1,289.70</b>
Taxes paid	(2,932.79)	(2,297.41)
<b>Net cash from/(used) in operating activities</b>	<b>6,800.33</b>	<b>8,617.38</b>
<b>Cash flows from Investing Activities</b>		
Interest Received	2,440.44	1,571
Dividend Received	70.89	101
Net proceeds from/(investment in) Fixed Deposits	(23,929.08)	(16,332)
Proceeds from Sales of Property Plant & Equipment	22.09	27
Acquisition of Property Plant and Equipment	(1,898.33)	(449)
Purchase of investments	(0.53)	(3,350)
Redemption of investments	20,562.68	14,660
<b>Net cash from/(used) in investing activities</b>	<b>(2,731.83)</b>	<b>(3,771.86)</b>
<b>Cash flows from Financing Activities</b>		
Dividend and Dividend Tax paid	(3,829.96)	(3,977.27)
Proceeds from exercise of share options	644.32	-
Repayment of Lease Liability	(281.78)	(297.46)
Payment of Interest on Lease Liability	(46.38)	(61.72)
<b>Net cash used in financing activities</b>	<b>(3,513.80)</b>	<b>(4,336.44)</b>
Effects of Unrealised Exchange gain on Cash & Cash Equivalents	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>554.71</b>	<b>509.08</b>
<b>Cash And Cash Equivalents At The Beginning</b>	<b>1,208.55</b>	<b>699.47</b>
<b>Cash And Cash Equivalents At The End</b>	<b>1,763.25</b>	<b>1,208.55</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	0.57	0.80
Cheques in hand	-	-
<b>Other Bank balances</b>		
On current Account	665.34	527.83
Deposit accounts	1,096.87	679.66
Prepaid cards	0.47	0.26
<b>Total</b>	<b>1,763.26</b>	<b>1,208.55</b>

See accompanying notes to the financial results



## Statement of Standalone Audited Financial Results for the quarter and year ended March 31, 2022

(₹ in Lakhs)

SN	Particulars	Standalone				
		Quarter Ended			Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	Refer Note 14	Unaudited	Refer Note 13	Audited	Audited	
I	Revenue from operations	5,954.47	4,865.44	6,871.84	21,927.29	21,966.45
II	Other income	739.23	679.14	609.69	2,836.12	3,211.57
III	<b>TOTAL INCOME (I +II)</b>	<b>6,693.70</b>	<b>5,544.58</b>	<b>7,481.53</b>	<b>24,763.41</b>	<b>25,178.02</b>
IV	<b>EXPENSES</b>					
	Employee benefits expense	2,491.10	2,730.18	3,036.60	10,676.40	10,323.88
	Depreciation and amortisation expense	188.26	178.44	171.43	698.82	708.90
	Finance cost	8.66	9.28	12.50	39.64	56.68
	Other expenses	587.75	642.06	1,304.96	2,650.64	2,815.47
	<b>TOTAL EXPENSES (IV)</b>	<b>3,275.77</b>	<b>3,559.96</b>	<b>4,525.49</b>	<b>14,065.50</b>	<b>13,904.93</b>
V	<b>Profit before exceptional items and tax (III)-(IV)</b>	<b>3,417.93</b>	<b>1,984.62</b>	<b>2,956.04</b>	<b>10,697.91</b>	<b>11,273.09</b>
VI	Exceptional items	-	-	-	-	-
VII	<b>Profit before tax expenses (V - VI)</b>	<b>3,417.93</b>	<b>1,984.62</b>	<b>2,956.04</b>	<b>10,697.91</b>	<b>11,273.09</b>
VIII	<b>Tax expenses:</b>					
	Current tax	551.41	545.68	568.57	2,831.73	2,318.45
	Deferred tax	(25.24)	(50.81)	178.53	(581.06)	371.93
	<b>Total tax expense</b>	<b>526.17</b>	<b>494.87</b>	<b>747.10</b>	<b>2,250.67</b>	<b>2,690.38</b>
IX	<b>Net Profit for the period/year (VII - VIII)</b>	<b>2,891.76</b>	<b>1,489.75</b>	<b>2,208.94</b>	<b>8,447.24</b>	<b>8,582.71</b>
X	<b>Other Comprehensive Income</b>					
	A (i) Items that will not be reclassified to profit or Loss	997.43	(6.41)	144.33	918.61	272.74
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(157.56)	1.61	(36.32)	(137.72)	(68.64)
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Other Comprehensive Income for the period/year</b>	<b>839.87</b>	<b>(4.80)</b>	<b>108.01</b>	<b>780.89</b>	<b>204.10</b>
XI	<b>Total Comprehensive Income for the period/year (IX + X)</b>	<b>3,731.63</b>	<b>1,484.95</b>	<b>2,316.95</b>	<b>9,228.13</b>	<b>8,786.81</b>
	Paid up equity share capital (Face Value ₹ 10 per share)	<b>2,964.65</b>	<b>2,963.65</b>	<b>2,946.12</b>	<b>2,964.65</b>	<b>2,946.12</b>
	Other equity				<b>62,058.29</b>	<b>55,381.51</b>
	<b>Earnings per equity share (Face Value ₹ 10 each) (not annualised for the quarters)</b>					
	Basic (₹)	9.75	5.05	7.50	28.62	29.13
	Diluted (₹)	9.69	4.86	7.41	28.47	29.08

See accompanying notes to the financial results



## Statement of Assets & Liabilities (Standalone)

(₹ in Lakhs)

SN.	Particulars	Standalone	
		As at	As at
		March 31, 2022 (Audited)	March 31, 2021 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non Current Assets</b>		
	Property plant and equipment	7,794.32	6,965.62
	Right-of-use-assets	365.12	588.52
	Intangible assets	35.38	80.68
	Intangible assets under development	652.02	374.04
	<b>Financial Assets</b>		
	Investments (Non current)	7,051.21	6,124.40
	Loans	957.09	438.97
	Other financial assets	1,216.03	76.83
	Other Non-current assets	36.99	8.28
	<b>Total Non-Current Assets</b>	<b>18,108.16</b>	<b>14,657.34</b>
<b>2</b>	<b>Current Assets</b>		
	<b>Financial Assets</b>		
	Investments (Current)	-	20,454.61
	Trade receivables	1,360.54	1,668.52
	Cash and cash equivalents	1,196.18	587.86
	Bank balances other than cash and cash equivalents	5,931.28	26,288.86
	Loans	21.91	35.68
	Other financial assets	43,159.08	145.65
	Contract assets	38.71	25.09
	Current tax asset (Net)	724.57	932.27
	Other current assets	321.13	329.37
	<b>Total current assets</b>	<b>52,753.39</b>	<b>50,467.91</b>
	<b>Total Assets</b>	<b>70,861.55</b>	<b>65,125.25</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>I</b>	<b>EQUITY</b>		
	Equity share capital	2,964.65	2,946.12
	Other equity	62,058.29	55,381.51
<b>II</b>	<b>LIABILITIES</b>		
<b>1</b>	<b>Non-Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	Lease liabilities	183.04	403.18
	Provisions	1,078.81	1,003.48
	Deferred tax liabilities (Net)	606.20	1,049.54
	<b>Total Equity and Non-current Liabilities</b>	<b>66,890.99</b>	<b>60,783.83</b>
<b>2</b>	<b>Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	Lease liabilities	238.97	245.72
	Trade payables		
	Total outstanding dues of micro enterprise and small enterprises	0.70	4.30
	Total outstanding dues of other than micro enterprise and small enterprise	285.92	328.67
	Other financial liabilities	1,556.27	1,092.02
	Contract liabilities	1,234.31	1,601.07
	Other current liabilities	417.93	618.90
	Provisions	236.45	450.73
	<b>Total Current Liabilities</b>	<b>3,970.56</b>	<b>4,341.42</b>
	<b>Total Equity and Liabilities</b>	<b>70,861.55</b>	<b>65,125.26</b>

See accompanying notes to the financial results



## Statement of Cash Flows (Standalone)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flows from Operating Activities</b>		
Profit before tax	10,697.91	11,273.09
<b>Adjustments for</b>		
Interest Income	(2,426.68)	(1,645.78)
Dividend income from Equity Securities	(158.93)	-
Income Due to Royalty	(40.29)	(33.82)
Notional Income on Fair Value of Security Deposits	(9.71)	(10.08)
Unrealized Gain on Fair Valuation of Investments through Profit and Loss	(108.76)	(1,380.09)
Provision for Bad Debts	(20.38)	(934.69)
Bad Debts written off	18.65	460.17
Loss/(Gain) on Sale of Property, Plant & Equipment	1.98	5.76
Share based payment expense	629.01	356.91
Finance cost on Lease Liabilities	39.64	56.68
Depreciation and Amortization Expenses	698.82	708.90
<b>Operating Profit before working capital changes</b>	<b>9,321.27</b>	<b>8,857.05</b>
<b>Movements in working capital</b>		
Decrease/(Increase) in Financial Assets	59.50	2,433.58
Decrease/(Increase) in Other Assets	(24.56)	7.26
Decrease/(Increase) in Contract Assets	(13.62)	5.04
Decrease/(Increase) in Other Current Assets	8.24	(165.71)
(Decrease)/Increase in Financial Liabilities	293.85	194.70
(Decrease)/Increase in Contract Liabilities	(366.76)	(829.41)
(Decrease)/Increase in Other Liabilities & Provisions	(339.92)	(163.82)
<b>Total Movements in working capital</b>	<b>(383.27)</b>	<b>1,481.64</b>
Taxes paid	(2,624.03)	(2,091.86)
<b>Net cash from/(used) in operating activities</b>	<b>6,313.97</b>	<b>8,246.83</b>
<b>Cash flows from Investing Activities</b>		
Interest received	2,416.91	1,628.16
Dividend Received	158.93	-
Royalty Income	40.29	33.82
Investment in Fixed Deposits	(23,775.52)	(15,875.81)
Interest on loan to subsidiaries	46.64	34.66
Proceeds from Sale of Property Plant & Equipment	18.14	27.06
Acquisition of Property, Plant & Equipment & capital advances	(1,404.02)	(438.60)
Loan to subsidiary	(532.40)	-
Acquisition of other investments	(0.53)	-3,350.00
Redemption of investments	20,784.62	14,160.23
<b>Net cash from investing activities</b>	<b>(2,246.93)</b>	<b>(3,780.48)</b>
<b>Cash flows from Financing Activities</b>		
Dividend and Dividend Tax paid	(3,829.96)	(3,977.27)
Proceeds from exercise of share options	644.32	-
Repayment of Lease Liability	(233.43)	(237.24)
Payment of Interest on Lease Liability	(39.64)	(56.68)
<b>Net cash used in financing activities</b>	<b>(3,458.71)</b>	<b>(4,271.19)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>608.32</b>	<b>195.16</b>
<b>Cash And Cash Equivalents at The Beginning</b>	<b>587.86</b>	<b>392.70</b>
<b>Cash And Cash Equivalents at The End</b>	<b>1,196.18</b>	<b>587.86</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	0.46	0.69
Cheques in hand	-	-
<b>Other Bank balances</b>		
On current account	402.02	286.45
Prepaid card	0.47	0.26
Deposit Accounts	793.23	300.46
<b>Total</b>	<b>1,196.18</b>	<b>587.86</b>

See accompanying notes to the financial results



**Notes:-**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on May 28, 2022 and have been subjected to audit by the statutory auditors of the Company.
- 2 The Board of Directors of the Company have declared final dividend of ₹10/- per share having a nominal value of ₹ 10 each.
- 3 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.
- 4 CARE Ratings consolidated total income decreased by 1.8% percent from Rs. 279.74 crore in FY21 to Rs. 274.82 crore in FY22. Total expenses have increased by 9.4% during this period. Net profit decreased from Rs.90.97 crore to Rs.76.83 crore mainly due to provisions made in one of our subsidiaries for the exposure to Sri Lanka business.
- 5 CARE Ratings Consolidated fourth quarter total income decreased by 14.3% from Rs. 85.25 crore to Rs. 73.06 crore, while net profit decreased from Rs. 26.49 crore to Rs. 23.31 crore.
- 6 CARE Ratings standalone total income decreased by 1.6% from Rs.251.61 crore in FY21 to Rs.247.63 crore in FY22. Total expenses have marginally increased by 1.3% during this period. Net profit has been almost at same level at Rs.84.47 Crore in FY22.
- 7 CARE Ratings Standalone fourth quarter total income decreased by 10.5% from Rs. 74.82 crore to Rs. 66.94 crore. Net profit increased by 30.9% from Rs. 22.09 crore Q4FY21 to Rs. 28.92 crore in Q4FY22.
- 8 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.
- 9 Based on legal advice, on the outcome of adjudication proceeding initiated by SEBI, pertaining to Credit rating assigned by the Company to its client, the Company had filed appeal with SAT in previous year.
- 10 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.
- The Company had granted 5,37,908 options on September 01, 2017, to the eligible employees as the Company's Employees Stock Option Scheme (ESOS) 2017, which got expired on September 01, 2021.
- 11 The Company has granted 5,00,000 options on October 13, 2020, 3,22,000 options on December 01, 2020 and 1,23,500 options on October 29, 2021 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:

(₹ in Lakhs)

Particulars	Quarter Ended			Year ended	
	March 31, 2022	December 31, 2021	March 21, 2021	March 31, 2022	March 21, 2021
	Refer note 14	Unaudited	Refer note 13	Audited	Audited
ESOP Charge	36.00	221.57	226.86	629.01	356.91



12 Segment Information based on Consolidated Financial results of the Group is as follows:						
						(₹ in Lakhs)
Particulars	Quarter Ended			Year ended		
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021	
	Refer note 14	Unaudited	Refer note 13	Audited	Audited	
<b>a</b>	<b>Segment Revenue</b>					
	Ratings and related services	6,206.77	5,096.50	7,107.87	22,971.63	22,820.20
	Others	641.01	513.92	737.02	2,085.78	2,148.71
	<b>Total Segmental Revenue</b>	<b>6,847.78</b>	<b>5,610.42</b>	<b>7,844.89</b>	<b>25,057.41</b>	<b>24,968.91</b>
	Less: Inter Segment Revenue	(259.64)	6.17	113.77	(294.13)	(124.23)
	<b>Total Revenue from Operations (Net)</b>	<b>6,588.14</b>	<b>5,616.59</b>	<b>7,958.66</b>	<b>24,763.28</b>	<b>24,844.69</b>
<b>b</b>	<b>Segment Results (Profit before Finance Costs and Tax)</b>					
	Ratings and related services	2,264.17	1,435.82	2,521.94	7,982.15	8,664.49
	Others	(230.36)	(128.29)	359.87	(791.87)	132.60
	<b>Total Segment Result</b>	<b>2,033.80</b>	<b>1,307.53</b>	<b>2,881.81</b>	<b>7,190.27</b>	<b>8,797.09</b>
	Less: Finance Costs	11.96	10.15	4.65	46.38	61.75
	Add: Other Un-allocable Income - net	717.66	679.28	566.61	2,719.11	3,129.36
	<b>Profit before Tax</b>	<b>2,739.49</b>	<b>1,976.66</b>	<b>3,443.77</b>	<b>9,863.01</b>	<b>11,864.70</b>
						(₹ in Lakhs)
Particulars	As on	As on	As on	As on	As on	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021	
<b>c</b>	<b>Segment Assets</b>					
	Ratings and related services	64,495.85	60,689.61	39,503.41	64,495.85	39,503.41
	Others	3,049.93	3,095.88	2,993.26	3,049.93	2,993.26
	Unallocated Assets	5,194.92	6,021.38	24,680.56	5,194.92	24,680.56
	<b>Total</b>	<b>72,740.69</b>	<b>69,806.87</b>	<b>67,177.23</b>	<b>72,740.69</b>	<b>67,177.23</b>
<b>d</b>	<b>Segment Liabilities</b>					
	Ratings and related services	5,980.26	6,892.30	7,021.50	5,980.26	7,021.50
	Others	1,479.56	1,113.55	851.86	1,479.56	851.86
	Unallocated	-	-	-	-	-
	<b>Total</b>	<b>7,459.82</b>	<b>8,005.85</b>	<b>7,873.35</b>	<b>7,459.82</b>	<b>7,873.36</b>
<b>e</b>	<b>Capital Employed</b>					
	Ratings and related services	58,515.59	53,797.31	32,481.91	58,515.59	32,481.91
	Others	1,570.36	1,982.32	2,141.40	1,570.36	2,141.40
	Unallocated	5,194.92	6,021.38	24,680.56	5,194.92	24,680.56
	<b>Total</b>	<b>65,280.87</b>	<b>61,801.01</b>	<b>59,303.87</b>	<b>65,280.87</b>	<b>59,303.87</b>



- 13 The figures for the quarter ended March 31, 2021 in the above financial results are the balancing figures between the audited figures for the full financial year ended March 31, 2021 and the year to date unaudited limited reviewed figures published up to the nine months ended December 31, 2020.
- 14 The figures for the quarter ended March 31, 2022 in the above financial results are the balancing figures between the audited figures for the full financial year and the year to date unaudited limited reviewed figures published up to the nine months ended December 31, 2021.
- 15 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, May 28, 2022**